

**ARC ENERGY FUND 8 CANADIAN LIMITED PARTNERSHIP, ARC
ENERGY FUND 8 UNITED STATES LIMITED PARTNERSHIP, ARC
ENERGY FUND 8 INTERNATIONAL LIMITED PARTNERSHIP AND ARC
CAPITAL 8 LIMITED PARTNERSHIP**

– AND –

2659160 ALBERTA LTD.

– AND –

STEP ENERGY SERVICES LTD.

ARRANGEMENT AGREEMENT

November 3, 2024

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 3rd day of November, 2024.

BETWEEN:

ARC Energy Fund 8 Canadian Limited Partnership, ARC Energy Fund 8 United States Limited Partnership, ARC Energy Fund 8 International Limited Partnership and ARC Capital 8 Limited Partnership
(collectively, "**ARC Energy Fund 8**")

- and -

2659160 Alberta Ltd., a corporation existing under the laws of the Province of Alberta (the "**Purchaser**" and, collectively with ARC Energy Fund 8, the "**Purchaser Parties**")

- and -

STEP ENERGY SERVICES LTD., a corporation existing under the laws of the Province of Alberta ("**STEP**")

WHEREAS ARC Energy Fund 8, through its wholly-owned subsidiary, the Purchaser, proposes to acquire all of the issued and outstanding common shares of STEP not already owned by the ARC Funds;

AND WHEREAS the Parties intend to carry out the transactions contemplated by this Agreement by way of an arrangement under the provisions of section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement (attached hereto as Schedule A, as such Schedule may be amended from time to time in accordance with the provisions hereof);

AND WHEREAS concurrently with the execution and delivery of this Agreement, the Purchaser Parties and STEP have entered into the STEP Lock-up Agreements;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9;

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement (including, without limitation, the Arrangement and any US Fracturing Business Transaction), any bona fide direct or indirect offer, proposal, expression of interest or inquiry from any Person or

group of Persons (other than the Purchaser Parties or their Affiliates) after the date of this Agreement relating to any one or more of the following:

- (a) any sale or disposition (or any partnership, lease, license, long-term supply agreement or other arrangement having the same economic effect as a sale) of:
 - (i) assets of STEP or any of its subsidiaries representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of STEP and its subsidiaries in respect of the 12 month period ended June 30, 2024; or
 - (ii) 20% or more of any class of voting or equity securities (including securities convertible into or exercisable or exchangeable for voting or equity securities) of STEP or any of its subsidiaries (or rights or interests therein or thereto);
- (b) any direct or indirect plan of arrangement, take-over bid, tender offer, exchange offer, merger, amalgamation, consolidation, security exchange, business combination, reorganization, recapitalization, liquidation, dissolution or winding up or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting securities (including securities convertible into or exercisable or exchangeable for such voting securities) of STEP or any of its subsidiaries;
- (c) any other similar transaction or series of transactions involving STEP or any of its subsidiaries; or
- (d) any other transaction, the completion of which would or would reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement;

"Affiliate" of any Person means any other Person who, directly or indirectly, controls, or is controlled by, or is under common control with, such Person, and for these purposes:

- (a) a body corporate is controlled by one or more Persons if: (A) securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the Person or Persons; and (B) the votes attached to those securities are sufficient to elect a majority of the directors of the body corporate;
- (b) an association, partnership or other organization is controlled by one or more Persons if: (A) more than 50% of the partnership or other ownership interests, however designated, into which the association, partnership or other organization is divided are beneficially owned by the Person or Persons; and (B) the Person or Persons are able to direct the business and affairs of the association, partnership or other organization or the appointment of its management;
- (c) a body corporate, association, partnership or other organization is controlled by one or more Persons if the Person or Persons have, directly or indirectly, control in fact of the body corporate, association, partnership or other organization; and

- (d) a body corporate, association, partnership or other organization that controls another body corporate, association, partnership or other organization is deemed to control any body corporate, association, partnership or other organization that is controlled or deemed to be controlled by the other body corporate, association, partnership or other organization,

and "control", "controlled" and similar expressions have corresponding meanings;

"Agreement", **"herein"**, **"hereof"**, **"hereto"**, **"hereunder"** and similar expressions mean and refer to this Arrangement Agreement (including the Schedules hereto) as supplemented, modified or amended from time to time in accordance with its terms, and not to any particular Article, Section, Schedule or other portion hereof;

"Alternative Financing" has the meaning set forth in Subsection 3.5(e);

"Applicable Canadian Securities Laws" in the context that refers to one or more Persons, means, collectively, and as the context may require, the securities legislation of each of the provinces of Canada, and all rules, regulations, instruments, notices, blanket orders and policies published and/or promulgated thereunder, as amended from time to time prior to the Effective Date, that apply to such Person or Persons or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its business, undertaking, property or securities;

"Applicable Laws" in the context that refers to one or more Persons, means any domestic or foreign, national, federal, state, provincial, municipal, regional or local law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated, or applied by a Governmental Authority, that is binding upon or applicable to such Person or Persons or its business or their business, undertaking, property or securities and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority;

"Applicable U.S. Securities Laws" in the context that refers to one or more Persons, means, collectively, and as the context may require, the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time prior to the Effective Date, that apply to such Person or Persons or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its business, undertaking, property or securities;

"ARC Energy Fund 6" means, collectively, ARC Energy Fund 6 Canadian Limited Partnership, ARC Energy Fund 6 United States Limited Partnership, ARC Energy Fund 6 International Limited Partnership, and ARC Capital 6 Limited Partnership;

"ARC Funds" means, collectively, ARC Energy Fund 8, ARC Energy Fund 6, and any other Person controlled or managed, directly or indirectly, by ARC Financial Corp. that owns or controls STEP Shares;

"Arrangement" means the arrangement of STEP pursuant to section 193 of the ABCA, on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of this Agreement, Article 7 of the Plan of Arrangement or made at the direction of the Court in the Final Order provided that such

amendments or variations are acceptable to both the Purchaser and STEP, each acting reasonably;

"Arrangement Resolution" means the special resolution approving the Plan of Arrangement to be considered by the STEP Shareholders at the STEP Meeting substantially in the form set out in Schedule B;

"Articles of Arrangement" means the articles of arrangement of STEP in respect of the Arrangement required by subsection 193(4.1) of the ABCA to be sent to the Registrar after the Final Order is granted giving effect to the Arrangement which shall incorporate the Plan of Arrangement and otherwise be in form and substance satisfactory to both the Purchaser and STEP, each acting reasonably;

"Authorization" means with respect to any Person, any order, permit, approval, consent, waiver, licence, certificate, registration, franchise, privilege, quota, exemption or similar authorization of any Governmental Authority having jurisdiction over such Person;

"Breaching Party" has the meaning set forth in Subsection 5.4(c);

"Business" means the business of STEP and its subsidiaries consisting of providing coiled tubing, fluid and nitrogen pumping and hydraulic fracturing solutions;

"Business Day" means a day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;

"Capital Budget" means the 2024 capital budget approved by the STEP Board;

"CASL" means the *Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act* (S.C. 2010, c. 23);

"Certificate of Arrangement" means the certificate of arrangement or other proof of filing issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement, giving effect to the Plan of Arrangement;

"Change in Recommendation" has the meaning set forth in Subsection 8.2(c)(i)(E);

"Circular" means the notice of the STEP Meeting and the accompanying management information circular, including all schedules, appendices and exhibits thereto, to be sent to the STEP Shareholders and such other Persons as may be required by the Interim Order or by Applicable Law in connection with the STEP Meeting, as amended, supplemented or otherwise modified from time to time in accordance with this Agreement;

"Confidential Information" has the meaning ascribed thereto in the Confidentiality Agreement;

"Confidentiality Agreement" means the confidentiality agreement between STEP and ARC Financial Corp. dated July 8, 2024;

"Consideration" means the consideration to be paid and received pursuant to the Plan of Arrangement in respect of each STEP Share that is issued and outstanding immediately prior to the Effective Time (other than those STEP Shares held by the ARC Funds and Dissenting Shareholders), consisting of \$5.00 in cash per STEP Share;

"Contracts" means all legally binding agreements, engagement, arrangements, understandings, commitments and undertakings (whether written or oral) to which a Person is a party or a beneficiary or pursuant to which any of its property or assets are or may be affected;

"Court" means the Court of King's Bench of Alberta in Calgary, Alberta;

"Debt Commitment Letter" has the meaning set forth in Subsection 4.1(n);

"Debt Financing" has the meaning set forth in Subsection 4.1(n);

"Debt Financing Sources" means, collectively, any actual or prospective lender, underwriter, bookrunner, arranger, agent in respect of, the Debt Financing pursuant to the Debt Commitment Letter and/or any Alternative Financing;

"Depository" means such Person as may be appointed by the Purchaser with the written approval of STEP, acting reasonably, for the purpose of receiving deposits of certificates formerly representing STEP Shares in connection with the Arrangement;

"Depository Agreement" has the meaning set forth in Subsection 2.11(a);

"Derivative Contract" means a financial risk management Contract, such as a currency, commodity, interest or equity related instrument, including but not limited to rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 30 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions;

"Disclosing Party" has the meaning set forth in Subsection 4.3(a);

"Dissent Rights" means the right of a registered STEP Shareholder to dissent with respect to the Arrangement Resolution and to be paid by the Purchaser the fair value of the STEP Shares in respect of which the STEP Shareholder dissents, granted pursuant to the Interim Order, all in accordance with section 191 of the ABCA (as modified by the Interim Order), the Interim Order and Article 4 of the Plan of Arrangement;

"Dissenting Shareholder" means a registered STEP Shareholder who validly exercises its Dissent Rights with respect to the Arrangement Resolution in strict compliance with section 191 of the ABCA, the Interim Order and Article 4 of the Plan of Arrangement, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights as of the Effective Time;

"Effective Date" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"Effective Time" means the time at which the Arrangement becomes effective on the Effective Date pursuant to the ABCA;

"Environment" means the natural environment (including soil, land surface or subsurface strata, surface waters, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms), and any other environmental medium or natural resource;

"Environmental Laws" means all applicable treaties, Applicable Laws, regulations, directives, circulars, decrees, judgements, injunctions, permits, authorizations or notices relating to pollution or protection of the environment, including, without limitation, laws relating to Releases or threatened Releases of Hazardous Substances into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface, and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, Release, transport, or handling of Hazardous Substances;

"Fairness Opinion" means the opinion of the STEP Independent Valuator to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the STEP Shareholders under the Arrangement is fair, from a financial point of view, to the STEP Shareholders (other than the ARC Funds);

"Final Order" means a final order of the Court in a form acceptable to STEP and the Purchaser each acting reasonably in approving the Arrangement pursuant to subsection 193(4) of the ABCA, as such order may be amended by the Court at any time prior to the Effective Time, provided that such amendment is acceptable to the Purchaser and STEP, each acting reasonably;

"Governmental Authority" means:

- (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;
- (b) any subdivision, agency, agent or authority of any of the foregoing; or
- (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing including, for greater certainty, the Securities Authorities, and the TSX;

"Hazardous Substance" means any substance, chemical, mixture or material, whether animate or inanimate, that is or may be harmful or hazardous to human, animal, or plant life, any property, any activity, or to the environment or natural resources, and includes anything that is regulated under any Environmental Laws as a "contaminant", "source of contaminant", "pollutant", "pesticide", "fuel", "deleterious substance", "toxic substance", "hazardous substance", "controlled substance", "designated substance", "domestic substance", "non-domestic substance", "priority substance", "prohibited substance", "substance subject to notification or consent", "restricted substance", "ozone-depleting substance", "nuclear substance", "hazardous product", "dangerous good", "waste", "hazardous waste", or "hazardous recyclable material";

"IFRS" means Canadian generally accepted accounting principles for publicly accountable enterprises, being International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board;

"Incentive Awards" means, collectively, the outstanding STEP DSUs, STEP Options, STEP PSUs, STEP RSUs, STEP Phantom RSUs and any phantom restricted share units or phantom performance share units granted under the STEP DSU Plan, STEP Option Plan, STEP PRSU Plan, STEP Phantom RSU Plan or STEP Phantom LTIP Plan as applicable;

"Incentive Plans" means, collectively, the STEP DSU Plan, STEP ESPP, STEP Fixed LTIP Plan, STEP Option Plan, STEP Phantom LTIP Plan, STEP Phantom RSU Plan, and STEP PRSU Plan;

"Interim Order" means the interim order of the Court in a form acceptable to the Purchaser and STEP, each acting reasonably, pursuant to subsection 193(4) of the ABCA in respect of the Arrangement and STEP Meeting, as such order may be affirmed, amended or modified (provided that such amendments or modifications are acceptable to both the Purchaser and STEP, each acting reasonably) by the Court;

"Intellectual Property" means:

- (a) all patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice), and including all provisional applications, substitutions, continuations, continuations-in-part, patents of addition, improvement patents, divisions, renewals, reissues, confirmations, counterparts, re-examinations and extensions thereof;
- (b) all trademarks, service marks, trade dress, trade names, logos, domain names, uniform resource locators and social media identities, and corporate names, whether registered or existing at common law;
- (c) all registered and unregistered statutory and common law copyrights, works of authorship, "moral" rights and industrial designs;
- (d) all registrations, applications, divisionals and renewals for any of the foregoing;
- (e) all trade secrets, confidential information, ideas, formulae, compositions, know-how, improvements, innovations, discoveries, designs, computer programs (whether in source code or object code), software, databases, compilations and data, manufacturing and production processes and techniques and all documentation related to the foregoing;
- (f) all other intellectual property rights; and
- (g) all rights to sue at law or in equity, including all causes of action for any past infringement or other impairment of any and all of the foregoing, and including the right to all remedies therefrom, including the right to receive all proceeds and damages, where applicable at law;

"IT Asset" means any and all software, hardware, servers, systems, sites, circuits, networks, data communications lines, routers, hubs, switches, interfaces, websites, platforms, and other

computer, telecommunications and information technology assets and equipment, in each case, owned or used by STEP;

"Leased Real Property" means the lands and buildings which are leased by STEP or any of its subsidiaries;

"Leases" means the leases, offers to lease, subleases, licenses, rights to occupy and any amendments, modifications, renewals, extension and supplements thereto to which STEP or any of its subsidiaries is a party, whether as lessor or lessee;

"Lien" means:

- (a) any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), privilege, easement, servitude, pre-emptive right or right of first refusal, ownership or title retention agreement, restrictive covenant or conditional sale agreement or option, imperfections of title or encroachments relating to real property; and
- (b) any other encumbrance of any nature or any arrangement or condition which, in substance, secures payment or performance of an obligation;

"Material Adverse Change" or **"Material Adverse Effect"** means, with respect to a Party, any effect, change, event, development, circumstance or occurrence that, individually or in the aggregate with such other effects, changes, events, developments, circumstances or occurrences is, or would reasonably be expected to:

- (a) be material and adverse to the current or future financial condition, business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise) or cash flows of such Party and its subsidiaries, taken as a whole, other than any effect, change, event, development, circumstance or occurrence resulting from:
 - (i) any condition or change in conditions generally affecting the industries in which such Party and any of its subsidiaries operate;
 - (ii) any change in general economic, business, regulatory, political, currency, credit, securities or market conditions or in national or global financial, capital or credit markets;
 - (iii) changes in Applicable Laws;
 - (iv) any changes in IFRS or to applicable accounting regulations or principles, or in the interpretation or enforcement thereof, after the date of this Agreement;
 - (v) any change in the market price or trading volume of any securities of such Party (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred);

- (vi) the failure of a Party to meet any internal or published forecasts, projections or estimates of financial condition, financial performance or cash flows or other similar or related financial measures (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);
- (vii) any acts of God, riots, terrorism, sabotage, natural disasters, epidemics, pandemic (including COVID-19 or any evolutions or mutations thereof), disease outbreak or similar public health crisis or public health event, military action or war (whether or not declared), change in global, national or regional political conditions, civil unrest, or disturbances or similar event or escalation or worsening thereof;
- (viii) any changes or effects arising from matters expressly permitted or contemplated by this Agreement or consented to or approved in writing by the Other Party; or
- (ix) the entry into, announcement, consummation or performance of, or failure to enter into or consummate, this Agreement and the transactions contemplated hereby, including any impact on relationships, contractual or otherwise, with customers, suppliers, distributors, lenders, partners, Governmental Authorities or employees or any litigation related to the transactions contemplated by this Agreement or actions taken or requirements imposed by any Governmental Authority in connection with this Agreement and the transactions contemplated hereby;

provided, however, that in each case, the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or a Material Adverse Effect and where, in the case of (i), (ii), (iii), (iv), and (vii) such effect relating to or resulting from the foregoing does not have a disproportionate effect on the current or future financial condition, business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise) or cash flows of such Party and its subsidiaries, taken as a whole, as compared to the corresponding effect on comparable Persons operating in the industries and geographic areas in which such Party or any of its Affiliates operate; or

- (b) materially impair the ability of such Party to consummate the transactions contemplated by this Agreement or that would materially impair, delay or impact its ability to perform its obligations under this Agreement by the Outside Date;

"Material Authorization" has the meaning set forth in Subsection 4.2(cc);

"Material Contract" means:

- (a) any Derivative Contract;
- (b) any Leases, other than Leases that have a rental obligation of less than **[amount redacted]** over their term; and
- (c) any other Contract:

- (i) that, if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect with respect to STEP;
- (ii) relating, directly or indirectly, to any indebtedness for borrowed money, whether secured by any asset or not;
- (iii) relating, directly or indirectly, to the guarantee of any liabilities or obligations or to indebtedness for borrowed money;
- (iv) restricting the incurrence of indebtedness by STEP or any of its subsidiaries;
- (v) under which STEP or any of its subsidiaries is obligated to make or receive payments in excess of **[amount redacted]** in any 12 month period;
- (vi) that creates an exclusive dealing arrangement or right of first offer or refusal or most favoured nation status;
- (vii) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset (including any of the foregoing where the transaction has closed and STEP or any of its subsidiaries has any existing indemnification, earn-out or other obligations in relation thereto) where the purchase or sale price or agreed value or fair market value of such property or asset exceeds **[amount redacted]**;
- (viii) that limits or restricts in any respect:
 - (A) the ability of STEP or any of its subsidiaries to engage in any line of business or carry on business in any geographic area; or
 - (B) the scope of Persons to whom STEP or any of its subsidiaries may sell products or services;
- (ix) providing for the establishment, investment in, organization or formation of any joint venture, partnership or other revenue sharing arrangements;
- (x) which is not terminable by STEP or any of its subsidiaries, as applicable, upon notice of six months or less and under which STEP or any of its subsidiaries is obligated to make or expects to receive:
 - (A) in respect of Contracts with a remaining term of 12 months or more, annual payments in excess of **[amount redacted]** per annum or **[amount redacted]** in aggregate over the term of the Contract;
 - (B) in respect of Contracts with a remaining term of less than 12 months, payments in excess of **[amount redacted]** in aggregate over the remaining term of the Contract;
- (xi) that is a collective bargaining agreement, a labour union Contract, or any other memorandum of understanding or other agreement with a union;

- (xii) with any director or officer, or other non-arm's length party;
- (xiii) that creates future payment obligations (including settlement agreements or Contracts that require any capital contributions to, or investments in, any Person) of STEP or any of its subsidiaries outside of the Ordinary Course or that creates or would create a Lien on any material asset or property of STEP or any of its subsidiaries;
- (xiv) that is a license, sublicense or royalty agreement relating to Intellectual Property, other than standard license agreements relating to any "shrink wrap", "click wrap" or "off the shelf" software not specially developed by or for STEP or any its subsidiaries;
- (xv) to which STEP or any of its subsidiaries is a party or by which any of them are bound which relate to the capture, transportation, utilization or sequestration of carbon dioxide; or
- (xvi) that provide for an amount to be paid by STEP or any of its subsidiaries as a result of the Arrangement and the transactions contemplated hereby;

"Material Leased Assets" has the meaning set forth in Subsection 4.2(rr);

"Material Owned Assets" has the meaning set forth in Subsection 4.2(rr);

"MI 61-101" means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;

"misrepresentation" has the meaning set forth in the Securities Act;

"NI 52-109" means National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings;

"Non-Continuing STEP Directors" has the meaning set forth in Section 2.10

"Order" means any order, writ, judgment, decree, stipulation, determination, award, decision, sanction, ruling, or similar action taken or entered by or with or applied by any Governmental Authority, in each case, whether temporary, preliminary or permanent;

"Ordinary Course" means, with respect to an action taken by any Person, that such action is or has been taken in the ordinary and usual course of the normal day-to-day operations of the Person or its business, as the case may be, and in a manner consistent with the past practices of such Person or its business, including any action taken by such Person which is necessary to preserve or protect the health and safety of individuals, property or the environment in accordance with past practice and good oil field industry practice;

"Other Party" means: (i) with respect to the Purchaser Parties, STEP; and (ii) with respect to STEP, the Purchaser Parties;

"Outside Date" means February 15, 2025 or such later date as may be agreed to in writing by the Parties;

"Owned Real Property" means the lands and buildings situate thereon, and all easements, licenses, rights and appurtenances relating to the foregoing, of which STEP or any of its subsidiaries is the registered or beneficial owner;

"Parties" means the Purchaser Parties and STEP; and **"Party"** means either one of them;

"Person" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;

"Personal Information" means: (i) any information which relates to an individual and directly or indirectly allows that individual to be identified; and (ii) any information that is defined as "personal information", "personal data", "personally identifiable information," or words of similar import under Applicable Law;

"Plan of Arrangement" means the plan of arrangement substantially in the form set out in Schedule A to this Agreement and any amendments or variations made in accordance with this Agreement, Article 7 of the Plan of Arrangement or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to the Purchaser and STEP, each acting reasonably;

"Privacy Laws" means the *Personal Information Protection and Electronic Documents Act* (Canada), CASL, the *Personal Information Protection Act* (Alberta), and any other applicable national, federal, provincial or state privacy laws;

"Privacy/Security Obligations" has the meaning set forth in Subsection 4.2(www);

"Proceeding" means any action, cause of action, claim, demand, litigation, suit, investigation, grievance, citation, summons, subpoena, inquiry, audit, hearing, originating application to a tribunal, arbitration or other similar proceeding of any nature, whether in equity in law, in contract, in tort or otherwise;

"Purchaser Parties Damages Event" has the meaning set forth in Section 6.1(a);

"Purchaser Parties Damages Fee" has the meaning set forth in Section 6.1(a);

"Purchaser Parties Information" means the information in respect of the Purchaser and ARC Funds specifically provided by the Purchaser Parties to STEP for inclusion in the Circular;

"Recipient" has the meaning set forth in Subsection 4.3(a);

"Registrar" means the Registrar of Corporations for the Province of Alberta or a Deputy Registrar of Corporations appointed under section 263 of the ABCA;

"Regulatory Approvals" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration or filing with, any Governmental Authority, or the expiry, waiver or termination of any waiting period imposed by any Applicable Laws or a Governmental Authority, in each case, legally required to be received by the Parties prior to the consummation of the transactions contemplated by this Agreement;

"Release" means any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment;

"Representatives" has the meaning set forth in Subsection 3.6(a);

"Required Amount" has the meaning set forth in Subsection 4.1(m);

"Securities Act" means the *Securities Act* (Alberta), R.S.A. 2000, c. S-4;

"Securities Authorities" means, collectively, the Alberta Securities Commission and the applicable securities commissions or similar securities regulatory authority of a province, state or territory of Canada;

"SEDAR+" means the System for Electronic Document Analysis and Retrieval maintained on behalf of the Canadian Securities Administrators;

"STEP Benefit Plan" means any retirement, pension, supplemental pension, savings, retirement savings, retiring allowance, bonus, profit sharing, stock purchase, stock option, phantom stock, share appreciation rights, deferred compensation, severance or termination pay, change of control, life insurance, medical, hospital, dental care, vision care, drug, sick leave, short term or long term disability, salary continuation, unemployment benefits, vacation, incentive, compensation or other employee benefit plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered, insured or self-insured that is maintained or otherwise contributed to, or required to be contributed to, by or on behalf of STEP or any of its subsidiaries for the benefit of current or former STEP Employees, directors, officers, independent contractors or agents of STEP or any of its subsidiaries, excluding any government sponsored pension, health insurance, employment insurance and workers compensation plans.

"STEP Board" means the board of directors of STEP;

"STEP Board Recommendation" has the meaning set forth in Subsection 2.3(c)(iii);

"STEP Disclosure Letter" means the disclosure letter executed by STEP and delivered to the Purchaser Parties concurrently with the execution of this Agreement;

"STEP DSU Plan" means the STEP Board's Deferred Share Unit Plan dated effective May 2, 2017, as amended June 23, 2022 and August 2, 2023;

"STEP DSUs" means deferred share units issued pursuant to the STEP DSU Plan;

"STEP Employee" means any full-time or part-time employee of STEP or any of its subsidiaries including any such employee on disability (long-term or short-term), workers' compensation, maternity, parental or other statutory or approved leave whether paid or unpaid;

"STEP ESPP" means STEP's Employee Share Purchase Plan dated effective September 1, 2019;

"STEP Financial Advisor" means Peters & Co. Limited, financial advisor to the STEP Special Committee;

"STEP Financial Statements" means the audited consolidated financial statements of STEP as at and for the years ended December 31, 2022 and 2023, together with the notes thereto and the auditor's report thereon, and the unaudited consolidated interim financial statements of STEP as at and for the three and six months ended June 30, 2024, together with the notes thereto;

"STEP Fixed LTIP Plan" means the Fixed Award Long Term Incentive Plan dated effective June 1, 2021;

"STEP Independent Valuator" means Ernst & Young LLP;

"STEP Information" means the information describing STEP and its business, operations and affairs required to be included in the Circular (including information incorporated into the Circular by reference) under Applicable Canadian Securities Laws;

"STEP Lock-up Agreements" means the voting support agreements separately entered into between (i) the Purchaser Parties and each of the directors and officers of STEP, and (ii) ARC Energy Fund 6 and STEP, in each case, concurrently with the execution and delivery of this Agreement;

"STEP Meeting" means the special meeting of STEP Shareholders to be held in accordance with the terms of the Interim Order to consider, among other things, the Arrangement Resolution and related matters, and any adjournments or postponements thereof in accordance with the terms of this Agreement;

"STEP Option" means an option to purchase a STEP Share granted under the STEP Option Plan;

"STEP Option Plan" means STEP's Stock Option Plan dated effective as of May 1, 2017, as amended effective May 7, 2020 and June 22, 2023;

"STEP Phantom LTIP Plan" means the Phantom Long Term Incentive Plan dated effective May 7, 2019, as amended effective May 7, 2020;

"STEP Phantom RSU Plan" means the STEP Board's Phantom Restricted Share Unit Plan dated effective June 23, 2022;

"STEP Phantom RSUs" means the phantom restricted share units issued pursuant to the STEP Phantom RSU Plan or the STEP Phantom LTIP Plan;

"STEP Preferred Shares" means preferred shares in the capital of STEP;

"STEP PRSU Plan" means STEP's Performance and Restricted Share Unit Plan dated effective as of May 1, 2017, as amended effective May 7, 2020 and June 22, 2023;

"STEP PSUs" means performance share units issued pursuant to the STEP PRSU Plan;

"STEP Public Record" means all information filed by or on behalf of STEP with the Securities Authorities, in compliance, or intended compliance, with any Applicable Laws after January 1,

2024 and prior to the date hereof, which is available for public viewing under STEP's profile on SEDAR+;

"STEP RSUs" means restricted share units issued pursuant to the STEP PRSU Plan;

"STEP Shareholders" means the registered or beneficial, as applicable, holders of issued and outstanding STEP Shares;

"STEP Shares" means common shares in the capital of STEP;

"STEP Special Committee" means the special committee formed by the STEP Board to consider the Arrangement;

"subsidiary" has the meaning set forth in the Securities Act, provided, however, that, in respect of the Purchaser Parties, "subsidiary" shall not include STEP or any of STEP's subsidiaries;

"Superior Proposal" means any unsolicited bona fide written Acquisition Proposal made after the date of this Agreement that did not result from or involve a breach of Section 3.6: (a) involving the direct or indirect acquisition of all or substantially all of the outstanding STEP Shares, or all or substantially all of the assets of STEP; (b) that complies with all Applicable Canadian Securities Laws; (c) that the STEP Board determines (upon recommendation by the STEP Special Committee) in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors, (i) is reasonably capable of being completed at the time and on the basis set out therein, without undue delay, relating to the Arrangement, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the party making such Acquisition Proposal; (ii) that is not subject to a financing condition and in respect of which it has been demonstrated to the reasonable satisfaction of the STEP Board that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal, if any; (iii) that it is not subject to any due diligence condition; and (iv) would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, to the STEP Shareholders (other than the Purchaser and the ARC Funds) than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser Parties pursuant to Subsection 3.6(e));

"Tax Act" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.);

"Tax Authority" means the Canada Revenue Agency and any other Governmental Authority having taxing authority and their respective successors, if any;

"Tax Returns" means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or are required to be prepared or filed in respect of Taxes;

"Taxes" includes:

- (a) any taxes, duties, assessments, imposts, fees, withholdings, levies and other charges of any nature imposed by any Tax Authority, including those levied on, or measured by, or referred to as, income, net income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-

added, excise, withholding, business, carbon, emissions, property, occupancy, vacancy, fuel, carbon, environmental, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervailing and anti-dumping and all employment insurance, health insurance and Canada, Québec and other government pension plan and other employer plan premiums, contributions or withholdings and all other taxes and similar governmental changes of any kind imposed by any Governmental Authority;

- (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (a) above or this clause (b); and
- (c) any liability for the payment of any amounts of the type described in clause (a) or (b) above by contract, as a result of any express or implied obligation to indemnify any other Person, or as a result of being a member of an affiliated, consolidated, combined or unitary group for any period or as a result of being a transferee or successor in interest to any party;

"Terminating Party" has the meaning set forth in Subsection 5.4(c);

"Termination Notice" has the meaning set forth in Subsection 5.4(c);

"Third Party Beneficiaries" has the meaning set forth in Section 10.7;

"Transaction Costs" means all transaction costs, including all financial advisory, legal, engineering, audit and insurance costs and expenses, incurred by STEP and any of its subsidiaries in connection with the Arrangement and the transactions contemplated hereby;

"Transferred Information" has the meaning set forth in Subsection 4.3(a);

"TSX" means the Toronto Stock Exchange; and

"US Fracturing Business Transaction" means the sale by STEP of assets and/or subsidiaries relating to its United States hydraulic fracturing operations, provided that (a) STEP provides the Purchaser Parties with sufficient information to permit the Purchaser Parties to form a reasoned judgment concerning any proposed US Fracturing Business Transaction; and (b) STEP obtains the prior written consent of the Purchaser Parties for any proposed US Fracturing Business Transaction, which consent may be withheld by the Purchaser Parties in their sole discretion.

1.2 Gender and Number

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, words importing the singular number only (including defined terms) include the plural and vice versa and words importing a gender include all genders and, in each case, the rest of any sentence including such words is to be construed as if the necessary grammatical changes had been made.

1.3 Certain Phrases and Calculation of Time

- (a) In this Agreement:

- (i) the words "including" and "includes" mean "including (or includes) without limitation"; and
 - (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding". If the last day of any such period is not a Business Day, such period will end on the next Business Day.
- (b) When calculating the period of time "within" which or "following" which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is to be excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.
 - (c) Without limiting the generality of the foregoing, whenever payments are to be made or an action taken on a day which is not a Business Day, such payment will be made or such action taken on the next Business Day.
 - (d) Unless otherwise specifically provided in this Agreement, references to time are to local time in Calgary, Alberta.

1.4 Other Terms

In this Agreement:

- (a) the phrases "the aggregate of", "the total of" and "the sum of" and phrases of similar meaning mean "the aggregate (or total or sum), without duplication, of";
- (b) the words "hereof", "herein", "hereunder" and "hereto" and similar expressions refer to this Agreement as a whole;
- (c) the word "or" is not exclusive;
- (d) the words "delivered", "made available" and "furnished" and similar expressions mean that the information, document or materials referred to have been physically or electronically delivered to the relevant Parties; and
- (e) the words "executed" and "signed" include electronic signatures and execution thereby, and an electronic signature shall have the same legal effect, and be as valid and enforceable, as a manually executed signature.

1.5 Headings, etc.

The inclusion of a table of contents, the division of this Agreement into Articles, Sections and Schedules, and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation of this Agreement. Unless otherwise stated, all reference in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.6 Currency

All monetary amounts in this Agreement, unless otherwise specified, are stated in Canadian currency.

1.7 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge (after having made due inquiry) of the following persons and does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge: (a) in the case of the Purchaser Parties, Brian Boulanger and Jeremy Gackle; and (b) in the case of STEP, Steve Glanville and Klaas Deemter.

1.8 Statutory and Other References

Except as otherwise specifically provided in this Agreement, any reference to a statute in this Agreement refers to that statute and the rules, regulations and ministerial orders made under that statute and in effect on the date of this Agreement and on the Effective Date, as the same may, from time to time, be amended, re-enacted or replaced on or prior to the Effective Date. Except as otherwise specifically provided in this Agreement, references to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated on or prior to the Effective Date.

1.9 No Presumption

The Parties and their counsel have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if drafted jointly by the Parties. No presumption or burden of proof should arise in favour of any Party by virtue of the authorship of any provision of this Agreement.

1.10 Governing Law and Forum

- (a) This Agreement is governed by and is to be interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (b) The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of Alberta in any Proceeding arising out of, or relating to, this Agreement. Each of the Parties waives objection to the venue of any Proceeding in such court or any argument that such court provides an inconvenient forum.

1.11 Accounting Terms

Except as otherwise specifically provided for in this Agreement, all accounting terms are to be interpreted in accordance with IFRS and all determinations of an accounting nature in respect of STEP required to be made shall be made in a manner consistent with IFRS.

1.12 STEP Disclosure Letter

The STEP Disclosure Letter itself and all information contained therein is confidential information and may not be disclosed unless: (a) it is required to be disclosed pursuant to Applicable Law unless such Applicable Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes; or (b) a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

1.13 Schedules

The following Schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule A – Plan of Arrangement

Schedule B – Arrangement Resolution

ARTICLE 2 THE ARRANGEMENT AND STEP MEETING

2.1 Plan of Arrangement

As soon as reasonably practicable following the date hereof, subject to the terms and conditions contained in this Agreement, the Parties shall effect the Arrangement pursuant to and in accordance with this Agreement and the Plan of Arrangement.

2.2 Interim Order

- (a) As soon as reasonably practicable following the execution of this Agreement and, in any event in sufficient time to permit the STEP Meeting to be held on the date specified in Section 2.4, STEP shall apply to the Court pursuant to subsection 193(2) of the ABCA, in a manner acceptable to the Purchaser Parties, acting reasonably, for the Interim Order and thereafter diligently seek the Interim Order and, upon receipt thereof, STEP shall forthwith carry out the terms of the Interim Order to the extent applicable to it. The Interim Order shall provide, among other things:
- (i) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the STEP Meeting and the manner in which such notice is to be provided;
 - (ii) confirmation of the record date in respect of the STEP Meeting;
 - (iii) that the STEP Shareholders shall be entitled to vote with respect to the Arrangement Resolution, with each STEP Shareholder being entitled to one vote for each STEP Share held;
 - (iv) that the requisite approval for the Arrangement Resolution shall be (A) at least (and not more than) two-thirds of the votes cast by the STEP Shareholders, voting as a single class, present in person or represented by proxy at the STEP Meeting and (B) as required by MI 61-101, minority

approval in accordance with section 8.1 of MI 61- 101 or as modified by the Interim Order;

- (v) that, in all other respects, except as modified by the Interim Order, the terms, restrictions and conditions of STEP's articles and by-laws, including quorum requirements and all other matters, shall apply in respect of the STEP Meeting;
 - (vi) for the grant of Dissent Rights in the manner contemplated in the Plan of Arrangement;
 - (vii) that the STEP Meeting may be adjourned or postponed from time to time by STEP in accordance with this Agreement or the Interim Order or with the consent of the Purchaser Parties without the need for additional approval of the Court;
 - (viii) that, except as required by Applicable Laws, the record date for determining STEP Shareholders entitled to notice of and to vote at the STEP Meeting will not change in respect of any adjournment or postponement of the STEP Meeting;
 - (ix) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
 - (x) for such other matters as a Party may reasonably require, subject to obtaining the prior written consent of the other Parties, such consent not to be unreasonably withheld, conditioned or delayed, and subject to the approval of the Court.
- (b) The Purchaser Parties will use their reasonable commercial efforts to assist STEP in obtaining the Interim Order.

2.3 Circular

- (a) As soon as reasonably practicable following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws, STEP shall, with assistance from and the participation of the Purchaser Parties: (i) prepare the Circular, together with any other documents required by Applicable Laws in connection with the STEP Meeting, and (ii) STEP shall, as soon as reasonably practicable after obtaining the Interim Order, cause the Circular and such documents to be mailed to each STEP Shareholder who is entitled to receive the Circular and such documents pursuant to the Interim Order and Applicable Laws, and to be filed with applicable Securities Authorities, other regulatory authorities and other Governmental Authorities in all jurisdictions where the same is required to be mailed and filed so as to permit the STEP Meeting to be held in accordance with Section 2.4.
- (b) STEP shall ensure that the Circular:
 - (i) complies in all material respects with Applicable Law and does not contain a misrepresentation; and

- (ii) provides the STEP Shareholders with sufficient information to permit them to form a reasoned judgment concerning the matters to be placed before them at the STEP Meeting.
- (c) Without limiting the generality of Subsection 2.3(b)(ii), the STEP Circular must include:
 - (i) a summary and a copy of the Fairness Opinion contemplated by Subsection 2.7(a), and the formal valuation contemplated by Subsection 2.7(b);
 - (ii) a statement that based upon, among other things, the receipt by the STEP Special Committee of the Fairness Opinion referred to in Subsection 2.7(a), and the presentation and verbal valuation range in respect of the valuation of the STEP Independent Valuator with respect to a STEP Share that is referred to in Subsection 2.7(b), the recommendation of the STEP Special Committee and, after receiving advice from the STEP Financial Advisor and outside legal counsel and having considered all other relevant factors, the STEP Board has unanimously (other than the directors who abstained due to an actual or perceived conflict): (A) determined that the Arrangement is fair to the STEP Shareholders (other than the ARC Funds) and is in the best interests of STEP; and (B) resolved to recommend that the STEP Shareholders (other than the ARC Funds) vote in favour of the Arrangement Resolution (the "**STEP Board Recommendation**"); and
 - (iii) a statement that each director and officer of STEP and ARC Energy Fund 6 have entered into a STEP Lock-up Agreement pursuant to which each such Person has agreed to vote all their STEP Shares in favour of the Arrangement Resolution in accordance with the terms of such STEP Lock-up Agreement.
- (d) STEP shall allow the Purchaser Parties and their representatives with a reasonable opportunity to review and comment on drafts of the Circular and other related documents and reasonable consideration shall be given to any comments made by the Purchaser Parties and their Representatives and shall ensure that the Circular complies in all material respects with Applicable Laws. STEP shall ensure that the Purchaser Parties have been provided with a final copy of the Circular prior to mailing the Circular to the STEP Shareholders.
- (e) The Purchaser Parties shall provide in writing to STEP all necessary information concerning the Purchaser Parties and the Debt Financing Sources, as applicable, that is required by Applicable Law to be included by STEP in the Circular or other related documents to STEP in writing and shall ensure that such information does not contain any misrepresentation.
- (f) Each Party shall promptly notify the other Party if it becomes aware that the Circular contains a misrepresentation, or otherwise requires an amendment or supplement. The Parties shall cooperate in the preparation of any such amendment or supplement as required or appropriate, and STEP shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the STEP Shareholders and, if required by the Court or by Applicable Law, file the

same with the Securities Authorities or any other Governmental Authority as required.

2.4 STEP Meeting

Subject to the receipt of the Interim Order and the terms of this Agreement and the Interim Order, STEP shall:

- (a) use commercially reasonable efforts to convene and conduct the STEP Meeting (and cause the Arrangement Resolution to be voted on at the STEP Meeting) in accordance with the Interim Order, the constating documents of STEP, and Applicable Laws as soon as reasonably practicable, but in any event not later than December 19, 2024, and not adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the STEP Meeting without the prior written consent of the Purchaser Parties, which consent shall not be unreasonably withheld, conditioned or delayed, except as:
 - (i) required or permitted under Subsection 3.6(h) or 5.4(c);
 - (ii) required for quorum purposes (in which case, the STEP Meeting shall be adjourned and not cancelled); or
 - (iii) upon determination by the STEP Special Committee that the Arrangement Resolution will not receive the level of approval required by the Interim Order in order to become effective and STEP thereafter advises the Purchaser Parties that STEP wishes to undertake measures to facilitate approval of the Arrangement Resolution; provided that the STEP Meeting so adjourned or postponed shall be held not later than thirty days after the date on which the STEP Meeting was originally scheduled and provided that this Subsection 2.4(a)(iii) is not meant in any way to modify the rights of the Parties to terminate this Agreement following such adjournment or postponement if permitted to do so hereunder;
- (b) not propose or submit for consideration at the STEP Meeting any business other than the Arrangement without the prior written consent of the Purchaser Parties;
- (c) subject to the terms of this Agreement, solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including using, at STEP's expense (which expense, for greater certainty, shall constitute Transaction Costs), the services of an established proxy solicitation agent, consulting with the Purchaser Parties in the selection and retainer of any such proxy solicitation agent and reasonably considering the Purchaser Parties' recommendation with respect to any such proxy solicitation agent, permitting the Purchaser Parties to assist and participate in all calls and meetings with such proxy solicitation agent, providing the Purchaser Parties with all material information and updates from such proxy solicitation agent, consulting with and considering any suggestions from the Purchaser Parties with regards to such proxy solicitation agent, and keeping the Purchaser Parties apprised with respect to such solicitation of proxies; provided that STEP shall not be required to solicit proxies in favour of the approval of the

Arrangement Resolution, or take any other actions under this Section 2.4(c), if a Change in Recommendation has been made in accordance with Section 3.6(i);

- (d) promptly provide the Purchaser Parties with copies of or access to information regarding the STEP Meeting generated by STEP's transfer agent or any proxy solicitation agent retained by STEP, as reasonably requested from time to time by the Purchaser Parties;
- (e) consult with the Purchaser Parties in fixing the date of the STEP Meeting and the record date for the purpose of determining the Persons entitled to receive notice of and vote at the STEP Meeting, give notice to the Purchaser Parties of the STEP Meeting, and allow the Representatives and outside legal counsel of the Purchaser Parties to attend the STEP Meeting;
- (f) promptly advise the Purchaser Parties, at such times as the Purchaser Parties may reasonably request and on a daily basis on each of the last 10 Business Days prior to the date of the STEP Meeting, as to the aggregate tally of proxies (for greater certainty, specifying votes "for" and votes "against" the Arrangement Resolution) received by STEP in respect of the Arrangement Resolution;
- (g) promptly advise the Purchaser Parties of any communication (written or oral) received from, or Proceedings brought by (or, to the knowledge of STEP, threatened by), any Person in opposition to the Arrangement, including any such communication received from a proxy advisory firm recommending or proposing to recommend that STEP Shareholders vote against the Arrangement Resolution, any written notice of dissent or purported exercise of Dissent Rights received by STEP in relation to the Arrangement and any withdrawal of Dissent Rights received by STEP and, subject to Applicable Law, provide the Purchaser Parties with a reasonable opportunity to review and comment upon any written communication sent by or on behalf of STEP to any such Person and to participate in any discussions or negotiations with or including any such Person;
- (h) not settle, compromise or make any payment with respect to, or agree to settle, compromise or make any payment with respect to, any exercise or purported exercise of Dissent Rights without the prior written consent of the Purchaser Parties, which consent may be withheld for any or no reason;
- (i) not, without the prior written consent of the Purchaser Parties, change the record date for the purpose of determining the Persons entitled to receive notice of and to vote at the STEP Meeting (including in connection with any adjournment or postponement of the STEP Meeting) unless required by the Court or Applicable Laws, provided that no such change will result in the STEP Meeting being held later than five Business Days prior to the Outside Date;
- (j) at the reasonable request of the Purchaser Parties from time to time, provide the Purchaser Parties with a list of the:
 - (i) registered STEP Shareholders, together with their addresses and respective holdings of the STEP Shares;

- (ii) names, addresses and holdings of all Persons owning securities that entitle the holder to subscribe for or otherwise acquire STEP Shares (to the extent known by STEP); and
- (iii) participants and book-based nominee registrants, such as CDS & Co., CEDE & Co. and The Depository Trust Company, and non-objecting beneficial owners of the STEP Shares, together with their addresses and respective holdings of the STEP Shares,

all as of a date that is as close as reasonably practicable to the date of delivery of such lists, and shall from time to time require that its registrar and transfer agent furnish the Purchaser Parties with such additional information, including updated or additional lists of the STEP Shareholders and lists of securities positions and other assistance as the Purchaser Parties may reasonably request; and

- (k) notwithstanding the receipt by STEP of a Superior Proposal in accordance with Section 3.6, unless otherwise agreed to in writing by the Purchaser Parties, continue to take all reasonable steps necessary to hold the STEP Meeting and to cause the Arrangement Resolution to be voted on at the STEP Meeting and not propose to adjourn or postpone the STEP Meeting other than as permitted or required by Section 2.4(a).

2.5 Final Order

If the Interim Order is obtained and the Arrangement Resolution is passed at the STEP Meeting as provided for in the Interim Order, STEP shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order, as soon as reasonably practicable and, in any event, within two Business Days following the date of approval of the Arrangement Resolution at the STEP Meeting. In the event the Court denies the application for the Final Order, STEP will exercise all rights of appeal in connection therewith.

2.6 Court Proceedings

In connection with all Proceedings relating to obtaining the Interim Order and the Final Order, STEP shall: (a) diligently pursue, and co-operate with the Purchaser Parties in diligently pursuing, the Interim Order and the Final Order; (b) provide the Purchaser Parties and their legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with, or submitted to, the Court or the Registrar in connection with the Arrangement and any supplement or amendment thereto, including by providing on a timely basis a description of any information required to be supplied by the Purchaser Parties for inclusion in such materials, prior to the service and filing of such materials, and will accept the reasonable comments of the Purchaser Parties and their legal counsel, provided that all information relating to the Purchaser Parties included in such materials shall be in a form and substance satisfactory to the Purchaser Parties, acting reasonably; (c) provide to the Purchaser Parties and their legal counsel on a timely basis copies of any notice of appearance, evidence or other documents served on STEP or its counsel in respect of the application for the Interim Order and/or the Final Order or any appeal therefrom and of any notice (written or oral) received by STEP indicating any intention of any Person to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order; (d) ensure that all material filed with the Court in connection with the Arrangement is consistent in all respects with this Agreement and the Plan of Arrangement; (e) not, subject to Applicable Laws, file any material with the Court in connection with the

Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served, except as contemplated by this Agreement or with the prior written consent of the Purchaser Parties, such consent not to be unreasonably withheld or delayed, provided that the Purchaser Parties shall not be required to agree or consent to any increase in or variation in the form of the Consideration or other modification or amendment to such filed or served materials that expands or increases the obligations of the Purchaser Parties, or diminishes or limits the rights of the Purchaser Parties as may be set forth in any such filed or served materials or under this Agreement, the Arrangement, the Plan of Arrangement or the STEP Lock-up Agreements; (f) not object to legal counsel to the Purchaser Parties making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such legal counsel considers appropriate, acting reasonably; (g) oppose any proposal from any Person that the Interim Order or the Final Order contain any provision inconsistent with this Agreement; and (h) if required by the terms of the Final Order or by Applicable Law to return to Court with respect to the Final Order, to do so only after notice to, and in consultation and cooperation with, the Purchaser Parties.

2.7 Fairness Opinion and Formal Valuation

- (a) Subject to the assumptions and qualifications included therein, the STEP Special Committee has obtained a verbal opinion from the STEP Independent Valuator to the effect that the Consideration to be received by the STEP Shareholders (other than the ARC Funds) pursuant to the Arrangement is fair, from a financial point of view, to such STEP Shareholders and has been advised by the STEP Independent Valuator that it will provide a written opinion to that effect for inclusion in the Circular, and STEP shall include a copy of such opinion in the Circular. The opinion of the STEP Independent Valuator has not been withdrawn, amended, modified or rescinded as of the date of this Agreement.
- (b) Subject to the assumptions and qualifications included therein, the STEP Special Committee has obtained a presentation and verbal valuation range in respect of the valuation of the STEP Shares from the STEP Independent Valuator and has been advised by the STEP Independent Valuator that it will provide to the STEP Special Committee a written formal valuation for inclusion of such valuation or a summary of it in the Circular (and if only a summary is included, the entire formal valuation will be filed by STEP on its SEDAR+ profile on or before the date of mailing the Circular).

2.8 Closing

The closing of the transactions contemplated hereby and by the Arrangement will take place electronically in Calgary, Alberta on the Effective Date.

2.9 Articles of Arrangement and Effective Date

No later than the third Business Day after the satisfaction or, where not prohibited, the waiver by the applicable Party in whose favour the condition is, of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party in whose favour the condition is, of those conditions as of the Effective Date) set forth in Article 5, unless another time or date is agreed to in writing by the Parties, the Articles of Arrangement shall be filed by STEP with the Registrar. The Articles of Arrangement shall implement the Plan of Arrangement and shall include the form

of the Plan of Arrangement attached to this Agreement as Schedule A, as it may be amended, supplemented or modified from time to time by written agreement of the Parties hereto. The Certificate of Arrangement issued by the Registrar shall be conclusive evidence that the Arrangement has become effective as of the Effective Time and the steps carried out pursuant to the Arrangement shall become effective as of the Effective Time in the order set out in the Plan of Arrangement. The Parties shall use their reasonable commercial efforts to cause the Effective Date to occur on or about December 23, 2024 or as soon thereafter as reasonably practicable and, in any event, by no later than the Outside Date.

2.10 Resignation of Directors of STEP

The Purchaser Parties shall notify STEP at least 10 Business Days prior to the Effective Date those directors of STEP who will not continue their appointment following the Effective Date (the "**Non-Continuing STEP Directors**"). STEP shall obtain and deliver to the Purchaser Parties at the Effective Time resignations and mutual releases effective as of the Effective Time of all Non-Continuing STEP Directors.

2.11 Payment of Consideration

- (a) In connection with the satisfaction of the payment of the Consideration to STEP Shareholders, as required by the Final Order, STEP and the Purchaser Parties shall, on or prior to the tenth Business Day preceding the Effective Date, enter into a depositary agreement (the "**Depositary Agreement**") with the Depositary, in form and substance satisfactory to the Parties thereto, acting reasonably. The Depositary Agreement shall provide for, among other things, the deposit by or on behalf of the Purchaser of the Consideration with the Depositary and the disbursement of funds required to be disbursed pursuant to the Plan of Arrangement.
- (b) The Purchaser shall, immediately prior to the filing by STEP of the Articles of Arrangement with the Registrar in accordance with Section 2.9, provide, or cause to be provided, to the Depositary sufficient cash to be held in accordance with the terms of the Depositary Agreement to satisfy the aggregate Consideration as provided for in the Plan of Arrangement.

2.12 Tax Withholdings

The Purchaser Parties, STEP and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any former STEP Shareholder under the Plan of Arrangement, including from any amount payable to any Dissenting Shareholder, as the case may be, such amounts as the Purchaser Parties, STEP or the Depositary is required to deduct and withhold from such consideration in accordance with the Tax Act, the United States Internal Revenue Code of 1986, or any other provision of any Applicable Laws. Any such amounts will be deducted and withheld from the Consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes as having been paid to the former STEP Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

2.13 Treatment of Incentive Awards

- (a) The Parties acknowledge and agree that, subject to Subsection 2.13(b), the Incentive Awards are unaffected by the Arrangement and will remain outstanding following the Effective Time and continue to be governed by the terms and conditions upon which they were granted. Without limiting the foregoing, the Parties acknowledge and agree that completion of the Arrangement will not result in a "Change of Control" within the meaning any of the Incentive Award Plans, and will not accelerate the vesting or settlement of any such outstanding Incentive Awards.
- (b) The STEP DSU Plan will be terminated upon the completion of the Arrangement in accordance with the terms of such STEP DSU Plan. Notwithstanding such termination, the STEP DSUs outstanding at the Effective Time shall remain outstanding and any payment to be made in settlement thereof shall be made on the date such payment would have been made had the STEP DSU Plan not been terminated, in accordance with the terms and conditions of the STEP DSU Plan applicable to the treatment of STEP DSUs upon termination of the STEP DSU Plan.

2.14 Performance of the Purchaser

ARC Energy Fund 8 hereby unconditionally and irrevocably guarantees, covenants and agrees to be jointly and severally liable with the Purchaser for the due and punctual performance of each and every obligation of the Purchaser arising out of this Agreement and the Plan of Arrangement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Purchaser Parties

From the date hereof until the earlier of the completion of the Arrangement and the termination of this Agreement in accordance with Article 8, except with the prior written consent of STEP, which consent shall not be unreasonably withheld, and except as otherwise expressly permitted or specifically contemplated by this Agreement, disclosed in writing to the Other Party or as required by Applicable Laws:

- (a) the Purchaser Parties will use their reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Sections 5.1 and 5.3 and to take all steps set forth in the Interim Order and Final Order applicable to it as soon as reasonably practicable;
- (b) the Purchaser Parties will use their reasonable commercial efforts to obtain all necessary consents, approvals, authorizations and filings as are required to be obtained or made by the Purchaser Parties under any Applicable Laws and to satisfy any condition provided for under this Agreement;
- (c) other than communications that the Purchaser Parties are required to keep confidential pursuant to Applicable Laws, the Purchaser Parties shall furnish promptly to STEP or STEP's counsel a copy of each notice, communication, report, schedule or other document delivered, filed or received by the Purchaser Parties

from any proxy advisory service, holders of STEP Shares or Incentive Awards, Governmental Authorities or any other Person in connection with: (i) the Arrangement; (ii) the STEP Meeting; (iii) any filings under Applicable Laws that pertain to the Arrangement; (iv) any dealings with any Governmental Authorities in connection with the transactions contemplated by this Agreement; and (v) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, Order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement or objecting to, indicating an intention to oppose or pursuing or threatening to pursue a position adverse to the completion of, the transactions contemplated by this Agreement, provided that the receipt of information by STEP pursuant to this Subsection 3.1(c) or otherwise shall not operate as a waiver or otherwise diminish the scope of or otherwise affect any representation, warranty, covenant of the Purchaser Parties;

- (d) the Purchaser Parties shall indemnify and save harmless STEP and the directors, officers and agents of STEP from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which STEP, or any director, officer or agent thereof, may be subject or which STEP, or any director, officer or agent thereof, may suffer, whether under the provisions of any Applicable Law or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
- (i) any misrepresentation or alleged misrepresentation contained solely in the Purchaser Parties Information contained in the Circular;
 - (ii) any order made or any inquiry, investigation or proceeding by any Securities Authority or other competent authority based upon any misrepresentation or any alleged misrepresentation contained solely in the Purchaser Parties Information contained in the Circular, which prevents or restricts trading in the STEP Shares; or
 - (iii) the Purchaser Parties not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement,

except that the Purchaser Parties shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or any alleged misrepresentation in the Circular contained in STEP Information, the negligence of STEP or the non-compliance by STEP with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement; and

- (e) the Purchaser Parties shall take all necessary action to ensure that the Purchaser has sufficient funds to carry out its obligations under this Agreement and the Plan of Arrangement and shall, or shall cause the Purchaser to, immediately prior to the filing by STEP of the Articles of Arrangement with the Registrar, provide, or cause to be provided, to the Depository sufficient cash to be held in escrow in accordance with Section 2.11 to satisfy the aggregate Consideration payable to STEP Shareholders.

3.2 Covenants of STEP

From the date hereof until the earlier of the completion of the Arrangement and the termination of this Agreement in accordance with Article 8, except with the prior written consent of the Purchaser Parties, which consent shall not be unreasonably withheld, and except as otherwise expressly permitted or specifically contemplated by this Agreement (including in connection with a US Fracturing Business Transaction), disclosed in writing to the Other Party, disclosed in the STEP Public Record prior to the date hereof or as required by Applicable Laws:

- (a) STEP shall, and shall cause each of its subsidiaries to, conduct its business only in the Ordinary Course and shall use commercially reasonable efforts to maintain and preserve its and its subsidiaries' business organization, assets, properties, employees, goodwill and business relationships with customers, suppliers, distributors, licensors, partners and other Persons with which STEP or any of its subsidiaries has business relations and to perform and comply in all material respects with all of its obligations under the Material Contracts and Material Authorizations;
- (b) except in furtherance of the transactions contemplated in this Agreement or as expressly permitted by this Agreement, STEP shall not, directly or indirectly, do or permit to occur any of the following:
 - (i) amend its constating documents or the constating documents of any of its subsidiaries;
 - (ii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any STEP Shares or any shares of any of STEP's subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, STEP Shares or any shares of any of STEP's subsidiaries, except for the issuance of STEP Shares issuable upon the valid exercise in accordance with the terms of the currently outstanding STEP Options, STEP RSUs and STEP PSUs, or the STEP ESPP;
 - (iii) redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any of the outstanding STEP Shares or other securities, including under any normal course issuer bid;
 - (iv) split, combine or reclassify any of its securities or any securities of any of its subsidiaries;
 - (v) make, declare, set aside or pay any dividends or other distributions or payment in cash, shares or property (or any combination of the foregoing) on any class of securities of STEP or any of its subsidiaries (other than dividends or distributions solely among or between STEP and/or its subsidiaries);
 - (vi) acquire any Person, business, line of business (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, or make any investment in a Person, directly or indirectly, in one transaction or a series of related transactions, either by purchase of shares or securities, contributions of

capital, loan or advance, property transfer or purchase of any property or assets of any Person;

- (vii) grant or commit to grant an exclusive license or otherwise transfer any Intellectual Property of STEP or any of its subsidiaries;
- (viii) sell, assign, transfer, lease, exclusively license, abandon or permit to lapse, transfer or otherwise dispose of any Intellectual Property of STEP or any of its subsidiaries, other than the expiration of any intellectual property right at the end of its statutory term;
- (ix) reduce the stated capital of any class or series of the shares of STEP or any of its subsidiaries;
- (x) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of STEP or any of its subsidiaries;
- (xi) enter into, or resolve to enter into, any agreement that has the effect of creating a joint venture or partnership;
- (xii) enter into any agreement or arrangement that limits or otherwise restricts in any respect STEP or any successor thereto, or that would, after the Effective Time, limit or restrict in any respect STEP or any of its subsidiaries from competing in any manner;
- (xiii) enter into any "related party transaction" within the meaning of MI 61-101, including those exempted from the formal valuation and/or minority approval requirements thereunder;
- (xiv) except as set out in the Capital Budget disclosed in Subsection 3.2(b)(xiv) of the STEP Disclosure Letter, make any capital expenditure or commitment to do so which individually or in the aggregate exceeds **[amount redacted]**;
- (xv) use commercially reasonable efforts to ensure that the aggregate amount of the Transaction Costs do not, as of the Effective Date, exceed **[amount redacted]**;
- (xvi) with respect to STEP or any of its subsidiaries (A) take any action inconsistent with past practice relating to the filing of any Tax Return or the withholding, collecting, remitting and payment of any Taxes except as required by Applicable Law, (B) make, amend, change or revoke any Tax election or designation (excluding elections or designations made in the Ordinary Course of preparing and filing Tax Returns), (C) settle or compromise (or offer to settle or compromise) any Tax claim, audit, proceeding, assessment, reassessment, liability or claim for indemnification with respect to Taxes, (D) amend any Tax Return except as required by Applicable Law, (E) enter into any agreement with a Governmental Authority with respect to Taxes, (F) enter into or change any Tax sharing, Tax advance pricing agreement, Tax allocation or Tax

indemnification agreement, (G) surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, (H) consent to the extension or waiver of the limitation period applicable to any Tax matter, (I) amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes except as required by Applicable Law, (J) enter into any "reportable transaction" or "notifiable transaction" (within the meaning of subsections 237.3(1) and 237.4(1) of the Tax Act, respectively), (K) enter into, or voluntarily approach a Tax Authority for the purpose of entering into, a "voluntary disclosure" agreement with a Tax Authority, or (L) make any "investment" (within the meaning of subsection 212.3(10) of the Tax Act) in a corporation that is not resident in Canada (within the meaning of the Tax Act);

- (xvii) (A) enter into any agreement with non-arm's length (as such term is used for the purpose of the Tax Act) parties; (B) amend or agree to amend the terms of any existing agreement with non-arm's length parties; or (C) make any payment with respect to or in connection with an agreement with non-arm's length parties; in each case except as required thereby or pursuant to the terms hereof or waivers of payments that may become due upon a change of control;
- (xviii) prepay any long-term indebtedness before its scheduled maturity other than repayments of indebtedness in the Ordinary Course; provided that, no breakage or other costs or penalties are payable in connection with any such prepayment;
- (xix) hire, terminate (other than for cause) the employment of, or promote any STEP Employee, except in the Ordinary Course;
- (xx) (A) increase any severance, change of control or termination pay to (or amend any existing arrangement in relation thereto with) any STEP Employee or any director of STEP or any of its subsidiaries from the amount sets forth in Subsection 3.2(b)(xx) of the STEP Disclosure Letter, (B) increase compensation (including wages, salary and fees), retention or incentive compensation or other benefits payable to any STEP Employee, director of STEP or any of its subsidiaries, independent contractor or consultant, except in the Ordinary Course (C) make any bonus payment or comparable payment to any STEP Employee, director of STEP or any of its subsidiaries, independent contractor or consultant, except in the Ordinary Course, (D) loan or advance money or other property to any STEP Employee or any director of STEP or any of its subsidiaries, (E) establish, adopt, enter into, amend, modify or terminate any STEP Benefit Plan (or any plan, agreement, program, policy, trust, fund or other arrangement that would be an Employee Plan if it were in existence on the date hereof) or increase or accelerate the timing of any funding obligation, funding contribution or payment of any compensation or benefits under any Employee Plan;
- (xxi) fail to timely comply with any Material Contract in any material respect, amend or modify in any respect or terminate or waive any right under any Material Contract, or enter into any contract or agreement that would be a

Material Contract if in effect on the date hereof, except in the Ordinary Course;

- (xxii) enter into, amend or modify in any respect or terminate or waive any right under any Contract with any STEP Employee, other than in the Ordinary Course or as set forth in Subsection 3.2(b)(xxii) of the STEP Disclosure Letter;
 - (xxiii) take any action, refrain from taking any commercially reasonable action, permit any action to be taken or not taken by it or any of its subsidiaries, which is inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement;
 - (xxiv) make any changes to its existing accounting policies other than as required by Applicable Laws or IFRS;
 - (xxv) enter into or modify in any material respect any contract, agreement, commitment or arrangement with respect to any of the foregoing; or
 - (xxvi) enter into, amend or terminate any Derivative Contract (including transactions thereunder), other than the entry into, or settlement upon the maturity of, transactions under the ISDA Master Agreement dated as of August 10, 2022 between STEP and ATB Financial entered into in the Ordinary Course for the purposes of hedging foreign currency exposure.
- (c) STEP shall use its reasonable commercial efforts to cause its current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date;
- (d) subject to Section 3.6 hereof, STEP shall not take any action or refrain from taking any action that would render, or may reasonably be expected to render, any representation or warranty made by STEP or on behalf of its subsidiaries in this Agreement untrue in any material respect at any time prior to completion of the Arrangement or termination of this Agreement, whichever first occurs;
- (e) STEP shall promptly notify the Purchaser Parties in writing of any Material Adverse Change of STEP or of any change in any representation or warranty provided by STEP or on behalf of its subsidiaries in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect, and STEP shall in good faith discuss with the Purchaser Parties any change in circumstances (actual, anticipated, or contemplated) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to the Purchaser Parties pursuant to this provision;

- (f) STEP will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Sections 5.1 and 5.2 and to take all steps set forth in the Interim Order and Final Order applicable to it as soon as reasonably practicable;
- (g) STEP shall ensure that it has available funds to make, within the time periods contemplated herein, the payment of the amount which may be required by Section 6.1 having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;
- (h) STEP will use its reasonable commercial efforts to obtain all necessary consents, approvals, authorizations and filings as are required to be obtained or made by STEP under any Applicable Laws and to satisfy any condition provided for under this Agreement and shall make all necessary filings and applications under Applicable Canadian Securities Laws required to be made on the part of STEP in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such laws;
- (i) STEP will use its reasonable commercial efforts to maintain the listing of the STEP Shares on the TSX prior to the Effective Date;
- (j) STEP will use its reasonable commercial efforts to continue to maintain its status as a "reporting issuer" (or similar designation) not in default under the securities legislation in force in each of the provinces of Canada prior to the Effective Date;
- (k) STEP shall indemnify and save harmless the Purchaser Parties and the directors, officers and agents of the Purchaser Parties from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which the Purchaser Parties, or any director, officer or agent thereof, may be subject or which the Purchaser Parties, or any director, officer or agent thereof, may suffer, whether under the provisions of any Applicable Law or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any misrepresentation in the Circular;
 - (ii) any order made or any inquiry, investigation or proceeding by any Securities Authority or other competent authority based upon any misrepresentation or any alleged misrepresentation by STEP in the Circular, which prevents or restricts trading in the STEP Shares; or
 - (iii) STEP not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement,

except that STEP shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or any alleged misrepresentation in the Circular contained in the Purchaser Parties Information, the negligence of the Purchaser Parties or the non-compliance by the Purchaser Parties with any

requirement of Applicable Laws or this Agreement in connection with the transactions contemplated by this Agreement;

- (l) other than non-substantive communications with the holders of STEP Shares or Incentive Awards and communications that STEP is required to keep confidential pursuant to Applicable Laws, STEP shall furnish promptly to the Purchaser Parties or the Purchaser Parties' legal counsel a copy of each notice, communication, report, schedule or other document delivered, filed or received by STEP from any proxy advisory service, holders of STEP Shares or Incentive Awards, Governmental Authorities or any other Person in connection with: (i) the Arrangement; (ii) the STEP Meeting; (iii) any filings under Applicable Laws that pertain to the Arrangement; (iv) any dealings with any Governmental Authorities in connection with the transactions contemplated by this Agreement; and (v) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, Order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement or objecting to, indicating an intention to oppose or pursuing or threatening to pursue a position adverse to the completion of, the transactions contemplated by this Agreement, provided that the receipt of information by the Purchaser Parties pursuant to this Subsection 3.2(l) or otherwise shall not operate as a waiver or otherwise diminish the scope of or otherwise affect any representation, warranty, covenant of STEP;
- (m) STEP will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement; and
- (n) STEP shall, on an as received basis, promptly advise the Purchaser Parties of the number of STEP Shares for which STEP receives notices of dissent or written objections to the Arrangement or notices to appear in connection with the application for the Final Order and provide the Purchaser Parties with copies of such notices and written objections.

3.3 Mutual Covenants Regarding the Arrangement

From the date hereof until the earlier of the completion of the Arrangement and the termination of this Agreement in accordance with Article 8, each Party shall:

- (a) use its reasonable commercial efforts to complete the Arrangement on December 23, 2024 or as soon thereafter as reasonably practicable and, in any event, by no later than the Outside Date;
- (b) use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using its reasonable commercial efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, Leases and other contracts;

- (ii) obtain all necessary exemptions, consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated by this Agreement;
 - (iii) upon reasonable consultation with the Other Party, appeal, oppose, lift or rescind any injunction, restraining or other Order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any Proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement, this Agreement or the transactions contemplated under this Agreement; provided that neither Party nor any of such Party's subsidiaries or affiliates, consent to the entry of any judgment or settlement with respect to any such Proceeding without the prior written approval of the Other Party, not be unreasonably withheld, conditioned or delayed; and
 - (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement;
- (c) use its commercially reasonable efforts to obtain all Regulatory Approvals in accordance with Section 3.4 and all other necessary waivers, consents and approvals required to be obtained by it in connection with the Arrangement from Governmental Authorities and effect all necessary registrations and filings and the submission of all information requested by Governmental Authorities required to be effected by it or by any of its subsidiaries in connection with the Arrangement;
 - (d) cooperate with each other in taking, or causing to be taken, all actions necessary to delist the STEP Shares from the TSX in accordance with the policies and procedures of the TSX following completion of the steps set out in the Plan of Arrangement; provided, however, that such delisting will not be effective until after the Effective Time;
 - (e) use its reasonable commercial efforts to cooperate with the Other Party in connection with the performance by the Other Party of their obligations under this Section 3.3 including, without limitation, to provide the Other Party with a reasonable opportunity to review and comment on all filings and material correspondence with and to Governmental Authorities and to promptly provide final copies thereof to the Other Party once filed or given, to promptly provide the Other Party with all approvals and material notices and correspondence received from Governmental Authorities, and to maintain ongoing communications as between representatives of the Parties in respect of the Regulatory Approvals, subject in all cases to the Confidentiality Agreement; and
 - (f) cooperate with each other in the preparation of the Circular and provide to the Other Party, in a timely and expeditious manner, the STEP Information or the Purchaser Parties Information, as applicable, for inclusion in the Circular, and any amendments or supplements thereto, in each case complying in all material respects with all Applicable Laws on the date of issue thereof and not containing any misrepresentation, and each Party shall provide the Other Party and its Representatives with a reasonable opportunity to review and comment on the

STEP Information or the Purchaser Parties Information, as applicable, and any other relevant documentation and reasonable consideration shall be given to any comments made by the Other Party on the Circular.

3.4 Regulatory Matters

- (a) The Parties shall, as promptly as practicable following the date of this Agreement, co-operate in the preparation and filing of any necessary documents, registrations, statements, petitions, filings and applications for any Regulatory Approvals and use their commercially reasonable efforts to obtain the Regulatory Approvals, and provide or submit all documentation and information that is required or reasonably considered by the Parties to be advisable in connection with obtaining the Regulatory Approvals. In addition, the Parties shall use commercially reasonable efforts to obtain any other third party consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are reasonably deemed by either of the Parties to be necessary in connection with the Arrangement.
- (b) The Party responsible under Applicable Law for obtaining a Regulatory Approval shall be the Party to make the filing to obtain such approval (or any remedy or change thereto) but will do so only once each Party hereto has reviewed any filing and has had the opportunity to provide comment on it and any statement in any application that creates an obligation on a Party must have the consent of that Party before it is included in the application.
- (c) Subject to any Applicable Law, the Parties shall cooperate with and keep one another fully informed as to the status of and the processes and Proceedings related to obtaining the Regulatory Approvals, and shall promptly notify each other of any communication from any Governmental Authority in respect of the Arrangement, this Agreement or the transactions contemplated hereby and respond as promptly as reasonably possible to any inquiries or requests received from a Governmental Authority in respect of any Regulatory Approval; and shall not make any submissions or filings, participate in any substantive meetings, conversations or correspondence with any Governmental Authority in respect of obtaining the Regulatory Approvals unless it consults with the Other Party in advance and, to the extent not precluded by such Governmental Authority, gives the Other Party the opportunity to review drafts of any submissions, filings or correspondence (including responses to requests for information and inquiries from any Governmental Authority) and will provide the Other Party a reasonable opportunity to comment thereon and consider those comments in good faith, and shall provide each other with all information necessary to support the applications for the Regulatory Approvals, as reasonably required by the Party making the filing; and shall provide the Other Party and its outside counsel with final copies of all such material submissions, filings, correspondence, presentations, applications, plans and other material documents submitted to or filed with any Governmental Authority in respect of the Regulatory Approvals.
- (d) Each Party shall promptly notify the Other Party if at any time before the Effective Time it becomes aware that the Circular, an application for a Regulatory Approval or any other third party consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations necessary pursuant to

Subsection 3.4(a) contains a misrepresentation, or of information that otherwise requires an amendment or supplement to the Circular, the application for a Regulatory Approval or such other consent, waiver, permit, exemption, order, approval, agreement, amendment or confirmation, as the case may be, and the Parties shall co-operate in the preparation of such amendment or supplement as required, including the distribution and filing of such amendment or supplement by the Parties.

- (e) Each Party will promptly inform the Other Party of any requests or comments made by Securities Authorities in connection with the Circular. Each of the Parties will cooperate with the other and shall diligently do all such acts and things as may be reasonably necessary in the context of the preparation of the Circular and use its reasonable commercial efforts to resolve all requests or comments made by Securities Authorities with respect to the Circular and any other filings related to the Circular or the Arrangement and required under Applicable Laws as promptly as practicable after receipt thereof.
- (f) Notwithstanding anything in this Agreement to the contrary, if any objection is asserted with respect to the transactions contemplated by or related to this Agreement under any Applicable Law, or if any Proceeding is instituted or threatened by any Governmental Authority challenging or which could lead to a challenge of any of the transactions contemplated by or related to this Agreement as a violation of or not in compliance with the requirements of Applicable Law, the Purchaser Parties shall use their commercially reasonable efforts to resolve any such objection or Proceeding so as to allow the Effective Time to occur prior to the Outside Date; provided, however, that the Purchaser Parties shall determine in their sole discretion whether to propose, negotiate, effect or agree to, by consent decree, by consent agreement, hold separate Order or otherwise, the sale, transfer, divestiture, license or other disposition of any assets or businesses of any of the Purchaser Parties or STEP or any of their respective subsidiaries and shall not be obligated to take any action that prohibits or limits the freedom of action of any of the Purchaser Parties with respect to, or the ability of any of the Purchaser Parties to own, retain, control, operate or exercise full rights of ownership with respect to any of the businesses or assets of such Purchaser Parties, STEP or any of their respective subsidiaries.

3.5 Financing

- (a) The Purchaser Parties shall use commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary to arrange and obtain the proceeds of the Debt Financing on the terms and conditions in all material respects described in the Debt Commitment Letter by no later than the date specified in Section 2.11.
- (b) The Purchaser Parties shall not permit, without the prior written consent of STEP, any amendment or modification to be made to, or a waiver of any of their rights under, the Debt Commitment Letter if such amendment, modification or waiver would (i) reduce the aggregate amount of the Debt Financing to be funded at the Effective Time in a manner that would result in the Purchaser Parties being unable to pay the Consideration, (ii) impose new or additional conditions precedent to the availability of the Debt Financing that would reasonably be expected to materially

delay the consummation of the Debt Financing, or (iii) otherwise be reasonably expected to prevent or materially delay the consummation of the Debt Financing or the consummation of the transactions contemplated by this Agreement or materially and adversely affect the ability of the Purchaser Parties (taken as a whole) to enforce their rights against the Debt Financing Sources in connection with the Debt Commitment Letter; *provided* that nothing herein shall affect the right of the Purchaser Parties to replace or amend the Debt Commitment Letter to add lenders, arrangers, agents, underwriters, bookrunners, managers and similar entities which had not executed the Debt Commitment Letter as of the date hereof, if the addition of such parties would not materially prevent, delay or impair the availability of the Debt Financing. The Purchaser Parties shall not release or consent to the termination of the obligations of the lenders under the Debt Commitment Letter, except in connection with any Alternative Financing obtained in accordance with Section 3.5(d) or the termination of this Agreement in accordance with the terms hereof.

- (c) Without limiting the generality of Section 3.5(a), the Purchaser Parties shall use commercially reasonable efforts to: (i) maintain in effect the Debt Commitment Letter until the transactions contemplated by this Agreement are consummated or this Agreement is terminated in accordance with its terms; (ii) subject to the satisfaction or waiver of the conditions precedent set forth in this Agreement, satisfy, on a timely basis, all conditions precedent to obtaining the Debt Financing as set forth in the Debt Commitment Letter that are within the Purchaser Parties control at or prior to the Effective Time and otherwise comply with their obligations thereunder in all material respects; (iii) enter into definitive agreements and documentation with respect to the Debt Financing so that such definitive agreements and documentation are in effect and provide the Purchaser Parties with the funds necessary to pay the Consideration in accordance with Section 2.11 and in any event on or prior to the Effective Time; (iv) subject to the terms and conditions set forth in the Debt Commitment Letter, consummate the Debt Financing in a manner that will provide the Purchaser Parties with the funds necessary to pay the Consideration in accordance with Section 2.11 and in any event on or prior to the Effective Time; and (v) enforce their rights under the Debt Commitment Letter (and any definitive documentation related thereto) in the event of a breach or default by any Debt Financing Sources thereunder.
- (d) Upon reasonable request by STEP, the Purchaser Parties will provide STEP with information, in reasonable detail, with respect to the current status of all material activity concerning arranging and obtaining the Debt Financing. Without limiting the generality of the foregoing, the Purchaser Parties shall give STEP written notice, as promptly as reasonably practicable: (i) of the receipt by a Purchaser Party of notice or other communication with respect to any actual or threatened breach, default (or any event or circumstances that, with or without notice, lapse of time or both, would reasonably be expected to give rise to any breach or default) or repudiation of the Debt Commitment Letter by a Debt Financing Source; (ii) of the receipt of any written notice or other communication from a Debt Financing Source advising that such Debt Financing Source no longer intends to provide financing to the Purchaser Parties on the terms set forth in the Debt Commitment Letter; (iii) if for any reason any Purchaser Party believes in good faith that it will not be able to obtain all or any portion of the Debt Financing and, as a result thereof, reasonably expects that it will be unable to pay the Consideration; and (iv)

of the expiry or early termination of the Debt Commitment Letter. As soon as reasonably practicable after the date STEP delivers to the Purchaser Parties a written request, the Purchaser Parties shall provide any information reasonably requested by STEP relating to any circumstance referred to in clause (i), (ii), (iii) or (iv) of the immediately preceding sentence.

- (e) If any portion of the Debt Financing that is required to pay the Consideration is withdrawn, repudiated, terminated or rescinded, the Purchaser Parties shall use commercially reasonable efforts to arrange and obtain, as promptly as practicable, alternative financing from the same and/or alternative sources in an amount sufficient to consummate the transactions contemplated by this Agreement and the Plan of Arrangement (an "**Alternative Financing**") and deliver to STEP true, correct and complete copies of the documentation governing such alternative financing commitments promptly when available (subject to customary redactions). For the avoidance of doubt, the Purchaser Parties arranging and obtaining, in replacement of the Debt Financing, new or replacement financing in accordance with this Section 3.5(e) shall not modify or affect in any way STEP's rights pursuant to this Agreement or the Purchaser Parties obligations pursuant to this Agreement.
- (f) The Purchaser Parties acknowledge and agree that the Purchaser Parties obtaining financing is not a condition to any of their obligations hereunder, regardless of the reasons why financing is not obtained or whether such reasons are within or beyond the control of the Purchaser Parties. For the avoidance of doubt, if any financing referred to in this Section 3.5 is not obtained, the Purchaser Parties will continue to be obligated to consummate the Arrangement, subject to the terms and conditions of this Agreement.
- (g) Each of STEP and its subsidiaries shall use its commercially reasonable efforts to, and each shall use its commercially reasonable efforts to cause their Representatives to, provide customary cooperation (including with respect to timeliness) in connection with the arrangement of the Debt Financing (which for purposes of this Section 3.5(g) shall be deemed to include an Alternative Financing contemplated in Section 3.5(e)) as may be reasonably requested by the Purchaser Parties, including:
 - (i) participating (and using reasonable best efforts to cause members of senior management to participate) in the preparation of lender, underwriter or similar presentations and marketing materials and in a reasonable number of meetings, conference calls, presentations, drafting sessions with the Debt Financing Sources and prospective lenders and due diligence sessions, in each case, at reasonable times and with reasonable notice, provided, at STEP's option, any such meeting or communication may be conducted virtually by teleconference or other media;
 - (ii) furnishing the Purchaser Parties and its Debt Financing Sources with such financial statements and other customary financial data and information reasonably required in connection with any Debt Financing;
 - (iii) cooperating with the Debt Financing Sources' reasonable due diligence requests;

- (iv) assisting in the preparation of definitive financing documents;
- (v) promptly, and in any event by the date that such documentation and information is required to be furnished in accordance with the terms of the documentation governing the Debt Financing, furnishing to the Purchaser Parties and the Debt Financing Sources any customary documentation and information with respect to STEP and its subsidiaries that shall have been requested by the Debt Financing Sources that is required by any Governmental Authority in connection with the Debt Financing under applicable "know your customer" and anti-money laundering Laws;
- (vi) taking such actions as are reasonably requested by the Purchaser Parties to facilitate the timely satisfaction of any conditions precedent to the Debt Financing; and
- (vii) using commercially reasonable efforts to facilitate obtaining customary payoff letters (which, for certainty, shall not be required to take effect before the Effective Time) in connection with the repayment of any indebtedness of STEP and its subsidiaries, and the release of Liens granted, by STEP and its subsidiaries in connection therewith, on the Effective Date, as reasonably requested by the Purchaser Parties to assist in the arrangement of the Debt Financing.

Notwithstanding the foregoing:

- (viii) STEP or any subsidiary of STEP and their respective Representatives will only be required to undertake the actions described in Section 3.5(g) provided that: (A) such actions are requested on reasonable notice and do not unreasonably interfere with the ongoing business operations of STEP or any of its subsidiaries; (B) STEP shall not be required to provide, or cause any of its subsidiaries to provide, co-operation that involves any binding commitment or agreement (including the entry into any agreement or the execution of any certificate) by STEP or its subsidiaries (or commitment or agreement which becomes effective prior to the Effective Time) which is not conditional on the completion of the Arrangement or which does not terminate without liability to STEP and its subsidiaries or will not otherwise cease to be binding upon the termination of this Agreement (other than reasonable and customary representation letters and letters authorizing the distribution to the parties to the Debt Commitment Letter and prospective lenders, agents, arrangers and bookrunners); (C) neither STEP nor any of its subsidiaries shall be required to take any action pursuant to any contract, certificate or instrument which it enters into that is not contingent upon the occurrence of the Effective Time or that would be effective prior to the Effective Time; (D) neither the STEP Board nor any members of the boards of directors (or equivalent bodies) of STEP's subsidiaries shall be required to approve or adopt any document relating to Debt Financing; and (E) no employee, officer or director of the STEP or any of its subsidiaries shall be required to take any action which would result in such Person incurring any personal liability (as opposed to liability in such Person's capacity as an officer) with respect to the matters related to the Debt Financing; and

- (ix) in connection with the actions described in Section 3.5(g), none of STEP nor any subsidiary of STEP will be required to: (A) pay or agree to pay any fees, expenses or other amounts in connection with any such financing prior to the Effective Time; (B) take any action or do anything that would contravene any Law, contravene any Material Contract or would be reasonably expected to prevent or materially impair or materially delay the satisfaction of any condition set forth in Article 3; (C) disclose any information that would result in the disclosure of any trade secrets or similar information or violate any obligations of STEP or any other Person with respect to confidentiality or which would be reasonably likely to constitute a waiver of solicitor-client privilege.

3.6 Additional Covenant of STEP Regarding Non-Solicitation

- (a) STEP shall, and shall cause its subsidiaries to, immediately cease and cause to be terminated all solicitations, encouragement, discussions and negotiations (including, without limitation, through any of its and its subsidiaries' respective officers, directors, advisors (including investment bankers or any other financial advisors), employees, accountants, agents and all other representatives (collectively, the "**Representatives**")), if any, with any third parties other than the Purchaser Parties, with respect to any inquiry, proposal or offer that constitutes, or would reasonably be expected to constitute or lead to, an actual or potential Acquisition Proposal, and in connection therewith, STEP shall immediately discontinue, and shall cause its Representatives to discontinue, access to and disclosure of any of its confidential information and not allow or establish access to any of its confidential information, and any data room, virtual or otherwise and pursuant to and in accordance with each applicable confidentiality agreement, shall promptly request the return or destruction of all confidential information regarding STEP or any of its subsidiaries provided to any Person (other than the Purchaser Parties and their respective Affiliates and its and their respective Representatives) in connection with any potential or actual Acquisition Proposal to the extent that such information has not previously been returned or destroyed, and shall use all commercially reasonable efforts to ensure that such requests are honored in accordance with the terms of any confidentiality agreement governing such information. STEP agrees that it shall not terminate, waive, release, amend, modify or otherwise forbear from the enforcement of, and agrees to take all commercially reasonable actions to actively prosecute and enforce, any agreement containing standstill or comparable provisions and any provision of any existing confidentiality agreement or any standstill agreement to which it or any of its subsidiaries is a party (it being acknowledged by the Purchaser Parties that the automatic termination or release of any standstill restrictions or comparable provisions of any such agreements as a result of entering into and announcing this Agreement shall not be a violation of this Subsection 3.6(a)).
- (b) Except as expressly provided for in this Section 3.6, STEP shall not and shall cause its subsidiaries not to, directly or indirectly, through any Representative of STEP or any of its subsidiaries, authorize or permit any such Person to do any of the following:
 - (i) solicit, assist, initiate, encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, or access to, or disclosure of,

any confidential information, properties, facilities, books and records of STEP or any of its subsidiaries or entering into any form of agreement, arrangement or understanding (other than a confidentiality and standstill agreement permitted by an in accordance with Subsection 3.6(b)(vii)) or take any action whatsoever to solicit, assist, initiate, encourage or otherwise knowingly facilitate any inquiries, proposals or offers, whether publicly or otherwise, that constitute or would reasonably be expected to constitute or lead to an actual or potential Acquisition Proposal;

- (ii) make a Change in Recommendation;
- (iii) initiate, encourage or otherwise engage, enter into, continue or otherwise participate in any negotiations or discussions with any Person (other than the Purchaser Parties and their respective Affiliates) regarding any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to, an actual or potential Acquisition Proposal, or furnish or provide copies of, or access to, or disclosure of, any confidential information, properties, books and records of STEP or any of its subsidiaries to any Person (other than the Purchaser Parties and their respective Affiliates) in connection with, or in furtherance of, an inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to an actual or potential Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;
- (iv) accept, recommend, approve, agree to endorse or publicly propose to accept, recommend, approve, agree to endorse or enter into an agreement to implement any Acquisition Proposal, or take no position or remain neutral with respect to any Acquisition Proposal or otherwise take any action that could reasonably be expected to lead to an Acquisition Proposal; or
- (v) accept, recommend, approve, agree to endorse or publicly propose to accept, recommend, approve, agree to endorse or enter into an agreement, understanding or arrangement (including any letter of intent or agreement in principle) in respect of any Acquisition Proposal or any proposal or offer that could be expected to lead to an Acquisition Proposal,

provided, however, that notwithstanding any other provision hereof but subject to Subsection 3.6(d), STEP and its Representatives may, prior to STEP obtaining the approval of the Arrangement Resolution by STEP Shareholders at the STEP Meeting, enter into or participate in any discussions or negotiations with, or furnish information or provide access to, any Person in response to an Acquisition Proposal by such Person if and only to the extent that:

- (vi) such Acquisition Proposal is an unsolicited bona fide written Acquisition Proposal received by STEP from such Person other than as a result from a breach of this Section 3.6 and the STEP Board has determined, in good faith, after consultation with the STEP Financial Advisor and outside legal counsel, that such Acquisition Proposal, if completed in accordance with

its terms, would constitute or could reasonably be expected to constitute a Superior Proposal; and

- (vii) (A) STEP shall have complied with and continues to be in compliance with all other requirements of this Section 3.6 and the Person making the Acquisition Proposal shall not have been restricted from making such Acquisition Proposal pursuant to existing confidentiality, non-disclosure or standstill agreement or similar restriction; (B) the STEP Board, after consultations with the STEP Financial Advisor and outside legal counsel as reflected in the minutes of the meetings of the STEP Board, determines in good faith that failure to take such action would be inconsistent with its fiduciary duties under Applicable Laws; and (C) prior to providing any information or data to such Person in connection with such Acquisition Proposal: (1) STEP notifies the Purchaser Parties of the determination by the STEP Board that such Acquisition Proposal constitutes or would reasonably be expected to constitute a Superior Proposal; and (2) the STEP Board receives from such Person an executed confidentiality agreement that contains confidentiality provisions that are no less favourable to STEP than those contained in the Confidentiality Agreement, and the Purchaser Parties are provided promptly with a copy of such confidentiality agreement (provided that such confidentiality agreement may not grant such Person the exclusive right to negotiate with STEP, may not restrict STEP from complying with this Section 3.6 and shall provide for disclosure together with all information provided thereunder to be provided to the Purchaser Parties) and any information that was provided to such Person which was not previously provided to the Purchaser Parties.
- (c) If, after the date hereof, STEP or its Representatives is in receipt of any proposal, inquiry or offer (or any amendment thereto) constituting an Acquisition Proposal or any request (which request may reasonably considered to be in furtherance of, or in relation to, an Acquisition Proposal) for non-public information relating to STEP or any of its subsidiaries or any of their respective properties, facilities, books or records in connection with any proposal, inquiry or offer (or any amendment thereto) that constitutes or would reasonably be expected to constitute or lead to an Acquisition Proposal, STEP shall promptly (and in any event within 24 hours of receipt by STEP) notify the Purchaser Parties, first orally and then in writing, of such Acquisition Proposal, or any amendments to the foregoing. STEP shall provide to the Purchaser Parties a copy of such Acquisition Proposal (and any amendment thereto) or any request (which request may reasonably considered to be in furtherance of, or in relation to, an Acquisition Proposal) for non-public information relating to STEP or any of its subsidiaries or any of their respective properties, facilities, books or records or, if no written Acquisition Proposal has been received, a description of the material terms and conditions of, and the identity of the Person making any such Acquisition Proposal together with such other details of the Acquisition Proposal or request for material information as the Purchaser Parties may reasonably request (to the extent known by STEP). STEP shall keep the Purchaser Parties regularly and promptly informed of the status of and any change to the material terms of any Acquisition Proposal, request or amendment thereto, in writing and shall provide to the Purchaser Parties copies of all material or substantive correspondence with respect to such Acquisition Proposal or proposal, inquiry, offer or request if in writing or electronic form, and if

not in writing or electronic form, a description of the material terms of such correspondence.

- (d) STEP shall not accept, approve or recommend, nor enter into any agreement in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by this Section 3.6), unless:
- (i) the Acquisition Proposal constitutes a Superior Proposal and the Person making the Acquisition Proposal shall not have been restricted from making such Acquisition Proposal pursuant to an existing confidentiality, non-disclosure or standstill agreement or similar restriction;
 - (ii) STEP has complied with and continues to be in compliance with its obligations in this Section 3.6;
 - (iii) STEP has provided the Purchaser Parties with: (A) notice in writing that the STEP Board, after consultation with the STEP Financial Advisor and external legal counsel as reflected in the minutes of the meeting of the STEP Board, has determined that the Acquisition Proposal constitutes a Superior Proposal and has accepted, approved or recommended, or entered into such agreement relating to, the Acquisition Proposal; (B) copies of the proposed definitive agreement for the Superior Proposal and any confidentiality and standstill agreement between STEP and the Person making the Superior Proposal, if not previously delivered, as well as all supporting materials, including any financing documents supplied to STEP or its Representatives in connection therewith; and (C) written notice regarding the value and financial terms that the STEP Board, in consultation with the STEP Financial Advisor, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal, in each case, at least five Business Days prior to the time at which the STEP Board proposes to accept, approve, recommend or enter into any agreement relating to such Superior Proposal;
 - (iv) five Business Days shall have elapsed from the later of the date the Purchaser Parties received the notice, documentation and other materials referred to in Subsection 3.6(d)(iii) from STEP in respect of the Acquisition Proposal and the date on which the Purchaser Parties received notice of STEP's proposed determination to accept, approve, recommend or to enter into any agreement relating to such Superior Proposal, and, if the Purchaser Parties have proposed to amend the terms of the transactions contemplated in this Agreement and the Arrangement in accordance with Subsection 3.6(e), the STEP Board (after receiving advice from the STEP Financial Advisor and outside legal counsel) shall have determined in good faith that the Acquisition Proposal continues to be a Superior Proposal compared to the proposed amendment to the terms of this Agreement and the Arrangement proposed by the Purchaser Parties and that failure by the STEP Board to recommend that STEP enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with the STEP Board's fiduciary duties; and

- (v) STEP has previously paid, or concurrently pays, to the Purchaser the Purchaser Parties Damages Fee.
- (e) During the period(s) referred to in Subsection 3.6(d)(iii) and Subsection 3.6(d)(iv), the Purchaser Parties shall have the opportunity, but not the obligation, to propose to amend the terms of the transactions contemplated in this Agreement and the Arrangement and STEP shall, and shall cause its counsel and other advisors to, co-operate with the Purchaser Parties with respect thereto, including negotiating with the Purchaser Parties and its legal counsel and other advisors to enable the Purchaser Parties to propose such adjustments to the terms and conditions of this Agreement and the Arrangement as the Purchaser Parties deem appropriate and as would enable STEP to proceed with the Arrangement and the transactions contemplated in this Agreement on such adjusted terms. The STEP Board shall review any proposal by the Purchaser Parties to amend the terms of the transactions contemplated in this Agreement and the Arrangement in order to determine, in good faith in the exercise of its fiduciary duties, whether the Purchaser Parties' proposal to amend the transactions contemplated by this Agreement and the Arrangement would result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the transactions contemplated by this Agreement and the Arrangement. In the event that the Purchaser Parties propose to amend the terms of the transactions contemplated in this Agreement and the Arrangement such that the Acquisition Proposal would not result in a transaction more favourable to the STEP Shareholders from a financial point of view, than the Arrangement as so amended, as determined by the STEP Board in good faith (after receiving advice from the STEP Financial Advisor and outside legal counsel) and the Purchaser Parties advise the STEP Board of such proposed amendment within five Business Days of receiving notice of such Superior Proposal, the STEP Board shall not: (i) accept, recommend, approve or enter into any agreement to implement such Superior Proposal; or (ii) withdraw, modify or change its recommendation in respect of the Arrangement. For greater certainty, each successive amendment to an Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 3.6 and shall initiate a new five Business Day match right period.
- (f) The Purchaser Parties agree that all information that may be provided to them by STEP with respect to any Superior Proposal pursuant to this Section 3.6 shall be treated as if it were "Confidential Information" as that term is defined in the Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Confidentiality Agreement in order to enforce their rights under this Agreement in legal proceedings.
- (g) If required by the Purchaser Parties, STEP shall reaffirm its recommendation of the approval of the Arrangement by press release promptly in the event that:
 - (i) any Acquisition Proposal is publicly announced unless such Acquisition Proposal constitutes a Superior Proposal and STEP otherwise complies with Subsections 3.6(d) and (e) in respect thereof; or
 - (ii) the Parties have entered into an amended agreement pursuant to Subsection 3.6(e) which results in any Acquisition Proposal not being a Superior Proposal.

The Purchaser Parties and their legal counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release. Such press release shall state that the STEP Board has determined that the Acquisition Proposal is not a Superior Proposal and shall reaffirm the approvals, determinations and recommendations of the STEP Board in respect of this Agreement and the Arrangement.

- (h) If STEP provides the notice contemplated by Subsection 3.6(d)(iii) on a date which is less than five Business Days prior to the STEP Meeting, STEP shall either proceed with or shall postpone or adjourn the STEP Meeting, as directed by the Purchaser Parties, acting reasonably, to a date that is not more than seven Business Days following the date after STEP has complied with its obligations under Subsection 3.6(b)(vii)(B) and (C).
- (i) Nothing contained in this Section 3.6 shall limit in any way the obligation of STEP to convene and hold the STEP Meeting in accordance with Section 2.4 while this Agreement remains in force.
- (j) Neither STEP nor the STEP Board shall make a Change in Recommendation except if such Change in Recommendation occurs simultaneously with the entry by STEP, in accordance with the requirements of Subsection 3.6(d) and Subsection 3.6(e), into a definitive agreement with respect to an Acquisition Proposal constituting a Superior Proposal and the STEP Board determines in good faith that the Change in Recommendation is required in order for the STEP Board to comply with its fiduciary duties under Applicable Laws.
- (k) Nothing contained in this Agreement shall prevent the STEP Board from complying with division 3 of National Instrument 62-104, Takeover Bids and Issuer Bids and similar provisions under Applicable Laws relating to the provision of directors' circulars and making appropriate disclosure to its securityholders, provided that STEP shall provide the Purchaser Parties and their outside legal counsel with a reasonable opportunity to review the form and content of such disclosure and shall give reasonable consideration to any comments made by the Purchaser Parties and their outside legal counsel.
- (l) STEP shall ensure that its subsidiaries and its and their respective Representatives are aware of the provisions of this Section 3.6, and any violation of or the taking of any action which is inconsistent with any of the restrictions set forth in this Section 3.6 by STEP, its subsidiaries and its and their respective Representative shall be deemed to constitute a breach of this Section 3.6 by STEP.

3.7 Access to Information

- (a) From and after the date hereof until the earlier of the Effective Time or the termination of this Agreement, STEP shall and shall cause its subsidiaries to, subject to compliance with Applicable Laws and the terms of the Confidentiality Agreement, upon reasonable notice, provide the Purchaser Parties and their Representatives access, during normal business hours, to its premises, books, Contracts, records, computer systems, properties, employees and management personnel and will use its reasonable commercial efforts to furnish to the

Purchaser Parties such information concerning its business, properties and personnel, including any financial, Tax and operating data, as the Purchaser Parties may reasonably request in order to permit the Purchaser Parties to be in a position to expeditiously and efficiently integrate STEP's business and operations immediately upon, but not prior to, the Effective Date. STEP agrees to use reasonable commercial efforts to keep the Purchaser Parties fully apprised in a timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be relevant and material to a prudent operator of the business and operations of STEP including, but not limited to, promptly providing the Purchaser Parties with any and all monthly activity reports.

- (b) STEP agrees to:
 - (i) give the legal and professional representatives and agents of the Purchaser Parties reasonable access during normal business hours to STEP's books, records and documents as the Purchaser Parties may reasonably request, provided that STEP is satisfied, acting reasonably, that the confidentiality of the subject matter of the disclosure can be maintained in accordance herewith; and
 - (ii) endeavour to include in the information furnished to the Purchaser Parties information which would reasonably be considered to be relevant for the purposes of the Purchaser Parties' investigation and not knowingly withhold any information which would make anything contained in the information delivered erroneous or misleading.
- (c) The Parties acknowledge and agree that all information provided by or on behalf of STEP to (or at the direction of) the Purchaser Parties pursuant to this Section 3.7 that is Confidential Information as defined in the Confidentiality Agreement shall remain subject to the provisions of the Confidentiality Agreement.
- (d) Nothing in the foregoing shall require STEP to disclose information which it is prohibited from disclosing pursuant to a written confidentiality agreement or confidentiality provision of an agreement with a third party (provided that STEP shall cause such information, or a summary thereof, to be provided on an anonymized basis) or information which, in the opinion of STEP, acting reasonably, is competitively sensitive (provided that STEP acknowledges and agrees that the Purchaser Parties' external counsel may have access to such information on a privileged and confidential basis in connection with obtaining Regulatory Approvals and provided further).
- (e) Investigations made by or on behalf of any of the Purchaser Parties, whether under this Section 3.7 or otherwise, will not waive, diminish the scope of or otherwise affect any representation or warranty made by STEP in this Agreement.

3.8 Public Communications

- (a) The Parties agree to issue a joint press release with respect to this Agreement as soon as practicable after its due execution, the form and content of which will be satisfactory to each of the Parties, acting reasonably. Thereafter, neither Party may issue or make, nor shall any Party permit any director, officer, employee or agent

of such Party or any of its subsidiaries to issue or make, any press release or other public statement or disclosure with respect to this Agreement, the Plan of Arrangement, the Arrangement or any transactions contemplated hereby, without the prior written consent of the Other Party. Each Party must use commercially reasonable efforts to give the Other Party prior oral or written notice and a reasonable opportunity for the Other Party and its outside counsel to review and comment on all such news releases and other disclosure. The Party making such disclosure shall give reasonable consideration to any comments made by the Other Party or its outside counsel.

- (b) Notwithstanding the foregoing, if either Party is required by Applicable Laws to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will use reasonable commercial efforts to consult with the Other Party as to the wording of such disclosure prior to its being made. The Parties consent to this Agreement being filed on SEDAR+ by STEP (with such redactions as may be mutually agreed upon between the Parties, acting reasonably).

3.9 Indemnities and Directors' and Officers' Insurance

- (a) From and after the Effective Time, the Purchaser Parties agree that they will honour all rights to indemnification or exculpation existing as of the date hereof in favour of present and former officers and directors of STEP pursuant to the provisions of the constating documents of STEP, applicable corporate legislation and any written indemnity agreements which have been entered into between STEP and its officers and directors effective on or prior to the date hereof as set forth in Subsection 4.2(j) of the STEP Disclosure Letter, and acknowledges that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.
- (b) Prior to the Effective Date, STEP shall obtain, from a reputable third-party insurance carrier with same or better credit rating as STEP's current insurance carrier, and shall fully pay the necessary premiums for, customary "run off" directors' and officers' liability insurance for its officers and directors, with such insurance having substantially equivalent coverage to STEP's existing directors' and officers' liability insurance, covering claims made from and after the Effective Date to the date that is six years after the Effective Date and the Purchaser Parties will, or will cause STEP to, maintain such "run off" policies in effect without any reduction in scope or coverage for six years from the Effective Date, and agrees to not take or permit any action to be taken by or on behalf of STEP to terminate or adversely affect such directors' and officers' insurance; provided, however, that the cost of such "run-off" policies shall not exceed 300% of the annual aggregate premium for the policies currently maintained by STEP and its wholly-owned subsidiaries in effect as of the date of this Agreement.
- (c) If, at or following the Effective Date, the Purchaser or any its successors or assigns:
 - (i) consolidates with or merges into any other Person and is not a continuing or surviving corporation or entity of such consolidation or merger; or
 - (ii) transfers all or substantially all of its properties and assets to any Person, the Purchaser shall use its commercially reasonable efforts to ensure that any such successor or

assign (including, as applicable, any acquirer of substantially all of the properties and assets of STEP or its subsidiaries) assumes all of the obligations set forth in this Section 3.9.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Purchaser Parties

The Purchaser Parties hereby jointly and severally make the representations and warranties set forth in this Section 4.1 to and in favour of STEP and acknowledge that STEP is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

- (a) Each of the Purchaser Parties and each of their subsidiaries is a corporation, partnership or limited partnership duly organized and validly subsisting under the Applicable Laws of its jurisdiction of formation and each of the Purchaser Parties and each of their subsidiaries has, or through one or more of its partners or managing members has, the requisite power and authority to carry on its business as it is now being conducted and to own, lease and operate its properties and assets.
- (b) Each of the Purchaser Parties has (or through its general partner (or the general partner of its general partner) has) the requisite corporate power and authority to enter into this Agreement and the STEP Lock-up Agreements and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the STEP Lock-up Agreements and the consummation by the Purchaser Parties of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or partner action on the part of the Purchaser Parties, respectively, and no other corporate proceedings on the part of the Purchaser Parties, respectively, are or shall be necessary to approve this Agreement and consummate the transactions contemplated hereby. This Agreement and the STEP Lock-up Agreements have been duly executed and delivered by the Purchaser Parties and constitute legal, valid and binding obligations of the Purchaser Parties enforceable against the Purchaser Parties in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to general principles of equity.
- (c) Subject to compliance with the matters referred to in Subsection 4.1(c)(ii), neither the execution and delivery of this Agreement by the Purchaser Parties, the consummation by the Purchaser Parties of the Arrangement nor compliance by the Purchaser Parties with any of the provisions hereof will:
 - (i) contravene, conflict with, or result in any violation or breach of the articles, bylaws or other constating documents of the Purchaser Parties or any of their subsidiaries; or
 - (ii) violate any Applicable Law applicable to the Purchaser Parties or any of their subsidiaries.

- (d) Other than in connection with or in compliance with the provisions of Securities Law or the ABCA:
 - (i) there is no legal impediment to the Purchaser Parties' consummation of the transaction contemplated by this Agreement; and
 - (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Authority or authority necessary by the Purchaser Parties in connection with the consummation of the transaction contemplated by this Arrangement.
- (e) The execution, delivery and performance by the Purchaser Parties of their obligations under this Agreement and the consummation of the Arrangement do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Authority by the Purchaser Parties other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Securities Authorities; (iv) filings with the Registrar under the ABCA; and (v) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Authority which, if not taken or made, would not, individually or in the aggregate, materially impede the ability of the Purchaser to consummate the Arrangement and the transactions contemplated hereby.
- (f) No consent, approval or authorization is required under any material contract, agreement, license, franchise or permit to which the Purchaser Parties are bound or are subject in connection with the execution and delivery of this Agreement or the consummation by the Purchaser Parties of the transactions contemplated hereby, where failure to obtain such consent, approval or authorization would, individually or in the aggregate, materially impede the ability of the Purchaser to consummate the Arrangement and the transactions contemplated hereby.
- (g) As at the date of this Agreement and until the Effective Time, the limited partnerships that comprise ARC Energy Fund 8 beneficially own, control or direct, directly or indirectly, all of the issued and outstanding securities of the Purchaser.
- (h) There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending, or, to the knowledge of the Purchaser Parties, threatened, against any of the Purchaser Parties or any of their subsidiaries before any Governmental Authorities, nor are any of the Purchaser Parties or any of their subsidiaries subject to any outstanding judgment, order, writ, injunction or decree that, either individually or in the aggregate, is reasonably likely to prevent or materially delay consummation of the Arrangement or the transactions contemplated hereby.
- (i) The limited partnerships that comprise ARC Energy Fund 8 are not affiliated with each other within the meaning of the *Competition Act* (Canada).
- (j) None of the limited partnerships that comprise ARC Energy Fund 8 will acquire voting shares of STEP in the aggregate that carry more than 20% of the votes attached to all of STEP's outstanding voting shares or, if a limited partnership owns voting shares that carry more than 20% of the votes attached to all of STEP's

outstanding voting shares, will acquire voting shares of STEP in the aggregate that carry more than 50% of the votes attached to all of STEP's outstanding voting shares.

- (k) The Purchaser is a "Canadian-controlled entity" within the meaning of the *Investment Canada Act* (Canada).
- (l) The Purchaser does not carry on any active business and will not carry on any active business prior to the Effective Time other than to effect the transactions contemplated in this Agreement.
- (m) The Purchaser will have at the Effective Time sufficient funds available to satisfy the aggregate Consideration payable by the Purchaser pursuant to the Arrangement in accordance with the terms of this Agreement and the Plan of Arrangement, to satisfy all other obligations payable by the Purchaser pursuant to this Agreement and the Plan of Arrangement and to pay all expenses payable by it pursuant to this Agreement and the Plan of Arrangement (all such amounts, collectively, the "**Required Amount**").
- (n) Prior to the execution and delivery of this Agreement, the Purchaser has delivered to STEP a true and complete copy (with only rates, fees, "market flex", provisions related to economics and other customarily redacted terms redacted) of an executed debt commitment letter, dated as of the date hereof (together with all exhibits, schedules, annexes and term sheets attached thereto, and as amended, modified, or replaced from time to time after the date of this Agreement in compliance with this Agreement, the "**Debt Commitment Letter**") executed by the Debt Financing Sources party thereto as of the date hereof and pursuant to which such Debt Financing Sources have committed, subject to the terms and conditions thereof, to provide debt financing in an aggregate amount set forth therein and subject to the terms and conditions set forth therein (such financing, the "**Debt Financing**"). For purposes of this Agreement, references to "Debt Financing" shall include the financing contemplated by the Debt Commitment Letter as permitted to be amended or modified by Section 3.5 (including any Alternative Financing obtained in accordance with Section 3.5(e)).
- (o) As of the date of this Agreement, the Debt Commitment Letter has not been amended or modified, no such amendment or modification is contemplated as of the date of this Agreement, and as of the date of this Agreement, the respective commitments contained in the Financing Letters have not been withdrawn, terminated, reduced or rescinded in any respect.
- (p) The Purchaser Parties have fully paid any and all commitment fees or other fees in connection with the Debt Commitment Letter that are payable on or prior to the date of this Agreement.
- (q) As of the date hereof, the Debt Commitment Letter is in full force and effect and constitutes a legal, valid and binding obligation of the Purchaser Parties, enforceable against the Purchaser Parties in accordance with its terms, in each case subject only to: (i) any limitation on enforcement under Laws relating to bankruptcy, winding-up, insolvency, reorganization, arrangement or other Law affecting the enforcement of creditors' rights generally; and (ii) the discretion that

a court may exercise in the granting of equitable remedies such as specific performance and injunction.

- (r) The Purchaser Parties are not aware of any material information concerning STEP or the STEP Shares that have not been disclosed generally and that, if disclosed, could reasonably have been expected to have a Material Adverse Effect or result in any representation and warranty of STEP in Section 4.2 being untrue.

4.2 Representations and Warranties of STEP

STEP hereby makes the representations and warranties set forth in this Section 4.2 to and in favour of the Purchaser Parties and acknowledges that the Purchaser Parties are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Each of STEP and its subsidiaries is a corporation, a partnership or a limited partnership duly organized and validly subsisting under the Applicable Laws of its jurisdiction of formation and STEP and each of its subsidiaries has, or through one or more of its partners has, the requisite power and authority to carry on its business as it is now being conducted and to own, lease and operate its properties and assets.
- (b) Each of STEP and its subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned, leased, operated, licensed or otherwise held, or the nature of its activities make such registration necessary under Applicable Laws, except where the failure to be so registered or in good standing would not, individually or in the aggregate, have a Material Adverse Effect on STEP and its subsidiaries, taken as a whole.
- (c) STEP has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by STEP of the transactions contemplated by this Agreement have been duly authorized by the STEP Board and, other than approval by the STEP Shareholders of the Arrangement Resolution in the manner required by the Interim Order and Applicable Law, approval by the Court, approval of the Circular by the STEP Board, filings with the Securities Authorities, filings with the Registrar under the ABCA and filings with respect to Authorizations, no other corporate proceedings on the part of STEP are or shall be necessary to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by STEP and constitutes a legal, valid and binding obligation of STEP enforceable against STEP in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to general principles of equity.
- (d) As of November 1, 2024, the STEP Board, after consultation with the STEP Financial Advisor and outside legal counsel and having considered all other relevant factors, has:
 - (i) determined that the Arrangement is fair to the STEP Shareholders (other than the ARC Funds) and is in the best interests of STEP;

- (ii) resolved to unanimously recommend that the STEP Shareholders (other than the ARC Funds) vote in favour of the Arrangement Resolution; and
 - (iii) authorized the entering into of this Agreement and the performance by STEP of its obligations hereunder, and no action has been taken to amend or supersede such determinations, resolutions or authorizations.
- (e) Except as disclosed in Subsection 4.2(e) of the STEP Disclosure Letter, STEP has no direct or indirect subsidiaries nor does it own any direct or indirect equity or voting interest of any kind in any Person. STEP, directly or indirectly, owns all of the issued and outstanding shares and other interests in each of the subsidiaries listed in Subsection 4.2(e) of the STEP Disclosure Letter, free and clear of all Liens, and all of the issued and outstanding shares or interests directly or indirectly owned by STEP have been duly authorized and validly issued and are fully paid and non-assessable shares or interests, and no such shares or interests have been issued in violation of any pre-emptive or similar rights. There are no Contracts, arrangements or restrictions that require any of STEP's subsidiaries to issue, sell or deliver any shares or other interests, or any securities convertible into or exchangeable for, any shares or other interests.
- (f) Except as set forth in Subsection 4.2(f) of the STEP Disclosure Letter, neither STEP nor any of its subsidiaries are a party to any unanimous shareholders agreement, shareholder agreement, pooling, voting or other similar arrangement or agreement relating to the ownership or voting of any securities of STEP or any of its subsidiaries, or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in STEP or any of its subsidiaries. There are no irrevocable proxies or voting agreements with respect to any securities issued by STEP or any of its subsidiaries.
- (g) Subject to the approval of the STEP Shareholders of the Arrangement Resolution, the issuance of the Interim Order and the Final Order by the Court, neither the execution and delivery of this Agreement by STEP, the consummation by STEP of the Arrangement nor compliance by STEP with any of the provisions hereof will (or would with the giving of notice, the passage of time, or the happening of any other event or circumstance):
 - (i) except as disclosed in Subsection 4.2(g)(i) of the STEP Disclosure Letter, require any consent or other actions by any Person or any Governmental Authority under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which STEP or any of its subsidiaries is entitled under any provision of any Material Contract or any Material Authorization to which STEP or any of its subsidiaries is a party or by which STEP or any of its subsidiaries is bound;
 - (ii) result in or require the creation or imposition of any Lien upon the STEP Shares or any of the properties or assets of STEP or any of its subsidiaries;
 - (iii) result in a breach or a violation of, or conflict with, any Order of any Governmental Authority;

- (iv) contravene, conflict with, result in any violation or breach of, or allow any Person to exercise any rights under, the articles, bylaws or other constating documents of STEP or any of its subsidiaries; or
 - (v) violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule, regulation or Applicable Law applicable to STEP or any of its subsidiaries.
- (h) Except as disclosed in Subsection 4.2(h) of the STEP Disclosure Letter, the execution and delivery of this Agreement by STEP, the performance of its and each of its subsidiaries' obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement do not require any consent, waiver, permit, exemption, Order, approval, agreement, amendment or confirmation of any third party, other than any Governmental Authority, that is necessary to be obtained under any Material Contract in connection with the Arrangement or required in order to maintain any Material Contract in full force and effect following completion of the Arrangement.
- (i) Except as disclosed in Subsection 4.2(g)(i) and 4.2(h) of the STEP Disclosure Letter, the execution and delivery of this Agreement by STEP, the performance of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
- (i) result in a breach or a violation of, or conflict with, any Material Contract; or
 - (ii) result in or give any Person the right to seek, or to cause:
 - (A) the termination, cancellation, amendment or renegotiation of any Material Contract;
 - (B) the enforcement of any right or remedy against STEP or any of its subsidiaries;
 - (C) the payment of any amount by, or the acceleration of any debt or other similar obligation of, STEP or any of its subsidiaries; or
 - (D) the forfeiture or other loss, in whole or in part, of any benefit which would otherwise accrue to STEP or any of its subsidiaries (including by triggering any right of first refusal or first offer, change in control provision or other restriction or limitation).
- (j) Subsection 4.2(j) of the STEP Disclosure Letter sets out a complete and accurate list of all Material Contracts as of the date hereof and true, correct and complete copies of all Material Contracts as of the date hereof (including all amendments, assignments and supplements thereto) have been provided (or otherwise made available) to the Purchaser Parties or their Representatives prior to the date hereof. STEP and each of its subsidiaries, as applicable, have performed in all material respects and in a timely manner all of the obligations required to be performed by them under all Material Contracts and are entitled to all benefits

thereunder, and neither STEP nor any of its subsidiaries have received notice of any default under any Material Contract. Each Material Contract is legal, valid and binding and in full force and effect and is enforceable against and by STEP and each of its subsidiaries that are parties thereto, in accordance with its terms in all material respects, subject to any limitation under bankruptcy, insolvency or other Applicable Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction. There exists no default or event of default or event, occurrence, condition or act which is material and, with the giving of notice, the lapse of time or the happening of any other event or circumstance, would become a material breach of, or material default or event of default under, or a material violation of any Material Contract. Neither STEP nor any of its subsidiaries have received any notice in writing that any party to a Material Contract intends to cancel, terminate or otherwise adversely modify or not renew its relationship with STEP or any of its subsidiaries and, to the knowledge of STEP, no such action has been threatened, except as disclosed in Subsection 4.2(j) of the STEP Disclosure Letter.

- (k) STEP has (or has access to) sufficient funds available to pay the amount which may be required pursuant to Section 6.1 of this Agreement and all other fees and expenses for which STEP is responsible under the terms of this Agreement.
- (l) Other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the Arrangement, receipt of the Interim Order and any approvals required by the Interim Order, receipt of the Final Order, or which are required to be fulfilled post-Arrangement, there is no legal impediment to STEP's consummation of the transactions contemplated by this Agreement.
- (m) The execution, delivery and performance by STEP of its obligations under this Agreement and the consummation of the Arrangement do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Authority by STEP or its subsidiaries other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Registrar under the ABCA; (iv) filings with the Securities Authorities and the TSX; (v) approval of the Arrangement Resolution; and (vi) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Authority which, if not taken or made, would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect on STEP.
- (n) Except as disclosed in Subsection 4.2(n) of the STEP Disclosure Letter, the STEP Public Record or as a result of a US Fracturing Business Transaction, since June 30, 2023:
 - (i) there has not been any Material Adverse Change respecting STEP and its subsidiaries, taken as a whole; and
 - (ii) STEP and each of its subsidiaries has conducted its business only in the Ordinary Course and in accordance with Applicable Laws, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

- (o) There are no material liabilities or obligations of STEP or any of its subsidiaries of any nature, whether accrued, contingent, absolute, determined, determinable, matured, unmatured or otherwise, other than liabilities or obligations:
- (i) disclosed in the unaudited consolidated financial statements of STEP as at and for the three and six months ended June 30, 2024 (including any notes or schedules thereto and the related management discussion and analysis);
 - (ii) incurred in the Ordinary Course since June 30, 2024;
 - (iii) incurred in connection with this Agreement or the transactions contemplated under this Agreement; or
 - (iv) disclosed in Subsection 4.2(o) of the STEP Disclosure Letter.

Neither STEP nor any of its subsidiaries is a party, or has any commitment to become a party to, any off-balance sheet Contract, arrangement or understanding (including any Contract, arrangement or understanding between STEP or any of its subsidiaries, on the one hand, and any unconsolidated entity, including any structured financing, special purpose or limited purpose entity or Person, on the other hand) or any other "off-balance sheet arrangements" (as such term is defined in the instructions contained in Form 51- 102F1 – Management's Discussion & Analysis).

- (p) Neither STEP nor any of its subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, STEP or any of its subsidiaries or any of their respective Affiliates or associates (except for amounts due in the Ordinary Course as salaries, bonuses, directors' fees, contractor fees or the reimbursement of Ordinary Course expenses). Except as set forth in Subsection 4.2(p) of the STEP Disclosure Letter, there are no Contracts (other than employment arrangements and Incentive Awards) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any officer or director of STEP or any of its subsidiaries, or any of their respective Affiliates or associates.
- (q) The STEP Financial Statements fairly present, in accordance with IFRS, consistently applied, the assets, liabilities, consolidated financial position, results of operations and cash flows of STEP and its subsidiaries as of their respective dates and for the periods covered by such financial statements, and there have been no changes in accounting methods, policies, or practices of STEP or any of its subsidiaries since June 30, 2024 (except, in each case, as expressly set forth in the notes to such financial statements).
- (r) The management of STEP has established and maintains a system of disclosure controls and procedures (as such term is defined in NI 52-109) designed to provide reasonable assurance that information required to be disclosed by STEP in its annual filings, interim filings or other reports filed or submitted by it under Applicable Canadian Securities Laws is recorded, processed, summarized and reported within the time periods specified by such Applicable Canadian Securities Laws and is accumulated and communicated to STEP's management to allow

timely decisions regarding required disclosure. STEP maintains internal control over financial reporting (as such term is defined in NI 52-109). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of the STEP Financial Statements for external purposes in accordance with IFRS.

- (s) STEP does not intend to correct or restate, nor, to the knowledge of STEP as of the date hereof, is there any basis for any correction or restatement of, any aspect of the STEP Financial Statements.
- (t) The financial books, records and accounts of STEP and each of its subsidiaries:
 - (i) have been maintained, in all material respects, in accordance with Applicable Laws and IFRS;
 - (ii) accurately and fairly reflect the material transactions, acquisitions and dispositions of STEP and its subsidiaries; and
 - (iii) except as disclosed in Subsection 4.2(t)(iii) of the STEP Disclosure Letter, accurately and fairly reflect the basis of the STEP Financial Statements.
- (u) Except as disclosed in Subsection 4.2(u) of the STEP Disclosure Letter, the corporate minute books of STEP and each of its subsidiaries contain the minutes of all meetings and resolutions of the boards of directors and each committee thereof and since January 1, 2023 have been maintained in accordance with Applicable Laws and are complete and accurate in all material respects. Copies of the minutes of all meetings and resolutions of the STEP Board and the boards of directors of each of STEP's subsidiaries since January 1, 2024 have been provided (or otherwise made available) to Representatives of the Purchaser Parties and are true, correct and complete in all material respects (other than as disclosed in Subsection 4.2(u) of the STEP Disclosure Letter and those portions of minutes of the STEP Board and any committee thereof relating to this Agreement and the transactions contemplated by this Agreement).
- (v) The STEP Information shall, as of the respective dates of such information, be true and complete in all material respects and shall not contain any misrepresentation or omit to state any material fact required to be stated.
- (w) Except as disclosed in Subsection 4.2(w) of the STEP Disclosure Letter, STEP and each of its subsidiaries are, and since August 1, 2021 have been, in compliance with Applicable Laws in all material respects, including Applicable Canadian Securities Laws and Applicable U.S. Securities Laws. Neither STEP nor any of its subsidiaries are under any investigation with respect to, have been convicted, charged or to the knowledge of STEP threatened to be charged with, or have received notice of, any violation or potential violation of any Applicable Laws or any notice of any investigation with respect to any violation of any Applicable Laws from any Governmental Authority.
- (x) Except as disclosed in Subsection 4.2(x) of the STEP Disclosure Letter, there are no Proceedings current or pending or, to the knowledge of STEP, threatened against or affecting STEP, any of its subsidiaries, or any of their respective

properties or assets, except as would not individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on STEP.

- (y) STEP is a "reporting issuer" in each of the provinces of Canada and is in compliance in all material respects with all Applicable Canadian Securities Laws therein. STEP has not taken any action to cease to be a reporting issuer in any province of Canada nor has STEP received notification from any Securities Authority seeking to revoke STEP's status as a reporting issuer. The STEP Shares are listed and posted for trading on the TSX and are not listed on any other market, and STEP is in compliance in all materials respects with the applicable listing, corporate governance, and other rules and regulations of the TSX. STEP is not in default of any material requirements of any Applicable Canadian Securities Laws or any rules or regulations of, or agreement with, the TSX. No delisting, suspension of trading in or cease trading order or other Order with respect to the STEP Shares or any securities of STEP is in effect, pending or, to the knowledge of STEP, has been threatened or is expected to be implemented or undertaken.
- (z) STEP has timely filed with the Securities Authorities and the TSX true and correct copies in all material respects of all forms, reports, schedules, statements, and other documents required to be filed under Applicable Canadian Securities Laws and has paid all applicable fees when due under Applicable Canadian Securities Laws. The documents and information comprising the STEP Public Record, as of their respective dates (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such subsequent filing), complied as filed in all material respects with Applicable Canadian Securities Laws and did not contain any misrepresentation, unless such document or information was subsequently corrected or superseded in the STEP Public Record prior to the date hereof. STEP has not filed any confidential material change report with any Governmental Authority that, as of the date hereof, remains confidential or any other confidential filings filed under Applicable Canadian Securities Laws or with any Governmental Authority. There are no outstanding or unresolved comments in comment letters from any Securities Authorities with respect to any documents or information forming part of the STEP Public Record. Neither STEP nor any of its subsidiaries is subject to any ongoing Proceeding by any Securities Authorities or the TSX and, to the knowledge of STEP, no such Proceeding is threatened.
- (aa) The authorized capital of STEP consists of an unlimited number of STEP Shares and an unlimited number of STEP Preferred Shares issuable in series.
- (bb) As of the date of this Agreement, there are issued and outstanding: (i) 71,772,723 STEP Shares; and (ii) no STEP Preferred Shares. Except for the STEP Shares, there are no other shares of any class or series in the capital of STEP outstanding. All outstanding STEP Shares have been duly authorized and validly issued, are fully paid and non-assessable and issued in accordance with Applicable Canadian Securities Laws and Applicable U.S. Securities Laws. Other than the STEP Shares, there are no securities of STEP outstanding which have the right to vote generally with STEP Shareholders on any matter.
- (cc) STEP and its subsidiaries hold, possess and lawfully use in the operation of the Business, all material Authorizations which are necessary for them to conduct the Business and for the ownership and use of the property and assets used by STEP

or any of its subsidiaries in compliance in all respects with all Applicable Laws (a "**Material Authorization**"). Each Material Authorization is valid, subsisting and in good standing. Neither STEP nor any of its subsidiaries are in default or breach of any Material Authorization and no Proceedings are pending or, to the knowledge of STEP, threatened regarding any Material Authorization in any material respect, and neither STEP nor any of its subsidiaries, nor, to the knowledge of STEP, any of their respective directors or officers has received any notice, whether written or oral, of revocation or non-renewal or material amendments of any such Material Authorizations, or of any intention of any Person to revoke or refuse to renew or to materially amend any of such Material Authorizations and all such Material Authorizations continue to be effective in order for STEP and its subsidiaries to continue to conduct their respective businesses as they are currently being conducted. All Material Authorizations are renewable by their terms or in the Ordinary Course without the need for STEP or any of its subsidiaries to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees. STEP is not aware of any fact or circumstances in existence that may result in any Material Authorizations which may be required in the future not being granted in the Ordinary Course. No Person other than STEP and or one of its subsidiaries owns or has any proprietary, financial or other interest (directly or indirectly) in any such Material Authorizations.

- (dd) In the past three years, STEP and its subsidiaries have been in compliance with all Environmental Laws and none of STEP or its subsidiaries have received notice of any investigation with respect to, or, to the knowledge of STEP or its subsidiaries, has been threatened to be charged with, or received written notice of or received a written request for information regarding, any violation of or liability under Environmental Law, except, in each case, for such non-compliance, investigations, threats, notices or requests for information that relate to matters that have been discharged or satisfied in all material respects or that have not been, and could not reasonably be expected to be, individually or in the aggregate, to have a Material Adverse Effect to the Business or that could otherwise materially interfere with the conduct of the Business in substantially the manner currently conducted.
- (ee) STEP and its subsidiaries own, hold, or possess, all Authorizations required by Environmental Law to enable STEP and its subsidiaries to own, lease or otherwise hold its properties and assets and to continue to conduct the Business as currently conducted, other than such Authorizations the absence of which could not reasonably be expected to have a Material Adverse Effect on the Business.
- (ff) In the past three years, each of STEP and its subsidiaries have been in compliance with all applicable Authorizations required by Environmental Law except, in each case, for such noncompliance that has not been, and could not reasonably be expected to be, individually or in the aggregate, to have a Material Adverse Effect to the Business or that could otherwise materially interfere with the conduct of the Business in substantially the manner currently conducted.
- (gg) There are no conditions or circumstances that may currently prevent or interfere with the compliance by STEP and its subsidiaries with any applicable Environmental Law, nor is there are any condition or circumstance that may

prevent or interfere with the compliance by STEP and its subsidiaries with any Environmental Law upon the consummation of the transactions contemplated by this Agreement.

- (hh) None of STEP or its subsidiaries has entered into any Contract with any person or entity pursuant to which STEP or its subsidiaries has agreed to perform an investigation, remediation, clean-up, abatement, removal or monitoring (or words of similar import) resulting from the Release of Hazardous Substances or to address any violation of Environmental Law under which STEP or its subsidiaries have any outstanding material obligations.
- (ii) To the knowledge of STEP, there is no site to which Hazardous Substances generated by STEP or its subsidiaries or the Business has been transported that is the subject of any action brought by a Governmental Authority under Environmental Law or that would be reasonably expected to result in an action, order or claim.
- (jj) To the knowledge of STEP, no Hazardous Substances have been disposed of or released by STEP or its subsidiaries or the Business on, at, from or under any site, or any property owned, leased or used by STEP or its subsidiaries or the Business at any time, for which STEP or its subsidiaries or Business could reasonably be expected to be liable under any Environmental Law.
- (kk) STEP and its subsidiaries have made available to the Purchaser Parties all (i) environmental site assessments, audits, and investigations of remedial and contamination issues, and (ii) material, environmental, health and safety compliance assessments or audits in its possession conducted on behalf of the Business in the past three years with respect to the Business and STEP or its subsidiaries.
- (ll) Neither STEP nor any of its subsidiaries are a party to, or bound by, any non-competition agreement or any other Contract or any Order or Authorization which purports to:
 - (i) materially limit the manner or the location in which STEP or any of its subsidiaries may conduct any line of business;
 - (ii) materially limit any business practice of STEP or any of its subsidiaries; or
 - (iii) materially restrict any acquisition or disposition of any assets or property by STEP or any of its subsidiaries.
- (mm) STEP and its subsidiaries hold all material rights, assets and property necessary for the conduct of the Business after the Effective Time substantially in the same manner as its was conducted prior to the Effective Time. No Person has any written agreement, option, understanding or commitment, or any right or privilege (whether by law, contractual or otherwise) capable of becoming such, for the purchase or other acquisition from STEP or any of its subsidiaries of any of their assets other than pursuant to purchase orders for inventory sold in the Ordinary Course.

- (nn) The property and assets used in the Business are insured against loss or damage by all insurable hazards and risks on a stipulated value basis. Subsection 4.2(nn) of the STEP Disclosure Letter contains a complete and accurate list of insurance policies that are maintained by or on behalf of STEP and its subsidiaries and sets out, in respect of each policy, a description of the type of policy, the name of the insurer, the coverage, the expiration date, the annual premium, and any pending claims. Neither STEP nor any of its subsidiaries are in material default with respect to any of the provisions contained in the insurance policies or the payment of any premiums under any insurance policy and have not failed to give any notice or to present any material claim under any insurance policy in a due and timely fashion.
- (oo) Since January 1, 2023, there has been no material change in the relationship of STEP or any of its subsidiaries with their insurers, or the availability of coverage. Subsection 4.2(oo) of the STEP Disclosure Letter contains a complete and accurate description of all material claims, with reasonable particulars, made under any policies of insurance maintained by or for the benefit of STEP or any of its subsidiaries in the past three years. True, correct and complete copies of all insurance policies held by or on behalf of STEP and its subsidiaries and the most recent inspection reports received from insurance underwriters have been delivered to the Purchaser Parties.
- (pp) As of the date of this Agreement, there were 2,420,845 STEP Options, 1,821,439 STEP RSUs, 669,922 STEP PSUs, 1,960,324 STEP DSUs and 285,461 STEP Phantom RSUs issued and outstanding, and there are no other Incentive Awards issued and outstanding pursuant to any of the Incentive Plans. Subsection 4.2(pp) of the STEP Disclosure Letter contains a complete and accurate list of the outstanding STEP Options, STEP RSUs, STEP PSUs, STEP DSUs and STEP Phantom RSUs as of the date hereof with details regarding the holders, exercise price, and vesting terms of such securities, as applicable. Except for the outstanding Incentive Awards set forth in Subsection 4.2(pp) of the STEP Disclosure Letter, there are no issued, outstanding, or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation, subscription, or other rights, or any other agreements, arrangements, understandings, instruments or commitments of any kind that obligate STEP or any of its subsidiaries to, directly or indirectly, issue or sell any, or create any additional classes of, securities of STEP or any of its subsidiaries, or give any Person a right to subscribe for or acquire, any securities of STEP or any of its subsidiaries, or to qualify any securities of STEP or any of its subsidiaries for public distribution in Canada or elsewhere. All of the outstanding STEP Options, STEP RSUs, STEP PSUs, STEP DSUs and STEP Phantom RSUs have been (i) duly authorized by the STEP Board (or a duly authorized committee thereof); (ii) issued in compliance with Applicable Laws and the terms of the applicable Incentive Plans; and (iii) recorded in STEP's most recent unaudited consolidated interim financial statements (including any of the notes or schedules thereto) in accordance with IFRS, and no such grants involved any "back dating", "forward dating", "spring loading," or similar concept. STEP has provided the Purchaser Parties with true and complete copies of each of the Incentive Plans and all related agreements and certificates under which any outstanding STEP Options, STEP RSUs, STEP PSUs, STEP DSUs and STEP Phantom RSUs have been granted or issued.

- (qq) All dividends or distributions on the securities of STEP or any of its subsidiaries that have been declared or authorized have been paid in full.
- (rr) STEP and its subsidiaries have good title to all material property of any kind or nature which STEP or any of its subsidiaries purport to own ("**Material Owned Assets**"), free and clear of all Liens (other than Liens as are addressed in any governmental registry or arising in the Ordinary Course), except as would not, individually or in the aggregate, have a Material Adverse Effect. STEP and its subsidiaries, as lessees, have the right under valid and subsisting Leases to use, possess and control all personal property leased by and material to STEP or any of its subsidiaries as used, possessed and controlled by STEP or its subsidiaries, as applicable, except as would not, individually or in the aggregate, have a Material Adverse Effect (the "**Material Leased Assets**"). Except as disclosed in the STEP Public Record, the Material Owned Assets and the Material Leased Assets have been properly maintained in all material respects in accordance with good industry operating practice and are in good working order, subject to ordinary wear and tear for equipment of comparable age, for the continued conduct of the business of STEP and its subsidiaries in the manner in which it is currently conducted.
- (ss) STEP and each of its subsidiaries have duly and timely prepared all material Tax Returns required by Applicable Laws to be filed by them prior to the date hereof and all such Tax Returns have been filed with the appropriate Tax Authorities within the prescribed period in accordance with Applicable Laws. STEP and each of its subsidiaries have reported all material income and all other amounts and information required by Applicable Laws to be reported on each such Tax Return and each such Tax Return is true, correct and complete in all material respects.
- (tt) STEP and each of its subsidiaries have paid, within the prescribed period, all material Taxes and instalments of Taxes which were required to be paid to any Tax Authority pursuant to Applicable Laws prior to the date hereof. No material deficiency with respect to the payment of any Taxes or Tax instalments has been asserted against STEP or any of its subsidiaries by any Tax Authority.
- (uu) STEP and each of its subsidiaries have correctly calculated and duly filed all claims for federal and provincial Tax credits (including refundable or reimbursable material Tax credits). Neither STEP nor any of its subsidiaries has applied for, claimed or received a refund of any material amount of Tax (or amount deemed for purposes of the Tax Act to be an overpayment of Tax) to which it was not entitled pursuant to Applicable Laws.
- (vv) STEP and each of its subsidiaries have duly and timely withheld or collected from any amount paid or credited to any Person the amount of all Taxes or other amounts required by Applicable Laws to be withheld or collected from any amount paid or credited to any Person (including Taxes and other amounts required to be withheld or collected by it in respect of any amount paid or credited by it to or for the account or benefit of any current or former shareholder, employee, officer or director and any Person not resident in Canada for purposes of the Tax Act) and have duly and in a timely manner remitted the same to the appropriate Tax Authority within the time prescribed under any Applicable Laws.

- (ww) Except as disclosed in Subsection 4.2(ww) of the STEP Disclosure Letter, there are no Proceedings pending or, to the knowledge of STEP, threatened against STEP or any of its subsidiaries in respect of any Taxes. No event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such Proceeding, investigation or audit against STEP or any of its subsidiaries. There are no matters under discussion, audit or appeal with any Tax Authority relating to Taxes of STEP or any of its subsidiaries. All Tax Returns of STEP and its subsidiaries for taxation years ending on or before December 31, 2023 have been assessed by the relevant Tax Authority and have been made available to the Purchaser for review. All Tax Returns and all material written communications to or from any Tax Authority relating to the Taxes of STEP or any of its subsidiaries that have been made available to the Purchaser Parties were true, correct and complete in all material respects.
- (xx) STEP and each of its subsidiaries have duly and timely collected all material amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Applicable Laws to be collected by them and have duly and timely remitted to the appropriate Tax Authority any such amounts required by Applicable Laws to be remitted by them.
- (yy) There are no Liens with respect to Taxes upon any of the assets of STEP or any of its subsidiaries.
- (zz) Neither STEP nor any of its subsidiaries has requested, entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which:
- (i) to file any Tax Return;
 - (ii) to file any elections, designations or similar filings relating to Taxes;
 - (iii) it is required to pay or remit any Taxes or amounts on account of Taxes; or
 - (iv) any Tax Authority may assess or collect Taxes.
- (aaa) Neither STEP nor any of its subsidiaries has entered into any agreement with, or provided any undertaking to, any Person pursuant to which it has assumed liability for the payment of Taxes owing by such Person. Neither STEP nor any of its subsidiaries has entered into any agreements contemplated by section 191.3 of the Tax Act.
- (bbb) Each of STEP and each of its subsidiaries that is currently a "taxable Canadian corporation" for the purposes of the Tax Act has at all relevant times been "taxable Canadian corporation". Neither STEP nor any of its subsidiaries, other than those subsidiaries that are resident of a jurisdiction outside Canada, has been required to file any Tax Return with, and has never been liable to pay any Taxes to, any Tax Authority outside Canada. No request to file a Tax Return has ever been made by a Tax Authority in a jurisdiction where STEP and its subsidiaries do not file Tax Returns.

- (ccc) None of section 17, subsection 18(4), or sections 78, 79, 80, 80.01, 80.02, 80.03 and 80.04 of the Tax Act, or any equivalent provision of the Applicable Laws of any other jurisdiction, has applied or will apply to STEP or any of its subsidiaries at any time on or before the Effective Time.
- (ddd) Neither STEP nor any of its subsidiaries has acquired property from a Person not dealing at "arm's length" (within the meaning of the Tax Act) with STEP or such subsidiary, for consideration, the value of which is less than the fair market value of the property, in circumstances which could subject it to a liability under section 160 of the Tax Act or section 325 of the *Excise Tax Act* (Canada) or any equivalent section in any other Applicable Laws relating to Taxes. The value of the consideration paid or received by STEP and each of its subsidiaries for the acquisition, sale, transfer or provision of property (including intangibles) or the provision of services (including financial transactions) from or to a non-arm's length Person is equal to the estimated fair market value of such property acquired, provided or sold or services purchased or provided.
- (eee) STEP and each of its subsidiaries have complied in material respects with the transfer pricing (including any contemporaneous documentation) provisions of Applicable Laws, including for greater certainty, under section 247 of the Tax Act.
- (fff) Neither STEP nor any of its subsidiaries has received any requirement pursuant to section 224 of the Tax Act or the equivalent provision of Applicable Laws of any province which remains unsatisfied in any respect.
- (ggg) Neither STEP nor any of its subsidiaries has been party to, or been required to file any information with respect to, any "reportable transaction", as defined in section 237.3 of the Tax Act or any "notifiable transaction", as defined in section 237.4 of the Tax Act (or any analogous provisions of Applicable Laws of any province).
- (hhh) The STEP Board has received the Fairness Opinion and STEP has been authorized by the STEP Independent Valuator to include the Fairness Opinion and references thereto in the Circular.
- (iii) Subsection 4.2(iii) of the STEP Disclosure Letter sets out a complete and accurate list of all Owned Real Property.
- (jjj) Subsection 4.2(jjj) of the STEP Disclosure Letter sets out a complete and accurate list of all Leases and all Leased Real Property. Neither STEP nor any of its subsidiaries are a party to, or under any agreement to become a party to, any real or immovable property lease other than the Leases set out in Subsection 4.2(jjj) of the STEP Disclosure Letter. Each Lease is in good standing, in all material respects, creates a good and valid leasehold estate in favour of STEP or any one or more of its subsidiaries in the Leased Real Properties thereby demised and is in full force and effect. With respect to each Lease where STEP or any of its subsidiaries is a tenant or (sub)landlord:
 - (i) all rents, additional rent and other amounts payable by the tenant under each of the Leases have been paid to date;

- (ii) no waiver, indulgence or postponement of any obligations of STEP or any of its subsidiaries has been granted by the lessor;
 - (iii) each of STEP and its subsidiaries, as applicable, has performed all respective obligations required to be performed by it to date under each of the Leases, and to the knowledge of STEP, there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the passage of time or the happening of any other event or circumstance, would become a default under the Lease or, save and except as provided for in the Leases, give rise to a right of amendment, cancellation or termination of the Lease;
 - (iv) neither STEP nor any of its subsidiaries has received a notice of default or a notice to terminate pursuant to any Lease;
 - (v) except as disclosed in Subsection 4.2(jjj) of the STEP Disclosure Letter, all landlord contributions to tenant improvements under the Leases with respect to the Leased Real Properties have been paid in full or have been fully accrued in the STEP Financial Statements;
 - (vi) except as disclosed in Subsection 4.2(jjj) of the STEP Disclosure Letter, all improvements and alterations required to be made to the Leased Real Properties by STEP or any one or more of its subsidiaries pursuant to the terms of the Leases have been completed in all material respects, and none of the Leased Real Properties are currently under construction or renovation;
 - (vii) except as disclosed in Subsection 4.2(jjj) of the STEP Disclosure Letter, no consent is required to be obtained by STEP or any of its subsidiaries, nor is any notice required to be given by STEP or any of its subsidiaries under any Lease in connection with the completion of the transactions contemplated by this Agreement; and
 - (viii) to the knowledge of STEP, all of the covenants to be performed by any landlord party under the Leases have been fully performed.
- (kkk) Except as disclosed in Subsection 4.2(kkk) of the STEP Disclosure Letter, there are no employment agreements which are not terminable on the giving of reasonable notice in accordance with Applicable Law and the execution, delivery and performance of this Agreement and the consummation of the Arrangement will not (either alone or in conjunction with any other event, such as termination of employment):
- (i) result in any payment (including bonus, change of control payment, retention, retirement, notice of termination, pay in lieu of notice, severance or other benefit) becoming due or payable to any director, STEP Employee, consultant or independent contractor of STEP or any of its subsidiaries, including under any STEP Benefit Plan;
 - (ii) accelerate or increase the salary, compensation (in any form) or benefits otherwise payable to any director, STEP Employee, consultant or

- independent contractor of STEP or any of its subsidiaries, including under any STEP Benefit Plan;
- (iii) entitle the recipient of any payment or benefit to receive any "gross up" payment for any income or other Taxes that might be owed with respect to such payment or benefit payments; or
 - (iv) result in the triggering or imposition of any restriction or limitations on the rights of STEP to amend or terminate any STEP Benefit Plan.
- (III) Neither STEP nor any of its subsidiaries is a party to any collective bargaining agreement or union agreement with respect to the STEP Employees, nor is any such agreement currently being negotiated. No union is purporting to represent any STEP Employee, independent contractor or consultant nor is any union claiming or seeking to have STEP or any of its subsidiaries declared a common employer or related employer under any Applicable Laws. To the knowledge of STEP, there is no threatened or apparent union organizing activities involving STEP or any of its subsidiaries or any STEP Employee.
- (mmm) Neither STEP nor any of its subsidiaries are subject to any material current, pending or, to the knowledge of STEP, threatened Proceeding, order, award or judgment for wrongful dismissal, constructive dismissal, discrimination or retaliation, or any other tort claim relating to employment or termination of employment of STEP Employees or former employees or independent contractors, under any Applicable Law with respect to employment and labour.
- (nnn) STEP and each of its subsidiaries are in compliance, in all material respects, with all terms and conditions of employment and all Applicable Laws with respect to employment and labour, including employment and labour standards, labour relations, occupational health and safety, workers' compensation, human rights, immigration, and Applicable Laws relating to wages and hours, and there are no current, pending or, to the knowledge of STEP, threatened material Proceedings before any court, Governmental Authority, board or tribunal with respect to any of the areas listed herein.
- (ooo) Subsection 4.2(ooo) of the STEP Disclosure Letter sets out a true, correct and complete list and, where appropriate, a description of all STEP Benefit Plans. Each STEP Benefit Plan has been maintained and administered in material compliance with its terms and the requirements of all Applicable Laws. All contributions or premiums required to be collected, remitted or paid by STEP or any of its subsidiaries in respect of any STEP Benefit Plan have been collected, remitted or paid in a timely fashion. Each STEP Benefit Plan that is required to be registered under Applicable Law is duly registered with the appropriate Governmental Authority.
- (ppp) Subsection 4.2(ppp) of the STEP Disclosure Letter sets out a true, correct and complete list of all material Intellectual Property: (i) owned by STEP and its subsidiaries including the registration and application numbers, as applicable, of all registrations and applications for registration thereof; and (ii) licensed to STEP or any of its subsidiaries by third parties for use by STEP or any its subsidiaries. True and correct copies of all Material Contracts pursuant to which any Intellectual

Property is licensed, assigned, sold, conveyed or otherwise provided to STEP or any its subsidiaries have been delivered or made available to the Purchaser Parties.

- (qqq) STEP or its applicable subsidiary owns or has the right to use all Intellectual Property owned or licensed as of the date of this Agreement. Any and all registrations in its Intellectual Property are in good standing. No Proceeding is pending or threatened against any Person with respect to the use of the Intellectual Property owned by STEP and its subsidiaries. To the knowledge of STEP, the Intellectual Property owned by STEP and its subsidiaries, and the operation of the Business does not infringe upon, misappropriate or violate the Intellectual Property rights of any other Person.
- (rrr) There are no pending Proceedings, nor, to the knowledge of STEP, are there any threatened Proceedings against STEP or its subsidiaries with respect to STEP or its subsidiaries' licensed use of any material Intellectual Property. No third parties, including any current or former employees, directors, independent contractors or consultants of STEP or any of its subsidiaries, have any rights or interests in or to any material Intellectual Property that is owned by STEP, other than rights acquired pursuant to non-exclusive licenses granted by STEP and its subsidiaries in the Ordinary Course. To the knowledge of STEP, none of the Intellectual Property that is owned by STEP or any of its subsidiaries comprises an improvement to any such Intellectual Property that would give any Person any rights to any such Intellectual Property, including, without limitation, rights to license any such Intellectual Property. The execution, delivery, or performance of this Agreement and the completion of the Arrangement will not alter, impair or otherwise adversely affect any material rights or obligations of STEP or any of its subsidiaries in any Intellectual Property owned by STEP or any of its subsidiaries.
- (sss) Except as disclosed in Subsection 4.2(sss) of the STEP Disclosure Letter and except for payments in relation to "off the shelf" software, neither STEP nor any of its subsidiaries is obligated to pay any royalties, fees or other compensation to any Person in respect of its ownership, use or license of any material Intellectual Property.
- (ttt) Neither the execution, delivery, or performance of this Agreement nor the completion of the Arrangement will, with or without notice or lapse of time, result in, or give any other Person the right or option to cause or declare: (i) a loss of, or encumbrance on, any Intellectual Property owned by STEP or any of its subsidiaries; (ii) the release, disclosure, or delivery of any Intellectual Property owned by STEP or any of its subsidiaries by or to any escrow agent or other Person; (iii) the grant, assignment or transfer to any other Person of any license or other right or interest under, to or in any Intellectual Property owned by STEP or any of its subsidiaries; or (iv) any right of any third party to terminate or alter the rights of STEP or any its subsidiaries or, after the closing, the Purchaser Parties' rights, in and to any Intellectual Property owned by STEP or any of its subsidiaries.
- (uuu) To the knowledge of STEP, none of the current or former employees, officers, directors, independent contractors or consultants of STEP or any its subsidiaries are subject to any obligation to any other Person, whether contractual or otherwise, or are subject to any Proceeding relating to the Intellectual Property owned by

STEP or any of its subsidiaries, that would interfere with the Business as it is presently conducted.

- (vvv) The material IT Assets are (i) in good working condition, (ii) free of any material defects, and (iii) adequate and sufficient for the conduct of the Business in the Ordinary Course. To the knowledge of STEP, there has been no: (i) unauthorized access to or use of the IT Assets or (ii) system failures, breakdowns, viruses, denial-of-service attacks, ransomware, or other adverse events or incidents materially impacting the IT Assets.
- (www) STEP has implemented reasonable and appropriate administrative, physical, and technical controls intended to ensure ongoing compliance with applicable Privacy Laws, as well as with the respective promises, representations and declarations (including any applicable internal and public-facing policies and procedures) of STEP with respect to the privacy and security of Personal Information (collectively, "**Privacy/Security Obligations**"). Except as disclosed in Subsection 4.2(www) of the STEP Disclosure Letter, STEP is, and has been at all times, in material compliance with all Privacy Laws and Privacy/Security Obligations applicable to STEP.
- (xxx) During the last three years, (i) there has been no material loss, damage or unauthorized access, destruction, use, modification or other misuse of any of the IT Assets of STEP, of any information stored or contained therein or transmitted thereby (including without limitation Personal Information), or of any systems of any service providers that have access to such IT Assets or that otherwise process Personal Information for or on behalf of STEP and (ii) STEP has not been subject to or received any notice of any audit, investigation, complaint or other action by any Governmental Authority or other person regarding STEP's processing of Personal Information and there are no facts or circumstances that could reasonably be expected to give rise to such action.
- (yyy) STEP does not process any Personal Information in relation to any automated decision-making system as defined under applicable Privacy Laws.

4.3 Privacy Issues

- (a) For the purposes of this Section 4.3, "Transferred Information" means the Personal Information (namely, information about an identifiable individual other than their business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as a representative of an organization and for no other purpose) to be disclosed or conveyed to one Party or any of its representatives or agents (for purposes of this Section 4.3, "**Recipient**") by or on behalf of the Other Party (for purposes of this Section 4.3, "**Disclosing Party**") as a result of or in conjunction with the transactions contemplated herein, and includes all such Personal Information disclosed to the Recipient prior to the execution of this Agreement.
- (b) Each Disclosing Party covenants and agrees to, upon request, use its reasonable commercial efforts to advise the Recipient of the purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and the additional purposes where

the Disclosing Party has notified the individual of such additional purpose, and where required by Applicable Law, obtained the consent of such individual to such use or disclosure.

- (c) In addition to its other obligations hereunder, Recipient covenants and agrees to:
- (i) prior to the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the transactions contemplated herein, including for the purpose of determining to complete such transactions;
 - (ii) after the completion of the transactions contemplated herein,
 - (A) collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless:
 - (1) the Disclosing Party or Recipient has first notified such individual of such additional purpose, and where required by Applicable Law, obtained the consent of such individual to such additional purpose, or
 - (2) such use or disclosure is permitted or authorized by Applicable Law, without notice to, or consent from, such individual; and
 - (B) where required by Applicable Law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to Recipient;
 - (iii) return or destroy the Transferred Information, at the option of the Disclosing Party, and to not thereafter use or disclose any of the Transferred Information, should the transactions contemplated herein not be completed; and
 - (iv) notwithstanding any other provision herein, where the disclosure or transfer of Transferred Information to Recipient requires the consent of, or the provision of notice to, the individual to which such Transferred Information relates, to not require or accept the disclosure or transfer of such Transferred Information until the Disclosing Party has first notified such individual of such disclosure or transfer and the purpose for same, and where required by Applicable Law, obtained the individual's consent to same and to only collect, use and disclose such information to the extent necessary to complete the transactions contemplated herein and as authorized or permitted by Applicable Laws.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the Arrangement are subject to the satisfaction, on or before the Effective Time, of the following conditions, any of which may be waived in whole or in part by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been obtained in form and substance satisfactory to the Parties, each acting reasonably, and such Interim Order shall not have been set aside or modified in a manner unacceptable to the Parties, each acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved and adopted by the STEP Shareholders at the STEP Meeting in accordance with the requirements of the Interim Order and in form and substance satisfactory to the Parties, each acting reasonably;
- (c) the Final Order shall have been obtained in form and substance satisfactory to the Parties, each acting reasonably, and such Final Order shall not have been set aside or modified in a manner unacceptable to the Parties, each acting reasonably, on appeal or otherwise;
- (d) the Articles of Arrangement shall have been filed with the Registrar under the ABCA in accordance with this Agreement and shall be in form and substance satisfactory to the Parties, each acting reasonably;
- (e) the Effective Date shall have occurred on or before the Outside Date;
- (f) all Regulatory Approvals, if any, shall have been obtained on terms and conditions satisfactory to the Parties, each acting reasonably; and
- (g) no Governmental Authority shall have enacted, issued, promulgated, applied for (or advised any of the Parties in writing that it has determined to make such application), enforced or entered any Applicable Law (whether temporary, preliminary or permanent) that makes illegal, restrains, enjoins or otherwise prohibits consummation of, or dissolves the Arrangement or the other transactions contemplated by this Agreement.

5.2 Additional Conditions to Obligations of the Purchaser Parties

The obligation of the Purchaser Parties to complete the Arrangement is subject to the satisfaction, on or before the Effective Time, of the following conditions, which conditions are for the exclusive benefit of the Purchaser Parties and may only be waived, in whole or in part, by the Purchaser Parties in their sole discretion:

- (a) all covenants of STEP under this Agreement to be performed on or before the Effective Time (without giving effect to, applying or taking into consideration any Material Adverse Effect, Material Adverse Change or other materiality

qualifications already contained in such covenants) shall have been duly performed by STEP in all material respects, and the Purchaser Parties shall have received a certificate of STEP addressed to the Purchaser Parties dated the Effective Time, signed on behalf of STEP by two senior executive officers of STEP (on STEP's behalf and without personal liability), confirming the same as at the Effective Time;

- (b) (i) each of the representations and warranties made by STEP set out in Sections 4.2(aa), 4.2(bb) and 4.2(pp), were true and correct as of the date hereof and are true and correct as of the Effective Time; (ii) each of the other representations and warranties of STEP set forth in this Agreement were true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time (except for representations and warranties as of a specified date, the accuracy of which shall be determined as of that specified date), except to the extent that the failure or failures of such representations and warranties to be true and correct, individually or in the aggregate, would not have a Material Adverse Effect (and, for this purpose, any reference to "**material**", "**Material Adverse Effect**" or other concepts of materiality in such representations and warranties shall be ignored); and (iii) the Purchaser Parties shall have received a certificate of STEP addressed to the Purchaser Parties and dated the Effective Time, signed on behalf of STEP by two senior executive officers of STEP (on STEP's behalf and without personal liability), confirming the above as at the Effective Time;
- (c) STEP shall have furnished the Purchaser Parties with:
 - (i) certified copies of the resolutions duly passed by the STEP Board approving this Agreement and the consummation of the transactions contemplated by this Agreement; and
 - (ii) a certified copy of the Arrangement Resolution duly passed by the STEP Shareholders;
- (d) except as disclosed in Subsection 4.2(n) of the STEP Disclosure Letter, no Material Adverse Change in respect of STEP shall have occurred after the date hereof;
- (e) no claims, actions, enquiries, applications, suits, demands, arbitrations, charges, indictments, hearings or other civil, criminal, administrative or investigative proceedings, or other investigations or examinations (whether, for greater certainty, by a Governmental Authority or any other Person) shall be commenced, pending or threatened and no Applicable Law shall have been proposed, enacted, promulgated or applied, in either case:
 - (i) seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the Arrangement or the transactions contemplated therein or herein or any of the material terms and conditions of any transaction contemplated by this Agreement or seeking to obtain from the Purchaser Parties or STEP any material damages directly or indirectly in connection with the Arrangement;

- (ii) seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the rights of the Purchaser Parties to own, hold or exercise full rights of ownership over the STEP Shares upon the completion of the Arrangement or conduct the Business;
- (iii) seeking to prohibit or restrict the completion of the Arrangement in accordance with the terms hereof or otherwise relating to the Arrangement;
- (iv) seeking to prohibit or limit the ownership or operation by STEP, the Purchaser Parties or any of their respective Affiliates of any material portion of the business or assets of STEP or to compel the Purchaser Parties or any of their Affiliates to dispose or divest of or hold separate any material portion of the business or assets of STEP; or
- (v) seeking to prohibit the Purchaser Parties or any of their Affiliates from effectively controlling in any material respect the business or operations of STEP,

that would, if successful, be reasonably likely to have a Material Adverse Effect;

- (f) holders of not more than 5% of the issued and outstanding STEP Shares not owned by the Purchaser Parties shall have exercised Dissent Rights in relation to the Arrangement;
- (g) in addition to the approvals contemplated in Subsection 5.1(f), all other third party waivers or approvals required in connection with the consummation of the Arrangement shall have been provided or obtained on terms and conditions acceptable to the Purchaser Parties, acting reasonably; and
- (h) STEP shall have delivered a mutual release, in form and substance satisfactory to the Purchaser Parties, acting reasonably, duly executed by the Non-Continuing STEP Directors.

5.3 Additional Conditions to Obligations of STEP

The obligation of STEP to complete the Arrangement is subject to the satisfaction, on or before the Effective Time, of the following conditions, which conditions are for the exclusive benefit of STEP and may only be waived, in whole or in part, by STEP in its sole discretion:

- (a) all covenants of the Purchaser Parties under this Agreement to be performed on or before the Effective Time (without giving effect to, applying or taking into consideration any Material Adverse Effect, Material Adverse Change or other materiality qualifications already contained in such covenants) shall have been duly performed by the Purchaser Parties in all material respects, and STEP shall have received a certificate of each of the Purchaser Parties addressed to STEP dated the Effective Time, signed by two senior executive officers or authorized signatories (in each case without personal liability), confirming the same as at the Effective Time;
- (b) all representations and warranties of the Purchaser Parties set forth in this Agreement were true and correct as of the date of this Agreement and shall be

true and correct as of the Effective Time (except for representations and warranties as of a specified date, the accuracy of which shall be determined as of that specified date), except to the extent that the failure or failures of such representations and warranties to be true and correct, individually or in the aggregate, would not have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), and STEP shall have received a certificate of each of the Purchaser Parties addressed to STEP dated the Effective Time, signed by two senior executive officers or authorized signatories (in each case without personal liability), confirming the same as at the Effective Time;

- (c) no claims, actions, enquiries, applications, suits, demands, arbitrations, charges, indictments, hearings or other civil, criminal, administrative or investigative proceedings, or other investigations or examinations (whether, for greater certainty, by a Governmental Authority or any other Person) shall be commenced, pending or threatened and no Applicable Law shall have been proposed, enacted, promulgated or applied, in either case:
 - (i) seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the Arrangement or the transactions contemplated therein or herein or any of the material terms and conditions of any transaction contemplated by this Agreement or seeking to obtain from the Purchaser Parties or STEP any material damages directly or indirectly in connection with the Arrangement; or
 - (ii) seeking to prohibit or restrict the completion of the Arrangement in accordance with the terms hereof or otherwise relating to the Arrangement, that would, if successful, be reasonably likely to have a Material Adverse Effect; and
- (d) the Purchaser Parties shall have deposited or caused to be deposited in escrow with the Depository the aggregate cash that will be payable to the STEP Shareholders under the Arrangement in accordance with Section 2.11, and STEP shall have received written confirmation of the receipt of such funds by the Depository.

5.4 Notice and Effect of Failure to Comply with Conditions

- (a) During the period commencing on the date of this Agreement and continuing until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with the terms hereof, each Party shall give prompt notice to the Other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would reasonably be likely to:
 - (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or

- (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder.
- (b) Notifications provided under this Section 5.4 will not diminish the scope of the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.
- (c) The Purchaser Parties may not exercise their right to terminate this Agreement pursuant to Subsection 8.2(c)(ii), and STEP may not exercise its right to terminate this Agreement pursuant to Subsection 8.2(d), unless the Party seeking to terminate the Agreement (the "**Terminating Party**") has delivered a written notice (the "**Termination Notice**") to the Other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for the termination right. If any such Termination Notice is delivered, provided that the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date (it being agreed that matters arising out of any fraudulent act or an act undertaken by the Breaching Party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement, are not capable of being cured), the Terminating Party may not exercise such termination right until the earlier of: (i) the Outside Date; and (ii) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date. If the Terminating Party delivers a Termination Notice prior to the date of the STEP Meeting, unless the Parties agree otherwise, STEP shall postpone or adjourn the STEP Meeting to the earlier of: (i) three Business Days prior to the Outside Date; and (ii) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Articles of Arrangement are filed under the ABCA to give effect to the Arrangement.

ARTICLE 6 AGREEMENT AS TO DAMAGES

6.1 Purchaser Parties Damages

- (a) If at any time after the execution of this Agreement, this Agreement is terminated:
 - (i) by the Purchaser Parties pursuant to Subsection 8.2(c)(i) or 8.2(c)(iii); or
 - (ii) by STEP or the Purchaser Parties pursuant to Subsection 8.2(b)(ii) but prior to such termination an Acquisition Proposal (or an intention to make an Acquisition Proposal) in respect of STEP shall have been announced, made or otherwise publicly disclosed (and not withdrawn) prior to the date proposed for the STEP Meeting, and, within 12 months following the date of such termination:

- (A) the STEP Board recommends any Acquisition Proposal which is subsequently consummated at any time thereafter (whether or not in such 12 month period);
- (B) STEP shall have entered into or become party to a binding agreement with respect to any Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) which is subsequently consummated at any time thereafter (whether or not in such 12 month period); or
- (C) any Acquisition Proposal is consummated with STEP,

(each of the above being a "**Purchaser Parties Damages Event**"), STEP shall pay to the Purchaser Parties \$5,500,000 (the "**Purchaser Parties Damages Fee**") as liquidated damages in immediately available funds to an account designated by the Purchaser Parties, with the Purchaser Parties Damages Fee to be paid: (i) in the case of Subsection 6.1(a)(i), within two Business Days of termination; and (ii) in the case of Subsection 6.1(a)(ii), on the date on which the Acquisition Proposal (as it may be modified or amended) is consummated (whether occurring during such 12 month period or thereafter). Following a Purchaser Parties Damages Event, but prior to payment of the Purchaser Parties Damages Fee as required, STEP shall be deemed to hold such funds in trust for the Purchaser Parties. STEP shall only be obligated to pay the Purchaser Parties Damages Fee once pursuant to this Section 6.1. For the purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except references to "20% or more" shall be deemed to be references to "50% or more".

- (b) If at any time after the execution of this Agreement, this Agreement is terminated:
 - (i) by the Purchaser Parties pursuant to Subsection 8.2(c)(ii) because of the failure of any of the conditions in Subsection 5.2(a) or Subsection 5.2(b); or
 - (ii) by either Party pursuant to Subsection 8.2(b)(i) and at the time of such termination there exists a state of facts or circumstances that would cause any of the conditions in Subsection 5.2(a) or Subsection 5.2(b) not to be satisfied, notwithstanding the availability of any cure period,

STEP shall pay to the Purchaser Parties their reasonable out-of-pocket expenses incurred in connection with the Arrangement in immediately available funds to an account designated by the Purchaser Parties, with such amount to be paid within two Business Days following such termination; provided that if the Purchaser Parties are in material breach of their obligations hereunder at the time of the termination of this Agreement, such amount will not be payable; and provided, however, that no fees or amounts shall be payable by STEP under this Section 6.1(b) if STEP has paid the Purchaser Parties Damages Fee.

6.2 Injunctive Relief and Remedies

- (a) Each Party agrees that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of

this Agreement were not performed by the Other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to injunctive relief to restrain any breach or threatened breach by the Other Party of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith, this being in addition to any other remedy to which such Party may be entitled at law or in equity. Each of the Parties acknowledges that the agreement contained in Section 6.1 is an integral part of the transaction contemplated by this Agreement, and that without this agreement the Parties would not enter into this Agreement; and further that the payment of the Purchaser Parties Damages Fee in the circumstances set out in Section 6.1 is a payment of liquidated damages which is a genuine pre-estimate of the damages which the Purchaser Parties shall suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and is not a penalty. STEP irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Purchaser Parties agree that their right to receive the Purchaser Parties Damages Fee in the manner provided in this Article 6, is the Purchaser Parties' sole and exclusive remedy against STEP in respect of the event(s) giving rise to such payment; provided that, this limitation shall not apply to the Purchaser Parties in the event of fraud or willful breach of this Agreement by STEP.

- (b) Notwithstanding anything to the contrary in this Agreement, it is hereby acknowledged and agreed that STEP shall not, nor shall any of its Affiliates, be entitled to directly or indirectly seek any remedy, including specific performance or any other equitable remedy, against any Debt Financing Source and STEP shall not, and shall cause its affiliates not to, commence or support, directly or indirectly, any Proceeding of any kind or nature against any Debt Financing Source in any way related to this Agreement or the transactions contemplated hereby, the Debt Commitment Letter, the Debt Financing or in respect of any other document or theory of law or equity in connection therewith, whether at law, in contract, in tort or otherwise. For the avoidance of doubt, nothing contained herein shall in any way limit or modify the rights and obligations of the Purchaser Parties or the Debt Financing Sources set forth under the Debt Commitment Letter or any other commitment letter, fee letter or definitive agreement pertaining to any Alternative Financing, and nothing herein shall restrict the ability of STEP to seek specific performance of the Purchaser Parties obligations hereunder, including under Section 5.3(d).

ARTICLE 7 AMENDMENT

7.1 Amendment

This Agreement may, at any time and from time to time, before or after the holding of the STEP Meeting but not later than the Effective Time, be amended by written agreement of the Parties, subject to the Interim Order, the Final Order and Applicable Laws, without further notice to or authorization on the part of the STEP Shareholders, provided that no such amendment reduces or adversely affects the Consideration to be received by a STEP Shareholder without approval

by the STEP Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

7.2 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

ARTICLE 8 TERMINATION

8.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

8.2 Termination

This Agreement may be terminated by written notice given to the other Party or Parties, as the case may be, at any time prior to the Effective Time:

- (a) by mutual written agreement of the Parties;
- (b) by either Party:
 - (i) if the Effective Time has not occurred on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this clause if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;
 - (ii) if the Arrangement Resolution is not approved by the STEP Shareholders at the STEP Meeting (or any adjournment or postponement thereof) in accordance with the Interim Order, provided that a Party may not terminate this Agreement pursuant to this clause if the failure to obtain approval of the Arrangement Resolution has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement; or
 - (iii) if any Applicable Law makes the consummation of the Arrangement or the transactions contemplated by this Agreement illegal or otherwise prohibited, and such Applicable Law has become final and non-appealable;
- (c) by the Purchaser Parties:
 - (i) if:

- (A) the STEP Board has failed to publicly recommend this Agreement or the Arrangement in the manner contemplated by Subsection 2.3(c)(ii);
 - (B) the STEP Board has withdrawn or qualified, amended or modified in a manner adverse to the Purchaser Parties, or publicly proposes or states an intention to withdraw, qualify, amend or modify in a manner adverse to the Purchaser Parties, the approval or recommendation of the Arrangement by the STEP Board;
 - (C) the STEP Board fails to publicly reaffirm its recommendation of this Agreement and the Arrangement within two Business Days after having been requested to do so by the Purchaser Parties in accordance with Subsection 3.6(g);
 - (D) STEP or the STEP Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the STEP Meeting, if sooner); or
 - (E) the STEP Board accepts, recommends or authorizes STEP to enter into a definitive agreement (other than a confidentiality and standstill agreement permitted by Subsection 3.6(b)(vii)) with respect to a Superior Proposal in compliance with the provisions of Subsection 3.6(d) (each of the cases set forth in clauses (A), (B), (C), (D) and (E) of this Subsection 8.2(c)(i) being a "**Change in Recommendation**");
- (ii) subject to Section 5.4, if STEP breaches any of its representations or warranties, or fails to perform any covenant or agreement made by it in this Agreement, which breach or breaches would cause any condition set forth in Section 5.1 or Section 5.2 not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 5.4, except that the right to terminate this Agreement under this clause shall not be available to the Purchaser Parties if any of them are then in breach of this Agreement so as to cause, or result in, any condition in Section 5.1 or Section 5.2 not to be satisfied;
 - (iii) if STEP breaches any of its covenants or agreements in any material respect in Section 3.6; or
 - (iv) if after the date of this Agreement, there occurs a Material Adverse Effect in respect of STEP; or
- (d) by STEP, subject to Section 5.4, if the Purchaser Parties breach any of their representations or warranties, or fail to perform any covenant or agreement made by them in this Agreement, which breach or breaches would cause any condition set forth in Section 5.1 or Section 5.3 not to be satisfied, and such breach or failure

is incapable of being cured or is not cured in accordance with the terms of Section 5.4, except that the right to terminate this Agreement under this clause shall not be available to STEP if it is then in breach of this Agreement so as to cause, or result in, any condition in Section 5.1 or Section 5.3 not to be satisfied.

In the event of the termination of this Agreement in the circumstances set out in Section 8.1 or paragraphs (a) through (d) of this Section 8.2, this Agreement shall forthwith become void and of no further force and effect and neither Party (nor any shareholder, director, officer, agent, consultant or representative of such Party) shall have any liability or further obligation to the other hereunder except that: (a) in the event of termination under Section 8.1 as a result of the Effective Time occurring, Section 3.9 shall survive for a period of six years following such termination; and

(b) in the event of termination under this Section 8.2, this Section 8.2 and Sections 1.9, 1.10, 3.2(k), 4.3, 6.1, 6.2, 7.2, 9.1, 10.1, 10.3, 10.4, 10.5 and 10.7 shall survive termination of this Agreement and each Party's obligations under the Confidentiality Agreement shall remain full force and effect in accordance with the terms thereof.

Unless otherwise provided herein, the exercise by either Party of any right of termination hereunder shall be without prejudice to any other remedy available to such Party and for greater certainty nothing in this Section 8.2 shall relieve any Party from liability for any breach by it of this Agreement that occurred prior to the date of termination.

ARTICLE 9 NOTICES

9.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by email transmission and in the case of:

- (a) The Purchaser Parties, addressed to:

ARC Financial Corp.
4300, 400 – 3 Avenue SW
Calgary, Alberta, Canada T2P 4H2

Attention: Tanya Causgrove
Managing Director and Chief Financial Officer
E-mail: **[email address redacted]**

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

Norton Rose Fulbright Canada LLP
3700, 400 – 3 Avenue SW
Calgary, Alberta, Canada T2P 4H2

Attention: Jennifer Kennedy
Email: jennifer.kennedy@nortonrosefulbright.com

- (b) STEP, addressed to:

STEP Energy Services Ltd. Bow Valley Square II
 1200, 205 – 5 Ave SW
 Calgary, Alberta, Canada T2P 2V7

Attention: Joshua Kane, VP Legal and General Counsel
 E-mail: **[email address redacted]**

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

Burnet, Duckworth & Palmer LLP
 2400, 525 8th Ave SW
 Calgary, Alberta, Canada, T2P 1G1

Attention: Kelsey Clark and Erin Moch
 Email: kcc@bdplaw.com and emoch@bdplaw.com

or such other address as the Parties may, from time to time, advise to the Other Party hereto by notice in writing. Any notice or other communication is deemed to be given and received: (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; (ii) if sent by overnight courier, on the next Business Day; or (iii) if sent by email transmission, shall be deemed to have been received on the Business Day following the sending. Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

ARTICLE 10 GENERAL

10.1 Assignment and Enurement

- (a) This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement may not be assigned by any of the Purchaser Parties without the prior written consent of STEP, except that any of the Purchaser Parties may assign all or a portion of their rights under this Agreement to any Affiliate of any of the Purchaser Parties, but no assignment shall relieve the Purchaser Parties of any of their obligations hereunder. This Agreement may not be assigned by STEP without the prior written consent of the Purchaser Parties.
- (b) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, except that the Purchaser may assign all or any portion of its rights and obligations under this Agreement to any Debt Financing Source pursuant to the terms of the Debt Financing for purposes of creating a Lien herein or otherwise assigning as collateral in respect of the Debt Financing and, after the Effective Time, any such Debt Financing Source may exercise all of the rights and remedies of the Purchaser (or its affiliate, as applicable) hereunder in connection with the enforcement of any security or exercise of any remedies to the extent permitted

under the Debt Financing; provided, however, that no such assignments shall relieve the Purchaser of its obligations hereunder.

10.2 Entire Agreement

This Agreement, together with the Confidentiality Agreement, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied on and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement. For greater certainty, the STEP Lock-Up Agreements are separate agreements between the parties thereto and are unaffected by this Section 10.2.

10.3 Costs

Except as contemplated herein, each Party covenants and agrees to bear its own fees, costs and expenses in connection with the transactions contemplated by this Agreement and the Arrangement.

10.4 Severability

If any term or provision of this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining terms and provisions contained herein shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

10.5 Further Assurances

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

10.6 Time of Essence

Time shall be of the essence of this Agreement.

10.7 Third Party Beneficiaries

The provisions of Sections 3.9 and 3.2(k) are: (i) intended for the benefit of the third Persons mentioned therein, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his heirs, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and STEP shall hold the rights and benefits of Sections 3.9 and the Purchaser Parties shall hold the rights and benefits of

Subsection 3.2(k) in trust for and on behalf of the Third Party Beneficiaries, as applicable, and each of STEP and the Purchaser Parties hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the applicable Third Party Beneficiaries; and (ii) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

10.8 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument. The Parties shall be entitled to rely upon the delivery of an executed electronic copy (including by DocuSign, facsimile or in PDF format) of this Agreement, and such executed electronic document shall be legally effective to create a valid and binding agreement between the Parties.

10.9 Survival

The representations and warranties contained herein shall terminate on, and may not be relied upon by either Party, after the Effective Time.

[remainder of page intentionally left blank]

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

ARC ENERGY FUND 8 CANADIAN LIMITED PARTNERSHIP, ARC ENERGY FUND 8 UNITED STATES LIMITED PARTNERSHIP, ARC ENERGY FUND 8 INTERNATIONAL LIMITED PARTNERSHIP and ARC CAPITAL 8 LIMITED PARTNERSHIP, in each case by its general partner, ARC Equity Management (Fund 8) Limited Partnership, by its general partner, ARC Equity Management (Fund 8) Ltd.

Per: (Signed) "Brian Boulanger"
Name: Brian Boulanger
Title: Chief Executive Officer

2659160 ALBERTA LTD.

Per: (Signed) "Brian Boulanger"
Name: Brian Boulanger
Title: Chief Executive Officer

STEP ENERGY SERVICES LTD.

Per: (Signed) "Evelyn Angelle"
Name: Evelyn Angelle
Title: Director

SCHEDULE A

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

**ARTICLE 1
INTERPRETATION**

- 1.1** In this Plan of Arrangement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:
- (a) **"ABCA"** means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9;
 - (b) **"Applicable Laws"** in the context that refers to one or more Persons, means any domestic or foreign, national, federal, state, provincial, municipal, regional or local law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated, or applied by a Governmental Authority, that is binding upon or applicable to such Person or Persons or its business or their business, undertaking, property or securities and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority;
 - (c) **"ARC Energy Fund 6"** means ARC Energy Fund 6 Canadian Limited Partnership, ARC Energy Fund 6 United States Limited Partnership, ARC Energy Fund 6 International Limited Partnership, and ARC Capital 6 Limited Partnership;
 - (d) **"ARC Energy Fund 8"** means ARC Energy Fund 8 Canadian Limited Partnership, ARC Energy Fund 8 United States Limited Partnership, ARC Energy Fund 8 International Limited Partnership, and ARC Capital 8 Limited Partnership;
 - (e) **"ARC Funds"** means, collectively, ARC Energy Fund 8, ARC Energy Fund 6, and any other Person controlled or managed, directly or indirectly, by ARC Financial Corp. that owns or controls STEP Shares;
 - (f) **"Arrangement", "herein", "hereof", "hereunder"** and similar expressions mean and refer to the arrangement pursuant to section 193 of the ABCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Arrangement Agreement, Article 7 hereof or made at the direction of the Court in the Final Order provided that such amendments or variations are acceptable to both the Purchaser and STEP, each acting reasonably;
 - (g) **"Arrangement Agreement"** means the arrangement agreement dated November 3, 2024 between ARC Energy Fund 8, the Purchaser and STEP with respect to the Arrangement (including the schedules thereto) as supplemented, modified or amended from time to time in accordance with its terms;
 - (h) **"Arrangement Resolution"** means the special resolution approving this Plan of Arrangement to be considered by the STEP Shareholders at the STEP Meeting;

- (i) **"Articles of Arrangement"** means the articles of arrangement of STEP in respect of the Arrangement required by subsection 193(4.1) of the ABCA to be sent to the Registrar after the Final Order is granted, giving effect to the Arrangement, which shall incorporate this Plan of Arrangement and otherwise be in form and substance satisfactory to both the Purchaser and STEP, each acting reasonably;
- (j) **"Business Day"** means a day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;
- (k) **"Certificate of Arrangement"** means the certificate of arrangement or other proof of filing issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement, giving effect to the Arrangement;
- (l) **"Consideration"** means \$5.00 in cash per STEP Share;
- (m) **"Court"** means the Court of King's Bench of Alberta in Calgary, Alberta;
- (n) **"Depositary"** means such Person as may be appointed by the Purchaser with the written approval of STEP, acting reasonably, for the purpose of receiving deposits of certificates formerly representing STEP Shares in connection with the Arrangement;
- (o) **"Dissent Rights"** means the right of a registered STEP Shareholder to dissent with respect to the Arrangement Resolution and to be paid by the Purchaser the fair value of the STEP Shares in respect of which the STEP Shareholder dissents, granted pursuant to the Interim Order, all in accordance with section 191 of the ABCA (as modified by the Interim Order), the Interim Order and Article 4 hereof;
- (p) **"Dissenting Shareholder"** means a registered STEP Shareholder who validly exercises its Dissent Rights with respect to the Arrangement Resolution in strict compliance with section 191 of the ABCA, the Interim Order and Article 4 hereof, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights as of the Effective Time;
- (q) **"Effective Date"** means the date shown on the Certificate of Arrangement giving effect to the Arrangement;
- (r) **"Effective Time"** means the time at which the Arrangement becomes effective on the Effective Date pursuant to the ABCA;
- (s) **"Final Order"** means a final order of the Court in a form acceptable to STEP and the Purchaser, each acting reasonably, approving the Arrangement pursuant to subsection 193(4) of the ABCA, as such order may be amended by the Court at any time prior to the Effective Time, provided that such amendment is acceptable to both the Purchaser and STEP, each acting reasonably;
- (t) **"Governmental Authority"** means:
 - (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department,

ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;

- (ii) any subdivision, agency, agent or authority of any of the foregoing; or
- (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing including, for greater certainty, the Securities Authorities, the Toronto Stock Exchange, the Alberta Energy Regulator and any applicable regional energy regulator or commission or equivalent entity;
- (u) **"Interim Order"** means the interim order of the Court in a form acceptable to the Purchaser and STEP, each acting reasonably, pursuant to subsection 193(4) of the ABCA in respect of the Arrangement and the STEP Meeting, as such order may be affirmed, amended or modified (provided that such amendments or modifications are acceptable to both STEP and the Purchaser, each acting reasonably) by the Court;
- (v) **"Letter of Transmittal"** means the letter of transmittal sent by STEP to STEP Shareholders to surrender the certificates formerly representing their STEP Shares and to receive, on completion of the Arrangement, in exchange for each STEP Share, the Consideration;
- (w) **"Liens"** means:
 - (i) any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), privilege, easement, servitude, pre-emptive right or right of first refusal, ownership or title retention agreement, restrictive covenant or conditional sale agreement or option, imperfections of title or encroachments relating to real property; and
 - (ii) any other encumbrance of any nature or any arrangement or condition which, in substance, secures payment or performance of an obligation;
- (x) **"Parties"** means the Purchaser and STEP; and **"Party"** means either one of them, as the context requires;
- (y) **"Person"** includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;
- (z) **"Plan of Arrangement"** means this plan of arrangement under section 193 of the ABCA, and any amendments or variations made in accordance with the Arrangement Agreement, Article 7 hereof or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to the Purchaser and STEP, each acting reasonably;

- (aa) **"Purchaser"** means 2659160 Alberta Ltd., a corporation existing under the laws of Alberta;
 - (bb) **"Registrar"** means the Registrar of Corporations for the Province of Alberta or a Deputy Registrar of Corporations appointed under section 263 of the ABCA;
 - (cc) **"Securities Authorities"** means the Alberta Securities Commission and the applicable securities commissions or similar securities regulatory authority of a province, state or territory of Canada or the United States;
 - (dd) **"STEP"** means STEP Energy Services Ltd., a corporation existing under the laws of Alberta;
 - (ee) **"STEP Meeting"** means the special meeting of STEP Shareholders to be held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution and related matters, and any adjournments or postponements thereof in accordance with the terms of the Arrangement Agreement;
 - (ff) **"STEP Shareholders"** means the registered or beneficial, as applicable, holders of issued and outstanding STEP Shares;
 - (gg) **"STEP Shares"** means common shares in the capital of STEP;
 - (hh) and
 - (ii) **"Tax Act"** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.).
- 1.2** The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3** Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.
- 1.5** Unless otherwise specified, all references to "dollars" or "\$" shall mean Canadian dollars.
- 1.6** In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

- 1.7 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8 Where the word "including" or "includes" is used in this Plan of Arrangement, it means "including (or includes) without limitation".
- 1.9 This Plan of Arrangement shall be governed by, and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

ARTICLE 2 EFFECT OF THE ARRANGEMENT

- 2.1 This Plan of Arrangement is made pursuant to, and is subject to the provisions of and forms part of the Arrangement Agreement. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the Arrangement Agreement, the provisions of this Plan of Arrangement shall govern.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective on, and be binding on and after, the Effective Time on STEP, the Purchaser, all STEP Shareholders (including Dissenting Shareholders), and all other Persons, all without any further act or formality required on the part of any Person.
- 2.3 The Articles of Arrangement and Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 hereof has become effective in the sequence and at the times set out therein.

ARTICLE 3 ARRANGEMENT

- 3.1 Commencing at the Effective Time, each of the events and transactions set out below shall occur and shall be deemed to occur in the following order without any further act or formality:
 - (a) the STEP Shares held by Dissenting Shareholders shall be deemed to be, without any further act or formality by the holders thereof, transferred to the Purchaser (free and clear of all Liens), and:
 - (i) such Dissenting Shareholders shall cease to be the holders of such STEP Shares and to have any rights as holders of such STEP Shares other than the right to be paid fair value for such STEP Shares as set out in Article 4;
 - (ii) such Dissenting Shareholders' names shall be removed as the holders of such STEP Shares from the registers of STEP Shares maintained by or on behalf of STEP; and

- (iii) the Purchaser shall be deemed to be the transferee of such STEP Shares (free and clear of all Liens) and shall be entered into the register of STEP Shares maintained by or on behalf of STEP; and
- (b) each STEP Share held by a STEP Shareholder (other than STEP Shares held by the Purchaser, the ARC Funds and Dissenting Shareholders) shall be and shall be deemed to be, without any further act or formality by or on behalf of the STEP Shareholder, transferred to the Purchaser (free and clear of all Liens) in exchange for the Consideration and upon such exchange:
 - (i) the holders of such STEP Shares shall cease to be the holders thereof and to have any rights as holders of such STEP Shares other than the right to receive the Consideration for each such STEP Share in accordance with this Plan of Arrangement;
 - (ii) such holders' names shall, in respect of the STEP Shares, be removed from the register of STEP Shares maintained by or on behalf of STEP; and
 - (iii) the Purchaser shall be deemed to be the transferee of such STEP Shares (free and clear of all Liens) and shall, in respect of such STEP Shares, be entered into the register of the STEP Shares maintained by or on behalf of STEP.

3.2 With respect to the exchange of STEP Shares effected pursuant to Section 3.1(b):

- (a) each STEP Shareholder shall receive, in respect of each STEP Share held, the Consideration, subject to Sections 5.7 and 6.1; and
- (b) any Letter of Transmittal, once deposited with the Depository, shall be irrevocable and may not be withdrawn by a STEP Shareholder.

**ARTICLE 4
DISSENTING SHAREHOLDERS**

4.1 Each registered STEP Shareholder may exercise Dissent Rights with respect to the STEP Shares held by such registered STEP Shareholder in connection with the Arrangement pursuant to and in the manner set forth in section 191 of the ABCA, as modified by the Interim Order and this Article 4. Dissenting Shareholders shall be deemed to have transferred the STEP Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens as provided in Section 3.1 and if they:

- (a) are ultimately entitled to be paid fair value for their STEP Shares shall: (i) be deemed not to have participated in the transactions in Section 3.1 hereof, other than the transaction in Section 3.1(a); (ii) be entitled to be paid an amount equal to such fair value by the Purchaser; and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights in respect of such STEP Shares; or

- (b) are ultimately not entitled, for any reason, to be paid fair value for their STEP Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a STEP Shareholder who did not exercise its Dissent Rights.
- 4.2** The fair value of the STEP Shares for the purposes of Section 4.1(a) shall be determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution is approved by the STEP Shareholders.
- 4.3** In no event shall the Purchaser or STEP be required to recognize any Dissenting Shareholder as a STEP Shareholder after the Effective Time and the names of such holders shall be removed from the register of STEP Shareholders as at the Effective Time.
- 4.4** For greater certainty, in addition to any other restrictions in section 191 of the ABCA, any Person who has voted (including by way of instructing a proxy holder to vote) their STEP Shares in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights. A Dissenting Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its STEP Shares.
- 4.5** Notwithstanding subsection 191(5) of the ABCA, the written notice setting forth such registered STEP Shareholder's objection to the Arrangement Resolution must be received in accordance with the Interim Order by no later than 5:00 p.m. (Calgary time) on the third Business Day immediately prior to the date of the STEP Meeting.

ARTICLE 5 OUTSTANDING CERTIFICATES AND ROUNDING OF CONSIDERATION

5.1 Deposit of Consideration

The Purchaser shall, immediately prior to the filing by STEP of the Articles of Arrangement with the Registrar in accordance with the Arrangement Agreement, deliver to the Depository, by way of wire transfer, certified cheque or bank draft, an amount equal to the aggregate amount of the Consideration that STEP Shareholders are entitled to receive in accordance with the terms of the Arrangement. No STEP Shareholder shall be entitled to receive any consideration with respect to STEP Shares other than the consideration to which such STEP Shareholder is entitled to receive pursuant to the Arrangement Agreement and this Plan of Arrangement, and, for greater certainty, no such STEP Shareholder will be entitled to receive any interest, dividends, premium or other payment or distribution in connection therewith.

5.2 Delivery of Consideration by Depository

Promptly following the Effective Time, upon receipt of the aggregate amount of Consideration delivered by the Purchaser pursuant to Section 5.1, the Depository shall cause a cheque representing the aggregate Consideration that a STEP Shareholder has the right to receive under the Arrangement for STEP Shares, less any amounts withheld pursuant to Article 6, to be forwarded to those Persons who have deposited with the Depository the certificates for STEP Shares, a duly completed and signed Letter of Transmittal and such documents and instruments as the Depository may reasonably require. Such cheque shall, if elected by the STEP Shareholder in the Letter of Transmittal, be held for pick-up at the noted offices of the Depository and, in the absence of such election, shall be forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal or, if no address has been

specified therein, at the address specified for the particular STEP Shareholder in the register of STEP Shareholders. The cash deposited with the Depository shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.

5.3 Rights of Holders

Until the STEP Shareholder deposits the certificates for STEP Shares, the duly completed and signed Letter of Transmittal and the documents and instruments reasonably required by the Depository in accordance with Section 5.2, each certificate that immediately prior to the Effective Time represented STEP Shares shall be deemed after the Effective Time to represent only the right to receive, upon such deposit, the aggregate Consideration to which such former holder of STEP Shares is entitled under the Arrangement and this Plan of Arrangement or, as to those certificates held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Subsection 4.1(b), the right to receive the fair value of the STEP Shares formerly represented by such certificates as set out in Article 4.

5.4 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding STEP Shares that were exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depository will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration deliverable in accordance with Section 3.1. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to the Purchaser, STEP and STEP's transfer agent in form and substance satisfactory to the Purchaser, STEP and STEP's transfer agent, or otherwise indemnify the Purchaser, STEP and STEP's transfer agent, to the reasonable satisfaction of the Purchaser, STEP and STEP's transfer agent, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.5 Book-Based Registrations

For the purposes of this Article 5, any reference to a "**certificate**" shall include evidence of registered ownership of STEP Shares in an electronic book-based system maintained by the registrar and transfer agent of the STEP Shares, and the provisions of this Article 5 shall be read and construed (and where applicable, modified) to give effect to such interpretation.

5.6 Termination of Rights

Subject to Applicable Laws relating to unclaimed property, any certificate formerly representing STEP Shares that is not deposited with all other documents as required by this Plan of Arrangement, or any payment made by way of cheque to the Depository pursuant to this Plan of Arrangement that has been returned to the Depository or that otherwise remains unclaimed on or before the day prior to the third anniversary of the Effective Date shall cease to represent a right or interest of or a claim by any former STEP Shareholder of any kind or nature against the Purchaser. On such date, the Consideration to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled, or the claim to payment hereunder that remains outstanding, as the case may be, shall be deemed to have been surrendered and forfeited to the Purchaser, for no consideration, and such rights shall thereupon terminate and be cancelled.

5.7 Rounding of Consideration

Notwithstanding anything contained herein, if the aggregate cash amount which a STEP Shareholder is entitled to receive pursuant to Section 3.1 would otherwise include a fraction of \$0.01, then the aggregate cash amount to which such STEP Shareholder shall be entitled to receive shall be rounded down to the nearest whole \$0.01.

ARTICLE 6 WITHHOLDINGS

- 6.1 The Purchaser, STEP and the Depositary, as applicable, shall be entitled to deduct and withhold from any consideration otherwise payable to any former STEP Shareholder under this Plan of Arrangement, including from any amount payable to any Dissenting Shareholder, such amounts as the Purchaser, STEP or the Depositary is required to deduct and withhold from such consideration in accordance with the Tax Act, the *United States Internal Revenue Code of 1986*, or any other provision of any Applicable Laws. Any such amounts will be deducted and withheld from the consideration payable pursuant to this Plan of Arrangement and shall be treated for all purposes as having been paid to the former STEP Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 7 AMENDMENTS

- 7.1 The Purchaser and STEP may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (i) set out in writing; (ii) approved by both the Purchaser and STEP; (iii) filed with the Court and, if made following the STEP Meeting, approved by the Court; and (iv) communicated to the STEP Shareholders if and as required by the Court.
- 7.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Purchaser or STEP at any time prior to or at the STEP Meeting (provided that the other Party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by Persons voting at the STEP Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 7.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the STEP Meeting and prior to the Effective Time shall be effective only: (i) if it is consented to in writing by each of the Purchaser and STEP (each acting reasonably); and (ii) if required by the Court, it is consented to by the STEP Shareholders, voting in the manner directed by the Court.
- 7.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required

to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former holder of STEP Shares.

SCHEDULE B

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SECURITYHOLDERS OF STEP ENERGY SERVICES LTD. ("STEP") THAT:

1. the arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") of STEP, pursuant to the arrangement agreement (the "**Arrangement Agreement**") between STEP, ARC Energy Fund 8 Canadian Limited Partnership, ARC Energy Fund 8 United States Limited Partnership, ARC Energy Fund 8 International Limited Partnership, ARC Capital 8 Limited Partnership, and 2659160 Alberta Ltd. Dated November 3, 2024, all as more particularly described and set forth in the management proxy circular of STEP dated November [●], 2024 (the "**Information Circular**") accompanying the notice of meeting (as the Arrangement may be modified or amended in accordance with its terms) is hereby authorized, approved and adopted;
2. the plan of arrangement of STEP (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement and its terms (the "**Plan of Arrangement**")), the full text of which is attached as Appendix B to the Information Circular, is hereby authorized, approved, ratified and confirmed;
3. STEP be and is hereby authorized to apply for a final order from the Court of King's Bench of Alberta (the "**Court**") to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and described in the Information Circular);
4. notwithstanding that this resolution has been duly passed and/or has received the approval of the Court, the board of directors of STEP may, at its discretion and without further notice to or approval of the shareholders of STEP: (i) amend or terminate the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and approved by the Court; or (ii) subject to the terms of the Arrangement Agreement, determine not to proceed with the Arrangement and revoke this resolution at any time prior to the filing of articles of arrangement giving effect to the Arrangement;
5. any director or officer of STEP is hereby authorized, for and on behalf of STEP, to execute and file with the Registrar under the ABCA the articles of arrangement and such other documents as are necessary to give effect to the Arrangement in accordance with the Arrangement Agreement, and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such document or instrument, and the taking of any such action; and
6. all actions heretofore taken by or on behalf of STEP in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.