

REACTOR ENGINEERING GROUP LTD.

as Vendor

and

ATMIS PROTECTIVE EQUIPMENT INC.

as Purchaser

AMENDED STALKING HORSE ASSET PURCHASE AGREEMENT

January 29, 2026

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AMENDED STALKING HORSE ASSET PURCHASE AGREEMENT

This stalking horse asset purchase agreement is dated January 29, 2026 between Reactor Engineering Group Inc., a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”) doing business as Harbour Technologies (the “**Vendor**”), as vendor, and ATMIS Protective Equipment Inc., a corporation incorporated pursuant to the *OBCA* (the “**Purchaser**” and, collectively with the Vendor, the “**Parties**” and either one, a “**Party**”), as purchaser.

RECITALS:

- (a) on December 16, 2025, the Vendor initiated proceedings (the “**Proposal Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (the “**BIA**”) by filing a Notice of Intention to Make a Proposal (“**NOI**”) under subsection 50.4(1) of the *BIA*. BDO Canada Limited was appointed as the proposal trustee of the Vendor in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”);
- (b) in connection with the Proposal Proceedings, the Vendor intends to seek approval from the Ontario Superior Court of Justice (the “**Court**”) of a sale and investment solicitation process to be conducted by BDO Canada Transaction Advisory Services Inc. (“**BDO Transaction Advisory**”) and overseen by the Proposal Trustee, substantially in the form of the process set out on **Schedule “A”** to this Agreement (the “**Stalking Horse Sales Process**”), pursuant to which this Agreement will serve as the Stalking Horse Bid (as defined herein) to acquire the Purchased Assets (as defined herein);
- (c) this Agreement is intended to serve as the Stalking Horse Bid (as defined herein) in the Stalking Horse Sales Process; and
- (c) subject to Court approval, the completion of the Stalking Horse Sales Process, and determination by BDO Transaction Advisory and the Proposal Trustee that none of the Qualified Bids other than the Stalking Horse Bid constitutes a Superior Bid (as defined herein) resulting in a Successful Bid (as defined herein), the Purchaser agrees to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, the Purchased Assets, on the terms and conditions set forth herein.

In consideration of the above and for other good and valuable consideration, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

As used in this Agreement (including in the recitals above), the following terms have the following meanings:

“Accounts Receivable” means all accounts receivable, bills receivable, trade accounts, book debts notes and other debts due or accruing due to the Vendor, including recoverable deposits, in each case owned by the Vendor on the Closing Date.

“Administrative Professionals” means the Vendor’s legal counsel, the Proposal Trustee, the Proposal Trustee’s legal counsel.

“Administration Charge” means the charge granted by the Court pursuant to the Initial Order to secure the fees and expenses of the Administrative Professionals;

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

“Agreement” means this stalking horse asset purchase agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“Approval and Vesting Order” means the approval and vesting order issued by the Court, in form and substance satisfactory to the Purchaser, the Vendor and the Proposal Trustee, each acting reasonably, which shall, among other things, approve this Agreement and the transaction contemplated by this Agreement and convey to the Purchaser the Purchased Assets, free and clear of all Encumbrances other than the Permitted Encumbrances.

“Assigned Contracts” means all contracts, agreements, commitments, promises or undertakings of the Vendor (including any indenture, note, bond or other evidence of indebtedness, equipment lease, equipment financing contract, instrument, license, Real Property Lease, purchase order or other legally binding agreement) whether written or oral, to be assigned to the Purchaser in accordance with Article 4 or by way of an Assignment Order, provided that the Purchaser may add any contracts to the Excluded Assets on **Schedule “B”** up until two (2) Business Day prior to the Closing Date.

“Assignment Order” means an order of the Court requiring the assignment of contracts designated by the Purchaser to which the Vendor is a party to the Purchaser, in form and substance satisfactory to the Purchaser and the Proposal Trustee, acting reasonably.

“Assumed Liabilities” shall have the meaning defined in Section 3.1.

“BIA” shall have the meaning defined in the Recitals.

“Bid Deadline” means February 27, 2026, as may be extended in accordance with the Stalking Horse Sales Process.

“Books and Records” means all information in any form relating to, or used in connection with, the Business, including books of account, financial and accounting information and

records, personnel records, sales and purchase records, customer and supplier lists, business reports, operating guides and manuals, plans and projections, marketing and advertising materials, corporate records, and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices);

“**Break Fee**” shall have the meaning defined in Section 10.1(2).

“**Business**” means the businesses operated by the Vendor, which consists of the development and manufacture of custom machine tools, high-tolerance tools, machining and assembled components for the nuclear, oil and gas, aerospace and automotive industries, and matters related thereto.

“**Business Day**” means a day on which banks are open for business in the City of Windsor but does not include a Saturday, Sunday, or statutory holiday in the Province of Ontario.

“**Cash Amount**” has the meaning defined in Section 5.2 (a).

“**Confidential Information**” means all information or materials relating to or concerning the Vendor, the Purchased Assets or the Business that are not generally available to the public (including information or materials relating to or concerning products or services, pricing structures, accounting and business methods, business and strategic plans, financial data, budgets and projections, marketing plans, employee information, training techniques and materials, customer lists and other marketing lists, contracts, arrangements with third parties, inventions, devices, data servers, software, new developments, methods and processes, customers and clients and customer or client lists, copyrightable works and all technology, trade secrets and other intellectual property and proprietary information whether owned or licensed), provided that all Personal Information shall be Confidential Information whether or not it is generally available to the public.

“**Closing**” shall have the meaning defined in Section 11.1.

“**Closing Date**” means the date that is two (2) Business Days after the conditions of closing in Article 10 of this Agreement are satisfied or waived and shall, in no event, be later than the Outside Date.

“**Consent Required Contracts**” means the contracts to which the Vendor is a party and which are not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto other than the Vendor.

“**Contract Assumed Liabilities**” shall have the meaning defined in Section 4.1(2).

“**Court**” shall have the meaning defined in the Recitals.

“**Credit Bid Debt**” all or a portion of the Liabilities of the Vendor owing to the Purchaser, as the DIP Lender, pursuant to the DIP Financing and/or the Post-Filing Note, in an amount to be determined by the Purchaser and communicated to, and approved by, the Proposal Trustee in writing at least two (2) Business Days prior to the Closing Date.

“Cure Payment” means a payment solely required to comply with section 84.1(5) of the *BIA* to cure any existing monetary default or breach of the Vendor under any contract which is to become an Assigned Contract as at the date such contract becomes an Assigned Contract which, for greater certainty, may be an amount agreed to by the Purchaser and the counterparty to a Contract.

“DIP Financing” means the non-revolving loan facility in the maximum aggregate amount of the \$110,000 as approved by the Initial Order and to be advanced pursuant to DIP Certificates, as such term is defined in the Initial Order.

“DIP Lender” means ATMIS Protective Equipment Inc., in its capacity as lender to the Vendor pursuant to the DIP Financing.

“Initial Order” means the Order of the Court made January 16, 2026 in the Proposal Proceedings, among other things, approving the DIP Financing and granting the DIP Lenders’ Charge, the Administration Charge and the Directors’ Charge (as such terms are defined in the Initial Order).

“Employee Plans” means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, retirement, pension, registered retirement savings, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former directors, officers or employees of the Vendor maintained, sponsored or funded by the Vendor, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, but excluding the Profit Sharing Plan.

“Encumbrances” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, license, right of first refusal or first offer, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant, execution, levies, or other financial or monetary claims or encumbrances of any nature (whether at law or equity), and any contract, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“ETA” shall have the meaning defined in Section 6.1.

“Excluded Assets” shall have the meaning defined in Section 2.2.

“Excluded Liabilities” shall have the meaning defined in Section 3.2(1).

“Excluded Litigation” means, collectively: (i) the arbitration proceeding, *Woolly Mammoth Outerwear Inc. o/a Wuxly Movement v. Reactor Engineering Group Ltd. o/a Harbour Technologies, Andrew Glover and David Glover*; (ii) the Court action, *Woolly Mammoth Outerwear Inc. o/a Wuxly Movement v. International Custom Products Inc.*, CV-22-00683103-0000; and (iii) the Court action, *International Custom Products Inc. v. Reactor Engineering Group Ltd. o/a Harbour Technologies, Andrew Glover and David Glover*, CV-23-00699593-0000.

“Governmental Authority” means governments, regulatory authorities, governmental departments, agencies, commissions, commissioners, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof, including, without limitation, any municipality in which the Real Property is located; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and **“Governmental Authority”** means any one of them.

“GST/HST” means all goods and services tax and harmonized sales tax imposed under Part IX of the *ETA* or any other statute in any jurisdiction of Canada.

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, including without limitation, “Harbour Technologies” and “Reactor Engineering”, domain names, website names and world wide web addresses including, without limitation, “www.reactorengineeringgroup.com” and “www.harbour-tech.com”, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; and (viii) any other intellectual property and industrial property.

“Inventories” means all inventories of stock-in-trade and merchandise including materials, supplied, work-in-progress and purchase finished goods (including those in possession of suppliers, customer and other third parties), in each case owned by the Vendor on the Closing Date.

“ITA” shall have the meaning defined in Section 6.3.

“Laws” means any principle of common law and all applicable: (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws; (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Authority; and (iii) to the extent that they are treated as binding by the Governmental Authority or have the force of law, policies, guidelines, notices and protocols of any Governmental Authority.

“Liability” means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute

or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation).

“Material Contract” means any contract, licence or agreement to which the Vendor is at any time a party or pursuant to which the Vendor has at any time acquired rights, and includes rights of the Vendor to receive money due and to become due to it in connection with a contract, licence or agreement, but shall not include any contract, licence or agreement made in the ordinary course of Business under which the Vendor has a financial obligation or right to be paid of less than \$10,000 per year and which can be terminated by the Vendor in accordance with its terms without the Vendor being required to pay any damages, penalty or other amount by giving not more than thirty days notice, and notwithstanding any financial threshold, any other contract that would reasonably be expected to be material to the Business.

“NOI” shall have the meaning defined in the Recitals.

“Notice” shall have the meaning defined in Section 13.1.

“Ordinary Course” means, with respect to the Vendor, an action consistent with the past practices of the Vendor prior to the filing of the NOI and taken in the ordinary course of the normal day-to-day business and operations of the Vendor, provided that such action is in compliance, in all material respects, with applicable Laws (provided that it is required to comply with the requirements of the Proposal Proceedings).

“Outside Date” means March 31, 2026, or such later date as may be agreed to in writing by the Parties, and approved by the Proposal Trustee in writing.

“Parties” shall have the meaning defined in the Recitals.

“Permitted Encumbrances” means all security interests and other interests arising exclusively from the Assumed Liabilities and Contract Assumed Liabilities.

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company, or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator, or other legal personal representative, Governmental Authority, or other entity however designated or constituted.

“Personal Information” has the meaning applied to such term under the *Personal Information Protection and Electronic Documents Act* (Canada).

“Post-filing Note” means the secured grid promissory note made January 7, 2026 by the Vendor in favour of the DIP Lender.

“Premises” means the Vendor’s leased premises located at 2545 and 2557 Doty Place, Windsor, Ontario, and 830 Richmond Street, Chatham, Ontario.

“Pre-Paid Expenses” means pre-paid expenses and deposits paid by the Vendor in connection with Assigned Contracts.

“Proposal Proceedings” shall have the meaning defined in the Recitals.

“Proposal Trustee’s Certificate” shall have the meaning defined in Section 11.1(3).

“Priority Payables” means all amounts outstanding and owed by the Vendor as of the Closing Date in respect of all salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of all employees of the Vendor for the period beginning six-months prior to the date of filing of the NOI and ending on the Closing Date, source deductions relating to the same, HST/GST, plus the fees and disbursements secured by or to be secured by the Administration Charge to complete the administration of the Proposal Proceedings.

“Profit Sharing Plan” means the Vendor’s still-unfulfilled deferred profit sharing plan for its employees that was to be administered through Manulife.

“Proposal Trustee” means BDO Canada Limited, in its capacity as proposal trustee of the Vendor under the *BIA*.

“Purchased Assets” shall have the meaning defined in Section 2.1.

“Purchase Price” shall have the meaning defined in Section 5.1.

“Purchaser” shall have the meaning defined in the Recitals.

“Qualified Bid(s)” has the meaning defined in the Stalking Horse Sales Process.

“Real Property Leases” means the leases to the Premises.

“Stalking Horse Sales Process” shall have the meaning defined in the Recitals.

“Sales Process Order” means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, authorizes the Vendor to enter into this Agreement and to conduct a marketing and sale process for the right, title and interest of the Vendor in and to the Purchased Assets and the Excluded Assets substantially in accordance with the Stalking Horse Sales Process.

“Stalking Horse Bid” shall have the meaning defined in Section 10.1(1).

“Tangible Personal Property” means, collectively, all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computer hardware, telephones and other chattels (including those in possession of third parties) owned by the Vendor on the Closing Date.

“Tax” means: (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with

respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) 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 (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Party.

“Time of Closing” means 12:01 a.m. (Windsor time) on the Closing Date.

“Transferred Employees” means those employees of the Vendor who accept offers of employment from either the Purchaser an Affiliate of the Purchaser, as the case may be, made pursuant to Section 7.1 herein.

“Transfer Taxes” shall have the meaning defined in Section 6.2.

“Vendor” shall have the meaning defined in the Recitals.

“Winning Bidder” shall have the meaning defined in Section 10.1(3).

Section 1.2 Date for Any Action.

If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.3 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number only shall include the plural and vice versa.

Section 1.4 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

Section 1.5 Currency.

All references in this Agreement to dollars or to \$ are expressed in Canadian currency, unless otherwise specifically indicated.

Section 1.6 Certain Phrases, etc.

In this Agreement (i) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”, and (ii) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. Unless otherwise specified, the words “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Agreement.

Section 1.7 Schedules.

The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

ARTICLE 2 PURCHASED ASSETS

Section 2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, except for the Excluded Assets, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, on the Closing Date, effective as of the Time of Closing, or such later time as is contemplated by this Agreement, all undertakings, property and assets of the Vendor, including any and all assets that relate to or are used in connection with the operation of the Business (collectively, the “**Purchased Assets**”), including but not limited to the following assets, all free and clear of all Encumbrances (other than Permitted Encumbrances):

- (a) the Assigned Contracts;
- (b) the Pre-Paid Expenses;
- (c) the Books and Records;
- (d) the Intellectual Property owned or leased by the Vendor;
- (e) the Inventories;
- (f) the Tangible Personal Property;
- (g) all orders, authorizations, approvals, licenses or permits of any Governmental Authority, owned, held or used by the Vendor;
- (h) all claims, actions, causes of action, indemnities, warranties, guarantees, rights of recovery, rights of set-off and rights of recoupment of the Vendor other than the Excluded Litigation;
- (i) all proceeds payable to the Vendor upon any policies of insurance, other than in respect of claims with respect to Excluded Assets; and

- (j) the goodwill of the Business, including the exclusive right of the Purchaser to (i) represent itself as carrying on the Business in continuation of and in succession to the Vendor, and (ii) use any words indicating that the Business is carried on.

Section 2.2 Excluded Assets.

The Purchased Assets shall not include any of the following (collectively, the “**Excluded Assets**”):

- (a) cash on hand, bank balances, moneys in possession of banks or other depositories, term or time deposits and similar cash items of, owned or held by of for the account of the Vendor;
- (b) retainer funds held by counsel for the Vendor, the Proposal Trustee, BDO Canada Transaction Advisory Services Inc. or other professionals retained by the Vendor;
- (c) the Accounts Receivable;
- (d) the benefit of this Agreement;
- (e) any claims asserted by the Vendor in the Excluded Litigation;
- (f) any tax rebates, refunds or credits due to the Vendor including, without limitation, any Scientific Research and Experimental Development credits;
- (g) any legal files of the Vendor in the possession of or maintained by counsel for the Vendor;
- (h) Tangible Personal Property associated with contracts that are not Assigned Contracts;
- (i) the assets listed on **Schedule “B”**; and
- (j) any other assets that the Purchaser elects to exclude in writing prior to Closing in accordance with the terms of this Agreement.

For greater certainty, the Purchase Price will not be adjusted or set off against for Excluded Assets.

ARTICLE 3 ASSUMED LIABILITIES

Section 3.1 Assumed Liabilities.

Subject to the Closing, and except for the Excluded Liabilities, the Purchaser, or in the case of the Transferred Employees and Liabilities related to the Transferred Employees, an Affiliate of the Purchaser as the Purchaser may direct, if applicable, agrees to assume, as of the Time of Closing or such later time as is contemplated by this Agreement, all of the Vendor’s obligations and liabilities (and no other obligations or liabilities) relating to (collectively, the “**Assumed Liabilities**”):

- (a) the Purchased Assets arising and accruing in respect of the period after the Time of Closing and not related to any default existing at, prior to or as a consequence of Closing (which excludes all obligations and liabilities in connection with the Assigned Contracts, the assumption of obligations and liabilities of which is dealt with pursuant to Article 4);
- (b) the obligations and liabilities of the Vendor with respect to the Transferred Employees that are expressly assumed by the Purchaser or its Affiliate pursuant to this Agreement; and
- (c) any other liability which the Purchaser agrees in writing to assume on or before the Closing Date.

Section 3.2 Excluded Liabilities.

- (1) Other than the Assumed Liabilities and the Contract Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill any liability or obligation of the Vendor or in connection with the Purchased Assets or the Business (the “**Excluded Liabilities**”), whether known, unknown, direct, indirect, absolute, contingent or otherwise or arising out of facts, circumstances or events, in existence on or prior to the Time of Closing (with respect to the Assumed Liabilities) or, subject to Article 4, on or prior to the date on which a contract to which the Vendor is a party becomes an Assigned Contract, respectively (with respect to the Contract Assumed Liabilities).
- (2) Without limiting the generality of (1), the Purchaser shall not assume and shall have no obligation in respect of: (i) any of the Excluded Assets; (ii) except as expressly provided herein, any liabilities of the Vendor for Taxes other than Transfer Taxes payable by the Purchaser pursuant to Section 6.2; (iii) any claims asserted against the Vendor in the Excluded Litigation; or (iv) the Profit Sharing Plan.

ARTICLE 4 ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES

Section 4.1 Assignment of Assigned Contracts.

- (1) On or prior to the Bid Deadline, the Purchaser may, in its sole discretion, designate any contract to which the Vendor is a party to become an Assigned Contract.
- (2) Subject to Section 4.2, on Closing the Vendor shall be deemed to have assigned the benefit of any Assigned Contract and the Purchaser shall be deemed to have assumed, all of the Vendor’s obligations and liabilities relating to such Assigned Contract arising and accruing in respect of the period after Closing and not related to any default existing at, prior to or as a consequence of the Closing or of the assignment of such Assigned Contract (collectively, the “**Contract Assumed Liabilities**”), in each case without payment of any additional consideration.

Section 4.2 Consent Required Contracts.

- (1) Nothing in this Agreement shall be construed as an agreement to assign any Consent Required Contract, unless the consent, approval or waiver required to assign such Consent Required Contract has been given or an Assignment Order has been made with respect to such Consent Required Contract.
- (2) The Vendor and the Purchaser shall use reasonable commercial efforts to obtain the consents, approvals and waivers required for the assignment of the Consent Required Contracts that are designated as Assigned Contracts. Other than the payment of Cure Payments in accordance with this Agreement, which the Purchaser shall be required to pay, the Purchaser shall be under no obligation to pay any money, incur any obligations, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain any consent, approval or waiver for any Consent Required Contract.
- (3) Upon request by the Purchaser, the Vendor shall obtain the Assignment Order, should the Purchaser and Vendor not otherwise obtain any of the consents provided for in (2) above.

ARTICLE 5 PURCHASE PRICE

Section 5.1 Purchase Price.

- (1) The aggregate purchase price for the Purchased Assets shall be made up of the following amounts (in aggregate, the “**Purchase Price**”), in each case exclusive of Transfer Taxes:
 - (a) \$261,845.00 less the amount of the Credit Bid Debt; *plus*
 - (b) The amount of the Credit Bid Debt; *plus*
 - (c) The aggregate amount of the Assumed Liabilities and the Contract Assumed Liabilities.

Section 5.2 Payment of Purchase Price.

The Purchase Price shall be satisfied by the Purchaser on Closing as follows:

- (a) as to the amount referred to in Section 5.1 (1) (a) by wire transfer of immediately available funds on Closing payable to the Proposal Trustee, in trust (the “**Cash Amount**”);
- (b) as to the amount referred to in Section 5.1(1) (b), by cancellation of the Credit Bid Debt; and
- (c) as to the dollar value of the Assumed Liabilities and the Contract Assumed Liabilities, by the Purchaser assuming the Assumed Liabilities and the Contract Assumed Liabilities.

Section 5.3 Allocation of Purchase Price.

The Parties covenant and agree with each other that the Purchase Price shall be allocated among the Purchased Assets, and that such Purchase Price allocation shall be mutually agreed upon by the Parties no later than two (2) Business Days prior to the Closing Date. The Parties agree to cooperate in the filing of such elections under applicable Tax codes or statutes as may be necessary or desirable to give effect to such allocation for Tax purposes. The Parties agree to prepare and file their respective tax returns in a manner consistent with the aforesaid allocations and elections.

Section 5.4 Adjustment of Purchase Price.

Other than in accordance with Section 5.1(1) (a), the Purchase Price shall not be adjusted in any manner whatsoever.

ARTICLE 6 TAX MATTERS

Section 6.1 ETA Elections.

- (1) The Purchaser and the Vendor acknowledge and agree that the Purchaser is acquiring ownership, possession and use of substantially all of assets reasonably necessary for the Purchaser to carry on the Business and that the purchase and sale of the Purchased Assets shall be completed on the basis that no GST/HST (and no Tax imposed under any provision of any applicable provincial or territorial legislation imposing a similar value-added or multi-staged Tax) will be payable by the Purchaser in respect of the purchase and sale of the Purchased Assets.
- (2) The Purchaser and the Vendor shall jointly elect under subsection 167(1) of the *Excise Tax Act* (Canada) (the “*ETA*”) and any equivalent or comparable corresponding provision under any applicable provincial or territorial legislation, in the form prescribed for the purposes of each such provision, in respect of the sale and transfer of the Purchased Assets and the Purchaser shall file such elections with the applicable tax authorities within the time and in the manner required by the applicable Law.

Section 6.2 Transfer Taxes.

Subject to any available elections or exemptions contemplated by Section 6.1, the Purchaser shall be liable for and shall pay all federal and provincial sales taxes and all other similar Taxes or other like charges of any jurisdiction (“**Transfer Taxes**”) (for greater certainty, excluding all income or capital taxes of the Vendor) properly payable by the Purchaser in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.

Section 6.3 Income Tax Elections.

- (1) The Purchaser and the Vendor shall elect jointly in the prescribed form under section 22 of the *Income Tax Act* (Canada) (the “*ITA*”) and the corresponding provisions of any other applicable provincial Tax statute as to the sale of the Accounts Receivable forming part of the Purchased Assets and designate in such election an amount equal to the portion of the

Purchase Price allocated to the Accounts Receivable pursuant to Section 5.3. This election, or these elections, shall be made within the time prescribed for such elections.

- (2) The Purchaser and the Vendor shall, if applicable, jointly execute and file an election under subsection 20(24) of the *ITA* in the manner required by subsection 20(25) of the *ITA* and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the *ITA* and under any other applicable provincial statute as to such amount paid by the Vendor to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendor acknowledge that a portion of the Purchased Assets transferred by the Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the *ITA* and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by the Vendor as a payment for the assumption of such future obligations by the Purchaser.
- (3) The Purchaser and the Vendor shall also execute and deliver such other Tax elections and forms as they may mutually agree upon.

ARTICLE 7 EMPLOYEE MATTERS

Section 7.1 Offer to Employees.

The Purchaser or its Affiliate, as designated by the Purchaser in its sole discretion, shall make written offers of employment to such employees of the Business as the Purchaser determines, no later than five (5) Business Days prior to the Closing Date, which offers shall be conditional upon Closing, and the terms and conditions of such written offers of employment shall be substantially similar to the respective terms and conditions of employment existing as of the Closing Date, and the Purchaser shall acknowledge the prior service of the employees for all purposes required by law.

Section 7.2 Employee Plans.

The Purchaser or its Affiliate shall assume the Employee Plans and the liability for accrued benefits or any other liability under or in respect of any of the Employee Plans.

Section 7.3 Employee Liability.

- (1) The Vendor shall be liable for all salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of all employees of the Vendor for the period prior to the Closing Date.
- (2) The Vendor shall be liable for statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of any employees of the Vendor who do not accept the Purchaser's offer of employment.
- (3) Without limiting the Purchaser's obligations in respect of the Transferred Employees, the Purchaser or its Affiliate, as applicable, shall be responsible for:

- (a) All liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of the Transferred Employees in accordance with the offer made to such Transferred Employees by the Purchaser for the period on or after the Closing Date; and
- (b) All statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of the termination by the Purchaser of the employment of any Transferred Employee arising on or after the Closing Date.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Section 8.1 Vendor Representations and Warranties.

The Vendor represents and warrants as follows to the Purchaser at the date of this Agreement and at the Closing Date and acknowledge and confirm that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Purchased Assets and the assumption of the Assumed Liabilities and the Contract Assumed Liabilities:

- (1) **Incorporation and Qualification.** The Vendor is a corporation duly incorporated and existing under the laws of its jurisdiction of incorporation and has the corporate power to enter into and perform its obligations under this Agreement.
- (2) **Authorization.** The execution and delivery of and performance by the Vendor of this Agreement and the consummation of the transactions contemplated by it have been authorized by all necessary corporate action on the part of the Vendor.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding agreement of the Vendor, enforceable against it in accordance with its terms subject only to (A) as of the date hereof, any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction and (B) as of the Closing Date, the issuance of the Approval and Vesting Order.
- (4) **Residence.** The Vendor is not a non-resident of Canada for purposes of the *ITA*.
- (5) **Registration.** The Vendor is registered under Part IX of the *ETA* and its registration number is 729553735RT001. The Vendor is registered under any other comparable provincial legislation in each other province where the nature of the Vendor's business requires such registration.
- (6) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Vendor.

- (7) **Collective Agreement.** There is no collective agreement in force with respect to the Business or any of the employees of the Business nor is there any contract or agreement with any employee association in respect of the Business or the employees of the Business.

Section 8.2 Purchaser's Representations and Warranties.

The Purchaser represents and warrants as follows to the Vendor at the date of this Agreement and at the Closing Date and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the sale by the Vendor of the Purchased Assets:

- (1) **Incorporation and Qualification.** The Purchaser will be an entity formed or incorporated in its jurisdiction of formation or incorporation as the case may be.
- (2) **Corporate Authority.** The execution and delivery of and performance by the Purchaser of this Agreement and the consummation of the transactions contemplated by it have been authorized by all necessary corporate action on the part of the Purchaser.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of the Purchaser, enforceable against it in accordance with its terms subject only to (A) as of the date hereof, any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction and (B) as of the Closing Date, the issuance of the Approval and Vesting Order.
- (4) **Registration.** The Purchaser will, prior to Closing, be registered under Part IX of the *ETA* and under comparable provincial legislation in each other province where the Purchaser is required to be registered for purposes of any election to be made pursuant to Section 6.1.
- (5) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Purchaser.

Section 8.3 Survival.

The representations and warranties contained in this Agreement shall merge on Closing.

Section 8.4 No Other Representations or Warranties of the Vendor; "As Is, Where Is".

- (1) The representations and warranties given by the Vendor in Article 8 are the sole and exclusive representations and warranties of the Vendor in connection with this Agreement and the transactions contemplated by it. Except for the representations and warranties given by the Vendor in Article 8, the Purchaser did not rely upon any statements, representations, promises, warranties, conditions or guarantees whatsoever, whether express or implied (by operation of law or otherwise), oral or written, legal, equitable, conventional, collateral or

otherwise, regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith.

- (2) The Purchaser hereby acknowledges and agrees as follows:
- (a) Except as expressly provided herein, the Purchased Assets are being purchased on an “as is, where is” basis;
 - (b) Except as expressly set forth in this Agreement, the Vendor and the Proposal Trustee make no representations, or warranties in favour of the Purchaser concerning the Purchased Assets, which the Purchaser acknowledges are being acquired on an “as is, where is” basis, whether express or implied, statutory or collateral, arising by operation of Laws or otherwise, including express or implied warranties of merchantability, fitness for a particular purpose, title, description, quantity, condition or quality, and that any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (Ontario) or other Laws do not apply to the transaction contemplated herein and are hereby waived by the Purchaser; and
 - (c) without limiting the generality of Section 8.4(1) above, the Purchaser acknowledges that it has completed its due diligence or has otherwise waived any further due diligence.

ARTICLE 9 COVENANTS

Section 9.1 Conduct of Business in the Ordinary Course.

During the period up to the Closing Date, the Vendor shall use commercially reasonable efforts to (i) conduct the Business in the Ordinary Course consistent with past practice; and (ii) use its best efforts to maintain and preserve intact its current Business organization and operations and to preserve the rights, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having relationships with the Business, in each case except to the extent required to allow the Vendor to comply with any of its obligations under this Agreement, subject in all cases to any limitation imposed by being subject to the commercial proposal process under the *BIA* and any Court order relating thereto and to the Vendor cash flow forecasts filed by the Proposal Trustee. Except with the prior written consent of the Purchaser, the Vendor shall not enter into, amend, disclaim, restate or allow there to occur a default under any Material Contract.

Section 9.2 Actions to Satisfy Closing Conditions.

The Vendor and the Purchaser agree to take all such actions as are within their respective control and shall use their respective commercially reasonable efforts to take, or cause to be taken, all other actions and make all such other filings and submissions, and obtain such authorizations, which are necessary or advisable in order to (i) fulfil their respective obligations under this Agreement; and (ii) assist with the satisfaction of and ensure all conditions for the benefit of the other Party provided for in Section 10.2, Section 10.3 and Section 10.4 are satisfied.

Section 9.3 Access.

Subject to applicable Laws, the Vendor shall (i) upon reasonable notice, permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to (A) the Purchased Assets, including all books and records whether retained by the Vendor or otherwise, (B) all contracts and leases to which any of the Vendor is a party, (C) personnel files relating to the employees of the Vendor (which shall be maintained in strict confidence by the Purchaser and only used for the purpose of considering and/or making employment offers to employees), and (D) the senior personnel of the Vendor, so long as the access does not unduly interfere with the ordinary conduct of the Business; and (ii) furnish to the Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser from time to time reasonably requests.

Section 9.4 Access to Books and Records.

For a period of seven (7) years from the Closing Date or for such longer period as may be required by Law, the Purchaser will use its reasonable commercial effects, without any liability to the Vendor, to retain all original books and records relating to the Purchased Assets that are transferred to the Purchaser under this Agreement. So long as any such books and records are retained by the Purchaser pursuant to this Agreement, the Vendor, the Proposal Trustee, any receiver or bankruptcy trustee appointed in respect of the Vendor and their respective representatives shall have the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser. The Purchaser has the right to have its representatives present during any such inspection.

Section 9.5 Use of Business Name.

On or promptly following the Closing Date, and except as may be required for purposes of the Proposal Proceedings, the Vendor shall discontinue use of the names “Harbour Technologies” and “Reactor Engineering Group Ltd.”, and any variations thereof, except where legally required to advise that its name has been changed to another name or to refer to the historical fact that the Vendor previously conducted the Business under the “Reactor Engineering Group Ltd.” and “Harbour Technologies” names, and the Vendor shall, subject to the Court’s approval, as soon as reasonably practicable following Closing file articles of reorganization to change the corporate name of the Vendor to another name if requested by the Purchaser, acting reasonably, and otherwise not confusingly similar to its present name. To the extent necessary as determined by the Purchaser, in its sole discretion, and subject to the Court’s approval, the Approval and Vesting Order shall authorize and direct the appropriate Governmental Authority to accept such articles of reorganization, notwithstanding the insolvency of the Vendor.

Section 9.6 Post-Closing Accounts Receivable

- (1) As of the Closing Date, the Purchaser shall, as agent for the Vendor, bill and collect Accounts Receivable related to Assigned Contracts.
- (2) The Purchaser agrees that, after the Closing, it shall hold and shall promptly transfer and deliver to the Proposal Trustee or any trustee-in-bankruptcy appointed with respect to the

Vendor, from time to time as and when received by the Purchaser, any cash, checks with appropriate endorsements or other collections on Accounts Receivable or other property that the Purchaser may receive on or after the Closing which properly belongs to or is for the account of the Vendor according to the terms of this Agreement, including any Excluded Assets.

- (3) Subject to Section 9.6(2) above, as of the Closing Date, the Vendor hereby:
 - (a) authorizes the Purchaser to open any and all mail addressed to Vendor related to the Business or the Purchased Assets and delivered to the Premises or otherwise to Purchaser if received on or after the Closing Date; and
 - (b) appoints the Purchaser to endorse, cash and deposit any monies, checks or negotiable instruments received by Purchaser after the Closing Date with respect to accounts receivable relating to work performed by Purchaser after the Closing, as the case may be, made payable or endorsed to the Vendor or its order, for the Purchaser's own account.

ARTICLE 10

SALE PROCESS AND CONDITIONS OF CLOSING

Section 10.1 Sales Process

- (1) The Vendor shall bring a motion for the Sales Process Order on or before January 30, 2026 (subject to the Court's availability). The Sales Process Order shall recognize the within offer by the Purchaser and Purchase Price as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**"). The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a Superior Bid (as defined herein) can be obtained for the Purchased Assets.
- (2) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to a break fee in the amount of \$50,000 (inclusive of HST, if any) (the "**Break Fee**") payable by the Vendor to the Purchaser only in the event that a successful bid other than the Stalking Horse Bid is accepted by the Vendor, approved by the Court and completed. The payment of the foregoing amounts shall be approved in the Sales Process Order and shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the Winning Bid. The Parties acknowledge and agree that the foregoing amounts represent a fair and reasonable estimate of the expenses that will be incurred by the Purchaser as a result of preparing for and entering into this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Assets, Business, Assumed Liabilities and Contract Assumed Liabilities. For certainty, the Break Fee does not form part of the Purchase Price.
- (3) In the event that one or more Persons submits a Qualified Bid on or before the Bid Deadline, the Proposal Trustee shall conduct an auction for the determination and selection of a winning bid (the Person submitting such bid being the "**Winning Bidder**"). Upon the

selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Vendor. The Vendor shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.

- (4) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon the making of the order by the Court contemplated in Section 10.1(3) above to approve a transaction with such Winning Bidder (the “**Alternate Transaction**”), this Agreement shall be terminated and the Purchaser shall be entitled to the Break Fee (if applicable and as soon as practicable) and neither Party hereto shall have any further liability or obligation, except as expressly provided for in this Agreement.
- (5) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), the Vendor shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the transaction contemplated hereby forthwith.

Section 10.2 Conditions for the Benefit of both Parties.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date:

- (1) **No Court Orders.** No provision of any applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect; and
- (2) **Approval and Vesting Order.** The Approval and Vesting Order shall have been issued and entered and shall not have been stayed, amended, appealed, modified, reversed or dismissed as at the Closing Date.

Section 10.3 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (1) **Representations and Warranties.** The representations and warranties of the Vendor contained in this Agreement shall be true and correct as of the Closing Date in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such date;
- (2) **Covenants.** The Vendor shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date, including delivery by the Vendor of the documents and instruments contemplated by Section 11.2;

- (3) **No Bankruptcy.** Other than as a direct result of any action or inaction of any Person related to the Purchaser (including, for greater certainty, the DIP Lender), the Vendor shall not be and shall not have become a bankrupt under the *BIA*;
- (4) **Consents.** The Vendor shall have obtained consents from the counterparties to the Consent Required Contracts that have been designated as Assigned Contracts from the counterparties to those agreements and shall have delivered such consents to the Purchaser; and
- (5) **Assignment Order.** The Assignment Order, if requested by the Purchaser, shall have been issued and entered in form and substance satisfactory to the Purchaser.

Section 10.4 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which are for the exclusive benefit of the Vendor and which may be waived, in whole or in part, by the Vendor in its sole discretion:

- (1) **Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing Date in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such date; and
- (2) **Covenants.** The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date, including delivery by the Purchaser of the documents and instruments contemplated by Section 11.3.

ARTICLE 11 CLOSING

Section 11.1 General.

- (1) The completion of the transactions of purchase, sale and assumption contemplated by this Agreement (the “**Closing**”) shall take place electronically on the Closing Date, at the Time of Closing, or via such other place as may be agreed upon in writing by the Parties.
- (2) As soon as practicable following the determination that this Agreement is the Winning Bid pursuant to the Sales Process, the Vendor shall file motion materials seeking the issuance of the Approval and Vesting Order, provided that the Purchaser has had a reasonable opportunity to review and approve such materials, acting reasonably, in advance of filing with the Court. The Vendor shall serve notice of the motion seeking the issuance and entry of the Approval and Vesting Order on all Persons determined reasonably necessary by the Purchaser and shall provide reasonable advance notice of any Court appearances so that the Purchaser may make arrangements to attend if it so desires.
- (3) The Parties hereby acknowledge and agree that the Proposal Trustee shall be entitled in accordance with the Approval and Vesting Order to file a certificate, substantially in the form attached to the Approval and Vesting Order (the “**Proposal Trustee’s Certificate**”),

with the Court upon receiving written confirmation from the Vendor and the Purchaser that all conditions of Closing have been satisfied or waived.

Section 11.2 Vendor's Closing Deliveries.

At the Closing, the Vendor shall execute and/or deliver or cause to be delivered to the Purchaser the following:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) a true and complete copy of the Approval and Vesting Order, as entered by the Court;
- (c) if requested by the Purchaser a true and complete copy of the Assignment Order, as entered by the Court;
- (d) true and complete copies of the Assigned Contracts to which the Vendor is a party, to the extent not delivered prior to Closing;
- (e) such executed Tax elections as are required pursuant to Article 6;
- (f) a true and complete copy of the Proposal Trustee's Certificate executed by the Proposal Trustee (such Proposal Trustee's Certificate to be filed with the Court by the Proposal Trustee following Closing and a copy of such filed Proposal Trustee's Certificate shall be delivered to the Purchaser promptly thereafter); and
- (g) any other documents necessary or desirable in the opinion of the Purchaser, acting reasonably.

Section 11.3 Purchaser's Closing Deliveries.

At the Closing, the Purchaser shall execute and/or deliver or cause to be delivered to the Vendor the following:

- (a) subject to Section 13.3, the payment contemplated by Section 5.2 (a);
- (b) payment of any applicable Transfer Taxes;
- (c) such executed Tax elections as are required pursuant to Article 6; and
- (d) any other documents necessary or desirable in the opinion of the Vendor, acting reasonably.

ARTICLE 12 TERMINATION

Section 12.1 Termination of Agreement.

This Agreement may by notice in writing given prior to or on the Closing Date be terminated:

- (a) by mutual consent of the Vendor and the Purchaser;
- (b) by the Purchaser or the Vendor if the Approval and Vesting Order shall fail, once granted, to be in full force and effect or shall have been amended, appealed, modified, reversed or dismissed without the prior written consent of the Purchaser;
- (c) by the Purchaser (unless waived by the Purchaser) if the Assignment Order shall fail, once granted, to be in full force and effect or shall have been amended, appealed, modified, reversed or dismissed without the prior written consent of the Purchaser;
- (d) by the Purchaser if an event has occurred as a result of which the conditions in Section 10.3 are not capable of being satisfied by the Outside Date, as determined by the Purchaser in its sole discretion; or
- (e) automatically if the Closing has not occurred by 11:59 p.m. on the Outside Date.

Section 12.2 Effect of Termination.

In the event that the Agreement is terminated in accordance with Section 12.1, then each of the Parties shall be relieved of its duties and obligations arising under this Agreement, including with respect to the payment of the Break Fee, effective as of the date of such termination and such termination shall be without liability to the Purchaser and the Vendor, including without limitation in respect of any Liabilities accrued from the date of execution of this Agreement to the date of termination.

ARTICLE 13 MISCELLANEOUS

Section 13.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) to the Vendor:

Reactor Engineering Group Ltd.
2545 Doty Place
Windsor, Ontario N8X 2W5

Attention: Andrew Glover and David Glover
Emails: aglover@harbour-tech.com and dgllover@harbour-tech.com

with a copy to the Proposal Trustee at:

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, Ontario M5E 1C5

Attention: Matthew Marchand and Martin Chan
Email: mmarchand@bdo.ca and mchan@bdo.ca

with a copy to the Proposal Trustee's counsel:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Kyle Plunkett and Cristian Delfino
Email: kplunkett@airdberlis.com and cdelfino@airdberlis.com

with a copy to BDO Transaction Advisory:

BDO Canada Transaction Advisory
222 Bay Street, Suite 2200
Toronto, Ontario M5K 1H6

Attention: Michael Morrow and Salman Virani
Email: mmorrow@bdo.ca and svirani@bdo.ca

(b) to the Purchaser:

ATMIS Protective Equipment Inc.
830 Richmond Street
Chatham, Ontario N7M 5J5

Attention: Andy Valentine
Email: avalentine@atmis.ca

A Notice is deemed to be given and received if sent by personal delivery, courier or electronic mail, 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. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

Section 13.2 Assignment.

- (1) Except as provided in this Section 13.2, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Parties.
- (2) Upon giving notice to the Vendor at any time on or prior to two (2) Business Day prior to the date of the hearing for the Approval and Vesting Order, the Purchaser is entitled to assign this Agreement or any of its rights under this Agreement to any Person in its sole discretion; provided that the assignee enters into an assignment and assumption agreement with the Vendor, in a form approved by the Proposal Trustee acting reasonably. The Purchaser and its assignee shall be jointly and severally liable for all obligations and liabilities under this Agreement until the successful completion of this transaction contemplated hereunder.

Section 13.3 Survival.

Any provision of this Agreement which contemplates performance or the existence of obligations after the Closing Date shall not be deemed to be merged into or waived by the execution, delivery or performance of this Agreement or documents delivered in connection herewith or Closing, but shall expressly survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement and shall be binding upon the Party or Parties obligated thereby (including any trustee-in-bankruptcy appointed in respect of such Party) in accordance with the terms of this Agreement.

Section 13.4 Time of the Essence.

Time is of the essence in this Agreement.

Section 13.5 Enurement.

This Agreement becomes effective when executed by the Vendor and the Purchaser. After that time, it will be binding upon and enure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns.

Section 13.6 Confidentiality

- (1) Unless and until this Agreement is terminated prior to Closing, the Purchaser shall maintain as confidential any Confidential Information of the Vendor including such information relating to any of the Purchased Assets, the Business and the assumed liabilities.
- (2) The Parties will cooperate and consult with one another, to the extent reasonably practical, with respect to the issuance of any press release or other public statement regarding this Agreement and the transaction contemplated hereunder.

Section 13.7 Entire Agreement.

This Agreement and the other documents executed in connection herewith constitutes the entire agreement between the Parties with respect to the transactions contemplated in this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to such transactions. 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 and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 13.8 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 it may have.

Section 13.9 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor and the Purchaser.

Section 13.10 Further Assurances.

From and after the Closing Date, each of the Parties covenants and agrees to do such things, to attend such meetings and to execute such further conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively transfer the Purchased Assets, the Assumed Liabilities and the Contract Assumed Liabilities to the Purchaser and carry out the terms and conditions of this Agreement in accordance with their true intent.

Section 13.11 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 13.12 Governing Law.

This Agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 13.13 Jurisdiction.

The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising under or related to this Agreement.

Section 13.14 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[signature page follows]

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the date first written above.

) **REACTOR ENGINEERING GROUP LTD.**

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Per:



Name: Andrew Glover

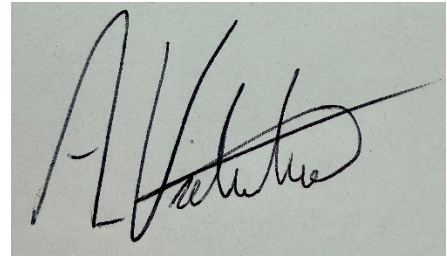
Title: President

I have the authority to bind the corporation

) **ATMIS PROTECTIVE EQUIPMENT INC.**

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)
)
)
)

Per:



Name: Andy Valentine

Title: President

I have the authority to bind the corporation

SCHEDULE "A"
STALKING HORSE SALE AND INVESTMENT SOLICITATION PROCESS
INCLUDING AUCTION PROCEDURE

[INSERT UPDATED SISP PROCEDURES]

SCHEDULE "B"
ASSIGNED CONTRACTS

1. the Real Property Leases
2. 

SCHEDULE "C"
EXCLUDED ASSETS

1. 
2. 