

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**SUPPLEMENTAL AFFIDAVIT OF ANDREW GLOVER  
(Sworn January 29, 2026)**

I, **ANDREW GLOVER**, of the Town of Amherstburg, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am a director and the Chief Executive Officer of Reactor Engineering Group Ltd. (“**Reactor**”). As such, I have personal knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases, I believe that information to be true.
2. I make this affidavit in support of a motion (the “**Motion**”) by Reactor for the following two Orders:
  - a. an order (the “**SISP Approval Order**”), among other things:
    - i. approving a sale and investment solicitation process including auction procedures (the “**SISP**”);
    - ii. approving the Stalking Horse Asset Purchase Agreement executed by Reactor and ATMIS Protective Equipment Inc. (“**ATMIS**” and, in such capacity, the “**Stalking Horse Bidder**”) dated January 23, 2026 (the “**Stalking Horse Agreement**”) solely for purposes of serving the role as stalking horse in the SISP;

- iii. authorizing and directing Reactor to pay the Stalking Horse Bidder the Break Fee (as defined in the Stalking Horse Agreement), in the amount of \$50,000, if a superior transaction is identified pursuant to the SISP; and
  - iv. extending the benefit of the Administration Charge created by the Order of the Honourable Justice Rady dated January 16, 2026 (the “**January 16 Order**”) to the BDO Transaction Advisory Services Inc., in its capacity as advisor to the Proposal Trustee and Reactor in connection with the SISP (in such capacity, the “**SISP Advisor**”); and
- b. an order (the “**Ancillary Order**”), among other things:
- i. granting an extension of time for filing of a proposal by Reactor in its *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) by forty-five (45) days up to and including March 16, 2026, pursuant to subsection 50.4(9) of the *BIA*;
  - ii. approving the Second Report of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”), dated January 27, 2026 (the “**Second Report**”), and the Proposal Trustee’s activities set out therein;
  - iii. approving the professional fees and disbursements of the Proposal Trustee and its counsel, Aird & Berlis LLP, as set out in the fees affidavits to be filed with the Court; and
  - iv. approving certain secured advances made by ATMIS, in its capacity as debtor-in-possession lender (in such capacity, the “**DIP Lender**”), during the Proposal Proceedings prior to the January 16 Order (the “**Initial Advances**”).
3. This affidavit is supplemental to my affidavit sworn January 23, 2026 (the “**Second Glover Affidavit**”). It corrects certain errors present the Second Glover Affidavit and its Exhibits,

and provides updates on certain changed facts and on certain changes to the relief sought on the Motion.

#### **A. REVISED SISP AND STALKING HORSE AGREEMENT**

4. In response to comments from a contingent litigation creditor, Woolly Mammoth Outerwear Inc. o/a Wuxly Movement (“**Wuxly**”), Reactor and the Proposal Trustee have amended the SISP by extending the Bid Deadline (as defined in the SISP) from February 27, 2026 to March 12, 2026, and by changing certain language to clarify that the Proposal Trustee and the SISP Advisor will have sole responsibility for evaluating bids in the SISP, without need for consultation with Reactor. These changes are found in revised form of SISP appended to the Second Report.
5. Also in response to comments from Wuxly, Reactor and ATMIS have agreed to Amend the Stalking Horse Agreement to reduce the Break Fee from \$75,000 to \$50,000. Attached hereto as **Exhibit “A”** is a true copy of the amended Stalking Horse Agreement, dated January 29, 2026.
6. Finally, the Proposal Trustee has added language to the SISP to permit it to aggregate separate Bids from Bidders to create one Qualified Bid (as such terms are defined in the SISP).
7. Attached hereto as **Exhibit “B”** is the revised form of SISP Order with the revised SISP attached as Schedule “A” thereto, blacklined against the form of SISP Order included in Reactor Motion Record, served and filed, January 23, 2026 (the “**Motion Record**”).

#### **B. SRED CLAIMS**

8. Reactor’s Notice of Motion, dated January 23, 2026 (the “**Notice of Motion**”), included, in the relief to be sought, the approval of the Engagement Letter dated as of January 23, 2026 between Reactor and Pinnacle Consultants Inc. (“**Pinnacle**”) for preparation of Reactor’s Scientific Research and Experimental Development Tax Credit Program claims for each of the fiscal years ending February 28, 2025 and February 28, 2026. In order to allow further discussions between the Proposal Trustee, Reactor and Pinnacle, Reactor will

seek to adjourn this approval and related relief until its next attendance before the Court.

9. With the changes to the relief sought, as described in paragraphs 4 through 8 above, Reactor expects that the Motion will proceed unopposed.

### **C. INITIAL ADVANCES**

10. The Secured Grid Promissory Note made January 7, 2026 by Reactor in favour of the DIP Lender (the “**Initial Advances Note**”), a copy of which was attached as Exhibit “T” to the Second Glover Affidavit, contained an error in its grid (the “**Grid**”), which error made its way into the body of the Second Glover Affidavit. The second Initial Advance in the amount of \$20,000 was listed as having been made on January 20, 2026, when it was, in fact, made on January 12, 2026. The Grid has been corrected and attached hereto as **Exhibit “C”** is a true copy of the Initial Advances Note with such correction.
11. The Notice of Motion included, in the relief sought relating to the Initial Advances, a declaration that the security granted to the DIP Lender in the Initial Advances Note was not a transfer at undervalue or void as against a trustee in bankruptcy under section 96(1) of the *BIA*. For the sake of clarity, Reactor will also seek a declaration in the Ancillary Order that this grant of security is does not have the effect of giving the DIP Lender a preference and will not be void as against a trustee in bankruptcy under section 95(1) of the *BIA*.
12. Attached hereto as **Exhibit “D”** is the revised form of Ancillary Order with the SRED Claims relief removed and the Initial Advances relief amended, blacklined against the form or Ancillary Order included in the Motion Record.


13. I swear this affidavit in support of the Motion for the relief set out in paragraph 2 hereof and for no other or improper purpose.

**SWORN BEFORE ME** over video )  
conference this 29<sup>th</sup> day of January, 2026, in )  
accordance with Ontario Regulation 431/20. )  
The affiant was located in the Town of )  
Amherstburg, in the Province of Ontario, while )  
the commissioner, Adriana Gasparini, was )  
located in the City of Vaughan, in the Province )  
of Ontario. )



\_\_\_\_\_  
A Commissioner for taking affidavits )

LSO Licence No.: P14458



\_\_\_\_\_  
**ANDREW GLOVER**

This is **Exhibit "A"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 29<sup>th</sup> day of January, 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits

**REACTOR ENGINEERING GROUP LTD.**

as Vendor

and

**ATMIS PROTECTIVE EQUIPMENT INC.**

as Purchaser

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**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](mailto:aglover@harbour-tech.com) and [dgllover@harbour-tech.com](mailto: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](mailto:mmarchand@bdo.ca) and [mchan@bdo.ca](mailto: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](mailto:kplunkett@airdberlis.com) and [cdelfino@airdberlis.com](mailto: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](mailto:mmorrow@bdo.ca) and [svirani@bdo.ca](mailto: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](mailto: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.

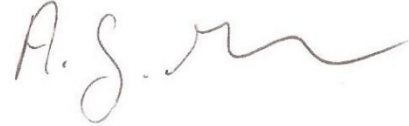
*[signature page follows]*

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

) **REACTOR ENGINEERING GROUP LTD.**

)  
)  
)  
)  
)  
)  
)  
)  
)

Per:



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Name: Andrew Glover

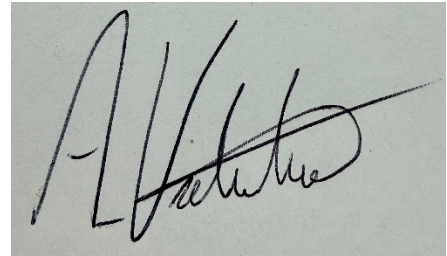
Title: President

*I have the authority to bind the corporation*

) **ATMIS PROTECTIVE EQUIPMENT INC.**

)  
)  
)  
)  
)  
)  
)  
)  
)

Per:



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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. 

This is **Exhibit "B"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 29<sup>th</sup> day of January, 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



---

Mariela Adriana Gasparini  
A Commissioner for taking affidavits

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) FRIDAY, THE 30<sup>TH</sup> DAY  
 )  
JUSTICE ) OF JANUARY, 2026  
 )

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**ORDER  
(SISP Approval)**

**THIS MOTION**, made by Reactor Engineering Group Ltd. (“**Reactor**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) for an order, among other things, approving the SISP (as defined herein) in respect of the Property (as defined herein) of Reactor, was heard this day by Zoom videoconference.

**ON READING** the Motion Record of Reactor, including the Affidavit of Andrew Glover sworn January 23, 2026 (the “**Second Glover Affidavit**”), including the exhibits thereto, [the Supplemental Affidavit of Andrew Glover sworn January 29, 2026, including the exhibits thereto](#), and the Second Report to the Court of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) dated January ~~[\*]~~27, 2026, and on hearing the submissions of counsel for Reactor, counsel for the Proposal Trustee, counsel for Woolly Mammoth Outerwear Inc. and counsel for International Customer Products Inc., and such other counsel who were present, and no one else appearing for although duly served as appears from the affidavit of service of ~~[\*]~~ [\[Mariela Adriana Gasparini\]](#) sworn/~~affirmed~~ January ~~[\*]~~23, 2026, filed,

## **SERVICE AND INTERPRETATION**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Second Glover Affidavit.

## **APPROVAL OF THE SISP**

3. **THIS COURT ORDERS** that the sale and investment solicitation process, including its auction procedures, in the form set out in Schedule “A” to this Order (the “**SISP**”) in respect of all of the assets, undertakings and properties (collectively, the “**Property**”) and/or business (the “**Business**”) of Reactor be and is hereby approved. The Proposal Trustee and BDO Transaction Advisory Services Inc., in its capacity as advisor to the Proposal Trustee and Reactor in connection with the SISP (in such capacity, the “**SISP Advisor**”) are authorized and directed to take such steps as they deem necessary or desirable to carry out and perform their obligations under the SISP and to take such steps and execute such documentation as may be necessary or incidental to the SISP, provided that any definitive agreement to be executed by Reactor in respect of the sale of all or part of the Property or the Business shall require further approval of this Court.

4. **THIS COURT ORDERS** that any step taken by the Proposal Trustee or the SISP Advisor in connection with the SISP prior to the date of this Order is approved and ratified.

5. **THIS COURT ORDERS** that the Proposal Trustee, Reactor and the SISP Advisor and their respective assistants, affiliates, partners, employees, representatives, legal counsel and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct in performing their obligations under the SISP as determined by this Court in a final order that is not subject to appeal or other review.

6. **THIS COURT ORDERS** that, in overseeing and conducting the SISP, the Proposal Trustee and the SISP Advisor shall have all of the benefits and protections granted to it under the BIA and any Order of this Court in the within proceeding.

### **STALKING HORSE AGREEMENT**

7. **THIS COURT ORDERS** that Reactor is hereby authorized and empowered, *nunc pro tunc*, with such minor amendments as may be acceptable to each of the parties thereto, and approved by the Proposal Trustee, to execute, deliver, and enter into the amended stalking horse asset purchase agreement dated January ~~23~~29, 2026 (~~in such capacity,~~ the “**Stalking Horse Agreement**”) between the Reactor and ATMIS Protective Equipment Inc. (in such capacity, the “**Stalking Horse Bidder**”) substantially in the form attached as Exhibit “F” to the Second Glover Affidavit. For greater certainty, the Stalking Horse Agreement is approved only as the Stalking Horse Bid (as defined in the Stalking Horse Agreement) and the approval of any transaction in respect of the Property and/or the Business shall be considered by this Court on a subsequent motion made to this Court.

8. **THIS COURT ORDERS** that the Break Fee (as defined in the Stalking Horse Agreement) is approved and, in the event the Stalking Horse Bidder is not the Successful Bidder (as defined in the SISP), Reactor is authorized and directed to pay the Break Fee to the Stalking Horse Bidder subject to and in accordance with the terms of the Stalking Horse Agreement.

### **PIPEDA**

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, and any similar legislation in any other applicable jurisdictions, the Proposal Trustee and the SISP Advisor are authorized and permitted to disclose and transfer to each potential bidder that has executed an NDA (the “**Bidders**”), and their respective advisors, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in Reactor’s records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete one or more transactions pursuant to the SISP (each, a “**Transaction**”). Each Bidder to whom such personal information is disclosed shall maintain

and protect the privacy of such information and limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall return all such information to the Proposal Trustee and the SISP Advisor, or in the alternative destroy all such information. The Successful Bidder(s) (as defined in the SISP) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s) (as defined in the SISP), shall be entitled to use the personal information provided to it that is related to the property and/or business acquired pursuant to the Transaction in a manner which is in all material respects identical to the prior use of such information by Reactor, and shall return all other personal information to the Proposal Trustee and the SIPS Advisor, or ensure that all other personal information is destroyed.

#### **EXTENSION OF ADMINISTRATION CHARGE**

10. **THIS COURT ORDERS** that the SISP Advisor is entitled to the benefit of the Administration Charge created by the Order of The Honourable Madam Justice Rady dated January 16, 2026, as security for the SISP Advisor's professional fees and disbursements incurred at the standard rates and charges of the SISP Advisor.

#### **GENERAL**

11. **THIS COURT ORDERS** that Reactor or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Reactor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Eastern Standard Time on the date hereof, and this Order is enforceable without any need for entry and filing.



## SCHEDULE "A"

### SALE PROCESS Reactor Engineering Group

#### INTRODUCTION

On December 16, 2025, Reactor Engineering Group Ltd. o/a Harbour Technologies ("**Harbour Technologies**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**", and the proceedings, the "**NOI Proceedings**"). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the "**Proposal Trustee**") under the NOI Proceedings.

On or about January 30, 2026, the Ontario Superior Court of Justice (the "**Court**") granted an order (the "**Sale Process Order**") which approved, among other things:

- the Sale Process (the "**Sale Process**") for the marketing and sale of the Company's business and assets (the "**Property**");
- the engagement of BDO Canada Transaction Advisory as sales agent (the "**Sales Agent**") to assist the Proposal Trustee with carrying out the Sale Process;
- the Company entering into an stalking horse asset purchase agreement (the "**Stalking Horse Agreement**") between the Company, as vendor, and ATMIS Protective Equipment Inc., as purchaser (in such capacity, the "**Stalking Horse Bidder**"), pursuant to which the Stalking Horse Bidder will make an offer to purchase the Property; and (ii) act as a stalking horse bidder in the Court-supervised Sale Process in the NOI Proceedings; and
- the Proposal Trustee, with the assistance of the Company's management team and the Sales Agent, to undertake the Sale Process.

The Sale Process herein sets out the manner in which: (a) binding offers for executable transactions involving all or substantially all, or any portion, of the Property will be solicited from interested parties; (b) any such offers received will be evaluated; (c) any Successful Bid (as defined below) will be selected and (d) Court approval of any Successful Bid will be sought.

The Sale Process will be conducted by the Sales Agent and the Proposal Trustee in the manner set forth herein and in accordance with the Sale Process Order. In the event there is a disagreement as to the interpretation or application of the Sale Process, the Court will have exclusive jurisdiction to hear and resolve such dispute.

The Proposal Trustee will post on the Proposal Trustee's website, any modification, amendment, variation or supplement to the Sale Process and inform the bidders impacted by such modification, amendment, variation or supplement.

In the Sale Process, (i) "**Business Day**" means any day (other than Saturday or Sunday) that banks are open for business in Toronto, Ontario. If any deadline date referred to in the Sale Process falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase, "without limitation".

#### THE OPPORTUNITY

The Sale Process is intended to solicit interest in, and opportunities for a sale of all or substantially all or part of the Property as a going concern or otherwise, or some combination thereof (each, a “Transaction”).

The Sale Process Order, the procedures in respect of the Sale Process as contained herein (the “Sale Process Procedures”) and any subsequent orders issued by the Court pertaining to the Sale Process Procedures shall exclusively govern the process for soliciting and selecting bids for the Transaction.

The purpose of the Sale Process Procedures is to determine whether a better Transaction than the transaction contemplated by the Stalking Horse Agreement may be obtained by the Proposal Trustee in a formal marketing process approved by the Court.

The Sale Process contemplates a one stage process that involves the submission by interested parties of binding offers by the Bid Deadline (as defined below).

#### “AS IS, WHERE IS”

The sale of any Property or assets under the Stalking Horse Agreement or any Transaction to any party other than the Stalking Horse Bidder will be on an “as is, where is” basis and without surviving representations or warranties, covenants or indemnities of any kind, nature, or description by the Company, the Sales Agent, the Proposal Trustee, or any of their respective agents, advisors or representatives, and all of the right, title and interest of the Company in and to the Property to be acquired, will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to a Court order, except as otherwise provided in such Court order.

#### TIMELINE

The following table sets out the key milestones under the Sale Process:

Milestone	Deadline
Commencement of Sale Process	January 30, 2026
Distribution of the Notice	Within five (5) Business Days of issuance of Sale Process Order
Distribution of Teaser Letter and Marketing Materials	Within two (2) Business Days of issuance of Sale Process Order
Bid Deadline	<del>February 27</del> March 12, 2026
Auction Date (if necessary)	No later than March <del>3</del> 17, 2026
Sale Approval Hearing	No later than March <del>16</del> 31, 2026

The dates set out in the Sale Process may be revised or extended by the Proposal Trustee in its sole discretion.

#### SOLICITATION OF INTEREST

As soon as reasonably practicable:

1. the Sales Agent, with the approval of the Proposal Trustee, will prepare a list of potential bidders, including: (i) parties that have approached the Proposal Trustee or the Sales Agent indicating an interest in the opportunity; (ii) any parties provided by the

Company and/or its advisors; and (iii) domestic and international strategic and financial parties who the Proposal Trustee believes may be interested in purchasing all or part of the Property (collectively, “**Known Potential Bidders**”);

2. the Proposal Trustee will arrange for a notice of the Sale Process (and such other relevant information which the Proposal Trustee considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and any other newspaper or journal as the Proposal Trustee considers appropriate, if any, as soon as possible and by no later than five (5) Business Days after issuance of the Sale Process Order; and
3. the Sales Agent, with the approval of the Proposal Trustee, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the Sale Process Procedures and inviting recipients of the Teaser Letter to express their interest pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee (the “**NDA**”).

As soon as possible, and by no later than five (5) Business Days after issuance of the Sale Process Order, the Proposal Trustee will publish the Notice and by no later than two (2) Business Days after issuance of the Sale Process Order, the Sales Agent will send the Teaser Letter and the NDA to all Known Potential Bidders and to any other party who requests a copy of the Teaser Letter and the NDA or who is identified to the Proposal Trustee or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

## INTERESTED PARTIES

### *Delivery of Confidential Information Package*

Any party who wishes to participate in the Sale Process must provide to the Sales Agent, unless the Proposal Trustee or the Sales Agent confirms to such potential bidder that the below documents are already available to the Proposal Trustee, the following:

1. the NDA executed by it and a letter setting forth the identity of the potential bidder, the contact information for such potential bidder and full disclosure of the direct and indirect principals of the potential bidder; and
2. where the Proposal Trustee deems appropriate, such form of financial disclosure and credit quality support or enhancement that allows the Proposal Trustee to make a reasonable determination as to the potential bidder’s financial and other capabilities to consummate a Transaction.

If the Proposal Trustee determines, exercising its reasonable business judgment, that a bidder has: (i) delivered the documents contemplated in the immediately preceding paragraph; and (ii) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a Transaction pursuant to the Sale Process, then such bidder shall be deemed to be a “**Qualified Bidder.**” For greater certainty, no bidder shall be deemed to be a Qualified Bidder without the approval of the Proposal Trustee.

At any time during the Sale Process, the Proposal Trustee may, in its reasonable business judgment, eliminate a Qualified Bidder from the Sale Process, in which case such Qualified Bidder will be eliminated from the Sale Process and will no longer be a Qualified Bidder for the purposes of the Sale Process.

The Sales Agent, with the approval of the Proposal Trustee, will prepare and share with each Qualified Bidder a confidential information package providing additional information considered relevant to the potential Transaction (the “**Confidential Information Package**”).

The Proposal Trustee and its advisors make no representation or warranty as to the completeness and accuracy of the information contained in the Confidential Information Package or otherwise made available pursuant to the Sale Process, except to the extent expressly contemplated in any definitive sale agreement with a Successful Bidder ultimately executed and delivered by the Proposal Trustee. None of the Sales Agent, the Proposal Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the Company or the sale of the Property.

Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the Sale Process and any Transaction they enter into with the Proposal Trustee.

### ***Due Diligence***

The Sales Agent, with the approval of the Proposal Trustee, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property as they reasonably request. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Proposal Trustee in its reasonable business judgment may agree.

The Proposal Trustee will designate a representative to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated. None of the Sales Agent, the Proposal Trustee or the Company will be obligated to furnish any information relating to the Property to any person other than to Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Proposal Trustee determines such information to represent proprietary or sensitive competitive information.

### **SUPERIOR BIDS**

A “**Superior Bid**” means a credible, reasonably certain and financially viable Qualified Bid (defined below), the terms of which are, in the determination of the Proposal Trustee and its Sales Agent acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement, and which at a minimum includes a payment of the Purchase Price (as defined in the Stalking Horse Agreement plus a minimum additional amount of ~~\$750,000~~ \$750,000).

### **QUALIFIED BIDS**

Qualified Bidders that wish to make a formal offer to purchase the Property or a portion thereof shall submit a binding offer (a “**Bid**”) on substantially the same terms and conditions as the terms and conditions contained in the Stalking Horse Agreement. In order to be considered a “**Qualified Bid**”, a Bid must meet the following minimum criteria:

1. the Bid must be received by the Proposal Trustee at the address specified in Schedule “**A**” hereto (including by email), so as to be received by the Proposal Trustee no later than 5:00 PM (Eastern Time) on ~~February 27~~ March 12, 2026 (the “**Bid Deadline**”);
2. the Qualified Bidder and the representatives thereof who are authorized to act on the Qualified Bidder’s behalf must be sufficiently identified;
3. the Bid must be submitted in writing and include a blackline of the offer to the Stalking Horse Agreement, reflecting the Qualified Bidder’s proposed changes;

4. the Bid must be accompanied by a deposit by way of certified cheque or wire transfer, in an amount equal to at least 10% of the aggregate purchase price payable under the Bid;
5. the Bid must be open for acceptance by the Proposal Trustee until approval by the Court of the execution by the Qualified Bidder and the Proposal Trustee of an agreement of purchase and sale in respect of the purchased assets subject to the Bid;
6. the Bid must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Agreement;
7. the Bid must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Stalking Horse Agreement;
8. the Bid must include a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
9. the Bid must be accompanied by written evidence of a commitment for financing or other evidence of the Qualified Bidder's ability to consummate the transaction contemplated by the Bid;
10. the Bid must be for a purchase price equal to or greater than the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of \$7550,000;
11. the Bid must be irrevocable until approval by the Court of the execution by the Qualified Bidder and the Proposal Trustee of an agreement of purchase and sale in respect of the purchased assets subject to the Bid;
12. the Bid constitutes, in the reasonable business judgment of the Proposal Trustee, a Bid; and
13. the Bid contemplates closing the Transaction set out therein on or before the outside closing date of no later than ~~March 31~~April 15, 2026.

The Transaction contemplated by the Stalking Horse Agreement shall be deemed to be a Qualified Bid.

[The Proposal Trustee may aggregate separate Bids from Bidders to create one Qualified Bid.](#)

The Proposal Trustee may waive strict compliance with any one or more of the non-material foregoing requirements and deem any such non-compliant bid to be a Qualified Bid.

## SELECTION OF SUCCESSFUL BIDDERS

Following the Bid Deadline, the Proposal Trustee will assess the Bids received in consultation with the [Company Sales Agent](#). The Proposal Trustee shall approve the disqualification of any Bids that are deemed not to be Qualified Bids. Only bidders whose Bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

The Proposal Trustee shall notify each bidder in writing as to whether its Bid constituted a Qualified Bid within four (4) Business Days following the Bid Deadline, or at such later time as the Proposal Trustee deems appropriate, in consultation with the [Company Sales Agent](#).

If no Qualified Bids (either individually or in the aggregate) other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Proposal Trustee, with the consent of the Stalking Horse Bidder, may consider an extension of the Bid Deadline for up to seven (7) Business Days to allow any party that submitted a Bid to consult with the Proposal Trustee and to revise such Bid such that it would provide for, or that might reasonably be expected to provide for, a Superior Bid.

### *Evaluation of Competing Bids*

A Qualified Bid will be evaluated upon many factors, including, without limitation, items such as:

1. the Purchase Price and the net value provided by such Qualified Bid;
2. the identity, circumstances and ability of the Qualified Bidder to successfully complete such Transaction;
3. the proposed Transaction documents;
4. factors affecting the speed, certainty and value of the Transaction;
5. the assets included or excluded from the Bid;
6. the liabilities to be assumed in the Transaction;
7. the likelihood and timing of consummating such Transaction; and
8. whether the Transaction results in a Superior Bid.

Each, as determined by the Proposal Trustee, in consultation with the Sales Agent.

### *Selection of Successful Bid*

The Proposal Trustee shall, in consultation with the Sales Agent:

1. first, review and evaluate each Qualified Bid, provided that the Proposal Trustee may contact any Qualified Bidder to clarify the terms of any Bid, and the applicable Qualified Bidder may amend, modify or vary such Bid for the purpose of clarification;
2. second, identify if any Qualified Bid is a Superior Bid; and
3. third, if one or more Qualified Bids are considered to be Superior Bid, those Qualified Bidders presenting a Superior Bid shall proceed to an auction with the Stalking Horse Bidder to be held on or before March 317, 2026 (the "Auction"), which Auction shall will be conducted and administered by the Proposal Trustee in accordance with the terms of this SISP proceed according to the Auction Procedures set out in **Schedule "B"** to this Sale

Process to identify the Successful Bid. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Bidders not less than 24 hours prior to the Auction.

~~3.~~

The Proposal Trustee will review and evaluate each Superior Bid, if any, and: (a) may identify the highest or otherwise best offer for the Property (the “**Successful Bid**” or “**Successful Bidder**”); or (b) if no Superior Bid is received by the Bid Deadline, the Auction will not be held and the Stalking Horse Bidder will be declared to be the Successful Bidder. The determination of any Successful Bid by the Proposal Trustee shall be subject to approval by the Court.

### ***Sale Approval Motion Hearing***

At the hearing of the motion to approve any Transaction with a Successful Bidder (the “**Sale Approval Hearing**”), the Proposal Trustee shall seek, among other things, approval from the Court to consummate the Successful Bid. All the Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Proposal Trustee on and as of the date of approval of the Successful Bid by the Court.

### **DEPOSIT**

All deposits shall be held by the Proposal Trustee in a single non-interest bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the Transaction contemplated by the Successful Bid. Deposits paid by bidders not selected as the Successful Bidder shall be returned to such bidder within three (3) Business Day of Court approval of the Successful Bid.

### **CONFIDENTIALITY AND ACCESS TO INFORMATION**

All discussions regarding a Transaction, Bid or Successful Bid should be directed through the Sales Agent. Under no circumstances, should the management of Company or its customers be contacted directly without the prior written consent of the Sales Agent or the Proposal Trustee. Any such unauthorized contact or communication could result in exclusion of the interested party from the Sale Process at the discretion of the Proposal Trustee.

Participants and prospective participants in the Sale Process shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Known Potential Bidders, Qualified Bidders, or Qualified Bids, the details of any Bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Sales Agent, the Proposal Trustee and such other Known Potential Bidders or Qualified Bidders in connection with the Sale Process.

Notwithstanding the foregoing, under no circumstances will the Sales Agent or the Proposal Trustee share any material information concerning any of the Bids with any person other than the Company.

### **SUPERVISION OF THE SALE PROCESS**

The Sales Agent shall conduct the Sale Process, with the oversight of the Proposal Trustee in the manner set out in the Sale Process Procedures and is entitled to receive all information in relation to the Sale Process.

The Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Sales Agent or the Proposal Trustee or the Company and any Qualified Bidder, Known Potential Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Proposal Trustee.

Without limiting the preceding paragraph, the Sales Agent and the Proposal Trustee shall not have any liability whatsoever to any person or party, including, without limitation, any Qualified Bidder, Known Potential Bidder, the Successful Bidder, the Company or any creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by the Sale Process Procedures, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Sales Agent or the Proposal Trustee. By submitting a Bid, each Known Potential Bidder, Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Agent or the Proposal Trustee in respect of the Sale Process for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct by the Sales Agent or the Proposal Trustee.

Participants in the Sale Process are solely responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.

Notwithstanding the process and deadlines outlined above with respect to the Sale Process, with the prior consent of the DIP Lender (as defined in the First Report of the Proposal Trustee dated January 7, 2026), the Sales Agent and the Proposal Trustee may at any time: (i) pause, terminate, amend or modify the Sale Process; (ii) remove any portion of the Property from the Sale Process; (iii) bring a motion to the Court to seek approval of a sale of all or part of the Property or the Company, whether or not such sale is in accordance with the terms or timelines set out in the Sale Process Procedures; and (iv) establish further or other procedures for the Sale Process, provided that Qualified Bidders and Known Potential Bidders shall be advised of any substantive modification to the procedures set forth herein.

Schedule "A"

Address of Proposal Trustee, Proposal Trustee's Counsel and Sales Agent

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

Attention: Matthew Marchand and Martin Chan  
Email: ~~marchand@bdo.ca~~ [marchand@bdo.ca](mailto:marchand@bdo.ca)  
~~mchan@bdo.ca~~ [mchan@bdo.ca](mailto:mchan@bdo.ca)

with copies to:

**Aird & Berlis LLP**  
Brookfield Place, 181 Bay St. #1800  
Toronto, ON M5J 2T9

Attention: Kyle Plunkett and Cristian Delfino

Email: ~~kplunkett@airdberlis.com~~  
~~cdelfino@airdberlis.com~~

Email: [kplunkett@airdberlis.com](mailto:kplunkett@airdberlis.com)  
[cdelfino@airdberlis.com](mailto:cdelfino@airdberlis.com)

and to:

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

Attention: Michael Morrow and Salman Virani

Email: ~~mmorrow@bdo.ca~~  
~~svirani@bdo.ca~~

Email: [mmorrow@bdo.ca](mailto:mmorrow@bdo.ca)  
[svirani@bdo.ca](mailto:svirani@bdo.ca)

## Schedule "B"

### AUCTION PROCEDURES

1. On or before March ~~2~~<sup>16</sup>, 2026, the Proposal Trustee will confirm those Qualified Bidders who submitted a Qualified Bid that they will be invited to the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Qualified Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. All Qualified Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Qualified Bidders and the Stalking Horse Bidder present at the Auction.
4. The Auction, if any, shall be conducted by the Proposal Trustee, on or before March ~~3~~<sup>17</sup>, 2026 at 10:00 a.m. (Eastern Time) via video conference.
5. Each Qualified Bidder participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid. For greater certainty, communications between the Stalking Horse Bidder and the Proposal Trustee with respect to and in preparation of the Stalking Horse Agreement, if one is submitted and approved by the Court prior to the commencement of the SISP will not represent collusion or communications prohibited by this paragraph.
6. At the Auction, all Qualified Bidders and the Stalking Horse Bidder shall be permitted to increase their Qualified Bids and the bid contemplated by the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a "Subsequent Bid"). All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Qualified Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Qualified Bidders throughout the entire Auction.
7. The Auction shall be recorded by the Proposal Trustee for its exclusive use and shall not be recorded by any other party.
8. At least one (1) Business Day(s) prior to the Auction, the Proposal Trustee will advise the Stalking Horse Bidder and all other Qualified Bidders which of the Qualified Bidders or the Stalking Horse Bidder the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors ~~and the Company~~, constitutes the then highest or otherwise best offer Transaction (the "Starting Bid").
9. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder or the Stalking Horse Bidder that: (i) improves upon such Qualified Bidder's immediately prior Superior Bid or the bid contemplated by the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraphs 10 and 11 below; and (ii) the Proposal Trustee determines, in its reasonable business judgment, after consultation with its advisors, such Subsequent Bid is a higher or otherwise better offer than the then current leading Superior Bid.
10. Bidding at the Auction shall be in minimum cash increments of \$25,000 and shall continue until such time as the highest and best bid is determined by the Proposal Trustee's reasonable business judgment after consultation with its advisors. For the purpose of evaluating the value of the consideration provided by each Bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Proposal Trustee; and (ii) take into account any additional liabilities of the

- Company to be assumed by a Qualified Bidder.
11. After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the Subsequent Bid that the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors ~~and the Company~~, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidders and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
  12. If no Qualified Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Proposal Trustee) after a period of 15 minutes following the Proposal Trustee’s acceptance of a Subsequent Bid as the Leading Bid, and the Proposal Trustee chooses not to adjourn the Auction further, the Proposal Trustee shall enter into a binding agreement of purchase and sale substantially on the same terms as the Superior Bid or the Stalking Horse Agreement (as the case may be), as amended by the Leading Bid, with the Qualified Bidder or the Stalking Horse Bidder (the Successful Bidder) that submitted the highest and best Bid as determined by the Proposal Trustee, whereupon the Auction will be concluded.
  13. No bids will be considered for any purpose after the Auction has concluded.
  14. At the Auction, the Proposal Trustee, after consultation with its advisors, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction; provided, however, that such rules are: (a) not inconsistent with the Auction procedures set forth in this Schedule “B”, the BIA, any order of the Courts entered in connection with such Auction procedures; and (b) disclosed to each Qualified Bidder and the Stalking Horse Bidder at the Auction.

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

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**ORDER**  
(SISP Approval)

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**BORDEN LADNER GERVAIS LLP**

Bay Adelaide Centre, East Tower  
22 Adelaide St W  
Toronto, Ontario M5H 4E3  
Tel: 416-367-6000  
Fax: 416-367-6749

**Sam Babe (LSO No. 49498B)**

Tel: 416-367-6182  
sbabe@blg.com

**Nick Hollard (LSO No. 83170O)**

Tel: 416-367-6545  
nhollard@blg.com

Lawyers for Reactor Engineering Group Ltd.

This is **Exhibit "C"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 29<sup>th</sup> day of January, 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits

## SECURED GRID PROMISSORY NOTE

January 7, 2026

### ARTICLE 1 PROMISE TO PAY

#### Section 1.1 Promise to Pay.

**FOR VALUE RECEIVED**, REACTOR ENGINEERING GROUP LTD. (the "**Borrower**") acknowledges itself indebted and **PROMISES TO PAY, ON THE MATURITY DATE**, to or to the order of ATMIS PROTECTIVE EQUIPMENT INC. (the "**Lender**"), at its offices at 830 Richmond Street, Chatham, Ontario or such other place as the Lender may designate, the principal amount outstanding as recorded by the Lender in the column headed "**Unpaid Principal Balance**" on the record (the "**Grid**") attached to and forming part of this Note, together with interest thereon as hereinafter provided.

#### Section 1.2 Credit Facility.

- (1) The Lender shall make available to the Borrower a loan facility (the "**Credit Facility**") by one or more advances in Canadian Dollars (each an "**Advance**") in an aggregate principal amount not to exceed CAD\$110,000 (the "**Maximum Availability**"). For greater certainty, the Unpaid Principal Balance shall not at any time exceed the Maximum Availability. The Maximum Availability shall be reduced, dollar-for-dollar, by any amount advanced, by the Lender or otherwise, by way of Court-approved debtor-in-possession financing in the Borrower's proposal proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, bearing Court File No. CV-26-00035949-0000 (the "**Proposal Proceedings**").
- (2) The Credit Facility shall be used by the Borrower to:
  - (a) finance working capital and general corporate requirements of the Borrower during the Proposal Proceedings; and
  - (b) pay certain costs that have been, and will be, incurred in the Proposal Proceedings, including but not limited to professional fees and disbursements.
- (3) It is acknowledged and agreed that the Credit Facility is an uncommitted demand facility, and notwithstanding any other provision of this Note, Advances under the Credit Facility may be provided at the sole and absolute discretion of the Lender, and the Lender may cancel and terminate the Credit Facility at any time, whether the Borrower is in default or breach of any term, covenant, condition or agreement contained in this Note.
- (4) The Borrower shall, at least three (3) Business Days before the requested disbursement date, deliver to the Lender a written notice setting out (i) the amount of the requested Advance, which amount must be in a minimum principal amount of CAD\$10,000; and (iii) the date on which the Advance is to be disbursed. Each Advance shall be subject to the prior written approval of the proposal trustee in the Proposal Proceedings (the "**Proposal Trustee**").
- (5) The Lender shall and is unconditionally and absolutely authorized and directed by the Borrower to record on the Grid (i) the date and amount of each Advance made by the Lender, and the resulting increase of the Unpaid Principal Balance, and (ii) the date and

amount of each repayment on account of the principal paid to the Lender and the resulting decrease of the Unpaid Principal Balance. Such notations, in the absence of manifest mathematical error, shall be *prima facie* evidence of such advances, amounts and repayments; provided that the failure of the Lender to record the same shall not affect the obligations of the Borrower to pay such amounts to the Lender. Notwithstanding the forgoing, the advances, amounts and repayments recorded on the Grid shall be subject to confirmation by the Proposal Trustee.

### **Section 1.3 Interest.**

- (1) The Unpaid Principal Balance remaining from time to time unpaid and outstanding shall bear interest, both before and after maturity, default and judgment, at a rate per annum equal to equal to the prime commercial lending rate of Bank of Montreal from time to time, calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Interest at such rate shall be calculated and compounded monthly not in advance on the first day of each month after the date of the relevant Advance.
- (2) Notwithstanding Section 1.3(1) above, at the sole option of the Borrower, any interest on this Note shall be permitted to be paid in cash monthly, not in advance, on the first Business Day of any month..

### **Section 1.4 Repayment**

The Unpaid Principal Balance of this Note together with all unpaid and accrued interest, fees, costs and expenses and other amounts owing hereunder (the "**Obligations**") shall be repaid in full on the earlier of (i) demand by the Lender upon default or breach by the Borrower of any term, covenant, condition or agreement contained in this Note and (ii) closing of a sale of all or substantially all of the Borrower's property and business in the sales and investment solicitation process to be conducted in the Proposal Proceedings (the "**Maturity Date**"). The Lender may demand repayment of the Obligations if the Borrower is in default or breach of any term, covenant, condition or agreement contained in this Note, provided the Lender gives five (5) Business Days' prior written notice to the Borrower and to the Proposal Trustee.

### **Section 1.5 Prepayments.**

The Borrower shall have the right and privilege of prepaying the whole or any portion of the Unpaid Principal Balance of this Note from time to time remaining unpaid and outstanding at any time or times together with all unpaid and accrued interest to the date of prepayment. Each prepayment of any principal amount of this Note, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid.

## **ARTICLE 2 INTERPRETATION**

### **Section 2.1 Defined Terms.**

As used in this Note, the following terms have the following meanings:

"**Advance**" has the meaning specified in Section 1.2(1).

"**Agreed Currency**" has the meaning specified in Section 5.7.

"**Borrower**" has the meaning specified in Section 1.1.

**“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which major commercial banks are closed in Toronto, Ontario.

**“Collateral”** has the meaning specified in Section 3.1(1).

**“Credit Facility”** has the meaning specified in Section 1.2(1).

**“Court”** means the Ontario Superior Court of Justice.

**“Grid”** has the meaning specified in Section 1.1.

**“Indemnitee”** has the meaning specified in Section 5.12.

**“Judgment Currency”** has the meaning specified in Section 5.7.

**“Lender”** has the meaning specified in Section 1.1.

**“Maturity Date”** has the meaning specified in Section 1.4.

**“Maximum Availability”** has the meaning specified in Section 1.2(1), subject to the provisions of Section 1.5.

**“Note”** means this secured grid promissory note, as amended, supplemented, restated or replaced from time to time.

**“Obligations”** has the meaning specified in Section 1.4.

**“Parties”** means the Lender and the Borrower and any other Person who may become a party to this Note.

**“Person”** means an individual, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, governmental entity or other entity, and pronouns have a similarly extended meaning.

**“Proposal Proceedings”** has the meaning specified in Section 1.2(1).

**“Proposal Trustee”** has the meaning specified in Section 1.2(4).

**“Restricted Property”** has the meaning specified in Section 3.3.

**“Security Interest”** has the meaning specified in Section 3.1.

**“Unpaid Principal Balance”** has the meaning specified in Section 1.1.

## **Section 2.2 Currency.**

All references in this Note to CAD\$ or Dollars, unless otherwise specifically indicated, shall mean Canadian Dollars.

## **Section 2.3 Certain Phrases, etc.**

In this Note, (i) the words “including” and “includes” mean “including (or includes) 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”, and references to “this

Note”, “hereof” and “herein” and like references refer to this Note and not to any particular Article, Section or other subdivision of this Note.

**Section 2.4 Non-Business Days.**

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

**Section 2.5 Statutes.**

Any reference in this Note to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended, re-enacted or replaced.

**ARTICLE 3  
SECURITY**

**Section 3.1 Security Interest.**

- (1) To secure the due payment and performance by the Borrower of the Obligations, the Borrower grants to the Lender a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Lender, all of the property and undertaking of the Borrower now owned or hereafter acquired and all of the property and undertaking in which the Borrower now has or hereafter acquires any interest, including all of the Borrower’s present and after-acquired personal property (collectively, the “**Collateral**”), subject to the exceptions set forth in Section 3.3.
- (2) The Borrower acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Lender (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a duplicate copy of this Note.
- (3) The Borrower irrevocably waives, to the extent permitted by applicable law, any right to receive a copy of any financing statement (and any verification statement relating to the same) registered in respect of this Note.

**Section 3.2 Security Interest Valid Irrespective of Advance of Money.**

The security interests, mortgages, charges, hypothecs and pledges hereby created (collectively, the “**Security Interest**”) shall have effect and be deemed to be effective whether or not the monies or obligations hereby secured or any part thereof shall be advanced or owing or in existence before or after or upon the date of this Note and neither the giving of this Note nor any advance of funds shall oblige the Lender to advance any funds or any additional funds.

**Section 3.3 Excluded Property.**

The Collateral excludes (A) any consumer goods, (B) the last day of the term of any lease or any agreement to lease held by the Borrower now or in the future; however, should the Security Interest created by this Note become enforceable the Borrower shall hold the last day in trust for the Lender and shall assign it to any person acquiring that term or the part of the term that is mortgaged and charged in the course of any enforcement of the Security Interest or any realization of the Collateral, or alternately, the Lender may assign the last day as attorney of the Borrower or may appoint any person acquiring the term or any other person or persons as a new trustee or trustees of the last day, free of any obligation regarding the last day, and (C) any

lease, agreement, contractual right, franchise, licence or approval, other than an account or chattel paper (collectively, "**Restricted Property**") held by the Borrower now or in the future if the Security Interest created by this Note would otherwise result in a breach, forfeiture or termination of the Restricted Property unless any necessary consent or waiver is obtained. The Borrower shall, on request by the Lender, promptly use all commercially reasonable efforts to seek any necessary consent or waiver to have the Restricted Property form part of the Collateral and to any disposition of the Restricted Property upon enforcement of this Note. If a consent or waiver is obtained, the applicable Restricted Property shall form part of the Collateral without any further action. If any consent or waiver is not obtained, and if the Security Interest created by this Note becomes enforceable, the Borrower shall hold any Restricted Property for which a consent or waiver has not been obtained and its benefits in trust for the Lender, and shall perform its obligations and exercise and enforce its rights under that Restricted Property, including rights of disposition, at the direction of the Lender.

### **Section 3.4 Continuing Security.**

Notwithstanding the principal sum expressed to be payable under this Note or the stipulated rate of interest, this Note and any other security given with the Lender's consent in replacement thereof, substitution therefor or in addition thereto shall be held by the Lender as general and continuing security for due payment and performance of all Obligations, including all costs and amounts payable pursuant to this Note and interest on the Obligations at the rate or rates applicable thereto in accordance with this Note. Any and all payments made at any time in respect of the Obligations and the proceeds realized from any Collateral held therefor (including moneys realized from the enforcement of this Note) may be applied (and reapplied from time to time notwithstanding any previous application) to such part or parts of the Obligations as the Lender sees fit. The Lender may hold as additional security any increase or profits or other proceeds realized from the Collateral (including money) for such period of time as the Lender sees fit. The Borrower shall be accountable for any deficiency and the Lender shall be accountable for any surplus.

### **Section 3.5 Discharge.**

The Security Interest will be discharged upon, but only upon, (i) full and indefeasible payment and performance of the Obligations, and (ii) the Lender having no obligations hereunder. Upon discharge of the Security Interest and at the request and expense of the Borrower, the Lender will execute and deliver to the Borrower such releases, discharges, financing statements and other documents or instruments as the Borrower may reasonably require and the Lender will redeliver to the Borrower, or as the Borrower may otherwise direct the Lender, any Collateral in its possession.

## **ARTICLE 4 REMEDIES AND ENFORCEMENT**

### **Section 4.1 General.**

Upon the Borrower failing to pay or perform any of the Obligations owing hereunder when due: (a) the Security Interest will become immediately enforceable; (b) the Lender may, in its discretion, exercise all of the rights and remedies of a secured party under applicable law, including without limitation, the right to appoint any Person or Persons to be a receiver or receiver and manager of the Collateral; and (c) the Lender may, in its discretion, exercise any other right or recourse and proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the Obligations to the Lender. Notwithstanding the foregoing, the Lender shall give five (5) Business Days' prior written notice to the Borrower and to the Proposal Trustee of any action to be taken by the Lender pursuant to

this section Section 4.1, and shall obtain an order of the Court lifting the stay in the Proposal Proceedings before taking any action described in this section Section 4.1.

#### **Section 4.2 Insolvency.**

Without limitation of the right of the Lender to demand payment of all amounts outstanding hereunder at any time, upon the occurrence of:

- (a) a decree or order of a court of competent jurisdiction is entered adjudging the Borrower a bankrupt or insolvent or approving as properly filed a petition seeking the winding up of the Borrower under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the assets of the Borrower or ordering the winding up or liquidation of its affairs (provided that the Proposal Proceedings are excluded from the forgoing); or
- (b) the Borrower makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition (provided that the Proposal Proceedings are excluded from the forgoing);

and, then without prejudice to the other rights of the Lender, without any notice or action of any kind by the Lender, and without presentment, demand or protest, the Obligations will immediately become due and payable and the Credit Facility shall immediately terminate.

#### **Section 4.3 Remedies Cumulative.**

For greater certainty, it is expressly understood that the respective rights and remedies of the Lender hereunder or under any instrument executed pursuant to this Note may be exercised from time to time separately or in combination, are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or, breach of any term, covenant, condition or agreement contained in this Note will not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled in connection with such default or breach.

#### **Section 4.4 Receiver's Powers.**

- (1) Any receiver appointed by the Lender shall be vested with the rights and remedies which could have been exercised by the Lender in respect of the Borrower or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole discretion of the Lender, acting reasonably.

- (2) Any receiver appointed by the Lender shall act as agent for the Lender for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Borrower. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Borrower or as agent for the Lender as the Lender may determine in its discretion. The Borrower agrees to ratify and confirm all actions of the receiver acting as agent for the Borrower, and to release and indemnify the receiver in respect of all such actions.
- (3) The Lender, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Borrower or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

#### **Section 4.5 Dealing with the Collateral.**

- (1) The Lender shall not be obliged to exhaust its recourse against the Borrower or any other Person or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Lender may consider desirable.
- (2) The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other Persons, sureties or securities as they may see fit without prejudice to the Obligations, the liability of the Borrower or the rights of the Lender in respect of the Collateral.
- (3) Except as otherwise provided by law or this Note, the Lender shall not be (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

### **ARTICLE 5 MISCELLANEOUS**

#### **Section 5.1 Notices.**

Any notice, direction or other communication given under this Note shall be in writing and given by delivering it or sending it by facsimile or other similar form of recorded communication addressed:

- (a) to the Borrower at:  
**Reactor Engineering Group Ltd.**  
2545 Dory Place  
Windsor, ON N8X 2W5  
Attention: Andrew Glover, David Glover  
Email: aglover@harbour-tech.com,  
dglover@harbour-tech.com

with a copy to the Proposal Trustee at:

**BDO Canada Limited**  
20 Wellington Street East, Suite 500  
Toronto, ON M5E 1C5  
Attention: Matthew Marchand  
Email: mmarchand@bdo.ca

- (b) to the Lender at:  
**ATMIS Protective Equipment Inc.**  
830 Richmond Street  
Chatham, ON N7M 5J5  
Attention: Andy Valentine, President  
Email: avalentine@atmis.ca

Any such communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day; or (ii) if transmitted by email or similar means of recorded communication on the date of such transmission if such date is a Business Day and such transmission was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the Business Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

### **Section 5.2 Third Party Beneficiaries.**

The Lender and the Borrower intend that this Note shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Borrower and the Lender and no Person other than the Lender and the Borrower shall be entitled to rely on the provisions of this Note in any action, suit, proceeding, hearing or other forum.

### **Section 5.3 Amendments, etc.**

No amendment or waiver of any provision of this Note is effective unless in writing and approved by the Lender and the Borrower. Any amendment, waiver or consent is effective only in the specific instance and for the specific purpose for which it was given.

### **Section 5.4 Successors and Assigns.**

- (1) This Note shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective successors and permitted assigns.
- (2) The Borrower shall not have the right to assign its rights or obligations under this Note or any interest in this Note without the prior consent of the Lender, which consent may be arbitrarily withheld. The Lender shall have the right at any time and from time to time to assign or grant participations (or both) in all or any portion of its rights under this Note (including its rights with respect to the Obligations and the Security Interest).
- (3) The Borrower shall provide such certificates, acknowledgments and further assurances in respect of this Note as such Lender may reasonably require in connection with any participation or assignment pursuant to Section 5.4.
- (4) Any assignment by the Lender shall become effective when the Borrower has been notified of the assignment and the assignee has executed an assumption agreement reasonably requested by the Lender by which the assignee assumes the obligations of the Lender and agrees to be bound by all the terms and conditions of this Note. Any assignee shall be treated as if it were the Lender, shall be entitled to the benefit of this Note and shall be subject to the obligations of the Lender as if it were an original signatory to this Note, in each case to the extent of the rights and obligations assigned to it. The Lender shall be released and discharged of the obligations it has assigned.
- (5) Any assignment or grant of participation pursuant to Section 5.4 will not constitute a repayment by the Borrower to the assigning or granting Lender of any amount outstanding under this Note and the parties acknowledge that the Borrower's obligations under this Note will continue and will not constitute new obligations.

### **Section 5.5 Waiver.**

No failure on the part of the Lender to exercise and no delay in exercising, any right under this Note shall operate as a waiver of such right; nor shall any single or partial exercise of any right under this Note preclude any other or further exercise of such right or the exercise of any other right. The rights and remedies of the Lender hereunder are cumulative and not exclusive of any rights or remedies provided by law.

### **Section 5.6 Presentment, Withholdings, etc.**

The Borrower and all endorsers of this Note waive presentment for payment, demand and protest and notice of protest and notice of non-payment, and agree and consent to all extensions or renewals of this Note without notice. All payments made pursuant to this Note shall be made free and clear of any withholdings and without any set-off or counterclaim of any kind whatsoever.

### **Section 5.7 Currency.**

If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Lender hereunder or for the payment of damages in respect of any breach of this Note, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") except the currency payable hereunder (the "**Agreed Currency**"), the

Borrower shall indemnify and hold the Lender harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Lender arising or resulting from any variation as between (a) the actual rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which the Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Lender on the date of receipt. The obligations in this Section shall survive termination of this Note.

**Section 5.8 Usury.**

The parties intend to comply with applicable law relating to usury. Notwithstanding any other provision of this Note, in no event shall it require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by applicable law or in an amount or at a rate that would result in the receipt by the Lender of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). If from any circumstance whatever, fulfilment of any provision of this Note would result in exceeding the highest rate or amount permitted by applicable law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to reflect the highest permitted rate or amount. If from any circumstance the Lender shall ever receive anything of value as interest or deemed interest under this Note that would result in exceeding the highest lawful rate or amount of interest permitted by applicable law, the amount that would be excessive interest shall be applied to the reduction of the principal amount of the Obligations, and not to the payment of interest, or if the excessive interest exceeds the unpaid principal balance of the Obligations, the amount exceeding the unpaid balance shall be refunded to the Borrower.

**Section 5.9 Governing Law.**

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the Court and all courts competent to hear appeals therefrom.

**Section 5.10 Limitation Periods**

To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, the Borrower agrees that:

- (a) any limitation period is expressly excluded and waived entirely if permitted by applicable law;
- (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law;
- (c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Lender to the Borrower;
- (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations by the Borrower; and
- (e) this Agreement is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario) if that Act applies.

**Section 5.11 Severability.**

If any provision of this Note is or becomes invalid, illegal or unenforceable in any relevant jurisdiction, the remaining provisions shall remain in full force and effect.

**Section 5.12 Indemnification.**

The Borrower shall indemnify the Lender and each of its affiliates, directors, officers, employees, agents and advisors (each of whom is called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by the Borrower or other Person (except an Indemnitee) arising out of, in connection with, or as a result of (i) the execution or delivery of this Note or any agreement or instrument contemplated by it, the performance or non-performance by the Borrower of its obligations under this Note or any agreement or instrument contemplated by it or the consummation or non-consummation of the transactions contemplated by this Note. For greater certainty, all amounts owing by the Borrower pursuant to this Section 10.12 shall form part of the Obligations.

**Section 5.13 Fees and Expenses.**

The Borrower shall promptly pay (i) all reasonable costs and expenses incurred by the Lender, including the reasonable fees, charges and disbursements of counsel for the Lender, in connection with the preparation, negotiation, execution, delivery and administration of this Note and any agreement or instrument contemplated by it, or any amendments, modifications or waivers of their provisions (whether or not the transactions contemplated by them are consummated) and (ii) all reasonable costs and expenses incurred by the Lender, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Note and any agreement or instrument contemplated by it. For greater certainty, all fees and expenses owing by the Borrower pursuant to this Section 10.13 shall form part of the Obligations.

**Section 5.14 Counterparts.**

This Note may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

***[Remainder of page intentionally left blank.]***

**WITNESS** the execution of this Note on the date first written above.

**REACTOR ENGINEERING GROUP LTD., as  
Borrower**

By:   
Authorized Signing Officer  
*AMANDA GLOVER JAN 9, 2026*

**ATMIS PROTECTIVE EQUIPMENT INC., as  
Lender**

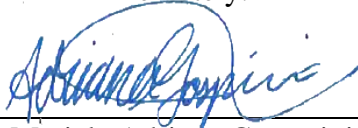
By:   
Authorized Signing Officer  
Digitally signed by A.  
Valentine P.Eng PMP  
Date: 2026.01.09  
18:09:45 -05'00'

**GRID**

**ADVANCES AND REPAYMENT OF PRINCIPAL**

<b>Date</b>	<b>Advance</b>	<b>Interest</b>	<b>Repayment</b>	<b>Unpaid Principal Balance</b>
January 7, 2026	\$35,000.00	4.45%		\$35,000.00
January 12, 2026	\$20,000.00	4.45%		\$55,000.00

This is **Exhibit "D"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 29<sup>th</sup> day of January, 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) FRIDAY, THE 30<sup>TH</sup> DAY  
 )  
JUSTICE ) OF JANUARY, 2026  
 )

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**ANCILLARY ORDER**

**THIS MOTION**, made by Reactor Engineering Group Ltd. (“**Reactor**”), was heard this day by Zoom videoconference.

**ON READING** the Motion Record of Reactor, including the Affidavit of Andrew Glover sworn January 23, 2026, including the exhibits thereto (the “**Second Glover Affidavit**”), [the Supplemental Affidavit of Andrew Glover sworn January 29, 2026, including the exhibits thereto.](#) and the Second Report to the Court of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) dated January ~~[\*]~~27, 2026 (the “**Second Report**”), and on hearing the submissions of counsel for Reactor, counsel for the Proposal Trustee, counsel to Woolly Mammoth Outerwear Inc. and counsel to International Customer Products Inc., and such other counsel who were present, and no one else appearing for although duly served as appears from the affidavit of service of ~~[\*]~~ [Mariela Adriana Gasparini](#) sworn ~~/affirmed~~ January ~~[\*]~~23, 2026, filed,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **EXTENSION OF TIME**

2. **THIS COURT ORDERS** that the time for the filing of a proposal by Reactor is hereby extended in accordance with section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) by a period of forty-five (45) days up to and including March 16, 2026.

### **APPROVAL OF THE SECOND REPORT**

3. **THIS COURT ORDERS** the Second Report, and the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved; provided that only the Proposal Trustee in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

### ~~**RETENTION OF SRED CONSULTANT**~~

~~4. **THIS COURT ORDERS** that Reactor’s execution, delivery and entry into of the Engagement Letter dated as of January 23, 2026 (the “**Engagement Letter**”) between Reactor and Pinnacle Consultants Inc. (“**Pinnacle**”), as consultant, engaging Pinnacle to prepare and file Reactor’s claims under Scientific Research and Experimental Development Tax Credit Program for each of the fiscal years ending February 28, 2025 and February 28, 2026 (the “**SRED Claims**”), substantially in the form attached as Exhibit “H” to the Second Glover Affidavit, is confirmed, authorized and approved.~~

~~5. **THIS COURT ORDERS AND DECLARES** that Reactor is hereby authorized to pay to Pinnacle any amounts owing to it under the Engagement Letter in accordance with the terms thereunder, and that such payment shall be valid under section 97(1) of the BIA, shall not have been made with a view to giving Pinnacle a preference over any other creditor, and shall not be void as against any trustee in bankruptcy under section 95(1) of the BIA.~~

~~6. **THIS COURT ORDERS** that, notwithstanding the terms of the Order of The Honourable Madam Justice Rady dated January 16, 2026, including but not limited to paragraphs~~

~~5 and 12 thereof, the DIP Lenders' Charge and the Directors' Charge shall be subordinated to the security granted in favour of Pinnacle under the Engagement Letter specifically in respect of any amounts received by Reactor on account of the SRED Claims.~~

## **APPROVAL OF INTIAL ADVANCES**

~~7.4.~~ **THIS COURT ORDERS** that Secured Grid Promissory Note made January 7, 2026 by Reactor in favour of ATMIS Protective Equipment Inc. and the Initial Advances (as such term is defined in the Second Glover Affidavit) made pursuant thereto, be and are hereby approved.

~~8.5.~~ **THIS COURT ORDERS** that the grant of security in the Secured Grid Promissory Note is valid under section 97(1) of the BIA, is not a transfer at undervalue, does not have the effect of giving the DIP Lender a preference and shall not be void as against any trustee in bankruptcy under ~~section~~sections 95(1) or 96(1) of the BIA.

## **FEE APPROVAL**

~~9.6.~~ **THIS COURT ORDERS** that the fees and disbursements of (i) the Proposal Trustee, and up to and including January 16, 2026, and (ii) the Proposal Trustee's legal counsel, Aird & Berlis LLP, in connection with these proposal proceedings up to and including January ~~16~~15, 2026, as set out in the Second Report and as more particularized in the Fee Affidavits (as defined in the Second Report) appended thereto, be and are hereby approved.

## **GENERAL**

~~10.7.~~ **THIS COURT ORDERS** that Reactor or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~11.8.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent BDO from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of Reactor, Reactor's business, or the Property.

~~12.9.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Reactor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order.

~~13.~~10. **THIS COURT ORDERS** that Reactor and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~14.~~11. **THIS COURT ORDERS** that any interested party (including Reactor and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to Reactor, the Proposal Trustee, and any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

~~15.~~12. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Eastern Standard Time on the date hereof, and this Order is enforceable without any need for entry and filing.

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Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

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**ORDER**

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**BORDEN LADNER GERVAIS LLP**

Bay Adelaide Centre, East Tower  
22 Adelaide St W  
Toronto, Ontario M5H 4E3  
Tel: 416-367-6000  
Fax: 416-367-6749

**Sam Babe (LSO No. 49498B)**

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Lawyers for Reactor Engineering Group Ltd.

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
  
PROCEEDING COMMENCED AT LONDON

---

**SUPPLEMENTAL AFFIDAVIT OF**  
**ANDREW GLOVER**  
(Sworn January 29, 2026)

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**BORDEN LADNER GERVAIS LLP**  
Bay Adelaide Centre, East Tower  
22 Adelaide St W  
Toronto, Ontario M5H 4E3  
Tel: 416-367-6000  
Fax: 416-367-6749

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Lawyers for Reactor Engineering Group Ltd.