

Form 27
[Rules 6.3 and
10.52(1)]

COURT FILE NUMBER 1301-02432

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

 IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED

 AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF RS
TECHNOLOGIES

DOCUMENT APPLICATION (CREDITORS' MEETING AND
EXTENSION OF INTERIM FINANCING)

ADDRESS FOR SERVICE McCARTHY TÉTRAULT LLP
AND Barristers & Solicitors
CONTACT INFORMATION OF Sean F. Collins/Walker W. MacLeod
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 File: 207091-451454

NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date	August 23, 2013
Time	10:30 a.m.
Where	Calgary Courts Centre (Commercial List)
Before Whom	The Honourable Justice A.D. Macleod

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought: FTI Consulting Canada Inc. (the “**Monitor**”) in its capacity as court appointed monitor of RS Technologies Inc. (“**RS**”) pursuant to an initial order issued under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) by the Honourable Justice J. Strekaf on March 14, 2013 (the “**Initial Order**”) applies for an Order, substantially in the form attached as Schedule “**A**” hereto:

1. Declaring that service of this application and the fifth report of the Monitor, dated August 22, 2013 (the “**Fifth Monitor’s Report**”) on the service list is good and sufficient.
2. Approving the transactions applicable to a share purchase as contemplated by the asset and share purchase agreement between RS, as seller, Melbye Skandinavia AS (“**Melbye**”) and Werklund Capital Corporation (“**Werklund**”, and Melbye and Werklund collectively referred to as the “**Buyers**”), as buyers, and the Monitor, dated as of April 11, 2013 (the “**ASPA**”).
3. Authorizing and directing the Monitor to:
 - (a) File the Plan of Compromise and Arrangement in respect of RS, substantially in the form attached as Appendix “**A**” to the Fifth Monitor’s Report (the “**Plan**”);
 - (b) To amend, vary or supplement the Plan with the consent of RS and the Buyers;
 - (c) To convene a meeting of Affected Creditors (as such term is defined in the Plan) for the purposes of considering and voting on the Plan and to circulate meeting and related materials to Affected Creditors;
 - (d) To take various steps and actions reasonably incidental to the foregoing.
4. Authorizing RS to enter into an agreement to extend the maturity date for its interim financing credit facility from August 31, 2013 to such later date as may be agreed to between the RS and the Buyers and approved by the Monitor.
5. Such further and other relief as counsel for the Monitor may advise.

Grounds for making this application: The grounds for the Application are as follows:

6. The Monitor was appointed as the monitor of RS pursuant to the Initial Order.

7. On April 11, 2013, this Honourable Court issued an order (the “**SISP Order**”) that approved a sales and investment solicitation process in respect of RS (the “**SISP**”). The SISP Order also approved the ASPA and designated the ASPA as the stalking-horse bid pursuant to the SISP. The ASPA provided that the transactions contemplated thereby could occur as either an asset purchase or a share purchase. The Monitor implemented the SISP in accordance with the terms of the SISP Order.

8. No qualified bids (other than the ASPA) were submitted under the SISP by the phase one bid deadline of May 21, 2013. The Monitor thereafter terminated the SISP and filed an application to implement the ASPA in accordance with the terms of the SISP. The Monitor’s application was adjourned *sine die* so as to allow the Buyers, RS and its various stakeholders to determine if the ASPA could be implemented through a share purchase and a plan of compromise and arrangement under the CCAA and *Business Corporations Act* (Alberta).

9. The Buyers, in consultation with RS and the Monitor, have developed the Plan. The materials transactions that will occur under the Plan are as follows:

- (a) The ASPA will proceed as a share purchase transaction;
- (b) All of the existing shares of RS will be retracted and cancelled for no consideration;
- (c) The Buyers will become the sole Class “A” common shareholders of RS, which shares will be voting shares; and;
- (d) The Affected Creditors will become the sole Class “B” common shareholders of RS, which shares will be non-voting shares.

10. The Buyers have been providing interim financing to RS pursuant to an interim financing credit facility to allow RS to meet its working capital and other financing requirements. The interim financing credit facility matures on August 31, 2013 and RS therefore needs to extend the maturity date for the interim financing credit facility.

11. Such further and other grounds as counsel for the Monitor may advise.

Material or Evidence to be relied On: The Monitor will rely on the following material:

12. The Fifth Monitor’s Report.

13. Such further and other material as counsel for the Monitor may advise.

Applicable rules:

14. Rule 6.3(1) of Alberta Rules of Court.

15. Such further and other rules as counsel for the Monitor may advise.

Applicable Acts and regulations:

16. The *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Alberta).

17. Such further and other acts and regulations as counsel for the Monitor may advise.

Any irregularity complained of or objection relied on:

18. There are no irregularities complained of or objections relied on.

How the application is proposed to be heard or considered:

19. The Monitor proposes that the Application be heard in person and by telephone with one, some or all of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

Clerk's Stamp

COURT FILE NUMBER 1301-02432
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF RS
TECHNOLOGIES INC.

DOCUMENT **ORDER (Creditors' Meeting and extension
of Interim Financing)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Sean F. Collins/Walker W. MacLeod
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Calgary AB T2P 4K9
Phone: 403-260-3531/403-260-3710
Fax: 403-260-3501
Email: scollins@mccarthy.ca
wmacleod@mccarthy.ca
File: 207091-451454

DATE ON WHICH THIS ORDER WAS PRONOUNCED: August 23, 2013

JUDGE PRONOUNCING THIS ORDER: Justice A.D. Macleod

LOCATION OF HEARING: Calgary, Alberta

UPON the application of FTI Consulting Canada Inc. (the "**Monitor**"), in its capacity as court appointed monitor of RS Technologies Inc. (the "**Company**") pursuant to the initial order issued under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") on March 14, 2013 (the "**Initial Order**"); **AND UPON** reading the fifth report of the Monitor, dated August 22, 2013 (the "**Fifth Monitor's Report**"); **AND UPON** reading the affidavit of service of ●, sworn ●, 2013 (the "**Affidavit of Service**"); **AND UPON** hearing from counsel for the Monitor, for the Company, for

Melbye Skandinavia AS and Werklund Capital Corporation (collectively referred to as the “**Buyers**”) and any other persons present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

1. Service of the application filed in the within proceedings on August 22, 2013 and the Fifth Monitor’s Report is validated in accordance with the Affidavit of Service and declared to be good and sufficient.

Defined Terms

2. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Plan of Compromise and Arrangement in respect of RS, substantially in the form attached as Appendix “**A**” to the Fifth Monitor’s Report (the “**Plan**”).

Approval of Transactions in ASPA

3. All of the Transactions occurring pursuant to the ASPA that are applicable to the Share Purchase (as such terms are defined in the ASPA) be and are hereby approved and the Company, the Buyers and the Monitor are authorized and directed to proceed with the ASPA and complete the Transactions contemplated thereby. For greater certainty, nothing herein shall affect or be deemed to affect the Order issued in the within proceedings on April 11, 2013 approving the SISP, and the Company, the Buyers and the Monitor are and remain authorized and empowered to agree to non-material amendments to the ASPA.

Filing of the Plan

4. The Plan is accepted for filing and the Monitor be and is hereby authorized and directed to file the Plan and to present the Plan to the Affected Creditors for voting on pursuant to and in accordance with the CCAA and the terms of this Order.

5. The Monitor be and is hereby authorized to vary, amend, modify or supplement the Plan:

- (a) At any time prior to the commencement of the Creditors' Meeting, provided that the Monitor obtains either the consent of the Company and the Buyers or an order of the Court authorizing and directing such variance, amendment, modification or supplement;

- (b) At any time during the Creditors' Meeting, provided that the Monitor provides oral notice of such variance, amendment, modification or supplement to all Persons in attendance at the Creditors' Meeting and that such variance, amendment, modification or supplement is consented to by the Company and the Buyers; and
- (c) At any time after the Creditors' Meeting (both prior and subsequent to the Sanction Order, if granted), provided that such variance, amendment, modification or supplement is of an administrative nature and is non-material to the Affected Creditors and is consented to by the Company and the Buyers.

Scheduling and Notice of the Creditors' Meeting

6. The Monitor shall convene the Creditors' Meeting on August 29, 2013, at Blake, Cassels & Graydon LLP, 855-2nd Street S.W., Suite 3500, Bankers Hall East Tower, Calgary, Alberta, commencing at 2:00 p.m., for the purposes of considering and, if thought fit, approving the Plan and transacting such other business as may be properly brought before the Creditors' Meeting.

7. As soon as practicable, but no later than August 26, 2013, the Monitor shall post on its website located at cfcanada.fticonsulting.com/RS/ in respect of the within proceedings copies of the following documents:

- (a) The Plan;
- (b) The notice specifying the date, time and, and location of the Creditors' Meeting, substantially in the form attached as Appendix "A" to this Order (the "**Creditors' Meeting Notice**");
- (c) The form of proxy for voting at the Creditors' Meeting, substantially in the form attached as Appendix "B" to this Order (the "**Proxy**");
- (d) This Order;
- (e) The Fifth Monitor's Report; and
- (f) Any further or additional information and records that the Monitor determines necessary or advisable in respect of the Creditors' Meeting

(collectively, the "**Creditors' Meeting Materials**").

8. Compliance with paragraph 7 of this Order shall constitute good and sufficient service of the Creditors' Meeting Materials on all Persons who may be entitled to receive notice of and to vote in person or by proxy at the Creditors' Meeting or any adjournment thereof and no other notice or service need be given or made and no other documents or material need be served.

Conduct of the Creditors' Meeting

9. An officer of the Monitor, as designated by the Monitor, shall preside as the chair (the "**Chair**") of the Creditors' Meeting and, subject to this Order, shall have sole authority to decide all matters relating to the conduct of the Creditors' Meeting.

10. The quorum required at the Creditors' Meeting shall be one Affected Creditor present in person or by proxy. The only Persons entitled to be present at the Creditors' Meeting are the Affected Creditors, the Monitor, the Company, the Buyers, their respective legal counsel and any other Person the Chair may allow to attend the Creditors' Meeting.

11. The Monitor shall appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Creditors' Meeting. A person designated by the Monitor shall act as secretary of the Creditors' Meeting.

12. If the requisite quorum is not present at the Creditors' Meeting, or if the Chair otherwise decides to postpone or change the date, time or location of the Creditors' Meeting, the Creditors' Meeting shall be adjourned by the Chair to a later date, time and place designated by the Chair. The Chair shall be entitled to adjourn and further adjourn the Creditors' Meeting at the Creditors' Meeting or any adjourned Creditors' Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the Monitor shall not be required to deliver any notice of the adjournment of the Creditors' Meeting or adjourned Creditors' Meeting other than announcing the adjournment at the Creditors' Meeting and posting notice of the adjournment of the originally designated time and location of the Creditors' Meeting, and the date, time and location of where the Creditors' Meeting will be reconvened, on its website. Any Proxies delivered in connection with the Creditors' Meeting shall be accepted as proxies in respect of any adjourned Creditors' Meeting.

Voting Procedure

13. At the Creditors' Meeting, the Chair shall call for and direct a vote on a resolution to approve the Plan, and any amendments to the Plan, made in accordance with the terms of this Order in a manner that the Chair determines appropriate (the "**Resolution**").

14. For the purposes of voting on the Resolution to approve the Plan, Affected Creditors shall constitute a single class. Each Affected Creditor shall have one (1) vote at the Creditors' Meeting, in person or by proxy, for the principal amount of such Affected Creditors' Affected Claim. Only Affected Creditors, present in person or by Proxy, shall be entitled to vote at the Creditors' Meeting.

15. Any Proxy submitted in respect of the Creditors' Meeting must be provided to the Monitor in the manner indicated in the instructions accompanying the Proxy on or before 5:00 p.m. (Calgary time) on the business day before the Creditors' Meeting or any adjournment thereof and must clearly state the name and contain the signature of the applicable Affected Creditor or his, her or its agent. In the event that:

- (a) An Affected Creditor who has given a valid Proxy subsequently seeks to revoke such valid Proxy, such revocation shall only be effective if the revocation is submitted in writing to the Monitor prior to the vote on the Resolution at the Creditors' Meeting being taken;
- (b) More than one valid Proxy is submitted in respect of the same Affected Claim with conflicting instructions, the later dated valid Proxy shall be voted on for the Resolution provided, however, if such conflicting Proxies have the same date none of the Proxy's in respect of the Affected Claim shall be voted;
- (c) A Proxy does not identify a Person to exercise the Affected Creditor's right to vote on the Resolution at the Creditors' Meeting, a representative of the Monitor shall be deemed to have been appointed as such Affected Creditor's proxy holder and shall vote the Proxy in accordance with the instructions given therein; or
- (d) A Proxy does not identify whether the Affected Creditor is voting for or against the Resolution on the Plan, such Proxy shall be deemed to constitute a vote in favour of the Resolution on the Plan.

16. Notwithstanding any provision of this Order, the Chair shall have the discretion to accept for voting purposes any Proxy submitted by an Affected Creditor to the Monitor or filed at the Creditors' Meeting with the Chair (or the Chair's designee) that contains errors or omissions in any Affected Creditor's Proxy prior to the commencement of the Creditors' Meeting or any adjournment thereof.

17. Any vote taken at the Creditors' Meeting shall be binding on each of the Affected Creditors, regardless of whether such Affected Creditor was present at or voted at the Creditors' Meeting, but without prejudice to the right of any Affected Creditor to oppose the granting of the Sanction Order.

Assignment and Transfer of Affected Claims

18. If an Affected Claim is transferred or assigned to another Person (a "Transferee") prior to the commencement of the Creditors' Meeting, such Transferee (or subsequent Transferee, if a Transferee subsequently transfers or assigns an Affected Claim to another Person) shall not be entitled to attend or vote at the Creditors' Meeting unless satisfactory proof of the transfer or assignment of the Affected Claim is provided to the Monitor at least three (3) business days before the Creditors' Meeting or any adjournment thereof. If the Monitor is satisfied with such proof of assignment of the Affected Claim, only the Transferee (or the last Transferee, in the case of a transfer or assignment of an Affected Claim from a Transferee) shall be entitled to attend and vote at the Creditors' Meeting, the provisions of this Order shall apply *mutatis mutandis* in respect of the Transferee entitled to attend and vote at the Creditors' Meeting and the Affected Creditor and all prior Transferees of the Affected Claim shall have no entitlement to attend or vote at the Creditors' Meeting.

19. If an Affected Creditor or Transferee transfers or assigns (a) the whole of an Affected Claim to more than one Person or (b) part of an Affected Claim to another Person or Persons, such transfer or assignment shall not create separate or multiple Affected Claims for voting purposes and such Affected Claim will be voted as a single Affected Claim at the Creditors' Meeting.

General

20. The Monitor may in its discretion, generally or in individual circumstances, waive, modify or supplement any of the time limits imposed on Affected Creditors as set out in this Order if the Monitor deems it advisable to do so.

21. The Monitor, the Company or the Buyers may apply to amend, vary, modify or supplement any term of this Order.

22. This Court requests the aid, recognition and enforcement of any court and any judicial, regulatory or administrative body in any foreign jurisdiction to give effect and assist in the carrying out of the terms of this Order.

Interim Financing

23. The Company and the Buyers are authorized to enter into an agreement amending the Interim Credit Financing Agreement so as to extend the maturity date thereunder on terms and conditions as agreed to between the Company and the Buyers and approved by the Monitor.

Service

24. Service of this Order on the service list by email, facsimile, courier, registered mail or personal delivery shall constitute good and sufficient service of this Order.

J.C.Q.B.A.

APPENDIX "A"
NOTICE OF MEETING
[FTI CONSULTING CANADA INC. LETTERHEAD]

NOTICE IS HEREBY GIVEN that a meeting of Creditors of RS Technologies Inc. (the "**Company**") holding Affected Claims will be held at the offices of Blake Cassels & Graydon LLP, Suite 3500 Bankers Hall East Tower, 855 – 2nd Street S.W., Calgary, AB, T2P 3V4, at 2:00 p.m. on August 29, 2013 (Calgary time) for the following purposes:

1. To consider, pursuant to an order of the Court of Queen's Bench of Alberta dated August 23, 2013 (the "**Creditors' Meeting Order**"), and if deemed advisable, to approve a plan of compromise and arrangement (the "**CCAA Plan**") under the *Companies' Creditors Arrangement Act* (Canada); and
2. To transact such further and other business as may be properly brought before the Creditors' Meeting or any adjournment thereof.

Pursuant to the Creditors' Meeting Order, only Affected Creditors are entitled to vote on the CCAA Plan.

Creditors who are unable to attend the Creditors' Meeting are requested to date, sign and return the accompanying form of proxy. In order to be used at the Creditors' Meeting, a proxy must be delivered to the office of FTI Consulting Canada Inc., 1000, 888 - 3rd Street SW, 10th Floor Bankers Hall, Calgary, AB T2P 5C5, Attention: Brett Wilson; email: brett.wilson@fticonsulting.com, by 5:00 p.m. (Calgary time) on the business day prior to the date of the Creditors' Meeting or any adjournment thereof. Proxies may also be delivered to the Monitor at the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

A copy of the Creditors' Meeting Order, the CCAA Plan and the Fifth Report of the Monitor can be found on the Monitor's website at <http://cfcanada.fticonsulting.com/RS>.

Capitalized terms not defined herein have the meaning ascribed to them in the CCAA Plan.
Dated this 26th day of August, 2013.

APPENDIX "B"
INSTRUMENT OF PROXY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
C-36, as amended

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9

AND IN THE MATTER OF RS TECHNOLOGIES INC.

INSTRUMENT OF PROXY

MEETING OF CREDITORS OF RS TECHNOLOGIES INC. (the "**Company**") to be held pursuant to an Order of the Alberta Court of Queen's Bench (the "**Court**") in connection with the Company's Plan of Compromise and Arrangement under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Plan**") on August 29, 2013 at 2:00 p.m. at:

Blake, Cassels & Graydon LLP
855-2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8

Before completing this Instrument of Proxy, please read carefully the instructions accompanying this Instrument of Proxy for information respecting the proper completion and return of this Instrument of Proxy.

THIS INSTRUMENT PROXY MUST BE COMPLETED AND SIGNED BY THE CREDITOR AND PROVIDED TO THE MONITOR, FTI CONSULTING CANADA INC., BY 5:00 P.M. (MST) ON THE BUSINESS DAY PRIOR TO THE MEETING OR WITH THE CHAIR PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON SUCH CREDITOR'S BEHALF IS TO ATTEND THE MEETING AND VOTE ON THE CCAA PLAN OR IF SUCH CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS SUCH INSTRUMENT OF PROXY.

THE UNDERSIGNED CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints _____ or, if no person is named, Deryck Helkaa of FTI Consulting Canada Inc., in its capacity as Monitor, or such other representative of the Monitor as the Monitor may designate, as nominee of the undersigned Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Creditor at the Meeting of Creditors of the Company to be held in connection with the CCAA Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Creditor's Claims for voting purposes as determined pursuant to the Creditors' Meeting Order, the Claims Process, the CCAA Plan, the CCAA and any further order of the Court as follows:

A. mark one only:

VOTE FOR approval of the CCAA Plan; or

VOTE AGAINST approval of the CCAA Plan

-and-

- B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Creditor with respect to any amendments or variations to the CCAA Plan and to any other matters that may come before the Creditors' Meeting of the Company or any adjournment thereof.

DATED this _____ day of _____, 2013.

Print Name of Creditor

Signature of Creditor. If the Creditor is a corporation, signature of an authorized signing officer of the Corporation.

Title of the authorized signing officer of the corporation, if applicable.

Mailing address of the Creditor

Telephone number of the Creditor

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Creditor) to attend, act and vote for and on behalf of such Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. If no name has been inserted in the space provided, the Creditor will be deemed to have appointed Deryck Helkaa of the Monitor (or such other representative of the Monitor as the Monitor may designate) as the Creditor's proxy holder.
2. **If the Creditor fails to indicate on this ordinary creditors' proxy a vote for or against approval of the CCAA Plan, this instrument of proxy will be voted FOR approval of the CCAA Plan.**
3. If this instrument of proxy is not dated in the space provided, it will be deemed to be dated on the date it is received by the Monitor.
4. This instrument of proxy must be signed by the Creditor or by the Creditor's duly authorized agent in writing or, if the Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.
5. Valid proxies bearing or deemed to bear a later date will revoke an earlier dated form of proxy. If more than one valid proxy for the same Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.
6. This instrument of proxy should be sent to the Monitor by mail, delivery, email or facsimile at the address set out below so that it is received by the Monitor no later than 5:00 p.m. (MST) on the business day prior to the date of the Creditors' Meeting.

FTI Consulting Canada Inc.
Court Appointed Monitor of RS Technologies Inc.
1000, 888 – 3rd Street S.W.,
Calgary, AB T2P 5C9 Canada

Attention: Brett Wilson
Fax: (403) 444-6758
Email: brett.wilson@fticonsulting.com