

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT made effective as of the ___ day of April, 2013.

BETWEEN:

FTI CONSULTING CANADA INC. ("FTI"), in its capacity as court-appointed monitor of RS TECHNOLOGIES INC.

- and -

RS TECHNOLOGIES INC. ("RS" or the "Company")

- and -

(the "**Recipient**")

WHEREAS:

- A. The Company obtained protection from its creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to an initial order (the "**Initial Order**") granted by the Alberta Court of Queen's Bench (the "**Court**") on March 14, 2013;
- B. Pursuant to the terms of the Initial Order, FTI was appointed as monitor (the "**Monitor**") of RS, and was authorized and directed to negotiate, subject to approval of the Court, a form of sale and investor procedure (the "**Sales Process**");
- C. The Recipient is desirous of evaluating a possible transaction (the "**Transaction**") involving the purchase of the assets and/or shares of RS, and/or completing a reorganization transaction with the Company, as part of the Sales Process and, as such, has obtained and/or will from time to time hereafter obtain, certain Confidential Information (as defined below) relating to RS;
- D. The Confidential Information has and will be received by the Recipient for the sole purpose of evaluating the Transaction;
- E. As a pre-condition to the Monitor, its representatives or agents providing confidential or proprietary business information to the Recipient, the Monitor requires and the Recipient has agreed to execute and deliver to the Monitor this confidentiality agreement (this "**Agreement**");

NOW, THEREFORE, in consideration of these premises and the Monitor agreeing that the Recipient may have access to the Confidential Information for the purposes of the Transaction, and other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, you covenant and agree with the Monitor as follows:

- 1. As a condition to your receipt of the Confidential Information, you agree to treat the Confidential Information which is furnished to you or your Representatives (as defined below) by or on behalf of the Monitor in accordance with the provisions of this Agreement and to take or refrain from taking certain other actions herein set forth.

2. You recognize and acknowledge the competitive value and confidential nature of the Confidential Information and the damage that would result to RS and the Monitor, if any of the Confidential Information is disclosed to any third party. You hereby agree that the Confidential Information will be used solely for the purpose of evaluating the Transaction and that all of the Confidential Information will be kept confidential; provided that any such information may be disclosed only to the limited group of your officers, directors, employees, agents, and outside advisors (such Persons hereinafter collectively being referred to as "**Representatives**"), who are actually engaged in and need to know the Confidential Information for the purpose of evaluating the Transaction, who have been informed of the confidential nature of the Confidential Information, and who have been advised by and agree with you that such information is to be kept confidential and shall not be used for any purpose other than the evaluation of the Transaction. You agree that you will cause your Representatives to observe all terms of this Agreement and that you shall be responsible for any breach of this Agreement by any of your Representatives.

3. The covenants contained in this Agreement apply to: (i) all non-public, confidential or proprietary information furnished to you by or on behalf of the Monitor regarding RS, or the Transaction, whether furnished before or after the date hereof, whether oral or written, and regardless of the manner in which it is furnished, (ii) all analyses, compilations, forecasts, studies, interpretations or other documents prepared by you or your Representatives in connection with your evaluation of the Transaction (including, without limitation, such that reflects or is based upon, in whole or part, the information furnished to you or your Representatives pursuant hereto) that is based on or contains the information that is set forth in subparagraph (i) or (iii) herein (the "**Notes**"), and (iii) any other information, whether written or oral, and whether or not noted to be confidential thereon, pertaining to the businesses, assets, liabilities, activities or affairs of RS, which have been or which may hereafter be disclosed or provided to the Recipient (collectively all of the foregoing is referred to as the "**Confidential Information**"), except:
 - (a) any information that is, on the date of this Agreement, in the public domain, other than as a result of its disclosure by you or your Representatives in breach of this Agreement;
 - (b) any information that, after the date of this Agreement, becomes part of the public domain through no fault of the Recipient;
 - (c) any information that the Recipient can prove was in its possession prior to the date of this Agreement and was not acquired by the Recipient directly or indirectly from the Monitor, or to the knowledge of the Recipient, anyone under an obligation of confidentiality to the Monitor or RS;
 - (d) any information which the Recipient can prove was developed independently and without any use of the Confidential Information; and
 - (e) any information received by the Recipient without restriction on disclosure from a third party without breach of this Agreement by the Recipient, provided that the Recipient does not know or have reason to believe that the information was acquired by the third party or disclosed by it in breach of an obligation of confidence owed to the Monitor or RS.

The Confidential Information, other than the Notes, shall remain the property of the Monitor and RS. No rights to use, license, or otherwise exploit the Confidential Information are granted to you, by implication or otherwise, unless otherwise provided for herein. You will not by virtue of our disclosure of the Confidential Information and/or your use of the Confidential Information acquire any rights with respect thereto, all of which rights shall remain exclusively with the Monitor and RS.

4. Given the nature of the Confidential Information and our current discussions, the Monitor and RS would be irreparably damaged by any unauthorized disclosure or use of any Confidential

Information or of our discussions or by any breach of this Agreement by you or your Representatives. Without prejudice to the rights and remedies otherwise available to the Monitor, you agree that the Monitor shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including an injunction or specific performance, in the event of any breach or threatened breach of the provisions of this Agreement by you or your Representatives. Such remedies shall not be deemed to be exclusive remedies but shall be in addition to all other remedies available at law or equity to the Monitor. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that you or any of your Representatives have breached this Agreement, then you shall be liable and pay to the Monitor the reasonable costs and expenses (including attorney's fees on a full indemnity solicitor and his own client basis) incurred by the Monitor in connection with such litigation, including any appeal therefrom. You shall indemnify and hold harmless the Monitor and the Monitor's directors, officers, employees, consultants, representatives, advisors and agents from all damages and losses of any nature whatsoever arising out of a breach by you or any of your Representatives of any of the terms and conditions of this Agreement; provided that notwithstanding the foregoing, the Monitor agrees that neither you nor your Representatives shall be liable for any indirect or consequential damages arising out of this Agreement.

5. You agree that the Monitor shall not disclose to you information about identifiable individuals forming part of the Confidential Information ("Personal Information") unless required by you, acting reasonably, for the purpose of evaluating the Transaction. If Personal Information is provided to you, then:
 - (a) you shall comply with the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, and any similar provincial legislation governing the protection of personal information in the private sector applicable to you in the course of collecting, using and disclosing Personal Information in connection with the Transaction;
 - (b) to the extent that we disclose to you any Personal Information prior to the closing of the Transaction (the "Closing"), you shall, prior to the Closing: (i) collect and use Personal Information only for the purpose of evaluating the Transaction; (ii) only disclose Personal Information to those of your Representatives who need to know such Personal Information for the purpose of evaluating the Transaction; and (iii) use appropriate security measures to safeguard all Personal Information against unauthorized collection, access, use or disclosure; and
 - (c) if the Transaction proceeds, following the Closing, you shall, and shall cause your Representatives to, use or disclose Personal Information obtained as a result of the Transaction only for purposes of carrying on the business of RS or the carrying out of the objects for which the Transaction took place or otherwise for purposes for which such Personal Information was collected by RS, unless the consent for other use or disclosure has been obtained from the individuals to whom such Personal Information relates has been obtained as permitted or required by law.
6. Notwithstanding anything contained herein, the obligations of the Recipient set forth in this Agreement shall not be construed as precluding the Recipient from acquiring RS or any of its assets by way of a CCAA, receivership or any other process. Either party may file materials with the presiding court as part of any such CCAA, receivership or other process without being held in violation of this Agreement; however, the parties may only disclose Confidential Information to the extent necessary for the purpose of the matters and issues being determined.
7. The Recipient will keep all Confidential Information in strict confidence and shall not disclose or release the Confidential Information to any Person except:

- (a) a governmental or judicial authority upon the direction or order of the governmental or judicial authority and unless prohibited by such governmental or judicial authority or pursuant to applicable law, after giving reasonable prior written notice of the disclosure or release to the Monitor and advising such governmental or judicial authority of the confidential nature of the Confidential Information under the terms of this Agreement and endeavouring, where possible, to limit such disclosure;
 - (b) where the Monitor has given its prior written consent to disclosure or release of the Confidential Information to that Person; or
 - (c) those Representatives of the Recipient, as the case may be, who need to know the Confidential Information for the purposes of evaluating the Transaction or assisting the Recipient in relation thereto, provided that:
 - (i) the Recipient shall notify each such Representative of the obligations contained herein with respect to the confidentiality of Confidential Information and the restrictions imposed on the use thereof; and
 - (ii) the Recipient shall direct each such Person to exercise a level of care sufficient to preserve the confidentiality of the Confidential Information and shall direct each such Person to abide by the terms and conditions of this Agreement, and will take all reasonable steps to ensure that Confidential Information is not disclosed by any of such Persons to any other party or used in a manner contrary to the spirit and intent of this Agreement.
8. In the event you or any of your Representatives become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigation, demand, order or other legal process) to disclose any of the contents of the Confidential Information, or either the fact that discussions or negotiations are taking place concerning a possible Transaction between the Monitor and you, or any of the terms, conditions or other facts with respect to any such possible Transaction, including the status thereof, the Monitor agrees that you and your Representatives may do so without liability, provided you, to the extent permitted pursuant to applicable law, (a) cooperate with the Monitor in any attempts it may make to obtain a protective order or other appropriate assurance that confidential treatment will be afforded the Confidential Information, and (b) if no protective order is obtained and disclosure is required, (i) furnish only that portion of the Confidential Information that, in your counsel's opinion, you are legally compelled to disclose, and (ii) take all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.
9. The Monitor may elect at any time to terminate further access by you to the Confidential Information. If at any time you determine not to proceed with the possible Transaction, you will promptly notify the Monitor in writing. Following any request by the Monitor or any of its Representatives, you agree, subject to any applicable law, (i) to promptly re-deliver to the Monitor all written Confidential Information other than the Notes, (ii) you and your Representatives will not retain any copies, extracts or other reproductions in whole or in part, mechanical or electronic, of such written material, and (iii) all Notes, including computer records, documents, memoranda, notes and other writings whatsoever prepared by you or your Representatives based on the Confidential Information and any other written material containing or reflecting any of the Confidential Information in your possession or your Representatives' possession will be destroyed, and that any such destruction shall be confirmed to the Monitor in writing. Notwithstanding the foregoing, the Monitor agrees that the Recipient's computer systems may automatically back-up Confidential Information disclosed to it under this Agreement. To the extent that such computer back-up procedures create copies of the Confidential Information, the Recipient may retain such copies in its archival or back-up computer storage for the period it normally archives backed-up compute records. These computer copies shall be subject to the

provisions of this Agreement until the same are destroyed, and they shall not be accessed by the Recipient during such period of archival or back-up storage except as required by law or under the terms of this Agreement.

10. Other than the confidentiality undertaking between RS and the Recipient, you hereby represent and warrant that you are not bound by the terms of a confidentiality agreement or other agreement with a third party that would conflict with any of your obligations under this Agreement.
11. In accepting and reviewing the Confidential Information, you represent and warrant that you are acting solely for yourself. Further, you represent and warrant that you have not discussed or shared, and you hereby covenant that unless you have first received the written consent of the Monitor you will not and will cause your Representatives to not discuss or share, with any third party any aspect of the Confidential Information.
12. You agree that, unless and until a binding agreement is entered into between the Monitor and you with respect to the Transaction, neither the Monitor nor you will be under any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this or any other written or oral expression, except with respect to the matters specifically agreed to herein. Except as provided in paragraphs 10 and 11, herein, nothing contained in any discussions between you and the Monitor or in any Confidential Information shall be deemed to constitute a representation or warranty. Except for the matters set forth in this Agreement or in any such binding agreement, neither party shall be entitled to rely on any statement, promise, agreement or understanding, whether oral or written, any custom, usage of trade, course of dealing or conduct.
13. For purposes of this Agreement, except as otherwise defined herein: (i) "Affiliate" shall mean, as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person (for this purpose, "control", including "controlled by" and "under common control with", shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise); and (ii) "Person" shall be broadly interpreted to include any individual, corporation, company, partnership, limited liability company, trust or other group or entity (including any court, government or agency, commission, board or authority thereof, federal, state or local, domestic, foreign or multinational).
14. This Agreement may be executed by facsimile or electronic transmission and in any number of counterparts, each of which when so executed shall be deemed an original, but such counterparts shall together constitute one and the same Agreement.
15. The Recipient agrees that the restrictions contained in this Agreement are reasonable in order to protect the legitimate interests of the Monitor and RS and all defences to the strict enforcement of the restrictions by the Monitor are hereby waived by the Recipient.
16. If any term or provision of this Agreement is declared to be void or unenforceable in whole or in part by a court of competent jurisdiction, it shall be deemed to be severable from the rest of this Agreement and it shall not affect or impair the enforceability or validity of any other covenant or provision of this Agreement.
17. This Agreement shall be governed by and interpreted in accordance with the laws in force in the Province of Alberta. The Recipient hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Alberta for the determination of all matters arising hereunder in the event the Monitor should bring an action on this Agreement in the Courts of the Province of Alberta. The Recipient hereby agrees that, notwithstanding the foregoing, the Monitor may bring an action on this Agreement in any jurisdiction where the Recipient has assets or in any jurisdiction where this Agreement has been breached or where a breach is threatened, and in

such an event, the Recipient hereby irrevocably attorns to the jurisdiction of the Courts of such jurisdictions for the determination of all matters arising hereunder.

18. This Agreement shall remain in full force and effect for a period of 18 months from the date hereof and thereupon shall terminate, provided that the obligations owed by Recipient to the Monitor pursuant to this Agreement shall survive to the extent that the Monitor is subject to confidentiality obligations that are owed to a third party beyond such 18 month term and the Monitor has advised the Recipient, in writing, of such third party confidentiality obligations.
19. No waiver of any particular requirement hereunder shall be construed as a general waiver of this Agreement, and any failure by or delay by either party in enforcing its rights against any particular breach of this Agreement shall not limit or affect its rights to enforce its rights against any other breach hereof.
20. This Agreement may not be assigned by either party without the prior written consent of the other party.
21. This Agreement shall enure to the benefit of the Monitor and its successors and assigns and shall be binding upon the Recipient and its successors and permitted assigns.
22. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior contracts, agreements and understandings pertaining to the subject matter of this Agreement. No modification or alteration of this Agreement shall be binding unless executed in writing by the parties hereto. There are no representations, warranties, collateral agreements or conditions affecting this transaction other than as are expressed or referred to herein in writing.
23. Nothing contained in this Agreement shall in any way limit the rights or remedies available to either party at law, in equity or under statute arising in any way in connection with the disclosure of the Confidentiality Information in the event of a breach or a threatened breach of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and year first above written.

**FTI CONSULTING CANADA INC., in its capacity
as court-appointed monitor of RS
TECHNOLOGIES INC.**

Per:

Per:

Name:
Title:

Name:
Title:

RS TECHNOLOGIES INC.

Per:

Name:
Title: