

RS TECHNOLOGIES INC.

SALES AND INVESTOR SOLICITATION PROCEDURES (“SISP”) - SUMMARY

1. Capitalized terms used in this summary are as defined in the SISP, a copy of the SISP can be found on the Monitor’s website.
2. The SISP sets out the parameters of the marketing process pursuant to which the Monitor on behalf of RS will solicit offers to purchase either the shares or the assets of RS and the requirements for the submission of the offers by interested parties.
3. The SISP is structured in a way that contemplates receiving offers for:
 - (a) a restructuring, recapitalization or other form of reorganization of the business and affairs of RS as a going concern, including but not limited to a share Bid (a “**Restructuring Proposal**”), together with a plan of compromise or arrangement pursuant to the CCAA, which may also include proceedings under the ABCA (collectively, a “**CCAA Plan**”), which compromises some or all of the Claims and Interests set out therein and restructures Company and/or its the capital;
 - (b) an Asset Bid, including the sale of all or a portion of the Property to an acquisition entity; or
 - (c) a Hybrid Bid which would include a combination of an Asset Bid and a Restructuring Proposal.

4. The following table summarizes the timeline for the major steps contemplated in the SISP:

Proposed Timeline	Date	Days from approval *
Court approval of SISP	11-Apr-13	-
List of Known Potential Bidders	11-Apr-13	-
Distribution of Teaser Letter	15-Apr-13	2
Advertisement of SISP	18-Apr-13	5
Potential Bidder Deadline	29-Apr-13	18
Phase 1 Bid Deadline	21-May-13	40
Phase 2 Bid Deadline	10-Jun-13	60
Auction	18-Jun-13	68

* Periods 5 days or less are business days

Participation Requirements

5. In order to participate in the process, parties (“**Potential Bidder**”) must deliver the following to the Monitor by April 29, 2013:
- (a) an executed Confidentiality Agreement;
 - (b) a specific indication of the anticipated source of capital and preliminary evidence of the availability of such capital;
 - (c) a letter setting out the Potential Bidder’s identity, contact information, direct and indirect owners and principals; and

- (d) an executed letter acknowledging receipt of the SISP Approval Order including the SISP and agreement to accept and be bound by the provisions contained therein.
6. A potential bidder will be deemed a Qualified Phase 1 Bidder if they meet the requirements set out above and in the Monitor's opinion such potential bidder has the financial capability to consummate a transaction.

Due Diligence

7. Once a party is deemed to be a Qualified Phase 1 Bidder the Monitor will provide them with:
- (a) a confidential information memorandum describing in more detail the acquisition opportunity; and
 - (b) access to an electronic data room which includes, among other things:
 - i. presentations describing RS's business and nature of the industry;
 - ii. historical financial information;
 - iii. financial forecasts;
 - iv. tax loss information,
 - v. listing of current assets,
 - vi. listing of equipment;

- vii. information on RS's manufacturing plant;
 - viii. product information including technical studies; and
 - ix. listing of RS's patents.
8. In addition to being provided the above information Qualified Phase 1 Bidders will have the opportunity to request meetings with management and on-site visits as part of their due diligence process.

Timing and Status

Phase 1

9. Phase 1 (“**Phase 1**”) of the SISP commences upon the granting of the SISP Approval Order and ends at 5:00 p.m. (Mountain Time) on May 21, 2013 (“**Phase 1 Bid Deadline**”). The intention of Phase 1 is to solicit Non-Binding Indications of Interest from Qualified Phase 1 Bidders by the Phase 1 Bid Deadline.
10. Non-Binding Indications of Interest must be submitted to the Monitor no later than the Phase 1 Bid Deadline and must include:
- (a) a description of the bid and whether it is a Restructuring Proposal, Asset Bid or a Hybrid Bid;
 - (b) the purchase price, including liabilities being assumed;
 - (c) the property of RS being included or excluded from the offer;

- (d) the structure and source of financing, including timing necessary to consummate the transaction and any related financing contingencies;
- (e) the proposed treatment of employees;
- (f) any anticipated corporate, shareholder or regulatory approvals required to close the transaction and the anticipated timeline of obtaining such approvals;
- (g) additional due diligence required; and
- (h) any other terms or conditions material to the transaction

collectively (the “**Non-Binding Indications of Interest Deliverables**”)

11. All Qualified Phase 1 Bidders who submit a Non-Binding Indications of Interest that the Monitor in consultation with RS and non-conflicted stakeholders determine to have a reasonable prospect of being a Superior Offer will be deemed to be a Qualified Phase 2 Bidder.

Phase 2



12. The purpose of phase 2 (“**Phase 2**”) of the SISP is to firm up the Non-Binding Indications of Interest submitted by Qualified Phase 2 Bidders bringing them from Non-Binding Indications of Interest to an executed purchase and sale agreement, in the case of an Asset Bid or a Definitive Restructuring Agreement, in the case of a Restructuring Proposal (collectively a “**Firm Agreement**”). The Firm Agreement must be delivered to the Monitor by 5:00 p.m. (Mountain Time) on June 10, 2013 (“**Phase 2 Bid Deadline**”). The SISP describes in detail the requirements that must be met in order for a Firm Agreement to be considered a Qualified Bid, which include, among other things, the following requirements:
- (a) a duly authorized and executed Firm Agreement;
 - (b) a statement of the aggregate value of the consideration being offered exceeding the Stalking Horse Bid plus the break-fee contemplated in the Stalking Horse Bid;
 - (c) a letter stating that the Firm Agreement is irrevocable until the earlier of (a) court approval, and (b) 45 days following the Phase 2 Bid Deadline;
 - (d) written evidence of all required funding to complete the transaction;
 - (e) not contain any further due diligence or financing conditions; and
 - (f) include a refundable deposit equal to 10% of the purchase price.

13. The Monitor will within five business days assess each of the Firm Agreements and determine, in consultation with RS and non-conflicted stakeholders, whether they are Qualified Bids. If the Monitor determines that one or more Qualified Bids were received and there is a likelihood that the transaction contemplated in the Qualified Bids will be consummated then the Monitor will hold an auction. All parties submitting Qualified Bids will be invited to participate in the Auction.

Auction

14. If required, the Auction will be held at 9:30 a.m. (Mountain Time) on June 18, 2013. The Auction will be conducted in the manner described in the following paragraphs.
15. At least two days prior to the Auction all parties submitting Qualified Bids including the Stalking Horse Bidder (collectively the “**Auction Bidders**”) will receive a copy of the Qualified Bid(s) that the Monitor believes to be the highest or otherwise best Qualified Bid(s) (“**Starting Bid**”).
16. 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 received. The highest or otherwise best offer at the end of each round of bidding as determined by the Monitor will be considered the leading bid (“**Leading Bid**”).
17. Each subsequent bid shall provide a net increase in value to RS of at least \$100,000 above the Starting Bid in the first round of bidding and the Leading Bid in subsequent rounds.
18. At the commencement of each round of bidding the Monitor will announce the amount of the Leading Bid. The auction will continue until no subsequent bid is made.



19. In assessing the Starting Bid and the Leading Bid the Monitor will consider the following criteria:
- (a) the purchase price and the net value (including assumed liabilities and other obligations to be performed or assumed by the bidder) provided by such bid;
 - (b) in the case of a Restructuring Proposal, the amount of equity and debt investment and proposed sources and uses of such capital and the debt to equity structure post-closing;
 - (c) the claims likely to be created by such bid in relation to other bids;
 - (d) the counterparties to the transaction;
 - (e) the proposed revisions to the Firm Agreement and the terms of the transaction documents;
 - (f) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction);
 - (g) the assets included or excluded from the bid and the transaction costs and risks associated with closing multiple transactions versus a single transaction for all or substantially all of the Property;
 - (h) the estimated number of employees of the Company that will be offered post-closing employment and any proposed measures associated with their continued employment;

- (i) the transition services required from RS post-closing and any related restructuring costs; and
 - (j) the likelihood and timing of consummating the transaction.
20. Upon closing the auction the Monitor will identify the highest or otherwise best Qualified Bid received (the “**Successful Bid**”) and the next highest or otherwise best Qualified Bid received (the “**Backup Bid**”). The Monitor will then work to finalize the Successful Bid and the Backup Bid, if any, conditional only upon Court approval. The Backup Bid will remain open until the completion of the transaction contemplated in the Successful Bid.