

Clerk's Stamp

COURT / ESTATE FILE NUMBERS 24-2946872
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3, AS
AMENDED

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
DYNALEO INC. AND DYNALEO GROUP
SERVICES INC.

APPLICANTS: DYNALEO INC. and DYNALEO GROUP
SERVICES INC.

DOCUMENT **APPROVAL AND VESTING ORDER
(and other ancillary relief)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT MILLER THOMSON LLP
3000, 700-9th Avenue S.W.
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Attention: James W. Reid / Kyla Mahar

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File No.: 0277934.0001

DATE ON WHICH ORDER WAS PRONOUNCED: August 22, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton Law Courts

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice G.S. Dunlop

UPON THE APPLICATION by Dynaleo Inc. ("**Dynaleo**") and Dynaleo Group Services Inc. ("**Dynaleo Services**" and collectively, the "**Companies**") for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Sale Agreement**") between the Companies and 2536511 Alberta Ltd. or its nominee (the "**Purchaser**") dated August 14, 2023, the Sale Agreement being Appendix A to the Proposal Trustee's Third Report dated August 16, 2023, and Confidential Appendix 1 to the Third Report (collectively, the "**Third Report**"), and vesting in the Purchaser the Companies' right, title, and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**").

AND UPON having read the Third Report and the Affidavit of Service of Marica Ceko, sworn on August 18, 2023;

AND UPON having read Affidavit No. 3 of Michael Krestell, sworn on August 14, 2023, the Third Report, and the confidential appendices thereto (collectively, the "**Confidential Appendices**");

AND UPON HEARING the submissions of counsel for the Companies, counsel for the Proposal Trustee, and such other counsel in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

EXTENSION OF TIME TO FILE A PROPOSAL

2. Pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), the time for the Companies to file their respective proposals is hereby extended to October 19, 2023 (as that date may be extended by further order of the Court).

APPROVAL OF TRANSACTION

3. The Transaction is hereby approved and execution of the Sale Agreement by the Companies is hereby authorized and approved, with such minor amendments as the Companies, the Purchaser, and the Proposal Trustee may deem necessary. The

Companies and Purchaser are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser or its nominee.

VESTING OF PROPERTY

4. Upon delivery of the Proposal Trustee's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Trustee's Closing Certificate**"), all of the Companies' right, title, and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, encumbrances, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary, or otherwise whatsoever, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any charges, security interests, or Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registration system;
 - (b) any liens or Claims of lien under the *Builders' Lien Act* (Alberta) or *Prompt Payment and Construction Lien Act* (Alberta); and
 - (c) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restricted covenants listed in **Schedule "C"** (collectively, the "**Permitted Encumbrances**");

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged, and terminated as against the Purchased Assets.

5. The Transaction is hereby approved and ratified and it is hereby declared that the Transaction is commercially reasonable.
6. Upon delivery of the Trustee's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept the delivery of such Trustee's Closing Certificate and certified copy of this Order as though they are originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser (or its nominee) clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
 - (a) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Companies in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Trustee's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
8. No authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Companies of the Sale Agreement.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the *Employment Standards Code* (Alberta), the Purchaser (or its nominee) shall not, by completion of the

Transaction, have liability of any kind whatsoever in respect of any Claims against the Companies.

10. Upon completion of the Transaction, the Companies and all persons who claim by, through or under the Companies in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Companies are hereby authorized to make an interim distribution from the net proceeds of the Transaction for the payment of deemed trust amounts relating to source deduction arrears owing by the Companies to the Canada Revenue Agency.
12. For the purposes of determining the nature and priority of Claims other than the payment of deemed trust source deduction amounts that may be paid pursuant to paragraph 11 above, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Companies) shall stand in the place and stead of the Purchased Assets from and after delivery of the Proposal Trustee's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Companies shall not make distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.

13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Companies, or any person claiming by, through or against the Companies.
14. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Companies.
15. The Proposal Trustee is directed to file with the Court a copy of the Trustee's Closing Certificate forthwith after completion of the Transaction to the satisfaction of the Proposal Trustee.
16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Personal Information Protection Act* (Alberta), the Proposal Trustee or the Companies are authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Companies' records pertaining to the Companies' past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Companies are entitled.

ASSIGNMENT OF LEASE

17. If the Purchaser has not entered into a new lease agreement with the 1806949 Alberta Ltd. (the "**Landlord**") on or before the closing date of the Transaction as set forth in the Sale Agreement, then the current lease agreement dated June 1, 2019 between Dynaleo and the Landlord in relation to Units 2 and 3 at the municipal address of 3365 – 11 Street, Nisku, AB T9E 1K7, shall be assigned to the Purchaser, and the Purchaser shall be entitled to all rights and privileges provided therein. Such assignment shall be on the basis that the Purchaser shall only be responsible for rent and other amounts owing under the lease from and after the closing/effective date of the Transaction.

SEALING AND CONFIDENTIALITY

18. The Confidential Appendices shall be sealed on the Court file, kept confidential, and not form part of the public record, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*.
19. The Confidential Appendices contain confidential and commercially sensitive information, which if made publicly available could be used to the detriment of the parties and these proceedings, and shall be sealed on the Court file, not form part of the public record, and not be available for public inspection unless and until the Proposal Trustee files the Trustee's Closing Certificate with this Court confirming the closing of the Transaction or further order by this Court, upon seven days' notice to all interested parties.
20. The Clerk of the Court shall file the Confidential Appendices in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN ESTATE FILE NO. 24-2946872. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER GRANTED BY THE HONOURABLE JUSTICE G.S. DUNLOP ON AUGUST 22, 2023 AND ARE NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE, UNTIL THE FILING OF THE TRUSTEE'S CLOSING CERTIFICATE.

21. Any person, entity or party affected by the sealing of the Confidential Appendices may apply to have the Sealing Order vacated, substituted, modified or varied, with such application to be brought on notice to the Companies and any other affected party.

MISCELLANEOUS MATTERS

22. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;

- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Companies; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 23. The Companies, the Proposal Trustee, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance, and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 24. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Companies, the Proposal Trustee and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Companies and Proposal Trustee, as may be necessary or desirable to give effect to this Order or to assist the Companies, Proposal Trustee and its agents in carrying out the terms of this Order.
- 25. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;

- (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) posting a copy of this Order on the Proposal Trustee's website at:
<https://harrispartnersadvisory.ca/Dynaleo>;

and service on any other person is hereby dispensed with.

26. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

Form of Trustee's Closing Certificate

COURT / ESTATE FILE NUMBERS 24-2946872
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3, AS
AMENDED

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
DYNALEO INC. AND DYNALEO GROUP
SERVICES INC.

DOCUMENT **TRUSTEE'S CLOSING CERTIFICATE**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT MILLER THOMSON LLP
3000, 700-9th Avenue S.W.
Calgary, AB, Canada T2P 3V4

Attention: James W. Reid

Telephone: 403.298.2418
Fax: 403.262.0007
E-mail: jwreid@millerthomson.com

File No.: 0277934.0001

RECITALS

On May 23, 2023, Dynaleo Inc. ("**Dynaleo**") and Dynaleo Group Services Inc. ("**Dynaleo Services**", and together with Dynaleo, the "**Companies**") each filed a Notice of Intention to Make a Proposal (the "**NOI**") under section 50.4(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") and Harris & Partners Inc. ("**HPI**") consented to act as the Proposal Trustee. Pursuant to an Order of the Court granted by the Honourable Justice G.S Dunlop dated August 22, 2023, the Court approved an asset purchase agreement dated August 22, 2023 (the "**Sale Agreement**") between the Companies and 2536511 Alberta Ltd. (the "**Purchaser**") pursuant to which a transaction may be completed for the sale of certain of the Companies' assets (the "**Transaction**").

Unless otherwise indicated herein, capitalized terms have the meanings set out in Sale Agreement.

THE TRUSTEE CERTIFIES the following:

1. The Purchaser has paid the Proposal Trustee and has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.
2. The Transaction has been completed to the satisfaction of the Proposal Trustee.
3. This Certificate was delivered by the Proposal Trustee at _____ on the ____ day of _____, 2023.

Harris & Partners Inc., in its capacity as
Proposal Trustee of Dynaleo Inc. and
Dynaleo Group Services Inc.

Per: _____

Name:

Title:

SCHEDULE "B"

List of Encumbrances

"Encumbrance" means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any security interest, lien, Claim, charge, right of retention, deemed trust, judgment, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of creating a security interest in, against or affecting the Purchased Assets (including any conditional sale or title retention agreement, or any capital or financing lease).

SCHEDULE "C"

List of Permitted Encumbrances

"Permitted Encumbrances" means the following Encumbrances in respect of the Purchased Assets:

- (a) Nil.

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COURT COURT OF KING'S BENCH OF ALBERTA
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APPLICANTS: DYNALEO INC. and DYNALEO GROUP
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File No.: 0277934.0001

DATE ON WHICH ORDER WAS PRONOUNCED: August 22, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton Law Courts

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice G.S.
Dunlop

UPON THE APPLICATION by Dynaleo Inc. (“**Dynaleo**”) and Dynaleo Group Services Inc. (“**Dynaleo Services**” and collectively, the “**Companies**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between the Companies and 2536511 Alberta Ltd. or its nominee (the “**Purchaser**”) dated August 14, 2023, the Sale Agreement being appended Appendix A to the Proposal Trustee’s Third Report dated August 16, 2023, and ~~as confidential appendix~~ Confidential Appendix 1 to the Third Report (collectively, the “**Third Report**”), and vesting in the Purchaser the Companies’ right, title, and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”).

AND UPON having read the Third Report and the Affidavit of Service of [redacted] Marica Ceko, sworn on [redacted] August 18, 2023;

AND UPON having read Affidavit No. 3 of Michael Krestell, sworn on [redacted] August 14, 2023, the Third Report, and the confidential appendices thereto (collectively, the “**Confidential Appendices**”);

AND UPON HEARING the submissions of counsel for the Companies, counsel for the Proposal Trustee, and such other counsel in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

EXTENSION OF TIME TO FILE A PROPOSAL

2. Pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), the time for the Companies to file their respective proposals is hereby extended to October 19, 2023 (as that date may be extended by further order of the Court).

APPROVAL OF TRANSACTION

3. The Transaction is hereby approved and execution of the Sale Agreement by the Companies is hereby authorized and approved, with such minor amendments as the Companies, the Purchaser, and the Proposal Trustee may deem necessary. The Companies and Purchaser are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser or its nominee.

VESTING OF PROPERTY

4. Upon delivery of the Proposal Trustee's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Trustee's Closing Certificate**"), all of the Companies' right, title, and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, encumbrances, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary, or otherwise whatsoever, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any charges, security interests, or ~~claims~~Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registration system;
- (b) any liens or ~~claims~~Claims of lien under the *Builders' Lien Act* (Alberta) or *Prompt Payment and Construction Lien Act* (Alberta); and
- (c) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restricted covenants listed in **Schedule "C"** (collectively, the "**Permitted Encumbrances**");

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged, and terminated as against the Purchased Assets.

5. The Transaction is hereby approved and ratified and it is hereby declared that the Transaction is commercially reasonable.
6. Upon delivery of the Trustee's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept the delivery of such Trustee's Closing Certificate and certified copy of this Order as though they are originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser (or its nominee) clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
 - (a) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Companies in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Trustee's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
8. No authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Companies of the Sale Agreement.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the *Employment Standards Code* (Alberta), the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Companies.
10. Upon completion of the Transaction, the Companies and all persons who claim by, through or under the Companies in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Companies are hereby authorized to make an interim distribution from the net proceeds of the Transaction for the payment of deemed trust amounts relating to source deduction arrears owing by the Companies to the Canada Revenue Agency.
12. ~~11.~~ For the purposes of determining the nature and priority of Claims other than the payment of deemed trust source deduction amounts that may be paid pursuant to paragraph 11 above, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Companies) shall stand in the place and stead of the Purchased Assets from and after delivery of the Proposal Trustee's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise

ordered (whether before or after the date of this Order), the Companies shall not make distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.

13. ~~12.~~ The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Companies, or any person claiming by, through or against the Companies.

14. ~~13.~~ Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Companies.

15. ~~14.~~ The Proposal Trustee is directed to file with the Court a copy of the Trustee's Closing Certificate forthwith after completion of the Transaction to the satisfaction of the Proposal Trustee.

16. ~~15.~~ Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Personal Information Protection Act* (Alberta), the Proposal Trustee or the Companies are authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Companies' records pertaining to the Companies' past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Companies are entitled.

~~16. The Companies are hereby authorized to make an interim distribution from the net proceeds of the Transaction for the payment of source deduction arrears owing by the Companies to the Canada Revenue Agency.~~

ASSIGNMENT OF LEASE

17. If the Purchaser has not entered into a new lease agreement with the 1806949 Alberta Ltd. (the "**Landlord**") on or before the closing date of the Transaction as set forth in the Sale Agreement, then the current lease agreement dated June 1, 2019 between Dynaleo and the Landlord in relation to Units 2 and 3 at the municipal address of 3365 – 11 Street, Nisku, AB T9E 1K7, shall be assigned to the Purchaser, and the Purchaser

shall be entitled to all rights and privileges provided therein. Such assignment shall be on the basis that the Purchaser shall only be responsible for rent and other amounts owing under the lease from and after the closing/effective date of the Transaction.

RELEASES

~~18. Effective upon the filing of the Trustee's Closing Certificate: (i) the current and former directors, officers, employees, legal counsel, and advisors of the Companies (ii) the Proposal Trustee and its legal counsel, and (iii) the Purchaser and its current and former directors, officers, employees, legal counsel, and advisors (collectively, the "Released Parties") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Trustee's Closing Certificate (a) undertaken or completed pursuant to the terms of this Order, (b) arising in connection with or relating to the Sale Agreement or the completion of the transaction therein, (c) arising in connection with or relating to these proceedings, or (d) related to the management, operations, or administration of the Companies (collectively, the "Released Claims"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled, and barred against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel, or bar any claim that is not permitted to be released pursuant to section 50(14) of the BIA.~~

SEALING AND CONFIDENTIALITY

18. ~~19.~~ The Confidential Appendices shall be sealed on the Court file, kept confidential, and not form part of the public record, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*.

19. ~~20.~~—The Confidential Appendices contain confidential and commercially sensitive information, which if made publicly available could be used to the detriment of the parties and these proceedings, and shall be sealed on the Court file, not form part of the public record, and not be available for public inspection unless and until the Proposal Trustee files the Trustee’s Closing Certificate with this Court confirming the closing of the Transaction or further order by this Court, upon seven days’ notice to all interested parties.

20. ~~21.~~—The Clerk of the Court shall file the Confidential Appendices in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN ESTATE FILE NO. 24-2946872. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER GRANTED BY THE HONOURABLE JUSTICE G.S. DUNLOP ON AUGUST 22, 2023 AND ARE NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE, UNTIL THE FILING OF THE TRUSTEE’S CLOSING CERTIFICATE.

21. ~~22.~~—Any person, entity or party affected by the sealing of the Confidential Appendices may apply to have the Sealing Order vacated, substituted, modified or varied, with such application to be brought on notice to the Companies and any other affected party.

MISCELLANEOUS MATTERS

22. ~~23.~~—Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Companies; and

(d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

23. ~~24.~~ The Companies, the Proposal Trustee, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance, and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

24. ~~25.~~ This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Companies, the Proposal Trustee and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Companies and Proposal Trustee, as may be necessary or desirable to give effect to this Order or to assist the Companies, Proposal Trustee and its agents in carrying out the terms of this Order.

25. ~~26.~~ Service of this Order shall be deemed good and sufficient by:

(a) serving the same on:

- (i) the persons listed on the service list created in these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;

- (iv) the Purchaser or the Purchaser's solicitors; and
- (b) posting a copy of this Order on the Proposal Trustee's website at:
<https://harrispartnersadvisory.ca/Dynaleo>;

and service on any other person is hereby dispensed with.

26. ~~27.~~ Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

Form of Trustee's Closing Certificate

COURT / ESTATE FILE NUMBERS	24-2946872
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED
	AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF DYNALEO INC. AND DYNALEO GROUP SERVICES INC.
DOCUMENT	TRUSTEE'S CLOSING CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP 3000, 700-9th Avenue S.W. Calgary, AB, Canada T2P 3V4 Attention: James W. Reid Telephone: 403.298.2418 Fax: 403.262.0007 E-mail: jwreid@millerthomson.com File No.: 0277934.0001

RECITALS

On May 23, 2023, Dynaleo Inc. ("**Dynaleo**") and Dynaleo Group Services Inc. ("**Dynaleo Services**", and together with Dynaleo, the "**Companies**") each filed a Notice of Intention to Make a Proposal (the "**NOI**") under section 50.4(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") and Harris & Partners Inc. ("**HPI**") consented to act as the Proposal Trustee. Pursuant to an Order of the Court granted by the Honourable Justice G.S Dunlop dated August 22, 2023, the Court approved an asset purchase agreement dated August ~~22~~, 2023 (the "**Sale Agreement**") between the Companies and 2536511 Alberta Ltd. (the "**Purchaser**") pursuant to which a transaction may be completed for the sale of certain of the Companies' assets (the "**Transaction**").

Unless otherwise indicated herein, capitalized terms have the meanings set out in Sale Agreement.

THE TRUSTEE CERTIFIES the following:

- 1. ~~2.~~ The Purchaser has paid the Proposal Trustee and has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.
- 2. ~~3.~~ The Transaction has been completed to the satisfaction of the Proposal Trustee.
- 3. ~~4.~~ This Certificate was delivered by the Proposal Trustee at _____ on the ____ day of _____, 2023.

Harris & Partners Inc., in its capacity as
Proposal Trustee of Dynaleo Inc. and
Dynaleo Group Services Inc.

Per: _____

Name:

Title:

SCHEDULE “B”

List of Encumbrances

“Encumbrance” means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any security interest, lien, Claim, charge, right of retention, deemed trust, judgment, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of creating a security interest in, against or affecting the Purchased Assets (including any conditional sale or title retention agreement, or any capital or financing lease).

SCHEDULE “C”

List of Permitted Encumbrances

“Permitted Encumbrances” means the following Encumbrances in respect of the Purchased

Assets:

- (a) Nil.

Document comparison by Workshare Compare on Monday, August 21, 2023
9:41:23 AM

Input:	
Document 1 ID	iManage://mtdmswssc.millerthomson.corp/Legal/71195424/15
Description	#71195424v15<Legal> - Order - Extension, SAVO, Release, Sealing Order
Document 2 ID	file://C:\Users\jwreid\AppData\Local\Temp\Workshare\tmp5FC4\Order - Extension, SAVO, Release, Sealing Order.docx
Description	Order - Extension, SAVO, Release, Sealing Order
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Deletions	31
Moved from	2
Moved to	2
Style changes	0
Format changes	0

Total changes	66
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