2026 **Hfx No.550323**

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C- 36 as Amended (the "**CCAA**")

AND IN THE MATTER OF an application by Spring Loaded Technology Incorporated "**SLT**" or the "**Applicant**" for creditor protection under s.11 of the CCAA and other relief.

KEY EMPLOYEE INCENTIVE PLAN

30 January 2026

Overview

1. On 26 January 2026 Spring Loaded Technology Inc. ("**SLT**") was granted protection under the *Companies' Creditors Arrangement Act* (Canada), as amended (the "**CCAA Proceedings**")

2. Grant Thornton Limited was appointed monitor ("**Monitor**") of SLT in the CCAA Proceedings.

3. 4782489 Nova Scotia Limited (the "**Interim Lender**") has provided interim financing to the SLT to facilitate the CCAA Proceedings and an expedited sales investment and solicitation process ("**SISP**") (as defined below).

4. The Applicant has brought an application in the CCAA Proceedings to, among other things (a) approve this key employment incentive plan ("**KEIP**") and (b) secure the amounts payable under this KEIP with a charge (the "**KEIP Charge**") on all of the property of SLT on the terms and with the priority proposed in the Amended Charging Order to be presented to court at the Comeback Hearing and the First Report of the Monitor dated on or around 30 January 2026 (**"Monitor's First Report**").

5. The eligible participants in this KEIP (each, an "**Eligible Participant**") will initially be comprised of the key employees of SLT set out in **Schedule A** (each a "**Key SLT Employee**"). Eligible Participants may be added or removed in accordance with the terms of this KEIP.

Definitions

6. For purposes of this Plan:

   "**Stalking Horse Bid**" means the $900,000 stalking horse transaction approved by the Court on 03 February 2026.

   "**Incremental Value**" means the gross cash consideration realized at closing in excess of the Stalking Horse Bid.

“**KEIP Triggering Event**” means that (a) the Stalking Horse Bidder is not the Successful Bidder, and (b) a Successful Closing has occurred.

“**Successful Closing**” means the completion and closing of a transaction approved by the Court pursuant to the SISP.

<u>Eligibility Criteria</u>

7. SLT and the Monitor have determined that each of the Key SLT Employees listed in Schedule A is essential to ensure the stability of SLT’s business, enhance the effectiveness of the proposed restructuring, including the sales and investment solicitation process (the “**SISP**”) to be commenced by, or in respect of, SLT and/or its assets (“**Eligible Participant**”).

8. SLT, with the approval of the Monitor and the Interim Lender, may designate additional employees of SLT (each an “**Additional SLT Employee**”) as Eligible Participants for the purposes of participating in this KEIP if the qualifications of this Section 8 are met in respect of such Additional SLT Employees (who then shall be Eligible Participants for the purposes of this KEIP), provided that the total amount of KEIP Payments (as defined below) allocated and/or paid to all Eligible Participants does not exceed the Aggregate Cap (as defined below), unless Court approval is obtained to increase such Aggregate Cap.

9. Without limiting SLT's rights under the other provisions of this KEIP (including where subject to approval of the Monitor and the Interim Lender), in the event that any Eligible Participant resigns or is terminated with cause prior to a Vesting Event (as defined below), and SLT is required to (a) hire a new employee; (b) designate an Additional SLT Employee as a Eligible Participant; or (c) reassign the resigning Eligible Participant's work to another Eligible Participant (as applicable, the “**Replacement**”), SLT may, with the approval of the Monitor and the Interim Lender, revoke the resigning Eligible Participant's right to participate in this KEIP and reallocate to the Replacement the unearned portion of the applicable KEIP Payments originally allocated to the resigning Eligible Participant; provided that the total amount of KEIP Payments allocated and/or paid to all Eligible Participants does not exceed the KEIP Cap, unless Court approval is obtained to increase such KEIP Cap.

<u>Key Employee Incentive Plan (KEIP)</u>

10. The KEIP is intended to incentivize incremental value creation and is payable only upon the occurrence of the KEIP Triggering Event.

11. Subject to the satisfaction of the KEIP Triggering Event, each eligible Participant shall be entitled to receive both:

    (a) a minimum key employee incentive payment (the “**Minimum KEIP**”); and

    (b) a value-based key employee incentive payment calculated as a percentage of the Incremental Value (the “**Incremental Value KEIP**”).

12. The aggregate Minimum KEIP to be allocated among Eligible Participants is $50,000. The Incremental Value KEIP to be allocated among Eligible Participants will be 9% of the Incremental Value, as calculated by the Monitor.

13. The Minimum KEIP and the Incremental Value KEIP are cumulative and not alternative, and no Participant shall be required to elect between them. No partial or pro-rated KEIP shall be payable if the threshold is not achieved.

14. The current allocation (the "**Minimum KEIP Allocation**") of incentive payments ("**KEIP Payments**") as between the initial Eligible Participants is set out in **Schedule A**. Notwithstanding the foregoing, SLT may, with the approval of the Proposed Monitor and the Interim Lender, amend the KEIP Allocation from time to time in accordance with the terms hereof; provided that the total amount of KEIP Payments allocated and/or paid to all Eligible Participants does not exceed the Aggregate Cap, unless Court approval is obtained to increase such Aggregate Cap.

Vesting Criteria

15. The KEIP Payments will vest in those Eligible Participants entitled to such payments in accordance with **Schedule A** (each such event being a "**Vesting Event**").

16. In addition to any other conditions set out herein, and those which may be established or imposed by SLT with the approval of the Monitor from time to time, Eligible Participants will only be eligible for their applicable KEIP Payments if they are: (a) actively employed with SLT when such KEIP Payment(s) are earned, (b) performing their duties and responsibilities, including any reasonable additional or transitional duties, through to the applicable payment date, or (c) terminated without cause before the applicable KEIP Payment is due and payable hereunder (and such Eligible Participant has otherwise met all other requirements for payment). An Eligible Participant will lose its entitlements under this KEIP if they are terminated for cause, if they resign before the applicable Vesting Event, as applicable, or otherwise do not otherwise meet the conditions for earning such KEIP Payment.

Aggregate Cap

17. Notwithstanding anything to the contrary herein, the aggregate amount payable to all Participants under the KEIP (including all Minimum KEIP payments and all Incremental Value KEIP payments) shall not exceed $400,000 in total (the "**Aggregate Cap**").

18. If the total amount otherwise payable under the KEIP would exceed the Aggregate Cap, such amounts shall be reduced on a pro rata basis among the Participants, or in such other manner as may be approved by the Court, so that the total amount payable does not exceed the Aggregate Cap.

Payment Criteria

19. Subject to the terms hereof, the applicable KEIP Payments shall be payable to the Eligible Participants within five (5) days following the applicable Vesting Event.

CONFIDENTIAL SCHEDULE “A”
FILED UNDER SEAL