

Court File No. BK-25-03267656-0032
Estate No. 32-3267656

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C.
B-3, AS AMENDED**

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF 3MOTIONAI INC. FILED IN THE
CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

**MOTION RECORD OF 3MOTIONAI INC.
(returnable October 1, 2025 at 12 Noon)**

September 29, 2025

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ONTARIO**

NOTICE OF MOTION
(returnable October 1, 2025 at 12 Noon)

3MotionAI Inc. (“**3Motion**”) has filed a Notice of Intention to Make a Proposal (an “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). 3Motion will make a motion by videoconference to a judge presiding over the Ontario Superior Court of Justice (in Bankruptcy & Insolvency) sitting at the court house at 330 University Avenue, 9th Floor, Toronto, Ontario M5G 1R7. on Wednesday October 1, 2025 at 12 Noon, or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard by video conference by Zoom, which may be accessed at the following link:
<https://ca01web.zoom.us/j/61804264297?pwd=MEpzRUtlUVB0UGc4eStsVGNTYmkxUT09%20%27> .

THE MOTION IS FOR an order, (the “**Initial Order**”) substantially in the form of the draft order located at Tab 3 of 3Motion’s Motion Record, including, for the following relief:

Service

1. Abridging if necessary the time for service and filing of the notice of motion and the motion record, validating service of the notice of motion and the motion record so that this motion is properly returnable on October 1, 2025, and dispensing with further service thereof;

Stay Extension Plus Approval of Proposal Trustee's First Report and Expansion of Proposal Trustee's Role

2. Extending the time for 3Motion to file a proposal under section 50.4(9) of the BIA by 45 days to and including November 14, 2025;
3. Approving the first report of the Proposal Trustee, to be filed separately with the Court (the "**First Report**"), and the activities of the Proposal Trustee set out therein;
4. Enhancing the scope of the power and authority of the Proposal Trustee, as set out herein, so as to enable the Proposal Trustee to fully administer the SISP (as defined below) and to monitor and oversee the operations of 3Motion's business enterprise through the Proposal Proceeding;

DIP Financing Plus DIP, Administration, & D&O Charges

5. authorizing 3Motion to enter into the interim financing term sheet (the "**DIP Term Sheet**") with West Tech Fitness Group Inc. ("**West Tech**") as interim lender, and granting super-priority charges over 3 Motions property assets and undertaking ranking in the order they appear below:
 - a) granting West Tech a super priority charge (the "**DIP Charge**") in an amount not to exceed \$750,000.00 plus interest, fees and expenses, against 3Motion's property, assets and undertakings as security for all of 3Motion's obligations to West Tech under the DIP Term Sheet;
 - b) granting a super-priority charge against 3Motion's property, assets and undertakings in an amount not to exceed \$500,000 in favour of 3Motion's legal

counsel, the Proposal Trustee and the Proposal Trustee's legal counsel as security for the professional fees and disbursements of counsel to 3Motion, the Proposal Trustee and counsel to the Proposal Trustee (the "**Administration Charge**");

- c) granting an indemnity for post filing liabilities to the directors and officers of 3Motion (the "**D&O Indemnity**") secured by a charge against 3Motion's property, assets and undertakings in an amount not to exceed \$150,000 in favour of 3Motion's directors and officers, to secure 3Motion's obligation to indemnify the directors for certain potential liabilities (the "**D&O Charge**");

SISP Order

- 6. A SISP Order, substantially in the form which appears in 3Motion's Motion Record, approving amongst other things, the sale and investment solicitation process (the "**SISP**") attached as an appendix to the first report of the Proposal Trustee (the "**First Report**"), and authorizing the Proposal Trustee to implement the SISP;

KERP Order

- 7. An Order approving the key employee retention arrangement made between 3M and its CEO, Reed Hanoun ("**RH**") whereby RH was terminated as an employee and released from his non competition and non solicitation obligations and then retained by 3M as a consultant to assist 3M and the Proposal Trustee with its interim operations, SISP, and restructuring, without prejudice to the ability of RH to participate in a non-arms length bid and to assist arms length bidders for and buyers of the assets;

.Foreign Representative and Judicial Assistance Order

8. An Order further to Section 179 of the BIA appointing the Proposal Trustee as the foreign representative of this proceeding for purposes of making an application for recognition of same under Chapter 15 of the US Bankruptcy Code and to seek such other interim and other relief as may be available to 3Motion under the laws of the United States of America (“USA”) and the States composing same, including without limitation under the laws of the State of Delaware (the USA and the States composing same are variously herein as the “US”, and the “United States”); and further thereto, an Order requesting the aid of assistance of the courts of the US including the US bankruptcy courts and the courts of the State of Delaware, in enforcing the stay of proceedings which arose as a result of this proceeding and otherwise giving effect to this order and other orders made in this proceeding; and

Other Relief

9. Such further and other relief as may be required to advance 3Motion’s restructuring and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. 3Motion is a Ontario incorporated information technology developer in the health rehabilitation and sports training sector and is headquartered in Oakville, Ontario;
2. 3Motion has no bank loan and instead was financed by 66 investors who have invested through a mix of share subscriptions and investments via Simple Agreements for Future Equity (“SAFEs”, a hybrid debt/equity investment concept developed in Silicon Valley for investment in start up technology companies);

3. 3Motion is insolvent with no secured creditors but approximately CAD \$4.3 million in unsecured debt owing, and in addition is being sued for an amount in excess of USD \$5 million in pending litigation in the State of Delaware, and for an amount in excess of CAD \$380,000 in an arbitration in the Province of Ontario;
4. 3Motion has developed 6 separate technology applications aimed at medical and workplace injury rehabilitation markets and the sports training markets, and has commercialized them and has existing customers, revenue and accounts receivable in the US and Canada;
5. 3Motion's technology applications are based on intellectual property in the form of a US patent, as well as trademarks, copyrights, trade secrets and know-how;
6. Between the demands of the litigation in which it is involved and a downturn in the new adoptions of its software, its cash and cash flow has declined to the point where it is necessary to restructure. To accomplish that, 3Motion is proposing to have its assets and business sold as a going concern through a SISP conducted by the Proposal Trustee, and then to develop a proposal for the distribution of the proceeds to its creditors;

Approval of the SISP & Enhanced Powers of the Proposal Trustee

7. The SISP, including the procedures and milestones, are consistent with insolvency practices and procedures in like circumstances, are favourable to 3Motion and are reasonable having regard to the circumstances; the SISP will facilitate an efficient transparent, court-supervised process in an attempt to maximize potential realizations on, and/or investment in, the business enterprise;
8. To facilitate the SISP and enable the Proposal Trustee to monitor and facilitate these proposal proceedings and any restructuring initiatives in respect of 3Motion's business,

3Motion is requesting that the authority and power of the Proposal Trustee be enhanced, as set out in the draft initial proposal order;

9. The expansion of the Proposal Trustee's authority and powers is appropriate in the circumstances;
10. the Proposal Trustee has reviewed and agreed to the permissive enhanced powers as set out in the Draft Order;

Interim Financing (DIP Loan)

11. 3Motion will require funding to facilitate these proceedings, to implement the SISP and to fund working capital needs during the NOI period;
12. the DIP Term Sheet between West Tech Fitness Ltd. ("West Tech"), as interim lender, and 3Motion, as joint and several borrowers, will make up to \$750,000 available to 3Motion for use in accordance with the cash flow forecast, conditional on Court approval of the term sheet and the granting of the DIP Charge;
13. West Tech is a non-arm's length entity formed by some of the investors in 3Motion and in addition to making the DIP Loan, may bid for some or all of the assets of 3Motion. The DIP Term Sheet provides that if West Tech so bids, it may credit bid the DIP Loan;
14. The terms of the DIP Term Sheet are reasonable and in line with prevailing insolvency practices, and the proposed borrowings thereunder are appropriate in the circumstances and sufficient to fund 3Motion's cash flow needs through to the end of the extension period sought on the within motion;

DIP Charge

15. 3Motion requests the granting of a first ranking DIP Charge in the amount of \$750,000;

16. The availability of financing under the DIP Term Sheet is conditional on the Court establishing a priority charge against the assets of 3Motion to secure the indebtedness thereunder, ranking behind only the Administration Charge;
17. The ability to access funding under the DIP Term Sheet is critical to the implementation of these proceedings, the SISP and 3Motion's operations during the NOI period;
18. The granting of the DIP Charge is in line with prevailing insolvency practices and the proposed amount thereof is appropriate in the circumstances;

Administration Charge

19. 3Motion's request the granting of a an Administration Charge (ranking behind the DIP Charge) in the amount of \$500,000 to cover the fees of the professionals assisting 3Motion, including the Proposal Trustee and its counsel, and 3Motion's counsel;
20. Each of the proposed beneficiaries of the Administration Charge will play a critical role in 3Motion's proposal proceedings and restructuring steps. It is unlikely that they would agree to participate in these proposal proceedings unless the Administration Charge is granted to secure their fees and disbursements;
21. the granting of the Administration Charge is in line with prevailing insolvency practices and the proposed amount thereof is appropriate in the circumstances;

D&O Indemnity and Charge

22. 3Motion requests the granting the D&O Indemnity for post filing liabilities secured by the D&O Charge in the amount of \$150,000 (ranking behind the Administration Charge), to secure the 3Motion's obligation at law and under the order sought to indemnify its director and officers in respect of claims arising subsequent to the filing of the NOIs;

23. 3Motion has directors and officers insurance, a copy of which policy is an exhibit to the affidavit filed in support of this motion. As is standard, the D&O Charge sought requires recourse first to the insurance before accessing the D&O Charge and provides that the insurer may not subrogate to the D&O Charge;
24. 3Motion's other directors have resigned. 3Motion's sole remaining director will play a critical role in its restructuring, including providing a governance and interim operating structure as the company goes through the Proposal Process. The remaining director is not willing to stay on without the benefit of the D&O Charge as security for 3Motion's indemnification for possible liabilities which they may incur in their capacity as directors;
25. The granting of the D&O Charge is in line with prevailing insolvency practices, and the proposed amount thereof is appropriate in the circumstances. 3Motion has a D&O Insurance Policy which is integrated with the Charge in the standard way – claims must first attempt recourse to the D&O Insurance Policy, but the insurer has no rights of subrogation against the D&O Charge;

Extension to Time to File a Proposal

26. The existing stay of proceedings triggered by the filing of the NOI will expire October 2, 2025 unless extended by Order of this Honourable Court;
27. 3Motion seeks a 45 day extension of time to file a proposal to and including November 14, 2025 in order to provide stability to 3Motion's business while the Proposal Trustee implements the proposed SISP and 3Motion develops its proposal to creditors;
28. 3Motion has, with the assistance of the Proposal Trustee, prepared and filed a cash flow forecast which demonstrates that 3Motion will, with the DIP financing, have sufficient funding to continue operating through to the end of requested extension period;

29. If the requested extension, together with subsequent extensions, are granted, 3Motion will not only be able to implement the SISP but will be able to explore options for making a viable proposal to its creditors in conjunction therewith;
30. Without the extension, 3Motion will not be in a position to make a viable proposal to its creditors before October 2, 2025 and would be deemed bankrupt after the expiry of the stay on that date, to the detriment of its creditors and stakeholders;
31. None of 3Motion's creditors will be materially prejudiced if the requested extension is granted;
32. 3Motion has acted, and is are acting, in good faith and with due diligence;

Support of Proposal Trustee and Other Grounds

33. The Proposal Trustee supports the relief being sought by 3Motion;
34. The proposed DIP lender, West Tech, supports the relief sought herein;
35. There are no existing secured creditors as the debt of the former senior secured creditor, Royal Bank of Canada, was paid off before the NOI was filed in order to simplify 3Motion's proposal process, 3Motion is not presently aware of any creditor which opposes the relief sought;
36. Such other grounds as are set out in the affidavit of Reed Hanoun and in the First Report;
37. The inherent and equitable jurisdiction of this Honourable Court;
38. Sections 50.4(9), 50.6, 64.1 and 64.2 of the BIA;
39. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
40. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. The Affidavit of Reed Hanoun, affirmed September 29, 2025, and the Exhibits attached thereto; and
2. Such further and other documentary evidence as counsel may advise and this Court may permit.

September 29, 2025

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SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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AFFIDAVIT OF REED HANOUN

I, **REED HANOUN**, of the Town of Oakville in the Province of Ontario, **AFFIRM AND STATE:**

1. I am the sole director and officer, as well as the founder of 3MotionAI Inc. (“**3Motion**”) and as such, have personal knowledge of the matters contained in this affidavit. Where facts deposed to in this affidavit are based on information from others, I verily believe such information to be true and accurate.
2. 3Motion is a privately held corporation, incorporated pursuant to the laws of Ontario with its headquarters located in Oakville, Ontario. 3Motion operates as a technology and artificial intelligence company.
3. On September 3, 2025, 3Motion filed a notice of intention to make a proposal (the “**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). TDB Restructuring Limited (“**TDB**”) was named proposal trustee (the “**Proposal Trustee**”) of 3Motion’s proposal process (the “**Proposal Proceeding**”). A copy of the certificate of filing of the NOI from the Superintendent of Bankruptcy in respect of the Proposal Proceeding is attached as **Exhibit ‘A’**.

4. This affidavit is sworn in support of a motion by 3Motion for orders as follows:

Stay Extension, Approval of First Report of the Proposal Trustee, and Expansion of Proposal Trustee Role

- (a) An initial proposal order, among other things;
 - (i) extending the time for 3Motion to file a proposal under section 50.4(9) of the BIA by 45 days to and including November 14, 2025;
 - (ii) approving the first report of the Proposal Trustee, to be filed separately with the Court (the “**First Report**”), and the activities of the Proposal Trustee set out therein;
 - (iii) enhancing the scope of the power and authority of the Proposal Trustee, as set out herein, so as to enable the Proposal Trustee to fully administer the SISP (as defined below) and to monitor and oversee the operations of 3Motion’s business enterprise through the Proposal Proceeding;

DIP Financing Plus DIP, Administration and D&O Charges

- (b) An Order authorizing 3Motion to enter into the interim financing term sheet (the “**DIP Term Sheet**”) with West Tech Fitness Group Inc. (“**West Tech**”) as interim lender, and
 - (i) granting West Tech a super priority charge (the “**DIP Charge**”) in an amount not to exceed \$750,000.00 plus interest, fees and expenses, against 3Motion’s property, assets and undertakings as security for all of 3Motion’s obligations to West Tech under the DIP Term Sheet. The DIP Charge shall rank ahead of all other security trusts encumbrances and claims on 3Motions property assets and undertaking;

- (ii) granting a super-priority charge against 3Motion's property, assets and undertakings (ranking ahead of the DIP Charge) in an amount not to exceed \$500,000, in favour of 3Motion's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel, as security for the professional fees and disbursements of the Proposal Trustee and counsel to the Proposal Trustee and counsel to 3Motion (the "**Administration Charge**"), which shall rank ahead of all other security trusts encumbrances and claims on 3Motions property assets and undertaking except the DIP Charge;
- (iii) granting a charge against 3Motion's property, assets and undertakings (ranking behind the DIP Charge) in an amount not to exceed \$150,000 in favour of 3Motion's directors and officers, to secure 3Motion's obligation to indemnify the directors for certain potential liabilities (the "**D&O Charge**"), which shall rank ahead of all other security trusts encumbrances and claims on 3Motions property assets and undertaking except the DIP Charge and the Administration Charge;

SISP Order

- (c) An Order approving a sale and investment solicitation process for the business and assets of 3Motion, a copy of which is attached below (the "**SISP**") and steps to implement same;

KERP Order

- (d) An Order approving the key employee retention arrangement made between 3M and its CEO, Reed Hanoun ("**RH**") whereby RH was terminated as an employee and released from his non competition and non solicitation obligations and then retained by 3M as a consultant to assist 3M and the Proposal Trustee with its interim operations, SISP, and restructuring, without prejudice to the ability of RH to participate in a non-arms length bid and to assist arms length bidders for and buyers of the assets;

Foreign Representative and Judicial Assistance Order

- (e) An Order further to Section 179 of the BIA appointing the Proposal Trustee as the foreign representative of this proceeding for purposes of making an application for recognition of same under Chapter 15 of the US Bankruptcy Code and to see such other interim and other relief as may be available to 3Motion under the laws of the United States of America and the States composing same, including without limitation under the laws of the State of Delaware (collectively the USA); and further thereto, an Order requesting the aid of assistance of the courts of the USA including the US bankruptcy courts and the court of the State of Delaware in enforcing the stay of proceedings which arose as a result of this proceeding and otherwise giving effect to this order and other orders made in this proceeding.

A. THE BUSINESS ENTERPRISE

a. Background, Ownership and Operations

5. 3Motion is currently insolvent with a total creditors list of approximately \$4.3 million, excluding disputed litigation claims. It has initiated this Proposal Proceeding with the support of its ultimate shareholders in order to stabilize the business enterprise, protect the viability of the business, implement a sales process to maximize returns to stakeholders, and develop a proposal to distribute the proceeds thereof to its creditors.
6. 3Motion's primary business activities include developing its own proprietary technology to analyze and process intricate human motion data from various video sources. This technology can then be integrated into 3Motion's customers' products and services, which once done, gives its customers access to valuable data insights previously obtainable only through expensive motion capture labs and complex wearable suits and sensors. 3Motion's primary technology that achieves the foregoing is known as the 3DNeuroNet Engine, and

combines computer vision, artificial intelligence and machine learning all in one platform to deliver activity-specific data. 3Motion's technology has applications in various fields including health technology, occupational and workplace safety, and sports performance enhancement and training.

7. All of those platforms are owned and managed by 3Motion, the operation of which I lead. Together with the Hanoun Family Trust, I own approximately 18% of 3Motion's equity, 3Motion's shares are owned by approximately 66 different persons as reflected in the capital structure table attached hereto as **Exhibit 'B'**.
8. The equity financing of the company consists of share investments and investments made via Simple Agreements for Future Equity (known as "SAFEs, an instrument originally developed by silicon valley to finance tech companies). SAFE investments have attributes of debt and equity: they can convert to equity, but where, as in the present situation, there is an insolvency or liquidation event they retain status as debt. The question of what rank they have vis a vis other creditors will be addressed at the time a proposal to creditors is tabled in the Proposal Process.

b. Business Assets

9. 3Motion's assets consist primarily in the following software applications each of which has its own intellectual property base:
 - (a) RiskAI – offers workplace solutions;
 - (b) ROSA - offers office ergonomics solutions;

- (c) PerformAI - offers fitness testing solutions;
- (d) HealthAI - offers physical therapy solutions.
- (e) ProPlayAI – offers baseball pitching mechanics analysis; and
- (f) Sports AI – offers multi sport biomechanics analysis which can be tailored to specific sports.

These technology modules and their associated technology stacks are described in more detail in 3Motion’s Business Overview Document current to September 2025, which is attached hereto as Exhibit “C”.

10. 3Motion raised capital from Nandaka Investments LLC in December 2024, along with participation from several existing 3Motion investors. The total raise amounted to USD \$1.25m. The pre-money valuation for this round was USD \$20m (approximately CAD \$28m). This valuation was slightly higher than that of prior investments completed in late 2023 and early 2024.
11. The intellectual property underpinning these 6 applications is a mix of copyright in the software for each application, trademark protection for the branding of each application, a US patent for the Prolay AI technology, and trade secrets and know how pertinent to each application. Details of the registered trademarks and the US patent held by 3Motion is attached as **Exhibit ‘D’**.

12. In addition to the 6 technology modules, 3Motion has licensing contracts with customers who are users of those modules, and consequent pending accounts receivable owing by those customers of \$738,737 as of the date of this affidavit.
13. 3Motion has one large non-current account receivable – an arbitration award for \$978,913 against an Ohio corporation, PT Genie, LLC (“PT Genie”), which 3Motion is presently seeking to convert to an Ontario judgment. Research indicates that PT Genie may have conveyed its assets to a new company or companies controlled by the same principal, a Dr. Gobezie who runs a shoulder surgery clinic in Ohio and related businesses. Hence to collect on the judgment would involve a tracing exercise in the United States. Rather than invest funds in that given current cash limitations, the judgment and related assets will be included in the assets offered for sale in the SISP.
14. 3Motion’s financial statements for 2024 and its current internal balance sheet and income statement as of September 29, 2024, both of which show the book value of 3Motion’s assets, which are attached further below as Exhibit “H”. As noted above, the technology assets are believed to be far more valuable than book value.

B. CREDITORS

a. Secured Creditors

15. There are no secured creditors.
16. A copy of a *PPSA* search report for Ontario in respect of 3Motion is attached as **Exhibit ‘E’**. As appears from the search report, there is one registration against 3Motion in favour of Royal Bank of Canada (“RBC”). However, the RBC loan which this secures, which

was about \$220,000 at the time, was paid off by 3Motion from cash on hand in preparation for the filing, in order to simplify the BIA process. As they were determined by 3Motion to be validly secured, there was no prejudice to any party in doing so. The Proposal Trustee has reviewed this payout and has taken no objection.

b. Unsecured Creditors

17. As at August 25, 2025, 3Motion's books and records show that there are approximately 26 different unsecured creditors (inclusive of the SAFEs which constitute a significant portion of the unsecured debt) with debts totaling approximately \$4.3 million. A copy 3Motion's filed Form 33 listing its creditors is attached hereto as **Exhibit 'F'**.

c. Pending Litigation Against 3Motion

18. 3Motion is involved in two material lawsuits.
19. One is an arbitration in Ontario brought by Accentiko Inc. ("**Accentiko**") arising from a commercial dispute over 3Motion products, which has resulted in an arbitration award against 3Motion in the amount of CAD \$387, 377.61 exclusive of further interest and costs. Accentiko was seeking to convert that to a judgment when the NOI filing was made staying that proceeding.
20. A second and more material lawsuit is Velocity Litigation noted above, brought by Velocity against 3Motion in the Delaware Chancery Court in the United States. In the Velocity Litigation, Velocity is seeking (i) injunctive relief preventing 3Motion from competing in certain business sectors; and (ii) damages of between USD \$1,613,997 and USD \$5,379,990 based on an alleged loss of revenue due to 3Motion's alleged breach of

its non-competition obligations under a ‘Platforms Acquisition and Development Agreement’ entered into between Velocity and 3Motion on March 2, 2022. In that agreement, Velocity bought one of 3Motion’s former technology platforms. The dispute is really over whether the non-compete covered just developing a product to compete with that platform, or prevented 3Motion from seeking customers in the entire sector in which that platform might be offered to customers. 3Motion denies any wrongdoing and disputes both liability and damages and asserts that nothing is owing and that even if it were that damages are nominal. Although injunctive relief is sought, no interim injunction was neither sought nor obtained. Attached hereto as **Exhibit ‘G’** is the filed Complaint as well as 3Motion’s Answer.

21. The documentary production deadline has expired in that case and Velocity is now seeking to conduct depositions and other steps in the case as is detailed further below in the discussion of the relief under Chapter 15 of the US Bankruptcy Code proposed to be sought on behalf of 3Motion.

d. Employees

22. 3Motion is a technology company that since inception has had a small number of direct employees and sub-contracts various services. It currently has 5 employees.

C. CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDING

23. The primary cause of 3Motion’s financial difficulties has been the exhaustion of its cash resources. In particular, the expense of defending the Velocity Litigation, has been a significant financial burden, diverting liquidity and disrupting operations (the “**Velocity Litigation**” also referred to below in the discussion of Chapter 15 as the “**Delaware**

Litigation”). As well Velocity’s subpoenas issued in this litigation to core customers of 3Motion has caused a loss of revenue from those core customers as it makes them wary of dealing with 3Motion.

24. Velocity is a large US company and claims to be the global leader in its sector (the EHS stands for Employee Health and Safety). Here is an extract from a September 16, 2025 press release by Velocity describing the company which can be found here: <https://www.ehs.com/press-releases/velocityehs-unveils-velo-new-ai-assistant-aims-to-break-the-workplace-safety-plateau/>

“About VelocityEHS

VelocityEHS is the global leader in EHS & Sustainability software, pioneering human-centered AI to make workplaces safer, faster. Protecting over 10 million workers worldwide, our Accelerate® Platform—powered by VelocityAI—delivers AI-driven innovation across Safety, Ergonomics, Chemical Management, and Operational Risk, and with standalone solutions Contractor Safety & Permit to Work, Environmental Compliance, and Sustainability.

With the industry’s deepest bench of certified experts—from PhD AI/ML scientists to board-certified ergonomists and safety professionals—VelocityEHS ensures trusted, human-in-the-loop oversight”.

25. Velocity is using Weil Gotshal as its co-counsel in the litigation (in addition to local Delaware counsel), a large and well-respected Wall Street firm which advertises on its website that it takes a “trial ready” approach to litigation (see <https://www.weil.com/experience/departments/litigation/>):

“Key to delivering such full-range, high-quality legal services is our multi-national bench of attorneys that offers exceptional qualifications and academic and technological credentials, all shaped by one unifying principle: a client-focused, trial-ready approach to litigating cases, regardless of subject matter, jurisdiction, or discipline. Guided by this principle, we obtain the most favorable and efficient litigation outcomes for our clients based on a view both of the current situation and our clients’ future needs. Our record, not only at trial but in all phases of dispute resolution, underscores the benefits of our approach.”

The trial ready approach can have the effect of making the defence of litigation relatively expensive for smaller companies like 3Motion, and that has been 3Motion's experience to date.

26. 3Motion is concerned that an effect of the litigation might be to suppress competition, as one of Velocity's competitors, Benchmark, is a material investor in 3Motion. However, the cost of trying to prove that or seek remedies under competition law would be beyond 3Motion's current resources.
27. The costs of fighting the Velocity Litigation have not only been a substantial cash drain but has also diverted management time away from growing the business.
28. Even more importantly, the existence of the litigation tends to undermine 3Motion's ability to attract and secure new investment, which leads to an inability to replenish its cash resources. 3Motion had a signed term sheet for a USD \$3 Million investment in the company from a private equity group that was scheduled to close in September, but the investor withdrew in August as a result of the uncertainty caused by the Velocity litigation. The loss of that investment led to the conclusion that filing for bankruptcy protection was inevitable.
29. In addition to 3Motion incurring its own legal fees in the case, Velocity recently obtained a cost award against 3Motion in the Velocity Litigation for slightly in excess of USD \$58,000. The award is not payable until the end of November 2025. Continuance of the Velocity Litigation and enforcement of that cost award would be stayed by the Chapter 15 proceedings being brought on behalf of 3Motion as discussed below.

30. While the 3Motion technology is promising, and is being commercialized, the rate at which it is being commercialized is not proceeding as quickly as hoped. As a result, 3Motion has experienced a significant decline in revenue starting 2024, which in addition to the cash drain from the Velocity Litigation, is also depleting cash flow. As demonstrated on 3Motion's 2024 income statement and balance sheet attached hereto as **Exhibit 'H'**, 3Motion went from a profit in 2023 of \$566,000 to a loss of \$1.23 Million in 2024, and its accumulated deficit increased from \$3,774,326 in 2023 to \$5,004,484 in 2024 as well. The negative income has continued in 2025. I believe the accumulated deficit would increase this year as well absent this filing. Also attached at Exhibit "H is 3Motions internal income statement and balance sheet current to September 29, 2025.
31. Specifically gross revenue declined \$6.1 Million in 2023 to \$2.8 million in 2024 even though revenue from supports services and subscription fees from existing customers increased from 1.6 Million to 2.3 Million. What decreased was integration revenue from building new products for new and existing customers using 3Motion technology, which when finished generate support and subscription revenue. In short there was a slow down in the rate of adoption of 3Motion products, but the products once adopted generate increasing revenue. I believe the slowdown in new product integration/adoption is reversible, but 3Motion needs additional capital to achieve that, which is not available in its current distressed circumstances.
32. With cash flow constraints intensifying, and access to external financing curtailed, 3Motion has determined that the Proposal Proceeding is necessary to provide a framework to stabilize operations, preserve value, arrange the orderly marketing and sale of its business and assets, and develop a proposal for the distribution of the proceeds. This course is the

only realistic options at this time for the company and is in the best interests of its stakeholders.

D. CASH FLOW, DIP FINANCING & DIP CHARGE

33. As required by the BIA, 3Motion prepared a cash flow and the Proposal Trustee prepared a report on same and it was duly filed within the 10 days provided by the BIA (the “**Cash Flow**”), a copy of which will be attached to the First Report.
34. The Cash Flow suggests that 3Motion could operate through the restructuring process with the projected receipts and disbursements. That said, the forecast leaves little room for error. Accordingly, out of prudence, the Company is seeking approval of a DIP facility, which will be available if required to support working capital and the SISP.
35. To back stop the cash flow requirements of 3Motion during the Proposal Process, West Tech, in its capacity as the proposed lender under the DIP Term Sheet (the “**DIP Lender**”), has offered to make available to 3Motion a debtor-in possession loan in the maximum amount of \$750,000.00 (the “**DIP Loan**”) pursuant to the terms of the DIP Term Sheet, substantially in the form attached as **Exhibit ‘I’**, to fund operations and the cash shortfall anticipated in the Extended Cash Flow. As noted below, West Tech is capitalized by some of the investors in 3M, and I am a participant and as such it is not arm’s length.
36. The DIP Term sheet contemplates that the DIP Lender may also submit a bid for some or all of the assets of 3Motion in its SISP process, and permits the DIP Lender to credit bid its DIP Loan and any other secured debt owed to the DIP Lender.

37. The DIP Term Sheet is conditional on the Court granting an order, on terms acceptable to the DIP Lender, which, among other things, grants the DIP Charge on the property assets and undertaking of 3 Motion, which shall rank in priority to all other security, trusts (whether Statutory or otherwise), encumbrances and claims on the property assets and undertaking of 3 Motion.
38. 3Motion believes that the terms of the DIP Term Sheet are reasonable in the circumstances and should be approved. In the absence of the DIP Loan, 3Motion will not be able to conduct the SISP and will be forced to shut down the business and commence a liquidation of their assets, resulting in the loss of value and jobs, which would be detrimental to all of 3Motion's creditors and stakeholders.

E. ADMINISTRATION CHARGE

39. To ensure payment of the fees and expenses of each of 3Motion's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel, and any fee incurred by any third-party sales agent engaged by the Proposal Trustee, 3Motion seeks the Administration Charge, which is to rank in priority to all security, trusts (whether statutory or otherwise), encumbrances and claims on the property assets and undertaking of 3 Motion excepting the DIP Charge.
40. The Administration Charge is reasonable in the circumstances. The continued services of the professionals are critical to the progress and success of these Proposal Proceedings and the SISP and, without such charge, the foregoing professionals are unlikely to continue in their capacities in support of these Proposal Proceedings.

F. D&O INDEMNITY AND CHARGE

41. As part of the Proposal Proceeding, 3Motion is seeking the D&O Indemnity for possible liabilities that may be incurred by the directors and officers after the filing date, including HST arrears, wages, vacation pay, and source deductions. As well, to secure the D&O Indemnity, it is seeking the D&O Charge which would rank in priority to all other security, trusts (whether statutory or otherwise), encumbrances and claims on the property assets and undertaking of 3 Motion, with the exception of the DIP Charge and the Administration Charge.
42. Granting the D&O Indemnity and D&O Charge is reasonable in the circumstances my staying on as director provides an interim operating and governance structure for 3Motion that allows the Proposal Process to be carried out, and sale transactions to be completed, which will benefit the stakeholders. Providing coverage for the risk of unpaid statutory claims that accrue while I am staying on in this role is a reasonable trade off. I would not be willing to stay on without that protection.
43. As well 3Motion has a D&O Insurance Policy, a copy of which is attached hereto and marked as Exhibit “J”, and the D&O Charge sought requires that I first have recourse to that policy if it provides coverage before being reimbursed out of the D&O Charge. At the same time, the D&O Charge sought provides that the insurer does not subrogate to the D&O Charge if it pays out a claim. As I understand it, these are standard provisions in a D&O Charge in a BIA proposal process.

G. RANK OF CHARGES

44. The ranking of the charges is DIP Charge first, the Administration Charge second and the D&O Charge third. All of these charges are to rank in priority to all other security, trusts (whether statutory or otherwise), encumbrances and claims on the property assets and undertaking of 3 Motion.

H. THE SISP

45. The Proposal Trustee, in consultation with West Tech and 3Motion, and subject to the approval of this Court, developed a detailed SISP to be administered by the Proposal Trustee, as summarized below and detailed in the draft SISP Terms, a copy of which is attached as **Exhibit 'K'**. The final SISP will be appended to the First Report. I understand that the SISP terms largely follow the standard form commonly used for such processes.
46. The purpose of having the Proposal Trustee rather than 3Motion administer the process is the expectation that I will participate or assist with one or more bids for the assets. Specifically, it is anticipated that I will participate in a bid by West Tech for some of the assets. West Tech is controlled by some of the existing investors in 3Motion and is planning to offer other existing investors a chance to participate in West Tech. Hence it is not at arm's length. As well, it is anticipated that I may be asked to assist some potential arm's length bidders with their bids and/or their post sale integration process, as my knowledge of the technology stacks as the key developer of same would assist bidders in understanding and maximizing value from a purchase of the assets. It is anticipated that the involvement of management in the bids (and post sale integration by successful bidders) will help put bidders in a position to make higher offers for the assets than they otherwise

may be able to do. Given these potential buy side roles of management in the bidding process, having the process run by the Proposal Trustee ensures there is an independent party in charge of the process and the evaluation of the bids.

47. The following is a summary of the SISP:

- (a) the SISP contemplates a dual track process, which will allow for the acceptance of bids for investments and restructuring proposals, as well as bids to acquire the business and assets of 3Motion (the “**Opportunity**”);
- (b) the Proposal Trustee will administer the SISP;
- (c) as soon as reasonably practicable, the Proposal Trustee will prepare a list of potentially interested parties for participation in the SISP and will provide them with a ‘teaser’ to participate in the SISP;
- (d) all participants will be required to execute a non-disclosure agreement and disclose indirect and direct principals of the participant;
- (e) any party executing a non-disclosure and confidentiality agreement will be invited to review a virtual data room including the salient details of the business and assets of 3Motion and to submit non-binding expressions of interest;
- (f) the Proposal Trustee will review the expressions of interest and invite select parties to submit binding letters of intent in the form of a completed agreement of purchase and sale;

- (g) all offers must be, and all transactions will proceed, on an “as is, where is” basis and will not be conditional on diligence or financing;
- (h) whether or not the offer is for all of the assets or just one or some of the 6 technology stacks that comprise the 3Motion business, the offer must assign a separate price for each technology stack to which the bid applies so that the offers can be meaningfully compared by the Proposal Trustee
- (i) the final bid (or bids) will be selected and executed;
- (j) the Proposal Trustee will then seek Court approval of the selected transaction (or transactions); and
- (k) the transaction(s) shall close forthwith after Court approval.

48. In order to advance the SISP Process in the first 30 days of the Proposal Process, 3Motion has done the following in consultation with the Proposal Trustee:

- (a) Updated the virtual data room it had been using in the summer to solicit investors, so that it is ready to be accessed in the SISP Process
- (b) Had a Non-Disclosure Agreement prepared for the SISP and provided that to the the Proposal Trustee for its review;
- (c) Prepared an outline of the business for use in the SISP and provided same to the Proposal Trustee
- (d) Identified potential buyers for the various business modules and provided that to the Proposal Trustee;

- (e) Commenced approaching the most likely buyers on that list to determine their level of interest and shared the results of that with the Proposal Trustee.

49. The purpose of those steps is to allow the Proposal Trustee to achieve a reasonable canvass of the potential market for these assets quickly and to complete the sale process quickly, as 3Motion has to live within the cash flow it has and the timelines set by the SISP. This helps ensure a strong sale process can be conducted within those constraints so that value can be maximized for the stakeholders.

I. KERP

50. In order to:

- (a) harmonize the SISP process with the enhancement to value obtainable by the CEO assisting West Tech and other bidding groups for various of the technology stacks as described above; and to
- (b) provide for my retention in this process to assist the Trustee administer the SISP; provide governance to 3Motion to carry out the court processes and execute transactions for 3Motion, and continue interim operations of 3Motion;

my employment agreement dated November 28, 2019 (“**Employment Agreement**”), including the noncompetition and non-solicitation clauses contained therein, was terminated post-filing by 3Motion by way of a termination agreement (“**Termination Agreement**”), and in its place I entered into a new consulting agreement with 3Motion (“**Consulting Agreement**”) to conduct the roles described in (ii) above. The termination of my Employment Agreement triggers my severance entitlement under my employment

agreement (2 years salary plus accrued bonuses plus benefits), but this is not being paid and instead will become an unsecured claim in the Proposal Process. My compensation under the new Consulting Agreement is in line with my terminated Employment Agreement, except there is no severance or termination pay due on termination or expiry of the arrangement. There is no cash bonus for agreeing to stay on. The only benefit I receive beyond what was in my Employment Agreement is the release of the noncompetition and non-solicitation clauses in that agreement, so I can assist West Tech and potentially other bidders as described above. As noted, that is anticipated to benefit the stakeholders by producing better sale prices. This arrangement was reviewed with the Proposal Trustee before entering into same and both the Termination Agreement and the new Consulting Agreement have been approved by the Proposal Trustee. The agreements are subject to court approval and approval of same is requested in this motion. A copy of my Employment Agreement, the Termination Agreement and the new Consulting Agreement are attached hereto as Exhibits “L“, “M“, and “N“.

J. CHAPTER 15 APPLICATION

51. By resolution of the board, 3Motion has appointed the Proposal Trustee as foreign representative of the Proposal Proceeding (**“Foreign Representative”**) to file a Petition under Chapter 15 of the United States Bankruptcy Code for recognition of the Proposal Proceeding, and to bring a motion for interim relief to stay all proceedings against 3Motion in the United States, including the Velocity Proceeding, and to seek any other relief which may be deemed necessary to give full effect to this restructuring process in the United States. That appointment is understood to be sufficient to constitute the Proposal Trustee

as **Foreign Representative** for Chapter 15 purposes, as the status of the Proposal Trustee as it includes oversight of the insolvency proceeding.

52. For greater certainty, the present motion also requests that the court appoint the Proposal Trustee as foreign representative for that purpose as well pursuant to section 279 of the BIA, and that the court make an order requesting the assistance of courts in the United States in recognizing the Proposal Proceeding and the stay of proceedings which was triggered by 3Motion filing the NOI on September 3, 2025 and in otherwise assisting to give full effect in the United States to Orders made in this proceeding.
53. Recognition of the proceeding in the United States (“U.S.”) is important (i) as 3Motion has US intellectual property, US customers and contracts, and U.S receivables, and as well (ii) to halt the Delaware Litigation against 3Motion, and (iii) to give purchasers of 3Motion assets through the SISP a good root of title immune from attack in the U.S.

K. VELOCITY'S EFFORTS TO CONTINUE THE DELAWARE LITIGATION

54. On September 3, 2025, 3Motion's US counsel in its Delaware litigation with Velocity, Baker Hostettler notified Velocity of the NOI filing and of the stay of proceedings against 3Motion under the BIA triggered by the Proposal Proceeding. However, Velocity declined to stipulate to a stay of the Delaware proceeding and has continued to take steps in the Delaware litigation against 3Motion since being so advised and has indicated its intention to continue to do so. Specifically, Velocity asked the Delaware Chancery Court to enter an order after the NOI filing, and is continuing a motion in the proceeding to compel one of the 3Motion's customers to submit to deposition, and is also proposing to approach the Delaware Court to adjust the schedule for the balance of the litigation. Attached hereto

and marked as Exhibit “O” is the email advising counsel to Velocity of the 3Motion NOI filing and stay sent by 3Motion counsel to Velocity counsel.

55. The Delaware Chancery Court was notified of the proceeding through correspondence by both Velocity and Delaware counsel shortly after, but it is not clear yet whether that court will halt the proceedings. Accordingly, in addition to filing the chapter 15 petition for recognition, 3Motion intends to bring a motion for interim relief under Chapter 15 if necessary to enforce the BIA stay in the United States pending the hearing on recognition of the Chapter 15 proceeding. 3Motion was hoping to avoid the expense of the interim relief motion, but as Velocity is not yet cooperating, it may have no choice.
56. 3Motion has obtained information which suggests that Velocity is subject to the jurisdiction of this court and hence there may be additional relief that may be sought from this Court in respect of Velocity continuing to pursue the Delaware Litigation in the face of the BIA stay. 3Motion would prefer to avoid doing that both to reduce the expense of this process, and because Velocity is going to be invited to be a bidder in this process and it would be better to resolve issues commercially than by other means. As well, the steps taken so far by Velocity have been modest and have not affected 3Motion significantly yet. As such 3Motion has acted with restraint to this point in dealing with Velocity’s steps to advance the Delaware Litigation after being notified of the BIA filing, but as Velocity has now indicated it would like to approach the Delaware Court to set a new schedule for the Delaware Litigation, 3Motion will need to bring a Chapter 15 motion for interim relief shortly if Velocity does not agree to stand down its efforts to advance the Delaware proceeding.

57. A call is scheduled with Velocity counsel for September 30, 2025 and it is hoped that progress will be made in persuading Velocity to cooperate in halting the Delaware Litigation during the Proposal Proceeding, and participating in the SISP, so that perhaps the expense of the additional interim relief to be sought in addition to recognition under Chapter 15 can be avoided.

L. ENHANCED AUTHORITY OF THE PROPOSAL TRUSTEE

58. For the reasons explained above, granting the Proposal Trustee certain enhanced authority and powers, as set out in the draft order enclosed herewith, will assist the Proposal Trustee to more efficiently administer the SISP and monitor 3Motion's business operations during the course of the Proposal Proceeding for the general benefit of stakeholders. The Proposal Trustee has advised that it consents to and supports the enhancement of its authority as set out in the draft order.

M. STAY EXTENSION

59. Under the BIA, the initial stay of proceedings will expire on October 2, 2025. 3Motion is acting in good faith and with due diligence in seeking to preserve their businesses on a going concern basis for the benefit of all of their stakeholders and to permit the Proposal Trustee to implement and conduct the SISP.
60. In order to commence and advance the SISP, 3Motion is seeking an extension of time to file a proposal for 45 days to and including November 14, 2025. In order to allow enough time for the transaction to close after the selection of a successful bidder, 3Motion anticipates seeking an additional extension of the time to file a proposal.

61. Without the present requested extension, 3Motion will not be in a position to carry out the SISP or to make a viable proposal to creditors, and will become automatically bankrupt after the expiry of the current stay on October 2, 2025. That would worsen the position of the stakeholders as a sale in a sale process conducted in a going concern context is likely to produce better results than a sale in a liquidating bankruptcy.
62. 3Motion does not consider that any creditor will be materially prejudiced if the stay extension is granted. The extension is supported by 3Motion, its shareholders, its DIP Lender, and the Proposal Trustee.
63. If the extension sought is granted, and the SISP process is successful in sourcing bidders for the business or parts thereof who close their transactions, 3Motion would be able to make a viable proposal to its creditors for the distribution of the proceeds.

L. CONCLUSION

64. The relief sought on the within motion will provide stability to 3Motion's business and enable 3Motion to pursue a restructuring through the SISP for the benefit of all stakeholders. The relief sought in this motion is supported by 3Motion, its proposed DIP lender West Tech, 3Motion's shareholders, and the Proposal Trustee. Velocity's position on the relief sought is not yet known. At present, 3Motion is not aware of any creditor or stakeholder who oppose the relief sought, or would be materially prejudiced if such relief is granted.

AFFIRMED BEFORE ME remotely by
Reed Hanoun stated as being located in the
Town of Oakville in the Province of Ontario,
before me at the City of Toronto, in the
Province of Ontario on September 29, 2025,
in accordance with O. Reg 431/20,
Administering Oath or Declaration
Remotely.



Commissioner for Taking Affidavits
(or as may be)

STEPHANIE MAYAKI

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.

DocuSigned by:

6BA0A09775E94EF...

REED HANOUN

THIS IS **EXHIBIT “A”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.
THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

**Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.**



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 09 - Mississauga
Court No.: 32-3267656
Estate No.: 32-3267656

In the Matter of the Notice of Intention to make a proposal of:

3MotionAI Inc.

Insolvent Person

TDB Restructuring Limited
Licensed Insolvency Trustee

Date of the Notice of Intention:

September 03, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 03, 2025, 12:49

E-File/Dépôt Electronique

Official Receiver

Canada

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

THIS IS **EXHIBIT “B”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.
THIS 28th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.

3MotionAI Inc Capital Structure (updated as at April 23, 2025)			
	TOTAL (shares+options+w arrants)	% of Total Equity & Debentures	SAFES
Shareholder			
Ornella Hanoun	10,748,100.00	18.67%	\$ -
The Hanoun Family Trust (2009)	10,000,000.00	17.37%	\$ -
Reed Hanoun	500,000.00	0.87%	\$ -
Roxman Investment Inc	6,492,142.00	11.28%	\$ 250,000.00
Gary Clementi	-	0.00%	\$ 100,000.00
Chris Paliare	-	0.00%	\$ 100,000.00
Paul Stoyan	7,642,699.00	13.28%	\$ 250,000.00
David Lithwick	1,030,000.00	1.79%	\$ -
Jacob Lazarovic - (Jake)	216,000.00	0.38%	\$ -
Jim Nikopoulos	150,000.00	0.26%	\$ 100,000.00
Nikopoulos Family Trust	5,851,391.00	10.17%	\$ -
Michael Vivaldi	69,200.00	0.12%	\$ -
Steve Sadler	1,250,000.00	2.17%	\$ 500,000.00
Brain Sonne	53,718.00	0.09%	\$ -
Mike Sonne	1,493,323.00	2.59%	\$ -
Nate Pearson	268,590.00	0.47%	\$ -
Upperhand	48,000.00	0.08%	\$ -
Evan Ross	500,000.00	0.87%	\$ -
Jeremy Fitzgerrald	500,000.00	0.87%	\$ -
Dimentional Stratagies Inc	450,000.00	0.78%	\$ -
Eric Stickney	200,000.00	0.35%	\$ -
Shapiro Family Trust (Stan)	166,666.00	0.29%	\$ 25,000.00
Garry Deneroski	200,000.00	0.35%	\$ -
Olersandr Kaziuka (Alex)	284,351.00	0.49%	\$ -
Richard Birfer	93,750.00	0.16%	\$ -
Michael Holmes	93,750.00	0.16%	\$ -
Ryan Bench	93,750.00	0.16%	\$ -
Colin McKinnon	1,093,750.00	1.90%	\$ -
Casey Mulholland	50,000.00	0.09%	\$ -
Gavin Tighe	174,901.00	0.30%	\$ 250,000.00
Nicholas P. Plaskos Medicine Professional Corporation	874,504.00	1.52%	\$ -
Dr Jason Y Lee Medicine Professional Corporation	524,703.00	0.91%	\$ -
Dr. Aiden Moktassi Medicine Professional Corporation	349,802.00	0.61%	\$ -
Jonathan Cardella	437,252.00	0.76%	\$ -
Dr. Mathew Kuruvilla Professional Medical Corporation	524,703.00	0.91%	\$ -
P. J. Banerjee Medicine Professional Corporation	699,604.00	1.22%	\$ -
Eric Steen	200,000.00	0.35%	\$ -
Randy Bunka	100,000.00	0.17%	\$ -
Nick Dika	100,000.00	0.17%	\$ -
Kevin Horton - GSS Capital	200,000.00	0.35%	\$ -
Gord Gibson	200,000.00	0.35%	\$ -
Mike George	100,000.00	0.17%	\$ -
Lisa Giannone	100,000.00	0.17%	\$ -
Garald Legrove - Legrove and Associated Ltd	100,000.00	0.17%	\$ -
Neil Mitchell	140,000.00	0.24%	\$ -
Dr. David O'Connor	100,000.00	0.17%	\$ -
Joe Vachon	100,000.00	0.17%	\$ -
Cameron Baxendale	100,000.00	0.17%	\$ -
Eric Stickney	80,000.00	0.14%	\$ -
Joshua Howsman	200,000.00	0.35%	\$ -
DonFox	100,000.00	0.17%	\$ -
Vineet Thakkar	100,000.00	0.17%	\$ -
PJS Professional Corporation	450,000.00	0.78%	\$ -
Nikopoulos Family Trust (Jim Nikopoulos)	450,000.00	0.78%	\$ -
Andrew Johnston	65,000.00	0.11%	\$ -
2454738 Ontario - Same Jalees	83,333.00	0.14%	\$ -
Elora Brenneman Wilson	150,000.00	0.26%	\$ -
1000503518 Ontario Inc (Eric Steen)	300,000.00	0.52%	
Joe Vachon	116,666.00	0.20%	
Mike George	150,000.00	0.26%	
Glenoban Ventures Corp. (Neil Mitchell)	116,666.00	0.20%	
Lisa Giannone	333,333.00	0.58%	
NANDAKA INVESTMENTS, LLC,		0.00%	\$ 750,000.00
DonFox	74,000.00	0.13%	
Neil Mitchell	100,000.00	0.17%	
Joshua Howsman	24,000.00	0.04%	
TOTAL	57,557,647.00	100.00%	\$ 2,325,000.00

THIS IS **EXHIBIT “C”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.
THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.



Enhancing Human Function through body and mind data analytics

Perform at your best at home, work and play.

3motionAI exists to solve an industry problem of access to data intelligence necessary for enhancing human function while preventing injuries at scale. AI has penetrated every aspect of life, and human function is the next frontier.

Our North Star

Our operational focus is on facilitating movement-based assessments for our customers. We aim to extract unique insights and valuable data by utilizing our AI-based assessments. The efficiency of our AI-driven processes in handling large datasets surpasses that of traditional analogue methods, resulting in enhanced performance in cognitive and movement domains.

As we expand our platform capabilities to the next phase, our strategic focus will be on harnessing the capabilities of Machine Learning (ML) to scrutinize the interplay between motion and performance for each user. With recent advancements in ML algorithms, we aspire to pioneer the decoding of the intricate relationship between these two fundamental aspects within each domain, thereby refining our personalized recommendations. This phase is dedicated to deepening our comprehension of mind and body performance.

Our ultimate "Northstar" objective is to develop and deploy a highly sophisticated system based on our acquired insights. This system aims to predict outcomes by unravelling the nuanced relationship between an individual's state and their capacity to optimize physical performance.

Our AI and ML systems will evolve beyond analyzing current states, extending to predicting future performance trends and identifying risk factors. Leveraging our platform's capabilities, organizations, performance experts, and healthcare providers will possess the ability to proactively tailor training and programs for athletes, employees, or members, optimizing outcomes. The implementation of predictive models will be a transformative force, positioning 3MotionAI at the forefront of innovation in this field.

The Problem We Address

Human function, the amalgamation of physical fitness, is pivotal for success and safety in various domains such as the workplace, sports, and overall health and well-being. Traditionally, capturing and analyzing how individuals move has been a costly and cumbersome process, demanding a combination of in-person evaluation by ergonomists and coaches, healthcare visits, and the use of expensive motion capture equipment, body-worn sensors, and certified technologists in clinical lab settings for data collection and interpretation. This approach is not only expensive but also lacks scalability.

Our Solution

3MotionAI revolutionizes human function insight by providing scalable AI solutions for pre-and post-injury scenarios, enhancing success and safety in various aspects of life, including home, work, and sports activities. Utilizing user-friendly mobile applications, our platform captures and processes movement videos. The 3MotionAI platform serves as a comprehensive solution, available as a full-stack application or accessible through APIs for clients with existing applications seeking to capture subjects' movement via video.

We empower partners across diverse industries by furnishing them with data and insights to deliver preventive and restorative solutions, thereby promoting optimal human function. Our focused solutions employ research-based algorithms. Simultaneously, our movement-focused solutions tackle the challenges of movement inefficiencies, mitigating associated risks, limitations, and performance issues.

Using any standard cell phone, our platform extracts millions of data bits from videos, leveraging our AI-trained proprietary technology. This platform enables the extraction and analysis of complex motion data from human movement without the need for costly motion capture labs, making our solution more accessible, cost-effective, and efficient. Seamless integration into our partners' products and services provides them with a proven, cost-efficient AI capture and analysis solution, expanding our impact and reach in the market.

3motionAI helps its customers answer questions like:

- What specific movement or postures correlate with an increased risk of Muscular-Skeletal Disorders in the workplace?
- What key movement metrics are essential for effective remote and in person coaching in sports or professional activities?
- How can we provide real-time insights for coaches and scouts, even when physically distant from the athletes or performers?
- How can we support immediate feedback for improvement during real-time rehab/physical therapy sessions?

Our Technology Product Line

The platform is a transformative tool that provides insights that elevate performance, identify potential risks, and proactively prevent injuries. Our proprietary and advanced AI data analytics engine seamlessly integrates into our partners' technologies, providing them access to valuable data that was traditionally obtainable only through costly motion capture labs, complex wearable suits, and sensors. Remarkably, all of this is achieved through the simplicity of a cell phone.

The following are the six distinct software product offerings consisting of individual App and platform access:

RiskAI

RiskAI automates ergonomic risk assessments for workplace tasks using a single camera. It applies recognized methods like REBA and NIOSH to identify high-risk postures and task demands, producing objective scores, visual overlays, and reports. The system helps safety teams scale evaluations across job sites while reducing the time and subjectivity of manual assessments. By digitizing the ergonomics process, RiskAI makes it possible to evaluate entire workforces consistently, highlight recurring risk factors, and document improvements over time with reliable, repeatable data.



PerformAI

PerformAI measures athletic performance through tests such as vertical jump, pushups, squats, single-leg stance, and forward bound. Using video input, it delivers objective data on power, stability, endurance, and mobility. The platform enables athletes and coaches to track progress, identify weaknesses, and target training with consistent, repeatable results. PerformAI is designed for use across training environments, from weight rooms to practice fields, giving performance staff a common framework to benchmark athletes, compare results across teams, and build individualized development plans.



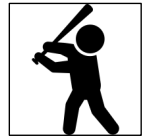
HealthAI

HealthAI focuses telehealth and remote MSK care to assess mobility and range-of-motion testing for general health and rehabilitation. It evaluates neck, shoulder, trunk, hip, and wrist movements along with functional tasks like lunges and deadlifts. Clinicians and wellness professionals receive clear mobility scores and movement data to guide treatment, monitor recovery, and promote long-term health. The system supports preventive care as well as clinical interventions, offering a scalable way to screen populations, track rehabilitation progress, and measure the outcomes of therapy or wellness programs.



SportsAI

SportsAI delivers multi-sport biomechanics analysis using unique activity specific analysis for each sport. The framework now supports baseball pitching, hitting, quarterback throwing, and golf swing assessments, each with task-specific performance metrics. Results include detailed movement analysis, visual overlays, and scoring that can be integrated into athlete development programs and performance platforms. By consolidating multiple sports into a single system, SportsAI provides consistent measures of mechanics and efficiency, allowing coaches, trainers, and organizations to evaluate athletes across disciplines with the same trusted methodology.



ROSA

The Rapid Office Strain Assessment (ROSA) improves office ergonomics through a quick, guided process that helps employees adjust their workstations and receive real-time feedback to reduce discomfort and injury risk. Proven effective in published studies, ROSA lowers downtime and boosts well-being at a fraction of consultant costs. Enhanced with computer vision technology, ROSA combines self-assessment with automated video analysis to deliver greater accuracy and scalability in office ergonomics. This hybrid approach allows organizations to address everyday workstation risks quickly, collect consistent data across large office populations, and take proactive steps to reduce long-term strain and injury.



ProPlayAI

ProPlayAI provides detailed pitching mechanics analysis through a dedicated web and mobile app. Athletes record a single video to receive a full kinematic breakdown, including stride length, hip-shoulder separation, trunk rotation, and arm speed. The system offers validated, lab-grade accuracy in an accessible format, helping pitchers and coaches refine mechanics and reduce injury risk. Built specifically for baseball, ProPlayAI delivers insights trusted by professional and amateur baseball organizations alike, making advanced biomechanics accessible to every level of the game.



THIS IS **EXHIBIT “D”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025

A handwritten signature in blue ink, appearing to read 'Stephanie Isimisi Mayaki', is positioned above a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.

Cross Module - Report

Record ID	Country	Reference Number	Record Type
91016763	United States of America	R-053638-3036	Patent
91253374	Canada	R-053638-3002	TM Application
91253375	United States of America	R-053638-3007	TM Application
91253376	Canada	R-053638-3012	TM Application
91253377	Canada	R-053638-3023	TM Application

Application Title Name	Critical Task List	Application Type
METHOD FOR ASSESSING PITCHERS		Continuation-in-part
ROSA	Due: 2031-03-18 ~ TaskName: RM- RENEWAL	
ROSA	Due: 2027-11-30 ~ TaskName: RM- AFFIDAVIT OF USE Due: 2031-11-30 ~ TaskName: RM- RENEWAL	
MYABILITIES	Due: 2029-12-09 ~ TaskName: RM- RENEWAL	
MY	Due: 2025-08-11 ~ TaskName: SECTION 37(3) NOTICE (2MO) Due: 2025-09-01 ~ TaskName: RENEWAL DEADLINE - Renewal Due: 2026-03-01 ~ TaskName: RENEWAL PERIOD ENDS	

Software IP

Product Code	Market Segment
RiskAI	Workplace Risk Solutions
ProPlayAI	Sports Solutions
ROSA	Office Ergonomics Solutions
PerformAI	Fitness Testing Solutions
HealthAI	Physical Therapy Solutions

Status Type	Application Number	Filed Date	Registration Number	Grant Date	TM Filed Date
Application	17/862,213	2022-07-11			
Registered	1898072		TMA1096244	2021-03-18	2018-05-08
Registered	88/183,273		6,571,632	2021-11-30	2018-11-06
Registered	1814903		TMA1065695	2019-12-09	2016-12-19
Registered	1428427		TMA776069	2010-09-01	2009-02-19

Current Owner/Applicant
ProPlayAI Inc.
3MotionAI Inc.
MyAbilities Technologies Inc.
3MotionAI Inc.
3MotionAI Inc.

Status

Merged to form 3motionAI

Merged to form 3motionAI

Merged to form 3motionAI

THIS IS **EXHIBIT “E”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.
THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.

Gardiner Roberts LLP

PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO:

3MOTIONAI INC.

eSummary Requested By: Gardiner Roberts LLP

PPSA Enquiry ID: 1033927

File Currency: June 10, 2025

DISCLAIMER:

This report was produced by a compilation of data retrieved from the Personal Property Registration System, Ministry of Government Services, Government of Ontario. Dye & Durham Corporation is not responsible for the accuracy, reliability or currency of the information provided by this external source. The purchaser of this report has agreed with consideration at the time of purchase to assume all liability and further indemnify Dye & Durham Corporation for any and all damages and costs resulting from any matter related to the content of this report. Users wishing to rely upon this information should consult directly with the source of the information. No liability is undertaken by Dye & Durham Corporation regarding the completeness, correctness or the interpretation or use which may be made of this report.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
1.	792267372 PPSA	1	20230412 0915 1532 3808 Reg. 05 year(s) Expires 04/12/2028	3MOTIONAI INC.	ROYAL BANK OF CANADA		X	X	X	X	X
General Collateral Description: THE ACQUIRED PERSONAL PROPERTY INCLUDING, WITHOUT LIMITATION, IN ALL GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OF DEBTOR AND ALL PROCEEDS AND RENEWALS THEREOF, ACCRETIONS THERETO AND SUBSTITUTIONS THEREFOR, AND INCLUDING, WITHOUT LIMITATION, ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OF DEBTOR, ALL INVENTORY, ALL EQUIPMENT, ALL DEBTS, ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND OTHER BOOKS RELATING TO OR BEING RECORDS OF DEBTS, CHATTEL PAPER OR DOCUMENTS OF TITLE, ALL CONTRACTUAL RIGHTS AND INSURANCE CLAIMS AND ALL GOODWILL, PATENTS, TRADEMARKS, COPYRIGHTS, AND OTHER INDUSTRIAL PROPERTY.											



PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM (ONTARIO) ENQUIRY RESULTS

Prepared for :	Gardiner Roberts LLP - Wil Stewart
Reference :	S. Chapman/Wil Stewart
Docket :	124451
Search ID :	1033927
Date Processed :	6/11/2025 5:32:31 PM
Report Type :	PPSA Electronic Response
Search Conducted on :	3MOTIONAI INC.
Search Type :	Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 3MOTIONAI INC.

FILE CURRENCY: June 10, 2025

RESPONSE CONTAINS: APPROXIMATELY 1 FAMILIES and 4 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 3MOTIONAI INC.

FILE CURRENCY: June 10, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 4

SEARCH : BD : 3MOTIONAI INC.

00 FILE NUMBER : 792267372 EXPIRY DATE : 12APR 2028 STATUS :
01 CAUTION FILING : PAGE : 001 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20230412 0915 1532 3808 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: 3MOTIONAI INC.
OCN :
04 ADDRESS : SUITE 61029, 19-511 MAPLE GROVE RD.
CITY : OAKVILLE PROV: ON POSTAL CODE: L6J7P5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ROYAL BANK OF CANADA
09 ADDRESS : 36 YORK MILLS ROAD, 4TH FLOOR
CITY : TORONTO PROV: ON POSTAL CODE: M2P 0A4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 THE ACQUIRED PERSONAL PROPERTY INCLUDING, WITHOUT LIMITATION, IN ALL
14 GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES,
15 MONEY AND SECURITIES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR
16 AGENT: D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 3MOTIONAI INC.

FILE CURRENCY: June 10, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 2 OF 4

SEARCH : BD : 3MOTIONAI INC.

00 FILE NUMBER : 792267372 EXPIRY DATE : 12APR 2028 STATUS :
01 CAUTION FILING : PAGE : 002 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20230412 0915 1532 3808 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 ON BEHALF OF DEBTOR AND ALL PROCEEDS AND RENEWALS THEREOF, ACCRETIONS
14 THERETO AND SUBSTITUTIONS THEREFOR, AND INCLUDING, WITHOUT
15 LIMITATION, ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR
16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 3MOTIONAI INC.

FILE CURRENCY: June 10, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 3 OF 4

SEARCH : BD : 3MOTIONAI INC.

00 FILE NUMBER : 792267372 EXPIRY DATE : 12APR 2028 STATUS :
01 CAUTION FILING : PAGE : 003 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20230412 0915 1532 3808 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 ACQUIRED BY OR ON BEHALF OF DEBTOR, ALL INVENTORY, ALL EQUIPMENT, ALL
14 DEBTS, ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND
15 OTHER BOOKS RELATING TO OR BEING RECORDS OF DEBTS, CHATTEL PAPER OR
16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 3MOTIONAI INC.

FILE CURRENCY: June 10, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 4 OF 4

SEARCH : BD : 3MOTIONAI INC.

00 FILE NUMBER : 792267372 EXPIRY DATE : 12APR 2028 STATUS :
01 CAUTION FILING : PAGE : 004 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20230412 0915 1532 3808 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 DOCUMENTS OF TITLE, ALL CONTRACTUAL RIGHTS AND INSURANCE CLAIMS AND
14 ALL GOODWILL, PATENTS, TRADEMARKS, COPYRIGHTS, AND OTHER INDUSTRIAL
15 PROPERTY.

16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:
LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

THIS IS **EXHIBIT “F”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
3MotionAI Inc.
of the Town of Oakville
in the Province of Ontario

Take notice that:

1. I, 3MotionAI Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. TDB Restructuring Limited of 11 King Street W., Suite 700, Box 27, Toronto, ON, M5H 4C7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of September 2025.



3MotionAI Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
3MotionAI Inc.
of the Town of Oakville
in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
A1 Innovation	Verdant Shreeji Enclave Nr. Science City Sola Ahmedabad 380060 India		26,112.67
Aakash Infosoft Pvt. Ltd.	A1306 Sankalp Iconic Tower Opp ISRO Colony Road Iskcon Ambli Road Ahmedabad 380054 India		106,995.88
Accentiko Inc.	8 The Greet, STEB Dover DE 19901 USA		381,377.61
Alexander Kaziuka	201-111 Lawton Blvd Toronto ON M4V 1Z9		13,560.00
Baker & Hostetler	45 Rockefeller Plaza New York NY 10111-0100 USA		226,766.26
Benchmark Digital Partners			7,131.67
Chris Paliare			100,000.00
Datadog, Inc.	DEPT CH 17763 Palatine IL 60055-7763 USA		5,017.01
Dimensional Strategies Inc	34 Minowan Mikan Lane Toronto ON M6J0G3		33,900.00
Ergo Health & Safety Solutions, Inc.	221 E. Lake St. Suite 101 Addison IL 60101 USA		15,345.00
Fuller Landau LLP	151 Bloor St. W., 12th Floor Toronto ON M5S 1S4		11,300.00
Gardiner Roberts LLP	Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600 Toronto ON M5H4E3		141,356.18
Gary Clementi			100,000.00
Gavin Tighe			250,000.00
Glenoban Ventures Corp	52 HEDGEWOOD DRIVE MARKHAM ON L3R 6K3		11,865.00

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
3MotionAI Inc.
of the Town of Oakville
in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Hype Coast Digital Inc.	511 Lacolle Way #8166 Ottawa ON K4A 5B6		1,243.00
Jim Nikopoulos			100,000.00
Nandaka Investmens LLC			1,725,000.00
Paul Stoyan			250,000.00
Pilot PMR	07-250 The Esplanade, ON M5A 1J2 Toronto ON		47,460.00
Richard Walsh	113 Kennemer Ct Johns Creek, GA 30097 USA		17,150.06
Roxman Investments Inc	19 - 511 Maple Grove Rd., Suite 61029 Oakville ON L6J 7P5		250,000.00
Shapiro Family Trust			25,000.00
Steve Sadler			500,000.00
Taligent CPA Professional Corporation	150 Jardin Drive, Unit 9, Concord ON L4K 3P9		7,037.06
Upperhand Inc.	55 Caledon Mountain Dr, Belfountain ON L7K 0G1		42,375.00
Total			4,395,992.40



3MotionAI Inc.
Insolvent Person

THIS IS **EXHIBIT “G”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.
THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

VELOCITYEHS HOLDINGS, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 2024-0957-MTZ
	)	PUBLIC VERSION FILED:
3MOTIONAI, INC.,	)	September 20, 2024
	)	
Defendant.	)	

VERIFIED COMPLAINT

Plaintiff VelocityEHS Holdings, Inc. (“VelocityEHS”), by and through its undersigned counsel, for its Verified Complaint against Defendant 3MotionAI, Inc. (“3MotionAI”), alleges as follows:

NATURE OF THE ACTION

1. VelocityEHS is a provider of artificial intelligence powered environmental, health, and safety management software solutions. Broadly speaking, the management software that VelocityEHS provides allows users to assess risks in the workplace, manage incident reports, and comply with regulations regarding workplace safety.

2. On March 2, 2022, VelocityEHS and 3MotionAI entered into a Platforms Acquisition and Development Agreement (the “Agreement”) pursuant to which VelocityEHS agreed to acquire two platforms -- JobX and ClaimX (together, the “Platforms”) -- from 3MotionAI. The Agreement is attached as **Exhibit A**.

3. The Platforms are broad software offerings in the workplace assessment space. JobX is a software program that automates the process for building, maintaining, and conducting job analyses through the creation of job profiles. ClaimX is a software program that leverages the profiles developed by JobX to assist injured employees in returning to work. The Platforms and VelocityEHS's other workplace assessment offerings form a suite of workplace assessment products, from which VelocityEHS generates millions of dollars per year.

4. Section 16.1 of the Agreement, titled "Noncompetition," prohibits 3MotionAI from "directly (or indirectly through any affiliated entity or through the encouragement or facilitation of a third party) . . . developing, acquiring, offering to others, or providing, licensing, selling or transferring to others, directly or indirectly, any materials, software, platforms, or other solutions which are competitive with the Platforms" for a period of two years from the date of delivery of the Platforms to VelocityEHS.

5. 3MotionAI's promise not to develop any competitive offerings for two years was critical to the bargain struck between 3MotionAI and VelocityEHS in the Agreement. Indeed, during the negotiation of the Agreement, VelocityEHS made clear to 3MotionAI that it did not want 3MotionAI developing competitive offerings.

6. 3MotionAI's CEO, Reed Hanoun, in turn, repeatedly assured VelocityEHS that 3MotionAI had no intention of developing, and would not develop,

offerings in workplace risk assessment while the Agreement was in place but, instead, would restrict its efforts to the development of offerings in rehabilitation, healthcare, and sports performance, resulting in the parties specifically agreeing to the non-competition language in Section 16.1. Therefore, to the extent 3MotionAI now contends that Section 16.1 of the Agreement does not broadly prohibit 3MotionAI from developing offerings in the workplace assessment space for two years, 3MotionAI fraudulently induced VelocityEHS to enter into the Agreement.

7. On September 1, 2022, 3MotionAI delivered the Platforms to VelocityEHS and, thus, 3MotionAI's obligations under Section 16.1 of the Agreement ran through September 1, 2024 (and thereafter to the extent competitive actions were started before, but continue after, that date).

8. Notwithstanding 3MotionAI's obligation not to compete with the Platforms, VelocityEHS has recently learned due to the loss of several customers, that almost immediately after transferring the Platforms to VelocityEHS on September 1, 2022, 3MotionAI, in contravention of Section 16.1, began developing (or otherwise participating in the development of) *directly* competitive offerings, and partnered with *direct* competitors of VelocityEHS to make those competitive offerings available to the broader marketplace.

9. In the alternative, to the extent that 3MotionAI contends that Section 16.1 of the Agreement somehow does not prohibit this competition because

3MotionAI did not wholly independently develop an offering that competes with the Platforms, 3MotionAI's partnerships with VelocityEHS's direct competitors would still breach the implied covenant of good faith and fair dealing that inheres in all contracts, including the Agreement, because it was an obvious, implied term of the Agreement that 3MotionAI would not be allowed to work with other companies to create offerings that *directly* compete with the Platforms.

10. As a result of 3MotionAI's breaches of the Agreement, 3MotionAI has caused irreparable harm to VelocityEHS's business, including the loss of customers, business opportunities, and goodwill. Without the Court's intervention, VelocityEHS will continue to suffer significant, irreparable harm.

11. As a result, VelocityEHS seeks a permanent injunction (i) ordering 3MotionAI to cease developing any technology that it began working on, and terminate any partnerships that began, during the non-competition period of September 1, 2022 to September 1, 2024 that compete, directly or indirectly, with the Platforms and (ii) extending the term of Section 16.1 by 22 months (the length of time for which 3MotionAI has been breaching the Agreement). In addition, VelocityEHS seeks money damages for lost customers and business opportunities, as described below.

PARTIES

12. Plaintiff VelocityEHS is a Delaware corporation, whose principal place of business is located at 222 Merchandise Mart Plaza, Suite 1750, Chicago, IL 60654.

13. Defendant 3MotionAI is an Ontario corporation, whose principal place of business is located at 19-511 Maple Grove Road, Suite 61029, Oakville, ON L6J 7P5, Canada.

JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction over this action pursuant to 10 *Del. C.* § 341, which empowers this Court “to hear and determine all matters and causes in equity.” The parties have separately stipulated to jurisdiction through Section 17.11 of the Agreement, which provides, in part, that “[a]ny legal suit, action, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be instituted in the federal or state courts located in Delaware, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such legal suit, action, or proceeding.”

FACTUAL BACKGROUND

I. The Parties And The Platforms

15. VelocityEHS is a provider of artificial intelligence powered environmental, health, and safety management software solutions.

16. 3MotionAI is a software company that develops artificial intelligence solutions for a variety of industries based on movement, such as the movement of people and animals. 3MotionAI created the JobX and ClaimX platforms, which it sold to VelocityEHS under the Agreement.

17. JobX is a software program that automates the process for building, maintaining, and conducting job analyses. Job X provides users the ability to create, edit, and review a digital profile of a job, and it allows users to define the physical, cognitive, and psychosocial demands associated with that particular job. JobX does this by assigning different “demand scores” based on the level of physical or cognitive or psychosocial demands associated with a particular job.

18. JobX allows users to view the physical demands associated with a particular job profile and understand how those physical demands affect a particular part of the human body and the body as a whole. JobX includes a “Body Avatar” feature, which highlights physical demands on various body parts, signifying how those demands affect the body. Job X’s Body Avatar allows users to click on any part of the body and see the corresponding physical demands based on their intensity level.

19. ClaimX is a software program that leverages the profiles developed by JobX to assist injured employees in returning to work. ClaimX centralizes and categorizes communication between an employer, claims staff at that employer, and

an injured employee for the purposes of information gathering, analysis, and sharing updates with return-to-work coordinators.

20. Like JobX, ClaimX also evaluates the physical demands of a job on an employee, but in the context of an injured employee returning to work. Through its “Functional Abilities Evaluation,” ClaimX matches injured employees with JobX’s job profiles to analyze when an injured employee can return to work safely with accommodations and/or identify modified jobs that could potentially be suitable for the employee going forward.

II. The Parties’ Negotiations

21. In October 2020, Mr. Hanoun, acting on behalf of 3MotionAI, approached VelocityEHS to inquire whether VelocityEHS would be interested in purchasing the Platforms.

22. Over the course of several conversations, Mr. Hanoun indicated that 3MotionAI was having difficulty scaling its sales and marketing team due to problems caused by the COVID-19 pandemic and that 3MotionAI was interested in a sale of the Platforms in order to recover the money that 3MotionAI (and Mr. Hanoun himself) had spent creating the Platforms. VelocityEHS indicated that it was interested in such a sale.

23. During the course of the negotiations from October 2020 through March 2022, Mr. Hanoun and VelocityEHS’s CFO, Michael Martens, explicitly discussed

the importance of non-competition. From the start of those negotiations, Mr. Martens made clear that were VelocityEHS to purchase the Platforms, 3MotionAI would have to agree not to compete with the Platforms or develop offerings for other companies operating in the workplace assessment space. Mr. Hanoun agreed. Indeed, continuously throughout the negotiations, Mr. Hanoun represented to Mr. Martens and other representatives of VelocityEHS that 3MotionAI would not engage in the development of any software, platforms, solutions, or other technology for use in the workplace assessment space. Instead, Mr. Hanoun represented to VelocityEHS that 3MotionAI, post-signing of the Agreement, would limit its efforts to developing offerings in rehabilitation, healthcare, and sports performance.

24. On March 2, 2022, VelocityEHS and 3MotionAI entered into the Agreement, pursuant to which VelocityEHS agreed to purchase the Platforms. Under the Agreement, VelocityEHS was required to pay \$ [REDACTED] (the “Acquired Rights Purchase Price”) immediately upon the execution of the Agreement and upon its independent verification that documents transferring ownership of the Platforms had been deposited in an escrow account. While ownership of the Platforms sat in escrow, 3MotionAI separately worked to enhance the Platforms. If 3MotionAI successfully developed and delivered those enhanced assets within the timeframe contemplated by the Agreement, VelocityEHS was required to pay 3MotionAI an additional \$ [REDACTED] (the “Final Payment”).

25. Section 16.1 of the Agreement contains the non-competition restriction, which provides as follows:

16.1 Noncompetition. For a period of two (2) years from the date the Acquired Assets are delivered to Buyer by EscrowTech International, Inc., Seller shall refrain, directly (or indirectly through any affiliated entity or through the encouragement or facilitation of a third party) from developing, acquiring, offering to others, or providing, licensing, selling or transferring to others, directly or indirectly, any materials, software, platforms, or other solutions which are competitive with the Platforms or (if successfully completed and accepted) the Enhancements.

26. VelocityEHS paid the \$ [REDACTED] Acquired Rights Purchase Price in full on March 2, 2022. Following the successful development and delivery of the enhanced assets within the timeframe contemplated by the Agreement, VelocityEHS paid the \$ [REDACTED] Final Payment in full on September 1, 2022.

27. On September 1, 2022, the escrow agent released the Platforms to VelocityEHS, and 3MotionAI's obligation not to compete with the Platforms began.

III. 3MotionAI Flouts Its Non-competition Obligations

28. Upon information and belief, almost immediately after its non-competition obligations began, 3MotionAI began a concerted effort to develop offerings that are directly competitive with the Platforms and partnered with direct competitors of VelocityEHS in the workplace assessment space to make those competing offerings available to the broader marketplace -- in plain violation of its non-competition obligations.

29. In late November or early December 2022 (less than two months after the Platforms were delivered to VelocityEHS and the non-competition period began), notwithstanding Mr. Hanoun's prior representations, 3MotionAI began to work with VelocityEHS's direct competitors to develop and market workplace assessment products that replicate many of the same features as JobX and ClaimX.

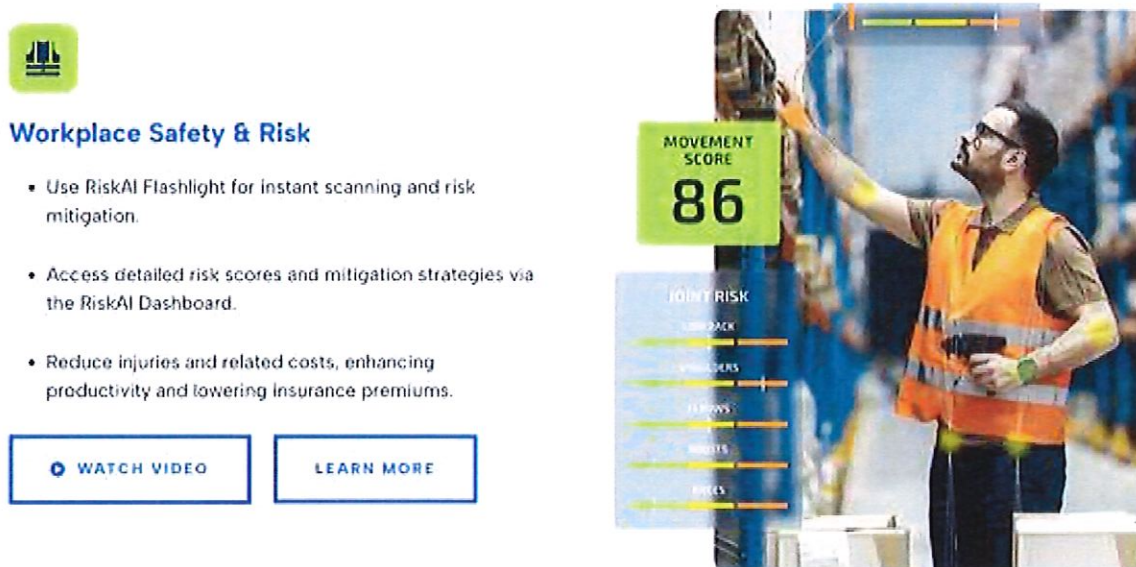
30. For instance, in late 2022, Mr. Hanoun gave an interview to Toronto City News about how 3MotionAI's motion capture technology could be used to evaluate physical risks associated with jobs in the workplace. The interview prominently featured views of 3MotionAI's "risk score" and visual representations of how that risk mapped onto the human body:



AI technology assessing workplace safety

New AI technology is letting employers see in real time if the way employees move at work is a risk to health and safety. Videographer Audra Brown with how the 3DNeuroNET Engine app can spot potential problems like overreaching, poor postures, or im

31. Around the same time, 3MotionAI posted a similar display to the “solutions” section of their public website, advertising 3MotionAI’s use of “movement scores” as part of the ergonomic solutions that they offer in the workplace assessment context, which 3MotionAI then assigns to particular parts of the body based on the physical risks associated with a particular job:



32. These posts immediately triggered concern at VelocityEHS. As discussed below, the use of proprietary scores to assess the physical demands and risks imposed by a job and the visualization of such scores onto the human body by a digital avatar are two key features of the JobX platform that VelocityEHS purchased from 3MotionAI under the Agreement. Accordingly, VelocityEHS, not surprisingly, became concerned that 3MotionAI was developing and marketing solutions that competed with the Platforms.

33. On December 6, 2022, James Mallon, VelocityEHS's Chief Revenue Officer, raised with 3MotionAI and Mr. Hanoun the existence of what appeared to be 3MotionAI directly competing with the Platforms in violation of Section 16.1 of the Agreement. Mr. Mallon emailed links to the materials referenced above to Mr. Hanoun, along with the following note: "[T]his will cause some heartburn and create challenges for us to work together. . . . This will be seen as a direct competitive move [] against VelocityEHS' ergonomic solutions."

34. Mr. Hanoun responded eight minutes later, offering to take down his interview with Toronto City News, stating: "Happy to take that down. . . . It was a PR play from our [a]d agency."

35. In a follow up email sent the same day, Mr. Hanoun further reassured VelocityEHS that 3MotionAI was not developing competitive offerings in the workplace assessment or "return-to-work" spaces but, instead, was focused on "innovation" related to movement more generally, using technology developed in 2018:

I want to restate that PDAi and RiskAI have been the foundational tech since 2018. It's not an issue given our focus on innovation. [In the] [n]ext few weeks, I will release what we are developing for [h]orses. Anything that moves, I will build a profile for. It [sic] the focus on our innovation vision.

36. On December 7, 2022, Mr. Mallon once again emailed Mr. Hanoun regarding 3MotionAI's conduct: "Our team is becoming frustrated -- our competitive

intelligence team has put your Ergo and [return-to-work] solutions on the radar and are now viewing this as competitive. It is likely that a call with [VelocityEHS's CFO] Mike Martens is coming for us to discuss our approach.”

37. Less than 30 minutes later, Mr. Hanoun replied by once again reassuring VelocityEHS that 3MotionAI would not be offering or developing products in the workplace assessment space and was relying on technology created in 2018: “We do not offer [return-to-work]. The computer vision looks at motion and has nothing to do with the job or [return-to-work]. We look at the motion of people, baseball players, active ageing [sic], people doing any activity. It’s what we have had in the market since 2018.”

38. Based on 3MotionAI’s previous representations that it would not be operating in the workplace assessment space, and Mr. Hanoun’s assurances that 3MotionAI would remove the offending posts and that the technology featured in the posts had “nothing to do with the job or [return-to-work],” VelocityEHS trusted 3MotionAI and Mr. Hanoun and took no action at that time.

39. Unbeknownst to VelocityEHS, however, later that month, 3MotionAI entered into a partnership with Benchmark Digital Partners (“Benchmark”) -- one of VelocityEHS’s chief competitors -- to develop Benchmark’s “Ergo Evaluator,” a workplace assessment tool that contains similar features and performs similar services to the JobX platform.

40. Like JobX, Ergo Evaluator is a tool used to analyze workplace assessment trends, including analyzing the physical demands of jobs on particular parts of the human body. For example, JobX measures the physical “demand” that a particular job might place on an employee’s body and highlights high demand areas, and Ergo Evaluator similarly studies “pain points” and highlights the pain points associated with a particular job by mapping that discomfort onto a digital avatar. Like JobX, the end-user of Ergo Evaluator uses that technology to see which parts of the body are likely to be negatively affected by the demands of a particular job.

41. Separately, and also unbeknownst to VelocityEHS at the time, 3MotionAI entered into a partnership with Briotix Health (“Briotix”), another significant competitor of VelocityEHS, for the development of Briotix’s “ErgoPlus” product, another offering that competes with VelocityEHS’s offerings in the workplace assessment space, including the Platforms.

42. ErgoPlus publicly advertises itself as “provid[ing] an overall risk score at the job level, which can be used to quantify the overall risk of the job and to compare jobs across a department or facility wide.”

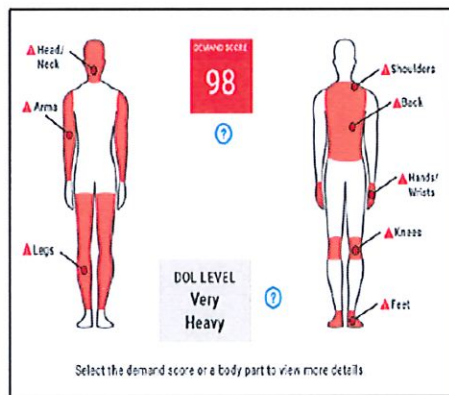
43. Like JobX, ErgoPlus provides the end-user with “scores” that break down the demands of a job on an employee’s body. Moreover, just like JobX, ErgoPlus shows how those physical demand scores effect particular parts of the body by mapping those demands onto a virtual avatar, where end-users can click specific

body parts to see more information about the scores associated with a particular job on those body parts. Like the “demand score” that JobX assigns its job profiles, ErgoPlus provides users with an overall “risk score” associated with particular jobs “which can be used to quantify the overall risk of the job and to compare jobs across a department or facility wide.”

44. A side-by-side comparison of the JobX “Body Avatar,” ErgoPlus’s “Job Screen” avatar, and Ergo Evaluator’s digital avatar demonstrates just how similar the products are:

JobX

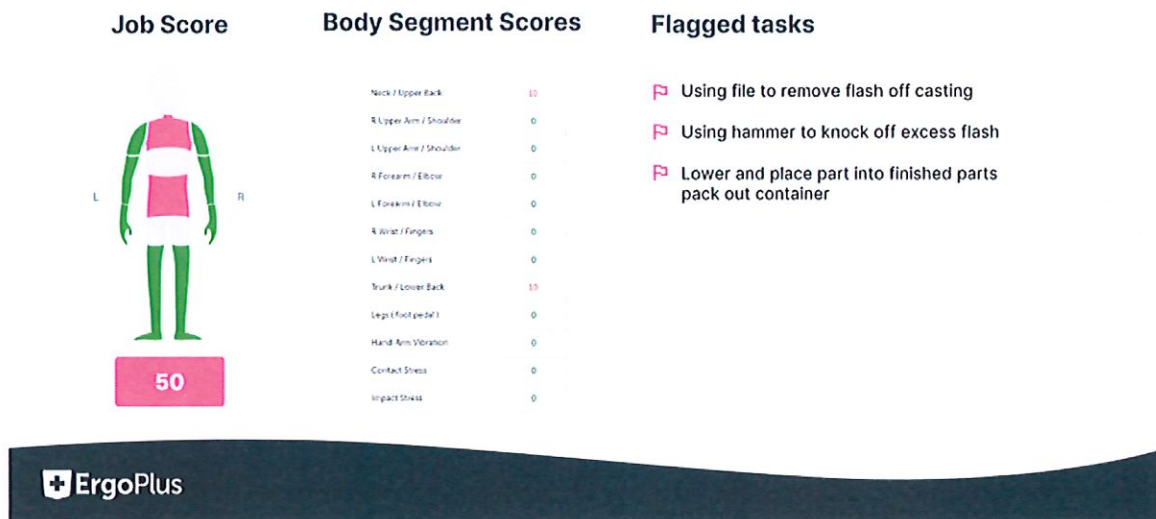
Demand Scores and Digital Avatar



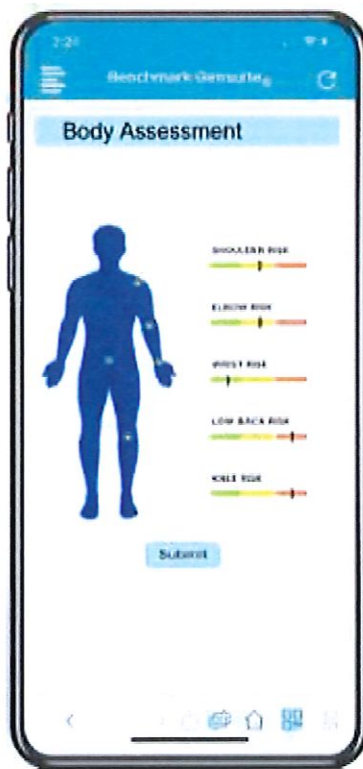
The Physical Demand Score, and the digital avatars, gives you insight on the extent of the physical demands involved in the job. The Demand Score examines the frequency and magnitude of the physical demands on the worker’s body. This score is then compared against all of the jobs in the MyAbilities database, as well as an employer’s database. For example, if a job has a Demand Score of 50 - it means that this job is more physically demanding than 50% of the jobs in our database.

Ergo Plus

Job Screen Outputs



Ergo Evaluator



45. In addition to these offerings, which 3MotionAI has been actively involved in developing and which plainly compete with JobX (among other VelocityEHS offerings), 3MotionAI has also partnered with Insurate, a platform designed to provide insight into employees' compensation for high-hazard industries. Like ClaimX, Insurate provides employers with insights into the functions that an injured employee may be able to perform upon the employee's return to work.

46. After several existing clients opted not to renew their contracts with VelocityEHS, VelocityEHS began to investigate why it was losing customers to industry competitors, such as Briotix and Benchmark.

47. Through that investigation, which took place during the first and second quarters of 2024, VelocityEHS learned that 3MotionAI was working with Briotix, Benchmark, and Insurate to develop offerings that compete with the Platforms in clear violation of Section 16.1 of the Agreement. After learning about these violations, VelocityEHS again engaged 3MotionAI and Mr. Hanoun.

48. On July 3, 2024, counsel for VelocityEHS sent a letter to 3MotionAI demanding that 3MotionAI terminate its partnerships with Briotix, Benchmark, and Insurate and cease developing, offering, or marketing products that compete with VelocityEHS's offerings in the workplace assessment space, including the Platforms. A copy of the July 3, 2024 letter is attached as **Exhibit B**.

49. On July 12, 2024, counsel for 3MotionAI responded in writing and denied that any breach of the Agreement had taken place. A copy of the July 12, 2024 letter is attached as **Exhibit C**.

50. On July 29, 2024, counsel for VelocityEHS sent another letter, explaining why 3MotionAI's conduct in fact violated the Agreement and reiterating VelocityEHS's demand that 3MotionAI cease from developing, offering, marketing, or otherwise promoting technology that competes with the Platforms. A copy of the July 29, 2024 letter is attached as **Exhibit D**.

51. Notwithstanding these repeated warnings, 3MotionAI has continued to operate in the workplace assessment space and develop offerings that compete with the Platforms.

52. Indeed, on July 16, 2024 (two weeks after VelocityEHS sent its first letter), for example, 3MotionAI announced that it would partner with DORN Companies, a leading global provider of wellness-based workplace injury prevention, ergonomics, and pain relief programs. The announcement emphasized that 3MotionAI's partnership would provide DORN Companies with the ability to "identify individual task-related risks" and provide "in-depth job and task analysis" - *- just like JobX*.

53. On August 16, 2024, counsel for 3MotionAI sent another letter to counsel for VelocityEHS, denying that any breach of the Agreement had taken place,

and contending that “because 3MotionAI does not sell any product or service, direct to consumers or to any other entity, that is competitive with JobX or ClaimX,” 3MotionAI was not violating its non-competition obligations. A copy of the August 16, 2024 letter is attached as **Exhibit E**.

54. Apparently, it is 3MotionAI’s view that as long as it does not sell a fully-compiled product that is directly competitive with JobX or ClaimX, it is free to provide VelocityEHS’s competitors with any technology they want, which those competitors can then use to create products that directly compete with the Platforms. As explained above, the Agreement’s non-competition language is much broader than 3MotionAI wishes it was, prohibiting 3MotionAI from engaging in competitive conduct “directly *(or indirectly through any affiliated entity or through the encouragement or facilitation of a third party)*. . . .”

IV. VelocityEHS Loses Customers, Business Opportunities, And Goodwill As A Result Of 3MotionAI Flouting Its Non-competition Obligations

55. 3MotionAI’s participation in the workplace assessment space and development of offerings that compete with the Platforms has irreparably harmed VelocityEHS.

56. Indeed, the parties explicitly acknowledged in the Agreement that a violation of the Agreement would give rise to irreparable harm. Section 17.13 of the Agreement states:

17.13 Equitable Remedies. Each party acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) if a breach or a threatened breach by such party of any such obligations occurs, the other party hereto will, in addition to any and all other rights and remedies that may be available to such party at law, at equity, or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction, without any requirement to (i) post a bond or other security, or (ii) prove actual damages or that monetary damages will not afford an adequate remedy.

57. Moreover, the harm to VelocityEHS is not theoretical. Upon information and belief, VelocityEHS has lost several existing clients because they have chosen instead to send their business to Benchmark, which owns and operates the Ergo Evaluator platform, or Briotix, which owns and operates the ErgoPlus platform -- both of which 3MotionAI helped develop while it was subject to the Agreement's non-competition obligations. On information and belief, those customers who have switched their business to Benchmark or Briotix include:

[REDACTED]

[REDACTED]

58. Loss of that business has cost VelocityEHS in excess of \$537,999 in annual recurring revenue. [REDACTED]

[REDACTED] the loss of that business will cost VelocityEHS between \$1,613,997 and \$5,379,990 over

the next three to ten years. And that is without the consideration of any loss of goodwill or other business opportunities that VelocityEHS may have lost out on as a result of these former customers switching from VelocityEHS to its competitors as a result of 3MotionAI's unlawful actions. Indeed, VelocityEHS is currently pursuing [REDACTED] as a customer, and [REDACTED] notified VelocityEHS that it was competing against Briotix and its ErgoPlus product for [REDACTED]'s business. [REDACTED]'s business would be worth over \$727,000 to VelocityEHS over the next three years.

COUNT I
(Breach of Contract)

59. VelocityEHS repeats and re-alleges, as if set forth fully herein, the allegations in the preceding paragraphs of this Verified Complaint.

60. The Agreement is a valid, binding, and enforceable contract.

61. VelocityEHS has complied in all material respects with its obligations under the Agreement.

62. By, without limitation, developing or otherwise enabling or contributing to market offerings that compete directly with the Platforms in the workplace assessment space, 3MotionAI has breached Section 16.1 of the Agreement.

63. VelocityEHS has gone to great lengths to develop its business and establish goodwill in the workplace assessment space. 3MotionAI's breaches of the

Agreement have directly and proximately caused, and will continue to cause, irreparable harm and injury to VelocityEHS, including, without limitation, loss of customers, business opportunities, and goodwill.

COUNT II

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

64. VelocityEHS repeats and re-alleges, as if set forth fully herein, the allegations in the preceding paragraphs of this Verified Complaint.

65. In the alternative, to the extent 3MotionAI contends that Section 16.1 of the Agreement somehow does not prohibit 3MotionAI from partnering with VelocityEHS's competitors to develop or otherwise enable or contribute to market offerings that compete directly with the Platforms in the workplace assessment space, that is an obvious, implied term of the Agreement.

66. By, without limitation, developing or otherwise enabling or contributing to market offerings that compete directly with the Platforms in the workplace assessment space, 3MotionAI has breached that implied term of the Agreement.

67. 3MotionAI's breaches of that implied term of the Agreement have directly and proximately caused, and will continue to cause, irreparable harm and injury to VelocityEHS, including, without limitation, loss of customers, business opportunities, and goodwill.

COUNT III
(Fraudulent Inducement)

68. VelocityEHS repeats and re-alleges, as if set forth fully herein, the allegations in the preceding paragraphs of this Verified Complaint.

69. During the negotiation of the Agreement, the parties discussed the importance of non-competition to VelocityEHS. Indeed, as explained above, 3MotionAI's CEO, Mr. Hanoun, repeatedly assured VelocityEHS that 3MotionAI would not develop offerings in the workplace assessment space while the Agreement was in place but, instead, would limit its efforts to the development of offerings in rehabilitation, healthcare, and sports performance, resulting in the parties specifically agreeing to the non-competition restriction set forth in Section 16.1.

70. To the extent 3MotionAI now contends that Section 16.1 of the Agreement does not broadly prohibit 3MotionAI from developing offerings in the workplace assessment space for two years, 3MotionAI's repeated statements to the contrary were knowingly false when made and induced VelocityEHS to enter into the Agreement.

71. VelocityEHS has gone to great lengths to develop its business and establish goodwill in the workplace assessment space. 3MotionAI's efforts to fraudulently induce VelocityEHS into entering into the Agreement have directly and proximately caused, and will continue to cause, irreparable harm and injury to

VelocityEHS, including, without limitation, loss of customers, business opportunities, and goodwill.

PRAYER FOR RELIEF

WHEREFORE, VelocityEHS respectfully requests and prays for the following relief:

A. A permanent injunction (i) ordering 3MotionAI to cease developing any technology that it began working on, and terminate any partnerships that began, during the non-competition period of September 1, 2022 to September 1, 2024 that compete with the Platforms and (ii) extending the term of Section 16.1 by 22 months (the length of time for which 3MotionAI has been breaching the Agreement).

B. Damages between \$1,613,997 and \$5,379,990, representing three to ten times the loss in VelocityEHS's annual recurring revenue, and likely much more.

C. All costs and expenses incurred by VelocityEHS in this proceeding, including attorneys' fees, as provided for by Section 17.14 of the Agreement.

D. Such other relief as the Court may deem to be just and proper.

ROSS ARONSTAM & MORITZ LLP

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Dated: September 16, 2024

PUBLIC VERSION FILED:

September 20, 2024

/s/ Bradley R. Aronstam

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*Attorneys for Plaintiff VelocityEHS
Holdings, Inc.*



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

VELOCITYEHS HOLDINGS, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 2024-0957-MTZ
	)	
3MOTIONAI INC.,	)	
	)	PUBLIC VERSION FILED:
Defendant.	)	April 24, 2025

DEFENDANT’S ANSWER AND DEFENSES TO VERIFIED COMPLAINT

Defendant 3MotionAI Inc. (“Defendant” or “3Motion”), by and through its undersigned counsel, hereby answers and responds as follows to the Verified Complaint filed by Plaintiff VelocityEHS Holdings, Inc. (“Plaintiff” or “VelocityEHS”) on September 16, 2024 (the “Complaint”).

Except as expressly admitted herein, Defendant denies each and every allegation in the Complaint, including any allegations in the Complaint’s introductory paragraph, headings, footnotes, and/or any documents incorporated by reference therein. Unless otherwise defined herein, capitalized terms have the meanings assigned to such terms in the Complaint. To the extent Defendant answers allegations containing terms defined in the Complaint, such answer is not an acknowledgement, admission, or adoption of any fact or characterization made by Plaintiff. Defendant further responds to the specific allegations in the Complaint as follows:

NATURE OF THE ACTION

1. VelocityEHS is a provider of artificial intelligence powered environmental, health, and safety management software solutions. Broadly speaking, the management software that VelocityEHS provides allows users to assess risks in the workplace, manage incident reports, and comply with regulations regarding workplace safety.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to VelocityEHS's business and VelocityEHS's management software and, therefore, denies the allegations in Paragraph 1 of the Complaint.

2. On March 2, 2022, VelocityEHS and 3MotionAI entered into a Platforms Acquisition and Development Agreement (the "Agreement") pursuant to which VelocityEHS agreed to acquire two platforms -- JobX and ClaimX (together, the "Platforms") -- from 3MotionAI. The Agreement is attached as **Exhibit A**.

ANSWER: The allegations in Paragraph 2 purport to refer to and describe the Platform Acquisition and Development Agreement, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 2 are inconsistent with the Agreement, those allegations are denied.

3. The Platforms are broad software offerings in the workplace assessment space. JobX is a software program that automates the process for building, maintaining, and conducting job analyses through the creation of job profiles. ClaimX is a software program that leverages the profiles developed by JobX to assist injured employees in returning to work. The Platforms and VelocityEHS's other workplace assessment offerings form a suite of workplace assessment products, from which VelocityEHS generates millions of dollars per year.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the allegations in Paragraph 3, except that it admits that, among other things,

“JobX is a software program that automates the process for building, maintaining, and conducting job analyses through the creation of job profiles” and “ClaimX is a software program that leverages the profiles developed by JobX to assist injured employees in returning to work.” Defendant denies the remaining allegations in Paragraph 3 of the Complaint.

4. Section 16.1 of the Agreement, titled “Noncompetition,” prohibits 3MotionAI from “directly (or indirectly through any affiliated entity or through the encouragement or facilitation of a third party) . . . developing, acquiring, offering to others, or providing, licensing, selling or transferring to others, directly or indirectly, any materials, software, platforms, or other solutions which are competitive with the Platforms” for a period of two years from the date of delivery of the Platforms to VelocityEHS.

ANSWER: The allegations in Paragraph 4 purport to refer to and describe Section 16.1 of the Agreement, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 4 are inconsistent with the Agreement, those allegations are denied.

5. 3MotionAI’s promise not to develop any competitive offerings for two years was critical to the bargain struck between 3MotionAI and VelocityEHS in the Agreement. Indeed, during the negotiation of the Agreement, VelocityEHS made clear to 3MotionAI that it did not want 3MotionAI developing competitive offerings.

ANSWER: Defendant denies the allegations in Paragraph 5 of the Complaint.

6. 3MotionAI’s CEO, Reed Hanoun, in turn, repeatedly assured VelocityEHS that 3MotionAI had no intention of developing, and would not develop, offerings in workplace risk assessment while the Agreement was in place but, instead, would restrict its efforts to the development of offerings in rehabilitation, healthcare, and sports performance, resulting in the parties specifically agreeing to the non-competition language in Section 16.1. Therefore, to the extent 3MotionAI now contends that Section 16.1 of the Agreement does not

broadly prohibit 3MotionAI from developing offerings in the workplace assessment space for two years, 3MotionAI fraudulently induced VelocityEHS to enter into the Agreement.

ANSWER: Defendant denies the allegations in the first sentence of Paragraph 6 of the Complaint. The second sentence of Paragraph 6 contains conclusions of law to which no response is required. To the extent a response is required, Defendant denies the allegations in the second sentence of Paragraph 6 of the Complaint.

7. On September 1, 2022, 3MotionAI delivered the Platforms to VelocityEHS and, thus, 3MotionAI's obligations under Section 16.1 of the Agreement ran through September 1, 2024 (and thereafter to the extent competitive actions were started before, but continue after, that date).

ANSWER: Defendant admits that on September 1, 2022, 3MotionAI delivered the Platforms to VelocityEHS and, thus, 3MotionAI's obligations under Section 16.1 of the Agreement ran through September 1, 2024. The parenthetical clause at the end of Paragraph 7 contains a conclusion of law to which no response is required. To the extent a response is required, Defendant denies the allegations in the parenthetical clause at the end of Paragraph 7 of the Complaint.

8. Notwithstanding 3MotionAI's obligation not to compete with the Platforms, VelocityEHS has recently learned due to the loss of several customers, that almost immediately after transferring the Platforms to VelocityEHS on September 1, 2022, 3MotionAI, in contravention of Section 16.1, began developing (or otherwise participating in the development of) *directly* competitive offerings, and partnered with *direct* competitors of VelocityEHS to make those competitive offerings available to the broader marketplace.

ANSWER: Defendant denies the allegations in Paragraph 8 of the Complaint.

9. In the alternative, to the extent that 3MotionAI contends that Section 16.1 of the Agreement somehow does not prohibit this competition because

3MotionAI did not wholly independently develop an offering that competes with the Platforms, 3MotionAI's partnerships with VelocityEHS's direct competitors would still breach the implied covenant of good faith and fair dealing that inheres in all contracts, including the Agreement, because it was an obvious, implied term of the Agreement that 3MotionAI would not be allowed to work with other companies to create offerings that directly compete with the Platforms.

ANSWER: Paragraph 9 of the Complaint states conclusions of law to which no response is required. If a response is required, Defendant denies the allegations in Paragraph 9 of the Complaint.

10. As a result of 3MotionAI's breaches of the Agreement, 3MotionAI has caused irreparable harm to VelocityEHS's business, including the loss of customers, business opportunities, and goodwill. Without the Court's intervention, VelocityEHS will continue to suffer significant, irreparable harm.

ANSWER: Paragraph 10 of the Complaint states conclusions of law to which no response is required. If a response is required, Defendant denies the allegations in Paragraph 10 of the Complaint.

11. As a result, VelocityEHS seeks a permanent injunction (i) ordering 3MotionAI to cease developing any technology that it began working on, and terminate any partnerships that began, during the non-competition period of September 1, 2022 to September 1, 2024 that compete, directly or indirectly, with the Platforms and (ii) extending the term of Section 16.1 by 22 months (the length of time for which 3MotionAI has been breaching the Agreement). In addition, VelocityEHS seeks money damages for lost customers and business opportunities, as described below.

ANSWER: Defendant denies the allegations in Paragraph 11 of the Complaint, except admits that VelocityEHS is seeking certain relief from the Court as alleged in its Complaint.

PARTIES

12. Plaintiff VelocityEHS is a Delaware corporation, whose principal place of business is located at 222 Merchandise Mart Plaza, Suite 1750, Chicago, IL 60654.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 12 of the Complaint and, therefore, denies the allegations in Paragraph 12 of the Complaint.

13. Defendant 3MotionAI is an Ontario corporation, whose principal place of business is located at 19-511 Maple Grove Road, Suite 61029, Oakville, ON L6J 7P5, Canada.

ANSWER: Defendant admits the allegations in Paragraph 13 of the Complaint.

JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction over this action pursuant to 10 *Del. C.* § 341, which empowers this Court “to hear and determine all matters and causes in equity.” The parties have separately stipulated to jurisdiction through Section 17.11 of the Agreement, which provides, in part, that “[a]ny legal suit, action, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be instituted in the federal or state courts located in Delaware, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such legal suit, action, or proceeding.”

ANSWER: The first sentence of Paragraph 14 of the Complaint states conclusions of law to which no response is required. If a response is required, Defendant denies the allegations in the first sentence of Paragraph 14 of the Complaint. The allegations in the second sentence of Paragraph 14 purport to refer to and describe the Platform Acquisition and Development Agreement, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents.

To the extent the allegations in the second sentence of Paragraph 14 are inconsistent with the Agreement, those allegations are denied.

FACTUAL BACKGROUND

I. The Parties And The Platforms

15. VelocityEHS is a provider of artificial intelligence powered environmental, health, and safety management software solutions.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 15 of the Complaint and, therefore, denies the allegations in Paragraph 15 of the Complaint.

16. 3MotionAI is a software company that develops artificial intelligence solutions for a variety of industries based on movement, such as the movement of people and animals. 3MotionAI created the JobX and ClaimX platforms, which it sold to VelocityEHS under the Agreement.

ANSWER: Defendant admits that 3MotionAI is, among other things, a software company that develops products including computer vision and artificial intelligence solutions for a variety of industries, that some of 3MotionAI's solutions are based on movement, and that 3MotionAI created the JobX and ClaimX platforms and sold those platforms to VelocityEHS pursuant to the Agreement. Defendant denies the remaining allegations in Paragraph 16 of the Complaint.

17. JobX is a software program that automates the process for building, maintaining, and conducting job analyses. Job X provides users the ability to create, edit, and review a digital profile of a job, and it allows users to define the physical, cognitive, and psychosocial demands associated with that particular job. JobX does this by assigning different "demand scores" based on the level of physical or cognitive or psychosocial demands associated with a particular job.

ANSWER: Defendant admits the allegations in the first and second sentences of Paragraph 17 of the Complaint to the extent they purport to describe the JobX software program as it was when sold to VelocityEHS. Defendant denies the allegations in the third sentence of Paragraph 17 of the Complaint as stated.

18. JobX allows users to view the physical demands associated with a particular job profile and understand how those physical demands affect a particular part of the human body and the body as a whole. JobX includes a “Body Avatar” feature, which highlights physical demands on various body parts, signifying how those demands affect the body. Job X’s [sic] Body Avatar allows users to click on any part of the body and see the corresponding physical demands based on their intensity level.

ANSWER: Defendant denies the allegations in Paragraph 18 of the Complaint, except admits that JobX, when sold to VelocityEHS, included a body avatar feature, which illustrated the physical demand of a generic industry standard job profile on various body parts in various shades of blue to signify the estimated demand an industry job profile may impose on an average individual performing that job, and that, by clicking on any body part, the corresponding physical demands were displayed based on their intensity level.

19. ClaimX is a software program that leverages the profiles developed by JobX to assist injured employees in returning to work. ClaimX centralizes and categorizes an injured employee for the purposes of information gathering, analysis, and sharing updates with return-to-work coordinators.

ANSWER: Defendant denies the allegations in Paragraph 19 of the Complaint, except admits that ClaimX, when sold to VelocityEHS, was a software program that, among other things, was used to assist in return to work of injured worker and

centralize communications between claim staff and an employer for information gathering and to manage an injury claim with return-to-work coordinators.

20. Like JobX, ClaimX also evaluates the physical demands of a job on an employee, but in the context of an injured employee returning to work. Through its “Functional Abilities Evaluation,” ClaimX matches injured employees with JobX’s job profiles to analyze when an injured employee can return to work safely with accommodations and/or identify modified jobs that could potentially be suitable for the employee going forward.

ANSWER: Defendant denies the allegations in Paragraph 20 of the Complaint.

II. The Parties’ Negotiations

21. In October 2020, Mr. Hanoun, acting on behalf of 3MotionAI, approached VelocityEHS to inquire whether VelocityEHS would be interested in purchasing the Platforms.

ANSWER: Defendant denies the allegations in Paragraph 21 of the Complaint.

22. Over the course of several conversations, Mr. Hanoun indicated that 3MotionAI was having difficulty scaling its sales and marketing team due to problems caused by the COVID-19 pandemic and that 3MotionAI was interested in a sale of the Platforms in order to recover the money that 3MotionAI (and Mr. Hanoun himself) had spent creating the Platforms. VelocityEHS indicated that it was interested in such a sale.

ANSWER: Defendant denies the allegations in Paragraph 22 of the Complaint.

23. During the course of the negotiations from October 2020 through March 2022, Mr. Hanoun and VelocityEHS’s CFO, Michael Martens, explicitly discussed the importance of non-competition. From the start of those negotiations, Mr. Martens made clear that were VelocityEHS to purchase the Platforms, 3MotionAI would have to agree not to compete with the Platforms or develop offerings for other companies operating in the workplace assessment space. Mr. Hanoun agreed. Indeed, continuously throughout the negotiations, Mr. Hanoun represented to Mr. Martens and other representatives of VelocityEHS that 3MotionAI would not engage in the development of any software, platforms, solutions, or other technology for use in the workplace assessment space. Instead, Mr. Hanoun represented to VelocityEHS that 3MotionAI, post-signing of the

Agreement, would limit its efforts to developing offerings in rehabilitation, healthcare, and sports performance.

ANSWER: Defendant denies the allegations in Paragraph 23 of the Complaint.

24. On March 2, 2022, VelocityEHS and 3MotionAI entered into the Agreement, pursuant to which VelocityEHS agreed to purchase the Platforms. Under the Agreement, VelocityEHS was required to pay \$ [REDACTED] (the “Acquired Rights Purchase Price”) immediately upon the execution of the Agreement and upon its independent verification that documents transferring ownership of the Platforms had been deposited in an escrow account. While ownership of the Platforms sat in escrow, 3MotionAI separately worked to enhance the Platforms. If 3MotionAI successfully developed and delivered those enhanced assets within the timeframe contemplated by the Agreement, VelocityEHS was required to pay 3MotionAI an additional \$ [REDACTED] (the “Final Payment”).

ANSWER: The allegations in Paragraph 24 purport to refer to and describe the Platform Acquisition and Development Agreement, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 24 are inconsistent with the Agreement, those allegations are denied.

25. Section 16.1 of the Agreement contains the non-competition restriction, which provides as follows:

16.1 Noncompetition. For a period of two (2) years from the date the Acquired Assets are delivered to Buyer by EscrowTech International, Inc., Seller shall refrain, directly (or indirectly through any affiliated entity or through the encouragement or facilitation of a third party) from developing, acquiring, offering to others, or providing, licensing, selling or transferring to others, directly or indirectly, any materials, software, platforms, or other solutions which are competitive with the Platforms or (if successfully completed and accepted) the Enhancements.

ANSWER: The allegations in Paragraph 25 purport to refer to and describe Section 16.1 of the Platform Acquisition and Development Agreement, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 25 are inconsistent with the Agreement, those allegations are denied.

26. VelocityEHS paid the \$ [REDACTED] Acquired Rights Purchase Price in full on March 2, 2022. Following the successful development and delivery of the enhanced assets within the timeframe contemplated by the Agreement, VelocityEHS paid the \$ [REDACTED] Final Payment in full on September 1, 2022.

ANSWER: Defendant admits the allegations in Paragraph 26 of the Complaint.

27. On September 1, 2022, the escrow agent released the Platforms to VelocityEHS, and 3MotionAI's obligation not to compete with the Platforms began.

ANSWER: Defendant admits the allegations in Paragraph 27 of the Complaint.

III. 3MotionAI Flouts Its Non-competition Obligations

28. Upon information and belief, almost immediately after its non-competition obligations began, 3MotionAI began a concerted effort to develop offerings that are directly competitive with the Platforms and partnered with direct competitors of VelocityEHS in the workplace assessment space to make those competing offerings available to the broader marketplace -- in plain violation of its non-competition obligations.

ANSWER: Defendant denies the allegations in Paragraph 28 of the Complaint.

29. In late November or early December 2022 (less than two months after the Platforms were delivered to VelocityEHS and the non-competition period began), notwithstanding Mr. Hanoun's prior representations, 3MotionAI began to work with VelocityEHS's direct competitors to develop and market workplace assessment products that replicate many of the same features as JobX and ClaimX.

ANSWER: Defendant denies the allegations in Paragraph 29 of the Complaint.

30. For instance, in late 2022, Mr. Hanoun gave an interview to Toronto City News about how 3MotionAI’s motion capture technology could be used to evaluate physical risks associated with jobs in the workplace. The interview prominently featured views of 3MotionAI’s “risk score” and visual representations of how that risk mapped onto the human body:

ANSWER: Defendant denies the allegations in Paragraph 30 of the Complaint, except admits that Mr. Hanoun gave an interview to Toronto City News, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 30 are inconsistent with the interview, those allegations are denied.

31. Around the same time, 3MotionAI posted a similar display to the “solutions” section of their public website, advertising 3MotionAI’s use of “movement scores” as part of the ergonomic solutions that they offer in the workplace assessment context, which 3MotionAI then assigns to particular parts of the body based on the physical risks associated with a particular job:

ANSWER: Defendant denies the allegations in Paragraph 31 of the Complaint.

32. These posts immediately triggered concern at VelocityEHS. As discussed below, the use of proprietary scores to assess the physical demands and risks imposed by a job and the visualization of such scores onto the human body by a digital avatar are two key features of the JobX platform that VelocityEHS purchased from 3MotionAI under the Agreement. Accordingly, VelocityEHS, not surprisingly, became concerned that 3MotionAI was developing and marketing solutions that competed with the Platforms.

ANSWER: Defendant denies the allegations in Paragraph 32 of the Complaint, except lacks knowledge and information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 32 of the Complaint and, therefore, denies the allegations in Paragraph 32 of the Complaint.

33. On December 6, 2022, James Mallon, VelocityEHS's Chief Revenue Officer, raised with 3MotionAI and Mr. Hanoun the existence of what appeared to be 3MotionAI directly competing with the Platforms in violation of Section 16.1 of the Agreement. Mr. Mallon emailed links to the materials referenced above to Mr. Hanoun, along with the following note: "[T]his will cause some heartburn and create challenges for us to work together.... This will be seen as a direct competitive move [] against VelocityEHS' ergonomic solutions."

ANSWER: Defendant denies the allegations in Paragraph 33 of the Complaint, except admits that James Mallon contacted Mr. Hanoun, which included in part the quoted language in Paragraph 33 of the Complaint.

34. Mr. Hanoun responded eight minutes later, offering to take down his interview with Toronto City News, stating: "Happy to take that down.... It was a PR play from our [a]d agency."

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 34, except admits that Mr. Hanoun sent an email to Mr. Mallon, which included in part the text "Happy to take that down.... It was a PR play from our [a]d agency."

35. In a follow up email sent the same day, Mr. Hanoun further reassured VelocityEHS that 3MotionAI was not developing competitive offerings in the workplace assessment or "return-to-work" spaces but, instead, was focused on "innovation" related to movement more generally, using technology developed in 2018:

I want to restate that PDAi and RiskAI have been the foundational tech since 2018. It's not an issue given our focus on innovation. [In the] [n]ext few weeks, I will release what we are developing for [h]orses. Anything that moves, I will build a profile for. It [sic] the focus on our innovation vision.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 35, except admits that Mr. Hanoun sent

an email, which included in part the quoted language in Paragraph 35 of the Complaint.

36. On December 7, 2022, Mr. Mallon once again emailed Mr. Hanoun regarding 3MotionAI's conduct: "Our team is becoming frustrated -- our competitive intelligence team has put your Ergo and [return-to-work] solutions on the radar and are now viewing this as competitive. It is likely that a call with [VelocityEHS's CFO] Mike Martens is coming for us to discuss our approach."

ANSWER: Defendant admits that Mr. Mallon sent an email to Mr. Hanoun, which included in part the quoted language in Paragraph 36 of the Complaint.

37. Less than 30 minutes later, Mr. Hanoun replied by once again reassuring VelocityEHS that 3MotionAI would not be offering or developing products in the workplace assessment space and was relying on technology created in 2018: "We do not offer [return-to-work]. The computer vision looks at motion and has nothing to do with the job or [return-to-work]. We look at the motion of people, baseball players, active ageing [sic], people doing any activity. It's what we have had in the market since 2018."

ANSWER: Defendant admits that Mr. Hanoun sent an email to Mr. Mallon, which included in part the quoted language in Paragraph 37 of the Complaint.

38. Based on 3MotionAI's previous representations that it would not be operating in the workplace assessment space, and Mr. Hanoun's assurances that 3MotionAI would remove the offending posts and that the technology featured in the posts had "nothing to do with the job or [return-to-work]," VelocityEHS trusted 3MotionAI and Mr. Hanoun and took no action at that time.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 38 of the Complaint and, therefore, denies the allegations in Paragraph 38 of the Complaint.

39. Unbeknownst to VelocityEHS, however, later that month, 3MotionAI entered into a partnership with Benchmark Digital Partners ("Benchmark") -- one of VelocityEHS's chief competitors -- to develop Benchmark's "Ergo Evaluator," a

workplace assessment tool that contains similar features and performs similar services to the JobX platform.

ANSWER: Defendant denies the allegations in Paragraph 39 of the Complaint.

40. Like JobX, Ergo Evaluator is a tool used to analyze workplace assessment trends, including analyzing the physical demands of jobs on particular parts of the human body. For example, JobX measures the physical “demand” that a particular job might place on an employee’s body and highlights high demand areas, and Ergo Evaluator similarly studies “pain points” and highlights the pain points associated with a particular job by mapping that discomfort onto a digital avatar. Like JobX, the end-user of Ergo Evaluator uses that technology to see which parts of the body are likely to be negatively affected by the demands of a particular job.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 40 of the Complaint and, therefore, denies the allegations in Paragraph 40 of the Complaint.

41. Separately, and also unbeknownst to VelocityEHS at the time, 3MotionAI entered into a partnership with Briotix Health (“Briotix”), another significant competitor of VelocityEHS, for the development of Briotix’s “ErgoPlus” product, another offering that competes with VelocityEHS’s offerings in the workplace assessment space, including the Platforms.

ANSWER: Defendant denies the allegations in Paragraph 41 of the Complaint.

42. ErgoPlus publicly advertises itself as “provid[ing] an overall risk score at the job level, which can be used to quantify the overall risk of the job and to compare jobs across a department or facility wide.”

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 42 of the Complaint and, therefore, denies the allegations in Paragraph 42 of the Complaint.

43. Like JobX, ErgoPlus provides the end-user with “scores” that break down the demands of a job on an employee’s body. Moreover, just like JobX, ErgoPlus shows how those physical demand scores effect particular parts of the body

by mapping those demands onto a virtual avatar, where end-users can click specific body parts to see more information about the scores associated with a particular job on those body parts. Like the “demand score” that JobX assigns its job profiles, ErgoPlus provides users with an overall “risk score” associated with particular jobs “which can be used to quantify the overall risk of the job and to compare jobs across a department or facility wide.”

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 43 of the Complaint and, therefore, denies the allegations in Paragraph 43 of the Complaint.

44. A side-by-side comparison of the JobX “Body Avatar,” ErgoPlus’s “Job Screen” avatar, and Ergo Evaluator’s digital avatar demonstrates just how similar the products are:

ANSWER: Paragraph 44 of the Complaint states conclusions of law to which no response is required. If a response is required, Defendant denies the allegations in Paragraph 44 of the Complaint.

45. In addition to these offerings, which 3MotionAI has been actively involved in developing and which plainly compete with JobX (among other VelocityEHS offerings), 3MotionAI has also partnered with Insurate, a platform designed to provide insight into employees’ compensation for high-hazard industries. Like ClaimX, Insurate provides employers with insights into the functions that an injured employee may be able to perform upon the employee’s return to work.

ANSWER: Defendant denies the allegations in Paragraph 45 of the Complaint.

46. After several existing clients opted not to renew their contracts with VelocityEHS, VelocityEHS began to investigate why it was losing customers to industry competitors, such as Briotix and Benchmark.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 46 of the Complaint and, therefore, denies the allegations in Paragraph 46 of the Complaint.

47. Through that investigation, which took place during the first and second quarters of 2024, VelocityEHS learned that 3MotionAI was working with Briotix, Benchmark, and Insurate to develop offerings that compete with the Platforms in clear violation of Section 16.1 of the Agreement. After learning about these violations, VelocityEHS again engaged 3MotionAI and Mr. Hanoun.

ANSWER: Defendant denies the allegations in Paragraph 47 of the Complaint.

48. On July 3, 2024, counsel for VelocityEHS sent a letter to 3MotionAI demanding that 3MotionAI terminate its partnerships with Briotix, Benchmark, and Insurate and cease developing, offering, or marketing products that compete with VelocityEHS's offerings in the workplace assessment space, including the Platforms. A copy of the July 3, 2024 letter is attached as **Exhibit B**.

ANSWER: The allegations in Paragraph 48 purport to refer to and describe a letter sent from counsel for VelocityEHS to 3MotionAI on July 3, 2024, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 48 are inconsistent with the letter, those allegations are denied.

49. On July 12, 2024, counsel for 3MotionAI responded in writing and denied that any breach of the Agreement had taken place. A copy of the July 12, 2024 letter is attached as **Exhibit C**.

ANSWER: The allegations in Paragraph 49 purport to refer to and describe a letter sent from counsel for 3MotionAI to counsel for VelocityEHS on July 12, 2024, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 49 are inconsistent with the letter, those allegations are denied.

50. On July 29, 2024, counsel for VelocityEHS sent another letter, explaining why 3MotionAI's conduct in fact violated the Agreement and reiterating VelocityEHS's demand that 3MotionAI cease from developing, offering, marketing,

or otherwise promoting technology that competes with the Platforms. A copy of the July 29, 2024 letter is attached as **Exhibit D**.

ANSWER: The allegations in Paragraph 50 purport to refer to and describe a letter sent from counsel for VelocityEHS to counsel for 3MotionAI on July 29, 2024, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 50 are inconsistent with the letter, those allegations are denied.

51. Notwithstanding these repeated warnings, 3MotionAI has continued to operate in the workplace assessment space and develop offerings that compete with the Platforms.

ANSWER: Defendant denies the allegations in Paragraph 51 of the Complaint.

52. Indeed, on July 16, 2024 (two weeks after VelocityEHS sent its first letter), for example, 3MotionAI announced that it would partner with DORN Companies, a leading global provider of wellness-based workplace injury prevention, ergonomics, and pain relief programs. The announcement emphasized that 3MotionAI's partnership would provide DORN Companies with the ability to "identify individual task-related risks" and provide "in-depth job and task analysis" - *- just like JobX*.

ANSWER: Defendant denies the allegations in Paragraph 52 of the Complaint.

53. On August 16, 2024, counsel for 3MotionAI sent another letter to counsel for VelocityEHS, denying that any breach of the Agreement had taken place, and contending that "because 3MotionAI does not sell any product or service, direct to consumers or to any other entity, that is competitive with JobX or ClaimX," 3MotionAI was not violating its non-competition obligations. A copy of the August 16, 2024 letter is attached as **Exhibit E**.

ANSWER: The allegations in Paragraph 53 purport to refer to and describe a letter sent from counsel for 3MotionAI to counsel for VelocityEHS on August 16, 2024, to which Defendant respectfully refers the Court for a complete and accurate

recitation of its contents. To the extent the allegations in Paragraph 53 are inconsistent with the letter, those allegations are denied.

54. Apparently, it is 3MotionAI's view that as long as it does not sell a fully-compiled product that is directly competitive with JobX or ClaimX, it is free to provide VelocityEHS's competitors with any technology they want, which those competitors can then use to create products that directly compete with the Platforms. As explained above, the Agreement's non-competition language is much broader than 3MotionAI wishes it was, prohibiting 3MotionAI from engaging in competitive conduct "*directly (or indirectly through any affiliated entity or through the encouragement or facilitation of a third party)*"

ANSWER: Defendant denies the allegations in Paragraph 54 of the Complaint, except to the extent the allegations in Paragraph 54 purport to refer to and describe the Platform Acquisition and Development Agreement, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 54 are inconsistent with the Agreement, those allegations are denied.

IV. VelocityEHS Loses Customers, Business Opportunities, And Goodwill As A Result Of 3MotionAI Flouting Its Non-competition Obligations

55. 3MotionAI's participation in the workplace assessment space and development of offerings that compete with the Platforms has irreparably harmed VelocityEHS.

ANSWER: Paragraph 55 of the Complaint states conclusions of law to which no response is required. If a response is required, Defendant denies the allegations in Paragraph 55 of the Complaint.

56. Indeed, the parties explicitly acknowledged in the Agreement that a violation of the Agreement would give rise to irreparable harm. Section 17.13 of the Agreement states:

17.13 Equitable Remedies. Each party acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) if a breach or a threatened breach by such party of any such obligations occurs, the other party hereto will, in addition to any and all other rights and remedies that may be available to such party at law, at equity, or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction, without any requirement to (i) post a bond or other security, or (ii) prove actual damages or that monetary damages will not afford an adequate remedy.

ANSWER: The allegations in Paragraph 56 purport to refer to and describe Section 17.13 of the Platform Acquisition and Development Agreement, to which Defendant respectfully refers the Court for a complete and accurate recitation of its contents. To the extent the allegations in Paragraph 56 are inconsistent with the Agreement, those allegations are denied.

57. Moreover, the harm to VelocityEHS is not theoretical. Upon information and belief, VelocityEHS has lost several existing clients because they have chosen instead to send their business to Benchmark, which owns and operates the Ergo Evaluator platform, or Briotix, which owns and operates the ErgoPlus platform -- both of which 3MotionAI helped develop while it was subject to the Agreement's non-competition obligations. On information and belief, those customers who have switched their business to Benchmark or Briotix include:

[REDACTED]

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 57 of the Complaint and, therefore, denies the allegations in Paragraph 57 of the Complaint.

58. Loss of that business has cost VelocityEHS in excess of \$537,999 in annual recurring revenue. [REDACTED]

[REDACTED] the loss of that business will cost VelocityEHS between \$1,613,997 and \$5,379,990 over the next three to ten years. And that is without the consideration of any loss of goodwill or other business opportunities that VelocityEHS may have lost out on as a result of these former customers switching from VelocityEHS to its competitors as a result of 3MotionAI's unlawful actions. Indeed, VelocityEHS is currently pursuing [REDACTED] as a customer, and [REDACTED] notified VelocityEHS that it was competing against Briotix and its ErgoPlus product for [REDACTED]'s business. [REDACTED]'s business would be worth over \$727,000 to VelocityEHS over the next three years.

ANSWER: Defendant denies the allegations in Paragraph 58 of the Complaint.

COUNT I **(Breach of Contract)**

59. VelocityEHS repeats and re-alleges, as if set forth fully herein, the allegations in the preceding paragraphs of this Verified Complaint.

ANSWER: Defendant repeats and realleges its responses to the preceding Paragraphs as though fully set forth herein.

60. The Agreement is a valid, binding, and enforceable contract.

ANSWER: Defendant admits the allegations in Paragraph 60 of the Complaint.

61. VelocityEHS has complied in all material respects with its obligations under the Agreement.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in Paragraph 61 of the Complaint and, therefore, denies the allegations in Paragraph 61 of the Complaint.

62. By, without limitation, developing or otherwise enabling or contributing to market offerings that compete directly with the Platforms in the workplace assessment space, 3MotionAI has breached Section 16.1 of the Agreement.

ANSWER: Paragraph 62 of the Complaint states conclusions of law to which no response is required. If a response is required, Defendant denies the allegations in Paragraph 62 of the Complaint.

63. VelocityEHS has gone to great lengths to develop its business and establish goodwill in the workplace assessment space. 3MotionAI's breaches of the Agreement have directly and proximately caused, and will continue to cause, irreparable harm and injury to VelocityEHS, including, without limitation, loss of customers, business opportunities, and goodwill.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 63 of the Complaint and, therefore, denies the allegations in Paragraph 63 of the Complaint. The second sentence of Paragraph 63 of the Complaint states conclusions of law to which no response is required. If a response is required, Defendant denies the allegations in the second sentence of Paragraph 63 of the Complaint.

COUNT II

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

64. VelocityEHS repeats and re-alleges, as if set forth fully herein, the allegations in the preceding paragraphs of this Verified Complaint.

ANSWER: Defendant repeats and realleges its responses to the preceding Paragraphs as though fully set forth herein.

65. In the alternative, to the extent 3MotionAI contends that Section 16.1 of the Agreement somehow does not prohibit 3MotionAI from partnering with VelocityEHS's competitors to develop or otherwise enable or contribute to market offerings that compete directly with the Platforms in the workplace assessment space, that is an obvious, implied term of the Agreement.

ANSWER: Per the Court’s Order dated March 11, 2025, Count II is dismissed. If a response is required, Defendant denies the allegations in Paragraph 65 of the Complaint.

66. By, without limitation, developing or otherwise enabling or contributing to market offerings that compete directly with the Platforms in the workplace assessment space, 3MotionAI has breached that implied term of the Agreement.

ANSWER: Per the Court’s Order dated March 11, 2025, Count II is dismissed. If a response is required, Defendant denies the allegations in Paragraph 66 of the Complaint.

67. 3MotionAI’s breaches of that implied term of the Agreement have directly and proximately caused, and will continue to cause, irreparable harm and injury to VelocityEHS, including, without limitation, loss of customers, business opportunities, and goodwill.

ANSWER: Per the Court’s Order dated March 11, 2025, Count II is dismissed. If a response is required, Defendant denies the allegations in Paragraph 67 of the Complaint.

COUNT III **(Fraudulent Inducement)**

68. VelocityEHS repeats and re-alleges, as if set forth fully herein, the allegations in the preceding paragraphs of this Verified Complaint.

ANSWER: Defendant repeats and realleges its responses to the preceding Paragraphs as though fully set forth herein.

69. During the negotiation of the Agreement, the parties discussed the importance of non-competition to VelocityEHS. Indeed, as explained above, 3MotionAI’s CEO, Mr. Hanoun, repeatedly assured VelocityEHS that 3MotionAI would not develop offerings in the workplace assessment space while the Agreement

was in place but, instead, would limit its efforts to the development of offerings in rehabilitation, healthcare, and sports performance, resulting in the parties specifically agreeing to the non-competition restriction set forth in Section 16.1.

ANSWER: Defendant denies the allegations of Paragraph 69 of the Complaint.

70. To the extent 3MotionAI now contends that Section 16.1 of the Agreement does not broadly prohibit 3MotionAI from developing offerings in the workplace assessment space for two years, 3MotionAI's repeated statements to the contrary were knowingly false when made and induced VelocityEHS to enter into the Agreement.

ANSWER: Defendant denies the allegations of Paragraph 70 of the Complaint.

71. VelocityEHS has gone to great lengths to develop its business and establish goodwill in the workplace assessment space. 3MotionAI's efforts to fraudulently induce VelocityEHS into entering into the Agreement have directly and proximately caused, and will continue to cause, irreparable harm and injury to VelocityEHS, including, without limitation, loss of customers, business, opportunities, and goodwill.

ANSWER: Defendant lacks knowledge and information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 71 of the Complaint and, therefore, denies the allegations in the first sentence of Paragraph 71 of the Complaint. Defendant denies the allegations in the second sentence of Paragraph 71 of the Complaint.

REQUESTS FOR RELIEF

Defendant denies that Plaintiff is entitled to the relief requested, including a permanent injunction, damages, attorneys' fees, costs, or any other relief.

AFFIRMATIVE DEFENSES

Without assuming the burden of proof or persuasion where such burden

properly rests with Plaintiff, and without waiving and hereby expressly reserving the right to assert any and all such defenses at such time and to such extent as discovery and factual developments establish a basis therefor, Defendant hereby asserts the following defenses to the causes of action in the Complaint:

FIRST AFFIRMATIVE DEFENSE

Plaintiff has failed to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

At all times, Defendant acted in good faith and with justification.

THIRD AFFIRMATIVE DEFENSE

The relief sought by Plaintiff is barred by the doctrine of unclean hands.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because it has not suffered any damages.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred pursuant to the doctrines of laches, waiver, ratification, and estoppel.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred in whole or in part due to Plaintiff's breach(es) of the Platform Acquisition and Development Agreement.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because Plaintiff did not reasonably rely upon any alleged misrepresentations by Defendant.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because Plaintiff has an adequate remedy at law.

ADDITIONAL DEFENSES

Defendant presently has insufficient knowledge or information upon which to form a belief as to the whether there may be additional defenses available, and therefore expressly reserves: (i) the right to amend and/or supplement this Answer and its defenses; and (ii) the right to assert (a) any and all additional defenses in the event that discovery indicates such defenses would be appropriate, (b) any and all counterclaims, cross-claims, and third-party claims when and if they become appropriate.

PRAYER FOR RELIEF

WHEREFORE, Defendant respectfully requests entry of an order:

- (a) Denying the relief requested by Plaintiff;
- (b) Entering judgment in favor of Defendant;
- (c) Dismissing the Complaint with prejudice;
- (d) Awarding Defendant all available costs and expenses, including reasonable attorneys' fees, incurred in connection with the above-captioned action; and
- (e) Granting such other and further relief to Defendant as this Court deems just and proper.

Dated: April 18, 2024

BAKER & HOSTETLER LLP

OF COUNSEL:

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/s/ Jeffrey J. Lyons

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Attorneys for 3MotionAI Inc.

Public Version Filed:

April 24, 2025

THIS IS **EXHIBIT “H”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

SAISHA MAHIL (LSO #80083T)

**Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.**

3MotionAI Inc.

Financial information
December 31, 2024

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Compilation engagement report

To the management of 3MotionAI Inc.

On the basis of information provided by management, we have compiled the balance sheet of **3MotionAI Inc.** as at December 31, 2024, the statement of income and deficit for the year then ended, and note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
June 20, 2025

3MotionAI Inc.

Balance sheet

December 31	2024	2023
Assets		
Current:		
Cash	\$ 2,236,170	\$ 2,217,619
Accounts receivable	2,091,469	1,247,962
Advances to director	344,249	331,128
Investment tax credits receivable	-	72,669
Prepaid expenses	10,159	-
	4,682,047	3,869,378
Equipment	27,310	33,978
Prepaid license	155,000	155,000
	\$ 4,864,357	\$ 4,058,356
Liabilities		
Current:		
Accounts payable and accrued liabilities	\$ 1,410,081	\$ 857,971
Current portion of bank loan	54,952	-
Current portion of government loan subsidy	-	40,000
	1,465,033	897,971
Advances from related companies	76,773	77,098
Bank loan	198,309	-
	1,740,115	975,069
Shareholders' equity		
Share capital	8,128,726	6,857,613
Deficit	(5,004,484)	(3,774,326)
	3,124,242	3,083,287
	\$ 4,864,357	\$ 4,058,356

Approved by the board:

_____, Director

_____, Director

3MotionAI Inc.

Statement of income and deficit

For the year ended December 31	2024	2023
Revenue:		
Support services and subscriptions fees	\$ 2,303,006	\$ 1,657,388
Integration services	509,952	4,528,932
	2,812,958	6,186,320
Expenses:		
Salaries and benefits	1,891,911	1,531,674
Research and development	1,328,722	3,062,165
Consulting fees	364,902	413,072
Professional fees	319,697	94,968
Advertising and promotion	167,170	148,338
Travel and automotive	64,036	124,776
Interest and bank charges	46,647	55,003
General and office	26,200	31,826
Bad debts	21,511	55,809
Meals and entertainment	10,413	28,338
Telecommunications	5,844	7,160
Insurance	3,836	21,779
Computer expenses	3,050	10,416
Occupancy costs	234	312
Amortization	13,152	28,405
	4,267,325	5,614,041
Income (loss) from operations	(1,454,367)	572,279
Other income (expense):		
Gain (loss) on foreign exchange	224,209	(78,938)
Investment tax credits	-	72,669
	224,209	(6,269)
Net income (loss)	(1,230,158)	566,010
Deficit, beginning of year	(3,774,326)	(4,340,336)
Deficit, end of year	\$ (5,004,484)	\$ (3,774,326)

3MotionAI Inc.

Note to financial information

December 31, 2024

1. Basis of accounting

The basis of accounting applied in the preparation of the balance sheet of 3MotionAI Inc. as at December 31, 2024, and the statement of income and deficit for the year then ended, is the historical cost basis and reflects cash transactions with the addition of the following:

- accounts receivable less allowance for doubtful accounts;
- prepaid expenses;
- equipment amortized over its estimated useful life;
- accounts payable and accrued liabilities;
- current income taxes payable as at the reporting date; and
- foreign currency transactions converted using the temporal method, with foreign currency exchange gains and losses included in the statement of income.

Profit and Loss

3MotionAI Inc

January 1-September 29, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
4000 Licensing Revenue	\$248,504.38
4002 Consulting Services	\$91,005.31
4020 Promotion Incentives	-\$324,695.25
4025 Subscription Revenue	\$1,008,945.08
Total for Income	\$1,023,759.52
Cost of Goods Sold	
Gross Profit	\$1,023,759.52
Expenses	
5000 Marketing and Advertising	\$30,722.07
5001 Marketing Consulting	\$110,290.64
Total for 5000 Marketing and Advertising	\$141,012.71
5005 Amortization	\$9,722.78
5010 Insurance	\$17,321.85
5015 Interest and Bank charges	\$105.98
5016 Interest expense	\$26,482.39
5017 Bank charges	\$3,257.92
5018 USD Bank charges	\$1,969.84
5064 Stripe Fees	\$9,406.13
Total for 5015 Interest and Bank charges	\$41,222.26
5020 Office Expenses	0
5021 Office supplies	\$1,293.58
5022 Computer supplies	\$3,609.87
5023 Shipping and delivery expense	\$887.38
5025 Meals and entertainment	\$6,046.83
5027 Computers & Equip	\$2,184.98
Total for 5020 Office Expenses	\$14,022.64
5030 Professional Expenses	0
5031 Accounting Fees	\$42,238.33
5033 Advisory Fees	\$167,750.00
5035 Legal-Patents-TM	\$932,865.50
5037 Bookkeeping	\$39,648.75
Total for 5030 Professional Expenses	\$1,182,502.58
5032 Sales Consulting	\$106,010.31
5009 Sales Commissions	\$25,382.95
Total for 5032 Sales Consulting	\$131,393.26
5042 Salaries and wages	0
5043 Salaries	\$549,974.98
5044 CPP Cost	\$21,130.53
5045 EI Cost	\$7,782.38
5046 Employer Health Tax	\$5,095.41
5048 Car Allowance	\$19,723.50
5049 Executive Compensation Package - Reed	\$187,000.00
6017 ADP Fees	\$2,744.92

Profit and Loss

3MotionAI Inc

January 1-September 29, 2025

DISTRIBUTION ACCOUNT	TOTAL
6201 Sunlife Group Benefits	\$8,834.22
Total for 5042 Salaries and wages	\$802,285.94
5050 Software Development Expense	0
5052 Subcontractors - COS	\$178,242.00
5053 R&D-Engineering	\$447,737.39
Total for 5050 Software Development Expense	\$625,979.39
5051 Contractor Wages	
5060 Subscription Fees	\$4.47
5054 Hosting Services	\$166,371.28
5061 Software licenses	\$48,042.69
Total for 5060 Subscription Fees	\$214,418.44
5065 Telephone and telecommunications	0
5066 Telephone	\$4,662.68
Total for 5065 Telephone and telecommunications	\$4,662.68
5070 Travel	\$30,917.75
5071 Travel - Auto	\$2,559.31
5072 Travel meals	\$1,540.54
Total for Expenses	\$3,219,562.13
Other Income	
4010 Interest earned	\$57.37
Total for Other Income	\$57.37
Other Expenses	
Unrealized Gain or Loss	
6000 Exchange Gain or Loss	\$149,815.42
Total for Other Expenses	\$149,815.42
Profit	-\$2,345,560.66

Balance Sheet

3MotionAI Inc

As of September 29, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
1000 RBC CDN Account #9397	\$122,880.77
1004 RBC USA Account #5146	\$246,356.13
1010 First American State Bank - US\$ (#2539)	\$4,087.81
1014 Stripe Bank CDN	
1017 Stripe Bank USD	\$1,160.41
1020 Virtual Wallet (CAD)	
1021 Virtual Wallet (USD)	
1160 Undeposited Funds	
Total for Cash and Cash Equivalent	\$374,485.12
Accounts Receivable (A/R)	
1100 Accounts Receivable (A/R)	\$7,314.07
1105 Accounts Receivable (A/R) - USD	\$1,628,942.25
Total for Accounts Receivable (A/R)	\$1,636,256.32
1105FX FX - USD Accounts Receivable	\$32,324.27
1180 GIC Investment	\$12,000.00
1200 Prepaid expenses	\$4,019.84
1220 Allowance for bad debt	
1400 SRED Refund Receivable	
Total for Current Assets	\$2,059,085.55
Non-current Assets	
Property, plant and equipment	
1700H Equipment	0
1700 Office Furniture	\$4,229.50
1710 Property, plant and equipment	\$9,596.54
1711 Accum. Amor - PPE	-\$8,010.85
Total for 1700H Equipment	\$5,815.19
1705H Computer Equipment	0
1705 Hardware (ProplayAI)	\$3,437.25
1750 Accum Amort - Hardware (ProplayAI)	-\$3,355.54
Total for 1705 Hardware (ProplayAI)	\$81.71
1720 Hardware	\$94,422.86
1721 Accum. Amor - Hardware	-\$76,277.22
Total for 1720 Hardware	\$18,145.64
Total for 1705H Computer Equipment	\$18,227.35
1706 Machinery and Equipment (ProplayAI)	\$5,084.94
1760 Accum Amort - Machine & Equipment (ProplayAI)	-\$3,626.39
Total for 1706 Machinery and Equipment (ProplayAI)	\$1,458.55
1730 Software	\$72,300.75
1731 Accum Amort - Software	-\$72,300.75
Total for 1730 Software	0

Balance Sheet

3MotionAI Inc

As of September 29, 2025

DISTRIBUTION ACCOUNT	TOTAL
Total for Property, plant and equipment	\$25,501.09
1735 Prepaid Licences	\$155,000.00
Total for Non-current Assets	\$180,501.09
Total for Assets	\$2,239,586.64
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2000 Accounts Payable (A/P)	\$394,639.44
2010 Accounts Payable (A/P) - USD	\$789,981.91
Total for Accounts Payable (A/P)	\$1,184,621.35
Credit Card	
2025 RBC Visa CAD Credit Card #9144	-\$3,842.74
2027 RBC Visa USD Gold Credit Card #5022	-\$15,846.14
Total for Credit Card	-\$19,688.88
2010FX FX - USD Accounts Payable	\$13,641.24
2030 Accrued Liabilities	\$13,500.00
2031 Payroll Liabilities	
2035 License Payable - Roxman Investments	
2060 Due to MyTrak Holdings	
2061 Due to/(from) ProplayAI	\$79,341.82
2070 Due to/(from) Roxman Investments	-\$3,425.10
2075 Promissory note payable - Roxman	
2080 Short term borrowings to/(from) related parties	-\$12,500.00
2100 GST/HST Payable	-\$81,143.04
2101 GST/HST Filed	\$50,331.59
2103 GST/HST Payable (ProplayAI)	
2104 GST/HST Payable Suspense (Proplay)	
2105 Owner Purchases (ProplayAI)	
2150 Corporate Taxes Payable	
2151 Federal Corporate tax payable (ProplayAI)	
2201 Car Allowance - Reed	
2202 Legal Fees - Reed	
2203 Medical Expense Payable - Reed	
2204 Vacation Payable - Reed	
2205 Retroactive Payroll - Reed	
2206 Perquisite - Reed	
2400 CEBA Loan	
2405 CEBA Loan - Current year portion	
2410 RBC Line of Credit	
2600 Unearned Revenue	\$34,118.05
3101 Retained Earnings (ProplayAI)	
Total for Current Liabilities	\$1,258,797.03

Balance Sheet

3MotionAI Inc

As of September 29, 2025

DISTRIBUTION ACCOUNT	TOTAL
Non-current Liabilities	
2200 Shareholder Loan	
2502 RBC Loan	
2520 Shares payable	
2550 BDC Loan - 171027-01	
Total for Non-current Liabilities	0
Total for Liabilities	\$1,258,797.03
Equity	
3000 Opening Balance Equity	
3010 Common Shares	
3011 Common stock - Voting	\$1,986,103.70
3012 Common shares - non-voting	\$3,152,117.87
3013 Sale of Stock to Investors	
3015 SAFE Investors	\$2,637,112.50
3016 Sale of Stock to Investors (ProplayAI)	\$555,000.23
2950 Retained Earnings	-\$5,004,484.03
Profit for the year	-\$2,345,060.66
Total for Equity	\$980,789.61
Total for Liabilities and Equity	\$2,239,586.64

THIS IS **EXHIBIT “I”** REFERRED TO

IN THE AFFIDAVIT OF

REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025

A handwritten signature in blue ink, appearing to read 'Stephanie Isimisi Mayaki', is positioned above a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.**

DEBTOR-IN-POSSESSION FINANCING TERM SHEET

This term sheet DIP Term Sheet sets out the terms and conditions upon which West Tech Fitness Group Inc. will provide debtor-in-possession financing to the Borrower (as defined below) in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

Borrower:	3MotionAI Inc. (the “ Borrower ”)
DIP Lender:	West Tech Fitness Group Inc. (the “ DIP Lender ”)
Proposal Trustee:	TDB Restructuring Limited in its capacity as proposal trustee (in such capacity, the “ Proposal Trustee ”) in connection with the Borrower’s proceedings (the “ BIA Proceedings ”) under the <i>Bankruptcy and Insolvency Act</i> (Canada) (the BIA) commenced by a Notice of Intention to Make a Proposal filed on September 3, 2025 (the “ NOI ”).
Type of DIP Loan:	Debtor-in-possession loan of up to a maximum amount of CDN \$750,000.00 (the “ DIP Loan ”) secured by way of the DIP Charge (defined herein) to be available to the Borrower with the agreement of the Proposal Trustee subject to and in accordance with the terms herein.
Availability:	Subject to the fulfillment of the applicable conditions precedent to the availability of the DIP Loan set out herein and the Borrower’s adherence to the Form 30 Report of Consolidated Cash-Flow Statement filed by the Borrower pursuant to the NOI (the “ Approved Cash Flows ”) being satisfactory to each of the Proposal Trustee and the DIP Lender, and provided that no Event of Default (as defined below) has occurred and is then continuing, advances of the DIP Loan shall be made by the DIP Lender to the Borrower.
Purpose, Use of Proceeds:	The proceeds of the DIP Loan will be used by the Borrower to fund (a) the pre filing professional expenses incurred in preparation for filing the BIA Proceedings, and (b) the cash flow requirements of the Borrower on a going concern basis provided that the same is, unless approved in writing by the DIP Lender and the Proposal Trustee, (i) in accordance with the Approved Cash Flows, and (ii) not on account of any liability that existed as of September 3, 2025 unless permitted by the DIP Lender, including for avoidance of doubt but without limitation any unremitted statutory remittances existing as of September 3, 2025.
Closing Date:	On or before September 22, 2025 unless otherwise agreed by the Borrower and the DIP Lender (the “ Closing Date ”)
Termination Date:	The maturity of the DIP Loan (the “ Termination Date ”) shall be the earliest of: (a) 12 months following the Closing Date; (b) the effective date of any merger, amalgamation, consolidation, arrangement, reorganization, recapitalization, sale or any other transaction

	affecting all or a material part of the Borrower's assets or operations or resulting in the change of ownership or control of the Borrower confirmed by the Supreme Court of Ontario (the "Court") and satisfactory to the DIP Lender (any of the foregoing being a "Transaction"); (c) the date on which the Borrower's stay of proceedings expires without being extended or the date on which the BIA Proceedings are dismissed or terminated or the date on which either the Borrower becomes bankrupt or the stay of proceedings is lifted to allow the filing of a bankruptcy or receivership application or similar insolvency proceeding; and (d) the date of the acceleration of the DIP Loan and the termination of the commitment with respect to the DIP Loan as a result of an Event of Default (as defined herein). All outstanding amounts under the DIP Loan, together with all interest accrued in respect thereof and all other amounts owing under this DIP Term Sheet shall be payable in full on the Termination Date.
Interest Rates:	All amounts outstanding under the DIP Loan will bear interest at a rate of 10% per annum, on the daily balance outstanding under the DIP Loan. Interest shall be due, owing, payable and repaid as at the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.
Commitment Fee:	The Borrower shall pay to the DIP Lender a commitment fee equal to 1.5% of the maximum DIP Loan amount (the "Commitment Fee"). The Commitment Fee is non-refundable and is fully earned and payable no later than the Closing Date.
Repayment:	Unless otherwise repaid as contemplated herein, the DIP Loan shall be due, owing, payable and repaid as the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.
Mandatory Prepayments:	The DIP Loan shall be repaid in full from the net proceeds of any Transaction involving the Borrower.
Representations and Warranties:	The Borrower represents and warrants to the DIP Lender as of the date hereof, and as of the date of each advance under the DIP Loan, that: (a) the Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, has all requisite power to carry on business as now and formerly conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to constitute a material adverse effect, are qualified to do business in, and are in good standing in, every jurisdiction where such qualification is required; (b) the execution, delivery and performance, as applicable, of the DIP Term Sheet has been duly authorized by all actions, if any, required on the

	part and by the Borrower's board of directors, and constitutes a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general rights generally and to general equitable principles; (c) the Approved Cash Flows represent the Borrower's best estimate as at each applicable date of the likely results of the operations of the Borrower during the period applicable thereto and, to the Borrower's knowledge, such results are achievable as provided therein; (d) there are no arrears for any statutory remittances, withholding taxes or other amounts that, if unpaid, would have the benefit of an encumbrance or deemed trust in priority to the DIP Security and the DIP Charge (as defined herein), such as without limitation taxes under the <i>Excise Tax Act</i> (Canada) and any source deduction remittances to the Canada Revenue Agency, except those accruing in the normal course and not yet due; and (e) except in respect of periods preceding September 3, 2025, all employee wages and other amounts owing to employees are up-to-date and there are no amounts owing in respect of wages, termination pay, severance pay, vacation pay, pension benefit contributions or other benefits except those accruing in the normal course and in accordance with the established practices and arrangements of the Borrower.
Covenants:	The Borrower covenants and agrees that: (a) the Borrower shall pay all amounts and satisfy all obligations in respect of the DIP Loan, including the Commitment Fee; (b) the Borrower shall not make or permit to be made any payment on account obligations owing as at September 3, 2025 without the prior consent of the Proposal Trustee and the DIP Lender or pursuant to an order of the Court; (c) the Borrower shall not undertake any actions with respect to their respective assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, have a material adverse effect on the Borrower or the Collateral (as defined below); (d) the Borrower shall not incur any indebtedness, including the giving of guarantees, other than indebtedness specifically contemplated herein or permitted in writing by the DIP Lender; (e) the Borrower shall not incur, create, assume or suffer to exist any lien, charge, security interest or other encumbrance on any of the Collateral now owned or hereafter acquired other than: (i) those encumbrances existing as of September 3, 2025, (ii) those permitted by the DIP Lender in its sole discretion, (iii) the DIP Charge, and (iv) the administration charge to be granted by the Court (the "Administration Charge");

	(f) the Borrower shall not enter into any other credit facility or loan arrangements that would be secured in priority to or <i>pari passu</i> with the DIP Loan; (g) the Borrower shall not enter into any Transaction without the prior written consent of the DIP Lender; (h) without the prior written consent of the DIP Lender, the Borrower shall not: (i) declare or pay any dividends on, or make any other payments or distributions (whether by reduction of capital or otherwise) with respect to any of their respective issued and outstanding shares or other equity interests, or (ii) grant any loans; (i) the Borrower shall not sell any of their assets outside of the ordinary course of business without the prior written consent of the DIP Lender; (j) the Borrower shall ensure that their senior management team and advisors are available to meet and respond to inquiries and information requests from the Proposal Trustee and the DIP Lender and their advisors as may be reasonably required, and in any event no less frequently than once per week, and to provide them with updates as may be required by the DIP Lender or the Proposal Trustee; (k) the Borrower shall promptly pay all DIP Expenses (as defined below), including all legal and advisory fees and expenses, of the DIP Lender as such DIP Expenses are incurred and invoiced to the Borrower; (l) the Borrower shall pay the fees, if any, owing to the DIP Lender in connection with the DIP Loan (as set out herein or otherwise) promptly when such fees are due; (m) the Borrower shall update the Approved Cash Flows and provide a copy thereof to the DIP Lender and the Proposal Trustee together with a comparison to the prior version, it being understood that such updated Approved Cash Flows, if approved, become the Approved Cash Flows for purposes hereof; and (n) the Borrower shall provide such other information that the DIP Lender may reasonably request in relation to the BIA Proceedings, the Collateral, or the DIP Loan generally
Security:	As continuing security (the “DIP Security”) for the prompt payment of all amounts payable by the Borrower to the DIP Lender under the DIP Term Sheet, including all fees and expenses incurred by the DIP Lender in connection with DIP Loan and the enforcement thereof, and as continuing security for the due and punctual performance by the Borrower of their existing and future obligations pursuant to the DIP Term Sheet (the “DIP Obligations”), the Borrower hereby grants, conveys, assigns, transfers, mortgages and charges as and by way of a fixed and specific security interest, mortgage and charge, to and in favour of the DIP Lender, all of their property, assets, rights and undertakings, real and personal, moveable

	or immovable, tangible and intangible, legal or equitable, of whatsoever nature and kind, wherever located, both present and future, and now or hereinafter owned or acquired (collectively, the “Collateral”). The DIP Security shall be elevated by way of a Court-ordered super-priority charge (the “DIP Charge”) which the DIP Charge shall rank in priority on the Collateral in priority to any security interests, claims, or deemed trusts (statutory or otherwise) but subordinated to the Administration Charge (and any other court order charges to which the DIP Lender hereafter may elect to consent) without any other formality or requirement, such as without limitation under the <i>Personal Property Security Act</i> (Ontario) or registrations in land registration office(s) or otherwise.
Events of Default:	Each of the following shall constitute an “Event of Default”: (a) the Borrower defaults in the payment of any amount due and payable to the DIP Lender (whether of principal, interest or otherwise) pursuant to this DIP Term Sheet; (b) any representations and warranties made by the Borrower in the DIP Term Sheet proves to be incorrect at any time while the DIP Loan is outstanding; (c) the Borrower fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in the DIP Term Sheet or any other document between the Borrower and the DIP Lender; (d) the stay of proceedings expires without being extended or the BIA Proceedings being dismissed or terminated or the Borrower becoming subject to a proceeding in bankruptcy or receivership or similar insolvency proceeding; (e) the entry of an order staying, amending, reversing, vacating or otherwise modifying or having a material adverse effect with respect to, in each case without the prior written consent of the DIP Lender, the DIP Loan or the DIP Charge; (f) the Borrower undertakes any actions with respect to its assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, has a material adverse effect on the Borrower or the Collateral; (g) if the Borrower makes any payments of any kind not permitted by this DIP Term Sheet, or contemplated by the Approved Cash Flows; (h) the occurrence of any other event or circumstance that has, or could reasonably be expected to have, a material adverse effect on either of the Borrower or on the Collateral, including without limitation a material adverse change from the Approved Cash Flow budget as determined by the DIP Lender in its sole discretion; and

	(i) if there is a change in the ownership, control, existing senior operating management arrangements or governance of the Borrower that is not acceptable to the DIP Lender. Upon the occurrence of an Event of Default, without any notice, protest, demand or other act on the part of the DIP Lender, all indebtedness of the Borrower to the DIP Lender shall become immediately due and payable and the DIP Lender shall be able to take all steps necessary to enforce its security. The DIP Lender shall also have the right to exercise all other customary remedies, including, without limitation, the right to enforce and realize on any or all of the Collateral, in each case, upon providing two (2) days prior written notice to the Borrower and the Proposal Trustee, without the necessity of obtaining further relief or an order from the Court.
Conditions Precedent, to first advance:	The conditions precedent to any advance being made under this DIP Term Sheet are: (a) the representations and warranties made by the Borrower in this DIP Loan Term Sheet being true and correct as of the date of such advance; (b) the issuance of a Court order approving the DIP Loan and the DIP Term Sheet, creating the DIP Charge with the priority specified herein, and authorizing the payment by the Borrower of all of the fees and expenses in respect of the DIP Loan (“DIP Order”); (c) If the DIP Lender so requires for any advance, the approval of the Proposal Trustee; and (d) the DIP Lender being satisfied with the Cash Flow Statement as amended from time to time.
Purchase of Assets pursuant to the SISP	The parties confirm and agree that the DIP Lender or any one of its affiliates may, but shall not be obligated to, make one or more bids to purchase the assets of the Borrower as part of the BIA Proceeding. Should the DIP Lender or its affiliate’s bid be successfully accepted by the Trustee an approved by the Court, the purchase price payable by the DIP Lender or its affiliate pursuant to such bid shall be set off against and deducted from the DIP Loan and such other amounts owing to the DIP Lender pursuant hereto, and the DIP Lender shall only be obligated to advance such portion of the purchase price which is in excess of the total of all amounts owing to the DIP Lender pursuant hereto (including on account of the DIP Loan, interest accruing thereon, the Commitment Fee and any Administration Costs owing to the DIP Lender).
Illegality:	In the event that it becomes illegal for the DIP Lender to lend or continue to lend, the DIP Lender will be repaid in full all amounts owing under the DIP Loan, including the Dip Expenses and the DIP Lenders commitment will be cancelled, without prejudice to the DIP Lender’s rights thereunder.

Taxation:	All payments of principal, interest and fees will be made free and clear of all present and future taxes, levies, duties or other deductions of any nature whatsoever, levied either now or at any future time.
Fees and Expenses:	The Borrower shall pay all of the DIP Lender's due diligence and other out-of-pocket expenses (including the reasonable fees and expenses of its counsel and advisors), whether or not any of the transactions contemplated hereby are consummated and whether incurred prior to or after the date of the DIP Order, as well as all reasonable expenses of the DIP Lender in connection with the ongoing monitoring, interpretation, administration, protection and enforcement of the DIP Loan, and the enforcement of any and all of its remedies at law (collectively the " DIP Expenses ")
Governing law, Jurisdiction	Laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario, without reference to any conflicts of laws provisions. The Borrower agrees to submit to the exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters pertaining to this Agreement and the loans to be made hereunder, including without limitation all matters pertaining to the DIP Loan, the DIP Expenses, the Commitment Fee, the Collateral, the DIP Security and the DIP Charge and any and all rights of the DIP Lenders.

IN WITNESS HEREOF, the parties hereby execute this DIP Term Sheet as of the 29th day of September, 2025.

3MOTIONAI INC.

Per: 
 Reed Hanoun
 Director

I have authority to bind the Corporation

WEST TECH FITNESS GROUP INC.

Per: 
 Reed Hanoun
 C.E.O.

I have authority to bind the Corporation

THIS IS **EXHIBIT “J”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.



Victor Canada
500-1400 Blair Towers Place
Ottawa, Ontario K1J 9B8
Telephone 613-786-2000
Facsimile 613-786-2001
Toll Free 800-267-6684
www.victorinsurance.ca

Policy

PrivatePlus

Private Entity

Management Liability Insurance

POLICY NUMBER:	PV-650707	REPLACING POLICY:	PV-630027
CLIENT NUMBER:	462211	BROKER:	MARSH CANADA LIMITED

DECLARATIONS

1. ENTITY: 3MOTIONAI INC.
2. Address: 61029 19-511 MAPLE GROVE DR
OAKVILLE ON L6J 7P5
3. POLICY PERIOD: from 21 December 2024 to 21 December 2025
at 00:01 local time at the address
shown above without tacit renewal
4. Limits of Liability: \$ 2,000,000 per CLAIM
\$ 2,000,000 per POLICY PERIOD
5. Deductible: \$ 10,000 per CLAIM with respect to
Insuring Agreements B and C
6. Premium: \$ 5,150
Policy Fee: \$ 150 payable immediately (fully earned)
** All amounts shown in CDN dollars*
7. Continuity Date: 21 December 2023
(as per ORIGINAL POLICY, Item U of Section II -
Definitions)
8. These Declarations, together with the statements made in the application
for this insurance, form an integral part of the attached policy
(Form EIM-PV-2013).
9. Endorsements forming part of this policy at issuance: 1 to 9
10. INSURERS:

Aviva Insurance Company of Canada	25.00%
Temple Insurance Company	20.00%
Everest Insurance Company of Canada	20.00%
Arch Insurance Canada Ltd.	17.50%
XL Reinsurance America Inc.	17.50%

It is agreed that the above INSURERS are binding themselves, severally and not jointly, up to the extent of their above proportion only.

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of the subscribing INSURERS' insurance business in Canada.

11. Insurance Manager: Victor Insurance Managers Inc.
500-1400 Blair Towers Place
Ottawa, Ontario K1J 9B8

The INSURERS have duly authorized Victor Insurance Managers Inc. to execute and sign this policy of insurance.

Dated: 13 January 2025

A handwritten signature in black ink, appearing to read 'D. Cook', written over a horizontal line.

David G. Cook, President
Authorized Representative

Policy

PrivatePlus

Private Entity

Management Liability Insurance

This policy is organized as follows:

Section I – Insuring Agreements	Page 1	Section V – Computation of Amounts Payable	Page 8
Section II – Definitions	Page 1	Section VI – Notice of Claim.....	Page 8
Section III – Extensions.....	Page 5	Section VII – Defence and Settlement	Page 8
Section IV – Exclusions	Page 6	Section VIII – General Conditions.....	Page 9

This is a claims-made and reported policy. It applies only to CLAIMS first made during the POLICY PERIOD or the Discovery Period and then only if reported to VICTOR within the POLICY PERIOD or the Discovery Period as outlined in Section VI or Section III of the policy, as the case may be. Please read all of the policy terms carefully.

The INSURER shall not rescind this policy.

Section I – Insuring Agreements

In consideration of the payment of the premium, in reliance upon the statements made in the application and attachments thereto, and subject to all of the terms and conditions of this policy, the INSURER agrees that:

A. Insured Persons Liability (Side A)

The INSURER shall pay, on behalf of the INSURED PERSONS, LOSS that they may become legally obligated to pay as a result of a CLAIM for a WRONGFUL ACT for which the ENTITY or an OUTSIDE ENTITY does not indemnify them.

B. Entity Indemnification (Side B)

The INSURER shall pay, on behalf of the ENTITY, LOSS that the INSURED PERSONS may become legally obligated to pay as a result of a CLAIM for a WRONGFUL ACT for which the ENTITY indemnifies them.

C. Entity Liability (Side C)

The INSURER shall pay, on behalf of the ENTITY, LOSS that the ENTITY may become legally obligated to pay as a result of a CLAIM for a WRONGFUL ACT.

Section II – Definitions

A. BENEFIT PLAN means:

- any employee pension plan or employee welfare benefit plan which, at the inception date of the ORIGINAL POLICY, is operated solely by the ENTITY, or jointly by the ENTITY and a labour organization for the benefit of the EMPLOYEES of the ENTITY;
- any medical, dental, life and accident or employee profit sharing plan which, at the inception date of the ORIGINAL POLICY, is sponsored solely by the ENTITY;

3. any BENEFIT PLAN acquired or created subsequent to the inception date of the ORIGINAL POLICY but only with respect to FIDUCIARY WRONGFUL ACTS occurring subsequent to the date of such acquisition or creation.

B. CLAIM means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by the service of a notice of action, statement of claim or similar proceeding;
3. an arbitration proceeding or mediation proceeding commenced by the service of a demand for arbitration, demand for mediation or similar document;
4. an administrative or regulatory proceeding or investigation commenced by the filing of a notice of hearing, an investigative order or similar document;
5. a criminal or penal proceeding commenced by the laying of an information or similar proceeding; or
6. an official request for EXTRADITION of any INSURED PERSON or the execution of a warrant for the arrest of an INSURED PERSON where such execution is an element of EXTRADITION;

including any appeal therefrom.

CLAIM shall not include any grievance or proceeding brought pursuant to a collective agreement.

C. CONTROL CHANGE means:

1. the acquisition by another entity or person (or group of entities or persons acting in concert) of the ownership or control of voting stock of the ENTITY named in the Declarations resulting in the ownership or control of more than fifty per cent (50%) of the voting stock of the ENTITY;
2. the merger or consolidation of the ENTITY with another entity such that the ENTITY is not the surviving entity; or
3. the initial public offering of securities of the ENTITY.

D. D&O WRONGFUL ACT means any actual or alleged defamation, breach of duty, neglect, error, misstatement, misrepresentation, omission or other act done or attempted by the INSURED PERSONS in the discharge of their duties solely in their capacity as INSURED PERSONS of the ENTITY or any matter claimed against them solely by reason of their status as INSURED PERSONS.

E. DAMAGES means:

1. compensatory damages, including but not limited to amounts for which the INSURED PERSONS are statutorily liable due to the insolvency of the ENTITY (including penalties and interest related to such statutory liabilities) pursuant to any Canadian federal, provincial or territorial law;
2. punitive or exemplary damages first rendered by a court in Canada or the United States; or
3. civil penalties assessed against an INSURED PERSON pursuant to the Corruption of Foreign Public Officials Act of Canada or any equivalent federal, provincial, territorial, state or other governmental law;

which the INSURED are legally obligated to pay as a result of a judgment, settlement or assessment, including pre- and post-judgment interest and costs taxed against the INSURED. DAMAGES shall not include fines, penalties or damages that may be deemed uninsurable. It is agreed that insurability shall be governed by such applicable law of the jurisdiction that most favours coverage provided such jurisdiction has a substantial relationship to the relevant INSURED or to the CLAIM giving rise to the DAMAGES.

F. DEFENCE COSTS means reasonable and necessary legal, accounting, adjusting or investigating expenses incurred for the defence of CLAIMS.

G. EMPLOYEE means any past, present or future individual whose labour or service is engaged and directed by the ENTITY in the normal course of the ENTITY'S business, including voluntary, part-time, seasonal, temporary, contract or leased employees, but not including independent contractors unless specifically added by endorsement to this policy, solely while acting in their capacity with the ENTITY, including the estates, heirs, legal representatives or assigns of any said deceased, incompetent, insolvent or bankrupt individuals.

H. ENTITY means:

1. the entity named in the Declarations;

2. any SUBSIDIARY at the inception date of this policy and any former SUBSIDIARY; however, coverage is afforded only with respect to WRONGFUL ACTS occurring during its currency as a SUBSIDIARY;
3. any SUBSIDIARY acquired or created after the inception date of this policy on condition that:
 - (a) written notice, together with full information thereof, is provided to VICTOR within ninety (90) days of the acquisition or creation of any new SUBSIDIARY whose total consolidated assets exceed fifty per cent (50%) of the total consolidated assets of the ENTITY as reflected in the ENTITY'S most recent audited consolidated financial statements prior to such acquisition or creation;
 - (b) coverage shall apply only to WRONGFUL ACTS occurring subsequent to the effective date of such acquisition unless the INSURER agrees, after presentation of a complete application and all appropriate information, to provide coverage for WRONGFUL ACTS occurring prior to such acquisition; and
 - (c) an additional premium as may be required by the INSURER be paid;
4. the ENTITY as a debtor-in-possession;
5. an OUTSIDE ENTITY for the purposes of Section IV.

I. ENTITY WRONGFUL ACT means:

1. any actual or alleged breach of duty, neglect, error, omission, misstatement or misrepresentation done or attempted by the ENTITY; or
2. liability alleged against the ENTITY arising out of a D&O WRONGFUL ACT.

ENTITY WRONGFUL ACT shall not include:

- (a) an EPL WRONGFUL ACT;
- (b) a FIDUCIARY WRONGFUL ACT;
- (c) liability arising out of or attributable to any actual or alleged unauthorized use or infringement of any patent, trademark, copyright, service mark, trade dress or trade secret;
- (d) liability arising out of or attributable to the use of products designed, manufactured or distributed by the ENTITY;
- (e) liability arising out of or attributable to any actual or alleged violation of any applicable law with respect to the Competition Act, business competition or unfair trade practices; or
- (f) liability arising out of or attributable to the rendering or failure to render any kind of service for others, either gratuitously or for a fee.

J. EPL WRONGFUL ACT means any actual or alleged:

1. wrongful termination of employment;
2. breach of an employment contract;
3. discrimination or harassment adversely affecting any EMPLOYEE of or applicant for employment with the ENTITY;
4. negligent evaluation or wrongful deprivation of a career opportunity or failure to employ, promote or grant tenure;
5. wrongful discipline or demotion of EMPLOYEES or infliction of emotional distress;
6. employment-related misrepresentation;
7. employment-related defamation;
8. retaliatory treatment against an EMPLOYEE of the ENTITY on account of such EMPLOYEE'S exercise of his/her rights under law; or
9. discrimination or harassment with respect to any past, present or prospective customers or clients of the ENTITY.

K. EXTRADITION means any formal process by which an INSURED PERSON located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

L. FIDUCIARY means any INSURED PERSON, the BENEFIT PLAN and the ENTITY.

- M. FIDUCIARY WRONGFUL ACT means any actual or alleged act, error or omission arising out of the management or administration of a BENEFIT PLAN.
- N. INSURED means the INSURED PERSONS, FIDUCIARY and the ENTITY.
- O. INSURED PERSON means:
1. any past, present or future duly elected, appointed or de facto director, officer, trustee, governor, general counsel, risk manager, management committee member or management board member (including equivalent executive positions in foreign jurisdictions) of the ENTITY, while acting within the scope of his/her duties as such, including the estates, heirs, legal representatives or assigns of any said deceased, incompetent, insolvent or bankrupt INSURED PERSONS;
 2. any EMPLOYEE of the ENTITY only if and to the extent a CLAIM is made against him/her for an EPL WRONGFUL ACT, a FIDUCIARY WRONGFUL ACT, an ODL WRONGFUL ACT, or a PROFESSIONAL SERVICES WRONGFUL ACT; or
 3. any EMPLOYEE of the ENTITY only if and to the extent a CLAIM is made against him/her for a D&O WRONGFUL ACT inasmuch as they are named as a de facto director or officer.
- P. INSURER means the insurers whose names appear in the Declarations.
- Q. INTERRELATED WRONGFUL ACTS means WRONGFUL ACTS that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- R. INVESTIGATIVE COSTS means reasonable and necessary legal, accounting, adjusting or investigating expenses incurred in connection with the investigation or evaluation of any CLAIM made derivatively for a D&O WRONGFUL ACT.
- S. LOSS means DAMAGES and DEFENCE COSTS resulting from a CLAIM for which coverage is provided by this policy.
- T. ODL WRONGFUL ACT means a D&O WRONGFUL ACT committed by an OUTSIDE DIRECTOR.
- U. ORIGINAL POLICY means the first policy purchased by the ENTITY providing coverage of a similar nature to this policy and which has continued through renewal or reinstatement on an uninterrupted basis since its inception. Each Insuring Agreement is considered separately.
- V. OUTSIDE DIRECTOR means any INSURED PERSON acting in the capacity as a duly elected or appointed director, officer or trustee of an OUTSIDE ENTITY, provided such position is being held at the specific request of the ENTITY.
- W. OUTSIDE ENTITY means:
1. any legally constituted non-profit association or organization; or
 2. any other entity specifically stated as such in an endorsement attached hereto.
- X. POLICY PERIOD means the period from the inception date of this policy to the policy expiration date as set out in the Declarations or a shorter period in the event the policy is cancelled.
- Y. POLLUTANTS means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste reconditioned or reclaimed materials, as well as any air emission, odour, waste water, oil or oil products, infectious or biological waste, asbestos or asbestos products, or any noise.
- Z. PROFESSIONAL SERVICES means duties performed for the ENTITY by EMPLOYEES solely in their professional capacity as lawyers, notaries, chartered accountants, certified management accountants, certified general accountants and chartered professional accountants.
- AA. PROFESSIONAL SERVICES WRONGFUL ACT means any actual or alleged act, error or omission arising out of PROFESSIONAL SERVICES.
- BB. SUBSIDIARY means:
1. any entity of which the ENTITY or a SUBSIDIARY owns more than fifty per cent (50%) of the voting stock and controls more than fifty per cent (50%) of the associated votes; or
 2. any partnership, limited partnership (including its general partner), trust or joint venture that the ENTITY or a SUBSIDIARY manages or operates under the terms and conditions of an applicable agreement governing such partnership, limited partnership, trust or joint venture.

CC. VICTOR means the insurance manager whose name and address appear in the Declarations, which is authorized to be the agent of the INSURER. VICTOR is not a party to this contract of insurance.

DD. WRONGFUL ACT means:

1. Solely with respect to Insuring Agreements A and B, WRONGFUL ACT means a D&O WRONGFUL ACT, an EPL WRONGFUL ACT, a FIDUCIARY WRONGFUL ACT, an ODL WRONGFUL ACT, and/or a PROFESSIONAL SERVICES WRONGFUL ACT.
2. Solely with respect to Insuring Agreement C, WRONGFUL ACT means an ENTITY WRONGFUL ACT, an EPL WRONGFUL ACT and/or a FIDUCIARY WRONGFUL ACT.

Section III – Extensions

Subject to the terms, conditions and exclusions of this policy:

A. Discovery Period

If the INSURER refuses to renew this policy, or if the ENTITY cancels or non-renews this policy, and provided there are no outstanding premiums due hereunder, the INSUREDS shall have the right within thirty (30) days of the effective date of cancellation or expiry of this policy and upon payment of a premium calculated as a percentage (see below) of the “full annual premium,” to an extension of the cover granted by this policy for CLAIMS made against the INSUREDS during the period indicated below, but only with respect to any WRONGFUL ACT occurring prior to the date of such cancellation or expiry.

As used herein, “full annual premium” means the premium level in effect immediately prior to the effective date of cancellation or expiry.

Premium Calculation:

1. If the INSURER refuses to renew:
 - (a) One Year Option:
 - (i) 50% if purchased following the initial policy issued by the INSURER; or
 - (ii) 20% if purchased following the second or subsequent consecutive policy issued by the INSURER;
 - (b) Six Year Option: maximum 200%.
2. If the ENTITY cancels or non-renews:
 - (a) One Year Option: 75%;
 - (b) Six Year Option: maximum 200%.

If the Discovery Period extension is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the INSURER to return any part thereof and it shall not in any way increase the limit of liability set forth in the Declarations.

The acceptance by the INSUREDS of the INSURER’S offer of a new policy relieves the INSURER of any obligation it may have had to provide Discovery Period coverage under this policy.

B. Spousal/Co-defendant Clause

Coverage as afforded by this policy shall apply to the spouse (including a domestic partner) of an INSURED PERSON, provided:

1. such spouse is named as a co-defendant in a CLAIM against an INSURED PERSON;
2. such spouse is so named solely by reason of:
 - (a) his/her status as the spouse of an INSURED PERSON; or
 - (b) his/her ownership interest in property that the claimant seeks as recovery in such CLAIM;
3. it is not alleged in the CLAIM that the spouse is liable to the claimant for any reasons other than those contemplated above; and

4. coverage is provided by this policy to the INSURED PERSON for the CLAIM.

C. Side A Excess

Notwithstanding Section V of this policy, the INSURER shall pay additional LOSS up to a maximum of \$1,000,000 each POLICY PERIOD on behalf of the INSURED PERSONS for LOSS that they may become legally obligated to pay as a result of a CLAIM for a D&O WRONGFUL ACT under Insuring Agreement A.

This LOSS shall be specifically excess of the limit of liability stated in the Declarations and any insurance that is specifically stated to be excess of this policy. Such excess insurance must be completely exhausted before the INSURER shall have any obligation to make any payment under this extension.

D. Derivative Investigative Costs

The INSURER shall pay, on behalf of the ENTITY, INVESTIGATIVE COSTS that the INSURED PERSONS may become legally obligated to pay, up to a maximum of \$250,000 per POLICY PERIOD. This amount shall be included in the aggregate limit of liability as stated in the Declarations.

Section IV – Exclusions

This insurance does not apply to:

A. Bodily Injury or Property Damage

CLAIMS for bodily injury, sickness, mental anguish, disease or death of any person, or damage to or destruction of any tangible property, including loss of use thereof or injury resulting from false arrest, detention, imprisonment, wrongful entry or eviction.

However, this exclusion shall not apply to:

1. DEFENCE COSTS arising from a CLAIM pursuant to section 217.1 of the Criminal Code of Canada (as amended by Bill C-45);
2. DEFENCE COSTS arising from a CLAIM pursuant to Bill 168, the Ontario Occupational Health and Safety Act, or any equivalent provincial legislation;
3. allegations of mental anguish in a CLAIM for an EPL WRONGFUL ACT.

B. Pollution

CLAIMS arising out of or attributable to the actual, alleged or threatened discharge, dispersal, release or escape of POLLUTANTS into or upon real or personal property, the atmosphere or water, whether such discharge, dispersal, release or escape is intentional or accidental, or resulting from any direction or request to test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize POLLUTANTS. However, this exclusion shall not apply to:

1. allegations of retaliatory treatment in a CLAIM for an EPL WRONGFUL ACT;
2. LOSS arising from any CLAIM made directly or derivatively by a security holder of the ENTITY in his/her right as such provided that such CLAIM is brought totally without the solicitation, assistance, participation or intervention of any INSURED PERSON or the ENTITY; or
3. LOSS arising from a non-security holder CLAIM to the extent it is covered under Insuring Agreement A of Section I.

LOSS shall not include costs associated with the monitoring, cleanup, removal, containment, treatment, detoxification or neutralization of POLLUTANTS.

C. Nuclear

CLAIMS based upon, arising out of, directly or indirectly resulting from or in consequence of:

1. ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
2. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

D. Breach of Contract

CLAIMS for an actual or alleged breach of contract except that this exclusion does not apply to:

1. any allegations of tortious conduct arising out of or attributable to an actual or alleged breach of contract; or
2. DEFENCE COSTS for CLAIMS arising from an EPL WRONGFUL ACT.

E. Prior Notification and Litigation

1. CLAIMS arising from any WRONGFUL ACT if notification has been given under any policy that has expired prior to or upon the inception of this policy, and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such LOSS, in whole or in part, as a result of such notice.
2. CLAIMS arising out of or attributable to any pending or prior CLAIM for a WRONGFUL ACT as at the inception date of the ORIGINAL POLICY or derived from the same or essentially the same facts as alleged in such pending or prior CLAIM.

F. Conduct

CLAIMS arising out of or attributable to any:

1. fraudulent, dishonest or criminal act committed deliberately by any INSURED as determined by final non-appealable adjudication of the CLAIM; or
2. INSURED gaining any profit, remuneration or advantage to which such INSURED was not legally entitled as determined by final non-appealable adjudication of the CLAIM.

G. Entity vs. Insured

CLAIMS brought by or on behalf of the ENTITY. However, this exclusion shall not apply to:

1. CLAIMS made derivatively, provided such CLAIMS are brought totally without the solicitation, assistance, participation or intervention of any INSURED PERSONS or the ENTITY.

If any “whistleblower” protection of an applicable federal, provincial, local or foreign securities law affords protection to any INSURED PERSONS, such CLAIMS shall not be considered to be with the solicitation, assistance, participation or intervention of any INSURED PERSONS or the ENTITY;
2. CLAIMS brought by a liquidator, receiver, creditors committee, trustee in bankruptcy, administrator, monitor, examiner or rehabilitator; or
3. DEFENCE COSTS arising from a CLAIM made against an INSURED PERSON to the extent it is covered under Insuring Agreement A of Section I.

H. Initial Public Offering

CLAIMS arising out of or attributable to any initial public offering of securities of the ENTITY. However, this exclusion shall not apply to:

1. CLAIMS arising out of or attributable to the planning or marketing of any initial public offering prior to the date of such initial public offering; or
2. CLAIMS arising out of or attributable to any initial public offering of securities of the ENTITY if the INSURER is notified in writing of the initial public offering thirty (30) days prior to its effective date and agrees to provide coverage for CLAIMS arising from such initial public offering and the ENTITY accepts any special terms, conditions, exclusions or additional premium charge required by the INSURER.

I. Disbursements/Dividends

Solely with respect to the ENTITY, this insurance does not apply to DAMAGES that constitute an amount attributable to:

1. the actual or proposed payment by the ENTITY of an allegedly inadequate or excessive price or consideration for the purchase of securities issued by the ENTITY; or
2. any dividends or other distributions of corporate profits of the ENTITY to any security holder of the ENTITY.

J. Other Insurance

CLAIMS covered under another valid and collectible insurance policy. Any coverage provided by this policy shall be specifically excess of and shall not act in contribution with such other insurance policy.

Section V – Computation of Amounts Payable

- A. The INSURER will pay LOSS in excess of the deductible stated in the Declarations up to the limit of liability except that DEFENCE COSTS shall be paid over and above the limit of liability provided the said limit of liability has not been exhausted by the payment of DAMAGES. However:

1. First Dollar Defence

For CLAIMS, other than CLAIMS for an EPL WRONGFUL ACT, payable under this policy and that are first brought within the territorial limits and jurisdiction of Canada, the deductible shall apply to DAMAGES but not to DEFENCE COSTS; and

2. Split Damage Deductible

For CLAIMS where the deductible applies to DAMAGES, the INSURER and the INSURED shall contribute equally towards DAMAGES until the INSURED has paid the amount of the deductible stated in the Declarations.

- B. All CLAIMS arising out of the same WRONGFUL ACT and all INTERRELATED WRONGFUL ACTS shall be deemed to be one CLAIM, and such CLAIM shall be deemed to have originated in the earliest POLICY PERIOD in which a CLAIM is first made against any INSURED alleging any such WRONGFUL ACT or INTERRELATED WRONGFUL ACTS.
- C. If a CLAIM triggers more than one (1) deductible amount, the highest of such deductible amounts shall be deemed the deductible amount applicable to LOSS arising from such CLAIM.
- D. The fact that this policy may be extended by virtue of the exercise of the Discovery Period shall not in any way increase the limit of liability set forth in the Declarations.

Section VI – Notice of Claim

- A. The INSUREDS shall, as soon as practicable after the chief executive officer, chief financial officer, general counsel, risk manager or equivalent first becomes aware of the CLAIM, provide written notice to VICTOR at the address indicated in the Declarations but in no event later than ninety (90) days following the expiration date of the POLICY PERIOD. This ninety (90) day extended reporting period will only apply if no replacement coverage is obtained during such ninety (90) day period.

Notwithstanding the aforementioned, any late notice or absence of notice is cause of forfeiture of the rights of the INSUREDS, if the INSURER sustains injury therefrom.

- B. If during the POLICY PERIOD or the Discovery Period the INSUREDS become aware of a WRONGFUL ACT that could reasonably give rise to a CLAIM, and the INSUREDS deliver written notice thereof to VICTOR prior to the date of expiry of the policy, any CLAIM arising out of such reported WRONGFUL ACT shall be treated as a CLAIM made during the POLICY PERIOD in which such written notice was delivered. The written notice shall include:
1. the names of the potential claimants and a description of the specific WRONGFUL ACT that forms the basis of their potential CLAIM;
 2. the consequences that have resulted or may result from such specific WRONGFUL ACT;
 3. the nature of the potential damages arising from such specific WRONGFUL ACT; and
 4. the circumstances by which the INSUREDS first became aware of the specific WRONGFUL ACT.
- C. If the effective date of termination of the policy is a Saturday, Sunday or Statutory Holiday, any CLAIM reported to VICTOR on the business day immediately following the termination date will be deemed to have been reported within the POLICY PERIOD or the Discovery Period.

Section VII – Defence and Settlement

The INSURER has a duty and right to defend any CLAIM made against the INSUREDS for which coverage is provided under this policy, except that:

1. where such CLAIM is for an ODL WRONGFUL ACT; or
2. where such CLAIM is first brought outside of Canada or the United States;

it shall be the duty of the INSURED, and not the INSURER, to defend the CLAIM.

Where it is the duty of the INSURED to defend, the INSUREDS shall not select defence counsel without the INSURER'S written consent, which shall not be unreasonably withheld. The INSURER shall have the right and shall be given the opportunity to effectively associate with the INSUREDS in the investigation, defence and settlement of any CLAIM for which coverage is provided under this policy. DEFENCE COSTS shall be paid, excess of any applicable deductible, on a current basis.

In no event shall the INSURED incur any DEFENCE COSTS, settle or offer to settle any CLAIM, assume any contractual obligation or admit any liability without the INSURER'S written consent, which shall not be unreasonably withheld. The INSURER shall not settle any CLAIM without the written consent of the INSUREDS involved in the CLAIM.

The INSURER'S obligation to defend or continue to defend any CLAIM ends once the available limit of liability is exhausted.

Section VIII – General Conditions

A. Authorized Agent of the Insureds

In consideration of the issuance of this policy, the INSUREDS agree that the ENTITY is hereby appointed and authorized to act as agent on behalf of the INSUREDS with respect to all matters of any nature or kind relating to or affecting this policy.

B. Co-operation

The INSUREDS shall give the INSURER such information and co-operation as it may reasonably require and as shall be in the power of the INSUREDS to provide for the purpose of the investigation, defence and/or settlement of any CLAIM for which coverage is provided under this policy.

The failure of any INSURED PERSON to provide such information and co-operation shall not impair the rights of any other INSURED PERSON under this policy.

C. Non-renewal

If the INSURED submits a completed renewal application and the INSURER decides not to offer any renewal terms for this policy, the INSURER shall provide written notice to the INSURED'S broker and the POLICY PERIOD will be extended, if necessary, to ensure that the policy expiration date is at least sixty (60) days subsequent to the date of such notice of non-renewal. If an extension of the POLICY PERIOD is required, the additional premium shall be computed on a pro rata basis.

D. Cancellation

This policy may be cancelled by the INSUREDS by delivering written notice by mail, by facsimile or by hand to VICTOR stating when thereafter such cancellation shall be effective. This policy may be cancelled by VICTOR because of non-payment of premium by said delivery of written notice of cancellation to the INSURED at the address shown in the Declarations stating when, not less than fifteen (15) days thereafter, such cancellation shall be effective. The delivery of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD.

Unearned premium shall be computed on a pro rata basis. The INSURER'S cheque delivered as aforesaid shall be a sufficient tender of any refund of premium due hereunder. Payment or tender of any unearned premium by the INSURER shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

E. Allocation of Loss

If a CLAIM includes covered and uncovered allegations:

1. the INSURER shall pay one hundred per cent (100%) of DEFENCE COSTS incurred on account of such CLAIM made against the INSUREDS;
2. the payment of DAMAGES by the INSURER shall be based on the relative legal exposure of the INSUREDS to covered and uncovered allegations, which shall be determined upon settlement or final adjudication of the CLAIM.

In the event that the INSURED and INSURER cannot otherwise agree on the allocation of DAMAGES, the issue of allocation shall be submitted to binding arbitration pursuant to the Arbitration Act of the Canadian province or territory in which the policy was issued. In the absence of such provincial or territorial legislation, the Arbitration Act of Ontario shall govern the arbitration. The arbitration panel shall consist of one arbitrator appointed by the INSURED, one arbitrator

appointed by the INSURER and a third independent arbitrator selected by the INSURED and INSURER'S appointees. The fees and disbursements of the arbitrators shall be shared equally by the INSURED and INSURER, who shall otherwise bear their own costs of the arbitration.

F. Order of Payments

If a CLAIM includes allegations against the INSURED PERSONS and the ENTITY, and if it is determined that the potential LOSS payable exceeds the remaining limit of liability available under the policy, the ENTITY may elect in writing through its chief executive officer (or equivalent executive position) to:

1. have the INSURER first pay LOSS attributable to the INSURED PERSONS; and
2. decline or defer payment of LOSS attributable to the ENTITY.

If this election is made, the ENTITY shall be responsible for the initial payment of any deferred LOSS. The INSURER shall have no obligation to pay LOSS after exhaustion of the limit of liability regardless of whether the ENTITY has declined or deferred payment.

The financial impairment of the ENTITY shall not relieve the INSURER of any of its obligations to prioritize payment of covered LOSS, pursuant to this clause.

G. Change in Control

In the event of a CONTROL CHANGE, coverage under this policy shall continue until its expiry, but only with respect to CLAIMS for WRONGFUL ACTS occurring prior to the effective date of the CONTROL CHANGE, unless VICTOR is notified in writing of the CONTROL CHANGE prior to its effective date, VICTOR agrees in writing to provide coverage for WRONGFUL ACTS occurring on or after such effective date, and the ENTITY accepts any special terms, conditions, exclusions or additional premium charge required by the INSURER.

H. Action Against Insurer

No action shall be taken against the INSURER unless, as a condition precedent thereto, the INSUREDS shall have been in full compliance with all the terms of this policy.

I. Subrogation

In the event of any payment under this policy, the INSURER shall be subrogated to the extent of such payment to all the rights of recovery of the INSUREDS, and the INSUREDS shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the INSURER effectively to bring suit in the name of the INSUREDS or the ENTITY.

The INSURER shall not exercise its right of subrogation against an INSURED unless the Conduct Exclusion applies to such INSURED.

J. Severability of Exclusions

The WRONGFUL ACT of any INSURED PERSON shall not be imputed to any other INSURED for purposes of determining the applicability of the exclusions in Section IV, except that for Insuring Agreement C, the WRONGFUL ACT of any past, present or future chief executive officer or chief financial officer shall be imputed to the ENTITY.

K. Severability, Application and Representations

Subject to all of its terms and conditions, this policy shall apply to each INSURED in the same manner and to the same extent as if a separate policy had been issued to each. With respect to the declarations, statements and representations contained in the application for coverage, the knowledge of any INSURED PERSON shall not be imputed to any other INSURED, except that the knowledge of the chief executive officer or chief financial officer shall be imputed to the ENTITY.

In granting coverage under this policy, the INSURER has relied upon the declarations, statements and representations contained in the application for this policy (including materials submitted therewith, any public documents filed by the ENTITY during the twelve (12) month period immediately preceding the inception of the POLICY PERIOD, and in the case of a renewal application, all such previous policy applications for which this policy is a renewal) as being accurate and complete.

If the declarations, statements and representations in the application were not accurate and complete and materially affected the acceptance of the risk by the INSURER, then there shall be no coverage for:

1. LOSS under Insuring Agreement A or B with respect to any INSURED PERSON who had knowledge, as of the effective date of the POLICY PERIOD, of facts that were not accurately and completely disclosed, whether or not the INSURED PERSON knew the application contained such facts; or
2. LOSS under Insuring Agreement C with respect to the ENTITY if any INSURED PERSON who is or was a chief executive officer or chief financial officer of the ENTITY had knowledge, as of the initial date of the POLICY PERIOD, of the facts that were not accurately and completely disclosed, whether or not the INSURED PERSON knew the application contained such facts.

The INSURER shall not rescind this policy.

L. Territory

Except as otherwise stated, coverage shall apply worldwide.

M. Currency

Except as otherwise stated, all amounts under this policy are expressed and payable in the currency of Canada.

N. Headings

The headings to the provisions in this policy, including those found in any endorsements attached hereto, are provided solely for convenience, and form no part of the terms and conditions of coverage.

O. Interpretation

This policy shall be interpreted and construed in accordance with the laws of the Canadian province in which the policy was issued.

P. Conformity to Statute

The terms of this policy that are in conflict with the terms of any applicable laws construing this policy, including the Quebec Civil Code, are hereby amended to conform to such laws.

Q. Declarations

In consideration of the payment of the premium, and in reliance upon the statements made in the application for this insurance, which is made a part hereof and subject to all of the terms and conditions of this policy, the INSURER has caused this policy to be executed on the Declarations.



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Endorsement

Endorsement No.: 0001
Standard Form: DOPV516
Attached to and forming part
of Policy Number: PV-650707

Shareholder Claim Exclusion

It is agreed that this policy does not apply to CLAIMS initiated or instituted by or on behalf of any shareholder of the ENTITY.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0002
Standard Form: DOPV550
Attached to and forming part
of Policy Number: PV-650707

Prior Acts Exclusion

It is agreed that this policy does not apply to CLAIMS arising out of or attributable to a WRONGFUL ACT committed or alleged to have been committed by any INSURED on or before 14 September 2021.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0003
Standard Form: DOPV577A
Attached to and forming part
of Policy Number: PV-650707

Trade and Economic Sanctions

It is agreed that this policy does not apply to CLAIMS that are uninsurable under the laws or regulations of Canada or the United States of America concerning trade or economic sanctions.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.

Endorsement

Endorsement No.: 0004
Standard Form: DOPV588
Attached to and forming part
of Policy Number: PV-650707

Cyber Exclusion

It is agreed that this policy shall not apply to CLAIMS arising out of or attributable to PAYMENT INSTRUCTION FRAUD, PRIVACY BREACH or SECURITY BREACH. However, this exclusion shall not apply to:

1. allegations of retaliatory treatment in a CLAIM for an EPL WRONGFUL ACT;
2. LOSS arising from a CLAIM to the extent it is covered under Item A of Section I – Insuring Agreements, provided the ENTITY is unable to indemnify due to financial impairment or is not permitted to indemnify.

Definitions specific to this endorsement:

- A. FRAUDULENT TRANSFER REQUEST means the intentional misleading of an INSURED, through a misrepresentation of a material fact which is relied upon by an INSURED, sent via an email, text, instant message, social media-related communication, or via any other electronic, telegraphic, cable, teletype, facsimile, telephone or written instruction, regardless of whether such misrepresentation is part of a phishing, spear phishing, social engineering, pretexting, diversion or other confidence scheme.
- B. PAYMENT INSTRUCTION FRAUD means the transfer, payment or delivery of any money or securities as a direct result of a FRAUDULENT TRANSFER REQUEST committed by a person purporting to be an employee, customer, client or vendor of the ENTITY.
- C. PERSONAL INFORMATION means information about an individual that constitutes non-public personal information as defined in Canada by the federal Personal Information Protection and Electronic Documents Act or any other similar protection laws of any Canadian province or foreign country.
- D. PRIVACY BREACH means any actual or alleged unauthorized access to, use or disclosure of PERSONAL INFORMATION that is in the care, custody or control of the INSURED.
- E. SECURITY BREACH means any actual or alleged:
 1. unauthorized access to, or use of a computer software, network or electronic information system, or the unauthorized introduction or transmission of a computer virus or similar program; or

2. unauthorized access to, use or disclosure of THIRD PARTY CORPORATE INFORMATION that is in the care, custody or control of the INSURED either in an electronic or physical format.

F. THIRD PARTY CORPORATE INFORMATION means information of a third party which is not available to the general public and is provided to the INSURED subject to a mutually executed written confidentiality agreement or which the INSURED is legally required to maintain in confidence.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0005
Standard Form: DOPV590
Attached to and forming part
of Policy Number: PV-650707

Wage and Hour Claim Coverage (\$250,000 Defence
Sublimit in Canada)

It is agreed that this policy does not apply to CLAIMS arising out of or attributable to a WAGE AND HOUR VIOLATION. However, this exclusion shall not apply to DEFENCE COSTS arising from such CLAIMS that are first brought in Canada.

Notwithstanding Item A of Section V – Computations of Amounts Payable, the limit of liability of the INSURER under this endorsement shall be \$250,000 per POLICY PERIOD, which amount shall be included in the aggregate limit of liability as stated in the Declarations.

For the purpose of this endorsement, WAGE AND HOUR VIOLATION means any actual or alleged violation of the Fair Labor Standards Act (except the Equal Pay Act) or similar provisions of any federal, provincial, territorial, state or local law or regulation governing the payment of wages (including but not limited to the payment of overtime, on-call time, rest periods and minimum wages) or the classification of employees for the purpose of determining employee's eligibility for compensation or other benefits.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0006
Standard Form: DOPV685
Attached to and forming part
of Policy Number: PV-650707

Public Relations Management Costs (\$50,000)

The INSURER agrees to reimburse the ENTITY for PUBLIC RELATIONS MANAGEMENT COSTS paid by the ENTITY as a result of an ADVERSE EVENT.

Definitions Specific to This Endorsement

- A. ADVERSE EVENT means any of the following events first occurring and reported during the POLICY PERIOD:
1. the unanticipated death, incapacity or resignation of any executive officer;
 2. an unanticipated financial loss incurred by the ENTITY due to a catastrophic event;
 3. the seeking of protection by the ENTITY under the Companies' Creditors Arrangement Act; or
 4. the bankruptcy of the ENTITY;
- which results in the public communication of unfavourable information regarding the INSURED and which could reasonably be considered to lessen public confidence in the ENTITY.
- B. PUBLIC RELATIONS MANAGEMENT COSTS means the reasonable fees, costs and expenses incurred and paid by the ENTITY, with the INSURER'S prior written consent, to a professional law firm or public relations firm for services provided to prevent and minimize business disruption and negative publicity with respect to an ADVERSE EVENT.

Sublimit and Deductible

Notwithstanding Item A of Section V – Computation of Amounts Payable, the limit of liability of the INSURER under this endorsement shall be \$50,000 per POLICY PERIOD, which amount shall be included in the aggregate limit of liability of the INSURER as stated in the Declarations. There shall be no deductible applicable to this amount.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0007
Standard Form: DOPV688
Attached to and forming part
of Policy Number: PV-650707

Workplace Violence Costs (\$250,000)

The INSURER agrees to reimburse the ENTITY for WORKPLACE VIOLENCE COSTS paid by the ENTITY resulting from any WORKPLACE VIOLENCE.

Definitions Specific to This Endorsement

A. PREMISES means the buildings, facilities or properties occupied by the ENTITY.

B. WORKPLACE VIOLENCE means an intentional and unlawful:

1. act of deadly force with a lethal weapon; or
2. threat of deadly force with the display of a lethal weapon;

which occurs on or in the PREMISES and which did or could reasonably result in bodily injury or death to an INSURED PERSON.

C. WORKPLACE VIOLENCE COSTS means the reasonable fees, costs and expenses incurred and paid by the ENTITY for:

1. services of an independent security consultant or an independent public relations consultant for ninety (90) days following a WORKPLACE VIOLENCE event;
2. counselling seminars for employees conducted by an independent consultant following a WORKPLACE VIOLENCE event;
3. security guard services for up to thirty (30) days following a WORKPLACE VIOLENCE event;
4. services of an independent forensic analyst; and
5. other reasonable services expenses incurred and paid by the ENTITY, with the prior written approval of the INSURER.

Sublimit and Deductible

Notwithstanding Item A of Section V – Computation of Amounts Payable, the limit of liability of the INSURER under this endorsement shall be \$250,000 per POLICY PERIOD, which amount shall be included in the aggregate limit of liability of the INSURER as stated in the Declarations. There shall be no deductible

applicable to this amount.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0008
Standard Form: DOPV728
Attached to and forming part
of Policy Number: PV-650707

Computation of Amounts Payable (Costs
Inclusive/Non First Dollar)

It is agreed that Item A of Section V – Computation of Amounts Payable is amended to read as follows:

A. The INSURER will pay LOSS in excess of the deductible stated in the Declarations up to the limit of liability.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0009
Standard Form: DOPV798
Attached to and forming part
of Policy Number: PV-650707

Deductible Currency Amendment (California and Texas)

It is agreed that Item 5 of the Declarations is amended to read as follows:

5. Deductible:
- | | | |
|-----------|-----|---|
| \$10,000 | CAD | each CLAIM brought within the territorial limits and jurisdiction of Canada; |
| \$100,000 | USD | each CLAIM brought within the territorial limits and jurisdictions of California or Texas; and |
| \$25,000 | USD | each CLAIM first brought outside the territorial limits and jurisdictions of Canada, California or Texas. |

Deductible amounts shown in either Canadian dollars (CAD) or American dollars (USD).

It is further agreed that no deductible applies to LOSS arising from a CLAIM brought solely against an INSURED PERSON where the ENTITY does not indemnify them.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.

THIS IS **EXHIBIT “K”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

**Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.**

Sale and Investment Solicitation Process for 3MotionAI Inc.

SISP Procedures

Introduction

On September 3, 2025, 3MotionAI Inc. (the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as amended, the “**BIA**”). TDB Restructuring Limited. was appointed as proposal trustee (in such capacity, variously referred to below as the “**Proposal Trustee**” and the “**Trustee**”).

On October 1, 2025 the Ontario Superior Court (Commercial List) (the “**Court**”) granted an order (the “**SISP Order**”) that, among other things, authorizes the Company, with the assistance of the Proposal Trustee, to conduct a sale and investment solicitation process (“**SISP**”) for the sale of the Company’s property, assets and undertakings (collectively, the “**Property**”). The SISP shall be conducted by the Proposal Trustee in the manner set forth herein..

All interested parties are encouraged to submit offers pursuant to this SISP.

Overview of the Company

1. The Company is a technology company which develops, markets and licenses software for the 3D analysis of human motion for use in application such as injury rehabilitation and the training of athletes (the “**Business**”).
2. The purpose of the SISP is to market and solicit offers for the sale and/or investment in the Business. The following describes the procedures (the “**Bidding Procedures**”) by which the Proposal Trustee will solicit offers and by which interested parties may participate and submit offers within the SISP.

Opportunity

3. The SISP is intended to solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Business; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Company or its Business; and/or (iii) one or more sales or partial sales of all, substantially all, or certain portions of the Property. Bids considered pursuant to the SISP may include one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Business and affairs of the Company as a going concern or a sale (or partial sales) of all, substantially all, or certain aspects of the Property (the “**Opportunity**”).
4. All interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to the SISP.

5. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials, the manner in which bidders may participate in the SISP, the requirements for, receipt, and negotiation of bids received, the process for the ultimate selection of a Successful Bidder(s) (defined below) and the requisite approvals to be sought from the Court in connection therewith. The Proposal Trustee shall conduct the SISP in the manner set forth herein.
6. The Proposal Trustee may at any time and from time to time, modify, amend, vary or supplement, whether material or immaterial the SISP or the Bidding Procedures, if necessary or useful in order to give effect to the substance of the SISP, the Bidding Procedures and the SISP Order.
7. The Proposal Trustee shall post on the Proposal Trustee's case management website, <https://tdbadvisory.ca/insolvency-case/3motionai-inc/> (the "**Proposal Trustee Website**") as soon as practicable, any such modification, amendment, variation or supplement to the Bidding Procedures and the Company and/or Proposal Trustee shall inform interested parties impacted by such modifications.
8. In the event of a dispute as to the interpretation or application of the SISP or Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.
9. No bidder may request or receive any form of bid protection or break fee as part of any bid made pursuant to the SISP.

Marketing and Solicitation of Interest – Notice of SISP

10. The Proposal Trustee shall be entitled, but not obligated, to arrange for a notice of the SISP to be published in any newspaper or industry journal as the Proposal Trustee considers appropriate.
11. The Proposal Trustee shall prepare:
 - (a) a list of potential buyers (collectively, "**Interested Parties**" and individually an "**Interested Party**");
 - (b) a short confidential information memorandum or other similar document describing what is for sale ("**CIM**");
 - (c) an initial offering summary ("**Solicitation Letters**");
 - (d) a form of non-disclosure agreement ("**NDA**"); and
 - (e) an electronic data room ("**VDR**").

12. The Trustee shall have the right but not the obligation to require bidders to use a form of asset purchase agreement it approves.
13. The Proposal Trustee will send the Solicitation Letters and the form of the NDA to all applicable Interested Parties in accordance with the milestones set out below and to any other Interested Party who requests a copy of the Solicitation Letters and NDA, or who is identified as an Interested Party, as soon as reasonably practicable after such request or identification, as applicable.
14. The Proposal Trustee will also post copies of the Solicitation Letters and NDA on the Proposal Trustee Website.
15. The Proposal Trustee will have sole responsibility for managing all communication with Interested Parties prior to and after receipt of Bids. This shall include facilitating the delivery of all communications, contacting prospective bidders and providing them with the Solicitation Letters, coordinating the execution of NDAs, managing the process of answering inquiries from prospective bidders, soliciting and tracking all Bids, facilitating communication between the Company and its advisors, and reviewing and negotiating transaction documentation.
16. All requests for information in respect of the SISP must be made through the Proposal Trustee.

Timeline

17. The following table sets out the key milestones and deadlines in the SISP, which milestones and deadlines may be extended by up to fourteen (14) days by the Proposal Trustee, or for a longer period by Court order:

Event	Milestone
<u>1. Prepare for Process Launch</u> Includes creation of Solicitation Letters, target list, marketing material, CIM, NDA and VDR.	As soon as practicable after the granting of the SISP Order.
<u>2. Launch SISP</u> Distribute the Solicitation Letters to potential Interested Parties and publish notice of the SISP on the Proposal Trustee Website.	No later than October 7, 2025
<u>3. Bid Deadline</u> Deadline for submissions of binding Bids.	5:00 p.m. on October 21, 2025
<u>5. Selection of Successful Bidder</u> The Proposal Trustee will choose the Successful Bid.	No later than October 24, 2025
<u>6. Approval Order – Successful Bid(s)</u> Deadline for receiving the Approval Order in respect of the Successful Bid.	As soon as practicable after the selection of Successful Bidder, and no later than November 5, 2025, unless the Proposal Trustee Otherwise permits, and subject to Court availability.
<u>7. Closing – Successful Bid(s)</u> Anticipated closing date of the Successful Bid.	As soon as practicable after the Approval Order and, in any event, no later than November 21] 2025 unless the Proposal Trustee otherwise permits (“ Outside Date ”)

Participation in SISP

18. Any Interested Party who wishes to participate in the SISP must provide to the Proposal Trustee:
 - (a) an executed NDA and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party, and full disclosure of the direct and indirect principals of the Interested Party. The NDA shall include an acknowledgement of the terms of the SISP and the Bidding Procedures; and
 - (b) if the Proposal Trustee considers it necessary, such form of financial disclosure that allows the Proposal Trustee to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a transaction.
19. If an Interested Party (i) has delivered an executed NDA; and (ii) if necessary, has provided the Proposal Trustee with satisfactory evidence of its capability to consummate a transaction based on its financing, experience, and other relevant considerations, then such Interested Party will be determined by the Proposal Trustee, to be a **"Potential Bidder"**.
20. Each Potential Bidder will be prohibited from communicating with any other Potential Bidder with respect to matters relating to the SISP during the term of the SISP, without the consent of the Proposal Trustee.
21. The Proposal Trustee will also provide each Potential Bidder with a copy of the CIM, Solicitation Letter and access to the VDR. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information on the assets in connection with their participation in the SISP and any transaction resulting therefrom. The Company, the Proposal Trustee, and each of its respective directors, officers, agents, counsel, and advisors make no representation or warranty, express or implied, whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) contained in the Solicitation Letters or the VDR; (ii) provided through the due diligence process or otherwise made available pursuant to the SISP; or (iii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly executed and delivered by the Successful Bidder(s) (as defined below) and approved by the Court.

22. At any time during the SISP, the Proposal Trustee may eliminate a Potential Bidder from the SISP, in which case such party will no longer be a Potential Bidder for the purposes of the SISP.
23. The Company and Proposal Trustee shall afford each Potential Bidder such access to applicable due diligence materials and information pertaining to the Business of the Company as the Proposal Trustee deems appropriate in its reasonable business judgment. Due diligence access may include access to the VDR, on-site inspections, and other matters which a Potential Bidder may reasonably request and which the Proposal Trustee deems appropriate. The Proposal Trustee will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the manner in which such requests must be communicated.
24. The Proposal Trustee shall not be obligated to furnish any information relating to the Company's Business and Property to any person other than to Potential Bidders.

Submission of Qualified Bids

25. The Bid Deadline for submission of binding offers by a Potential Bidder (a "**Bid**") is October 21, 2025 (the "**Bid Deadline**"). Bids must be submitted by e-mail with the title "**3MotionAI Inc. – Binding Bid**" prior to the Bid Deadline to Bryan Tannenbaum at btannenbaum@tdbadvisory.ca
26. A Bid submitted by a Potential Bidder will only be considered a "**Qualified Bid**" (and the bidder making such bid, the "**Qualified Bidder**") if it complies at a minimum with the following:
 - (a) it is received by the Bid Deadline;
 - (b) it includes an executed binding transaction document(s), including all exhibits and schedules contemplated thereby, all in a form satisfactory to the Trustee, describing the terms and conditions of the proposed transaction, including any liabilities proposed to be assumed, the purchase price, the structure and financing of the proposed transaction, and any regulatory or other third-party approvals required;
 - (c) It assigns a separate price for each of the six different product software offering of the Company to which the bid pertains, in order to assist in the comparison of bids. The six software product offerings of the Company are summarized in Appendix 1 hereof;
 - (d) it includes full details of the bidder's intended treatment of the Company's stakeholders under or in connection with the proposed bid, including the Company's secured creditors, unsecured creditors, employees, customers, suppliers, contractual counterparties and equity holders;
 - (e) it is accompanied by a cover letter providing the Proposal Trustee with the following information:
 - (i) identity of the Potential Bidder and representatives thereof who are authorized to appear and act on behalf of the Potential Bidder for all purposes regarding the contemplated transaction; and the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the Bid;
 - (ii) written evidence, satisfactory to the Proposal Trustee of the ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the

transaction, including, without limitation, a specific indication of the sources of capital;

- (iii) all material conditions to closing including, without limitation, any internal, regulatory or other approvals and any form of agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such approvals; and
 - (iv) acknowledgments and representations of the Qualified Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Company and its Property prior to making a Bid; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Business in making its Bid; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Company or the completeness of any information provided in connection therewith, other than as expressly set forth in the Bid or other transaction document submitted with the Bid; (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities; and (v) will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed transaction;
- (f) it is accompanied by a deposit in the amount of not less than 10% of the cash purchase price payable on closing or total new investment contemplated, as the case may be (the “**Deposit**”), along with acknowledgement that if the Qualified Bidder is selected as the Successful Bidder (as defined below), that the Deposit will be non-refundable subject to approval of the Successful Bid (as defined below) by the Court and the terms described below;

- (g) it is binding and irrevocable until the earlier of (i) the approval of the Successful Bid by the Court, and (ii) thirty (30) calendar days following the Bid Deadline, provided that if such bid is selected as a Successful Bid, it shall remain irrevocable until the closing of the transaction contemplated by the Successful Bid;
- (h) it is not conditional upon any condition or contingency relating to due diligence, financing or any other material conditions precedent to the bidder's obligation to complete the transaction;
- (i) it contemplates closing of the transaction by not later than the Outside Date;
- (j) it does not provide for any break fee or expense reimbursement, it being understood and agreed that no bidder will be entitled to any such bid protections; and
- (k) it contains such other information as may be reasonably requested by the Proposal Trustee.

Assessment of the Bids and Selection of the Successful Bid

- 27. Notwithstanding the foregoing, the Proposal may waive compliance with any one or more of the requirements above and deem any such non-compliant bid to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Proposal Trustee of the requirements of the paragraphs above or an obligation on the part of the Proposal Trustee to designate any other Bid as a Qualified Bid. The Proposal Trustee will be under no obligation to negotiate identical terms with, or extend identical terms to, each Potential Bidder.
- 28. Any Qualified Bids accepted pursuant to the SISP will be strictly Trustee subject to Court approval.
- 29. The Proposal Trustee may following the receipt of any Qualified Bid, seek clarification with respect to any of the terms or conditions of such Qualified Bid and/or request and negotiate one or more amendments to such Qualified Bid.
- 30. The Proposal Trustee shall evaluate Qualified Bids with a view to selecting the best or otherwise highest bid. The Qualified Bid selected by the Proposal Trustee as the best or highest bid shall constitute the "**Successful Bid**".
- 31. In selecting a Successful Bid, the Proposal Trustee shall have the discretion to conduct an auction on such terms and conditions as the Proposal Trustee deems appropriate and beneficial to the process. The terms of the auction will be communicated to all interested parties in a timely manner to ensure fair and transparent participation.

32. In the event that the Proposal Trustee, determines that there are no Qualified Bids, The Trustee may but shall not be required to return to Court for directions.
33. Any Successful Bid will be subject to approval by the Court.

Finalizing and Approving the Successful Bid(s)

34. Following selection of the Successful Bid, if any, the Proposal Trustee, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in the chart above. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Proposal Trustee, the Company shall apply to the Court, on notice to the service list, for an order or orders approving such Successful Bid and/or the mechanics to authorize the Company to complete the transaction contemplated thereby, as applicable, and authorizing the Company to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction contemplated in such Successful Bid (each, an **"Approval Order"**).
35. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid, with no further or continuing obligation of the Proposal Trustee to any unsuccessful Qualified Bidders.

Deposits

36. The Deposit(s):
 - (a) shall be paid by a Qualified Bidder to the Proposal Trustee and shall upon receipt be retained by the Proposal Trustee and deposited in a non-interest-bearing trust account.
 - (b) received from the Successful Bidder, shall:
 - (i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order, upon closing of the approved transaction; and
 - (ii) shall otherwise be held and refundable in accordance with the terms of the definitive documentation in respect of any Successful Bid, provided that all such documentation shall provide that the Deposit shall be retained by the Proposal Trustee and forfeited by the Successful Bidder if the Successful Bid fails to close by the Outside Date, and such failure is attributable directly to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of the Successful Bid;
37. Deposits received from Qualified Bidders that are not the Successful Bidder shall be refunded in full to the Qualified Bidders that paid the Deposit as soon as reasonably practicable following the selection of the Successful Bidder.

Amendment

38. The Proposal Trustee shall have the right at any time to: (i) make material amendments to the SISP (including by extending the Bid Deadline); and (ii) make non-material amendments to the SISP, in each case if, in the Proposal Trustee's reasonable judgment, such material or non-material amendment is likely to enhance the procedure for conducting the SISP or maximize the value of a transaction pursuant to the SISP. The Proposal Trustee shall advise the Service List in the NOI Proceedings of any material amendment to the SISP.

"As is, Where is"

39. Any transaction will be on an "as is, where is" basis without surviving material representations or warranties, nature, or description by the Proposal Trustee, the Company, or any of their respective directors, officers, agents, advisors, or other representatives unless otherwise agreed in a definitive agreement.

Confidentiality

40. For greater certainty other than as shall be required in connection with seeking Approval Order, neither the Company nor the Proposal Trustee will share: (i) the identity of any Potential Bidder or (ii) the terms of any Bid, or Qualified Bid with any other bidder without the consent of such party (including by way of email).

Further Orders

41. At any time during the SISP, the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this SISP and the Bidding Procedures including, but not limited to, the continuation of the SISP or with respect to the discharge of its powers and duties hereunder.

Additional Terms

42. In addition to any other requirement of these Bidding Procedures:
 - (a) The Proposal Trustee, as applicable, shall at all times prior to the selection of a Successful Bid use commercially reasonable efforts to facilitate a competitive bidding process in the SISP including, without limitation, by actively soliciting participation by all persons who would be customarily identified as high potential bidders in a process of this kind or who may be reasonably proposed by the Proposal Trustee or the Company's stakeholders as a potential bidder.
 - (b) Any consent, approval or confirmation the Proposal Trustee is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the BIA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

- (c) All Potential Bidders shall at all times be granted information, access and facilitation that is no less complete and timely than is granted by the Proposal Trustee, or their representatives, to other Potential Bidders to the SISP. This shall include, without limitation, reasonable access to the Company's books, records, financial information, management, advisors and business partners. The Proposal Trustee shall review all information and materials provided by the Company or its representatives, and the secured creditors or their representatives and, to the extent that the Proposal Trustee is of the view that any such information or materials are materially relevant to a Potential Bidder, then such information or materials shall be promptly posted to the VDR or otherwise made available to all Potential Bidders. Nothing in this paragraph creates binding obligations of third parties.

Contact

43. All questions and enquiries regarding the SISP should be directed to the Proposal Trustee by emailing Nisan Thurairatnam at nthurairatnam@tdbadvisory.ca.

APPENDIX 1

The following are the Company's six distinct software product offerings, each consisting of individual App and platform access:

RiskAI

RiskAI automates ergonomic risk assessments for workplace tasks using a single camera. It applies recognized methods like REBA and NIOSH to identify high-risk postures and task demands, producing objective scores, visual overlays, and reports. The system helps safety teams scale evaluations across job sites while reducing the time and subjectivity of manual assessments. By digitizing the ergonomics process, RiskAI makes it possible to evaluate entire workforces consistently, highlight recurring risk factors, and document improvements over time with reliable, repeatable data.



PerformAI

PerformAI measures athletic performance through tests such as vertical jump, pushups, squats, single-leg stance, and forward bound. Using video input, it delivers objective data on power, stability, endurance, and mobility. The platform enables athletes and coaches to track progress, identify weaknesses, and target training with consistent, repeatable results. PerformAI is designed for use across training environments, from weight rooms to practice fields, giving performance staff a common framework to benchmark athletes, compare results across teams, and build individualized development plans.



HealthAI

HealthAI focuses telehealth and remote MSK care to assess mobility and range-of-motion testing for general health and rehabilitation. It evaluates neck, shoulder, trunk, hip, and wrist movements along with functional tasks like lunges and deadlifts. Clinicians and wellness professionals receive clear mobility scores and movement data to guide treatment, monitor recovery, and promote long-term health. The system supports preventive care as well as clinical interventions, offering a scalable way to screen populations, track rehabilitation progress, and measure the outcomes of therapy or wellness programs.



SportsAI

SportsAI delivers multi-sport biomechanics analysis using unique activity specific analysis for each sport. The framework now supports baseball pitching, hitting, quarterback throwing, and golf swing assessments, each with task-specific performance metrics. Results include detailed movement analysis, visual overlays, and scoring that can be integrated into athlete development programs and performance platforms. By consolidating multiple sports into a single system, SportsAI provides consistent measures of mechanics and efficiency, allowing coaches, trainers, and organizations to evaluate athletes across disciplines with the same trusted methodology.



ROSA

The Rapid Office Strain Assessment (ROSA) improves office ergonomics through a quick, guided process that helps employees adjust their workstations and receive real-time feedback to reduce discomfort and injury risk. Proven effective in published studies, ROSA lowers downtime and boosts well-being at a fraction of consultant costs. Enhanced with computer vision technology, ROSA combines self-assessment with automated video analysis to deliver greater accuracy and scalability in office ergonomics. This hybrid approach allows organizations to address everyday workstation risks quickly, collect consistent data across large office populations, and take proactive steps to reduce long-term strain and injury.



ProPlayAI

ProPlayAI provides detailed pitching mechanics analysis through a dedicated web and mobile app. Athletes record a single video to receive a full kinematic breakdown, including stride length, hip-shoulder separation, trunk rotation, and arm speed. The system offers validated, lab-grade accuracy in an accessible format, helping pitchers and coaches refine mechanics and reduce injury risk. Built specifically for baseball, ProPlayAI delivers insights trusted by professional and amateur baseball organizations alike, making advanced biomechanics accessible to every level of the game.



THIS IS **EXHIBIT “L”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

**Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.**

EXECUTIVE EMPLOYMENT AGREEMENT

BETWEEN:

MYABILITIES TECHNOLOGIES INC.
(hereinafter the "Corporation")

- and -

REED HANOUN
(hereinafter the "Executive")

WHEREAS:

A. The Executive is the founder of the Corporation, and since March 4, 2016 (the "Employment Commencement Date"), the Executive was and continues to be employed as the Chief Executive Officer of the Corporation pursuant to an unwritten executive employment agreement for an indefinite term.

B. Prior to the Effective Date (as herein defined), the Executive's services as CEO were unpaid, and it was during this period that the Corporation's business was developed, marketed and successfully launched under the Executive's direction.

C. The Corporation and the Executive have agreed to enter into this Executive Employment Agreement (the "Employment Agreement" or the "Agreement") to take effect as on July 1, 2019 (the "Effective Date").

THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the Corporation and the Executive agree as follows:

SECTION 1 - EMPLOYMENT

- 1.1 The Corporation hereby agrees to continue to employ the Executive as Chief Executive Officer ("CEO") subject to the terms and conditions set out in this Agreement, and the Executive hereby confirms his acceptance of same. For all purposes the Corporation recognizes the past service of the Executive since the Employment Commencement Date.
- 1.2 Subject to section 1.4, the Company shall not reassign the Executive to another position within the Company itself, or to a position within a subsidiary, affiliated or related corporate entity or materially alter the duties, responsibilities, title, or reporting lines of the Executive or change the location of the Executive's employment.
- 1.3 The Executive shall be placed on the proposed slate of directors of the Corporation for consideration at the Annual General Meeting of Shareholders each and every year that he is employed by the Corporation as the CEO or in another capacity.
- 1.4 The Corporation agrees that the authority and power to appoint another person (referred to as the "Successor CEO") with the title of Chief Executive Officer is hereby delegated and vested by the Board of the Corporation only in the Executive, except in the case of the Executive's death, disability or termination. Upon the appointment by the Executive of a Successor CEO:

- (a) the Executive shall decide the duties and responsibilities of the Successor CEO in conjunction with the Board of Directors; and
- (b) the Executive may, with the approval of the Board of Directors, become the Chairman of the Board of Directors of the Corporation or assume such other senior position as approved by the Board. All other the terms and provisions of the Agreement shall continue to apply to the employment relationship between the Corporation and the Executive, with such changes in context as are necessary.

SECTION 2 - COMMENCEMENT AND TERM

- 2.1 The terms and conditions of this Agreement are effective as of July 1, 2019 (the "Effective Date") and shall continue for an indefinite period unless terminated earlier as provided for in accordance with the terms and conditions of this Agreement (the "Term"). The Executive's prior employment with the Corporation prior to the Commencement Date shall be recognized by the Corporation for all purposes.

SECTION 3 - DUTIES AND CONDITIONS OF EMPLOYMENT

- 3.1 Subject to section 1.4 above, the Executive shall serve as CEO of the Corporation and in such capacity shall have responsibility for the management of the affairs of the Corporation, subject to direction and control of the Board.
- 3.2 The Executive will report to the Chairman of the Board of Directors of the Corporation (the "Board").
- 3.3 The Executive acknowledges that he is a fiduciary of the Corporation and he agrees to be bound by his fiduciary obligations during his employment.
- 3.4 The Executive represents and warrants to the Corporation that:
 - (a) there exists no written agreement or contract which restricts him from (i) being employed by the Corporation; or (ii) performing the duties assigned to him pursuant to this Agreement; or (iii) soliciting the clients or customers of a third party;
 - (b) in the performance of his duties for the Corporation, he shall not improperly bring to the Corporation or use any trade secrets, confidential information or other proprietary information of any third party; and
 - (c) he will not infringe the intellectual property rights of any third party.

SECTION 4 - INDEMNIFICATION OF EXECUTIVE

- 4.1 The Corporation will indemnify the Executive in respect of claims relating to his employment by the Corporation in accordance with the corporate by-laws of the Corporation. The Executive shall be covered by D&O insurance maintained by the Corporation for its officers and directors during his employment with the Corporation and thereafter, in accordance with the terms and conditions of the applicable insurance policies.
- 4.2 For clarity, the indemnification under this section shall survive the expiry or termination of this Agreement.

SECTION 5 - COMPENSATION

- 5.1 As of the Effective Date, the annual base salary ("Base Salary") payable to the Executive for his services hereunder shall be \$150,000, exclusive of bonuses, benefits and other compensation.

- 5.2 Unless the Executive consents in writing, during the Executive's employment pursuant to this Agreement or an agreement which supersedes or replaces this Agreement, the Corporation will not employ any other person with base or regular salary or compensation that is greater than the amount of the Executive's Base Salary at such time unless, the Corporation increases the Executive's compensation to an amount at least equal to or more than the base or regular salary or compensation of any other employee of the Corporation.
- 5.3 The Base Salary will be paid in equal bi-weekly installments, in arrears, or in accordance with the Corporation's regular payroll practices in effect from time to time, and such amounts shall be payable in Canadian dollars.
- 5.4 The Executive's Base Salary will be reviewed by the Corporation on an annual basis beginning on July 1, 2020, and the Corporation or the Board will, in its sole discretion, make, and confirm in writing, any increases in the Executive's Base Salary.
- 5.5 The Executive will receive an annual perquisite package of CAD \$5,000, payable quarterly (the "Perquisite Package"), in a lump sum no later than the thirtieth (30th) day following the last day of the applicable quarter. The Perquisite Package for the Executive will be in lieu of any car allowance, car-related expenses, club memberships, professional registrations and membership fees and all other perquisites. No invoices or proof of payment shall be required to be submitted by the Executive.
- 5.6 The Executive will be eligible to participate in all equity-related plans maintained by the Corporation for executive level employees (the "Equity Plans"), whereby he will be eligible for grants of stock options, RSUs and PSUs, at the discretion of the Board and in accordance with the terms and conditions of the applicable plans.
- 5.7 The Executive will be eligible to participate in the Corporation's Short-Term Incentive Plan ("STIP"), whereby he will be eligible to receive awards contingent upon the performance of the Executive and/or the Corporation relative to performance targets established by the Board or the Compensation Committee of the Board on an annual basis. The Executive will also be eligible to participate in the Corporation's Medium Term Incentive Plan ("MTIP") and the Corporation's Long Term Incentive Plan ("LTIP"), whereby he will be eligible to receive awards subject to Board approval and metrics established by the Board or the Compensation Committee of the Board on an annual basis. Any awards made to the Executive by the Corporation pursuant to the STIP, MTIP or LTIP (collectively the "Aggregate Bonuses") will be payable in cash, equity or in a combination of cash and equity-related compensation under the Equity Plans (as determined by the Board), in a lump sum no later than the thirtieth (30th) day following the fiscal year in which the applicable performance period under the STIP, MTIP or LTIP ends unless otherwise stipulated by the Board in connection with such relevant grants.
- 5.8 The Corporation will reimburse the Executive for all reasonable travel, entertainment, mobile device and other business expenses actually and properly incurred by him in connection with the performance of his duties under this Agreement. Such reimbursement will be made in accordance with the Corporation's policies and practices and upon presentation of acceptable documentary evidence that such expenses have been incurred.
- 5.9 The Corporation will provide all tools, equipment and devices to the Executive reasonably necessary to perform his employment duties including a laptop computer and smart phone which synchs with the Corporation's office and business systems. Executive may use the laptop computer and smart phone for incidental personal use, and any person data or information on such devices remains the property of the Executive.

- 5.10 The Executive acknowledges that he will be subject to the Corporation's policy requiring executive officers of the Corporation to own a minimum number of common shares or equity-like securities of the Corporation, as may be determined and/or amended by the Board from time to time.
- 5.11 All compensation provided to the Executive hereunder shall be subject to such statutory deductions and withholdings as are required by applicable law.

SECTION 6 - EMPLOYEE BENEFITS

- 6.1 The Executive shall participate in all benefit plans which the Corporation provides, including medical/hospital, dental and extended health care benefits, disability and group life insurance. Benefits will be provided in accordance with the formal plan documents or policies and any issues with respect to entitlement or payment of benefits under any of the employee benefits will be governed by the terms of such documents or policies establishing the benefit in issue.
- 6.2 Either through generally applicable employee benefit plan(s) or otherwise, the Corporation shall provide (i) occupational disability insurance coverage providing after tax benefits, in the event of a covered disability, equal to at least eight percent (80%) of the Executive's fixed remuneration for the year during which such disability commences; and (ii) life insurance coverage (with the beneficiary of such insurance designated by the Executive) with a total face amount equal to at least three years' fixed remuneration; provided, however, in the case of any coverage provided other than through generally applicable employee benefit plans, that such coverage is reasonably available at normal rates. the Corporation shall be responsible for payment of the entire cost of such employee benefits.
- 6.3 The Executive is required at his expense to have available an automobile for use in the course of his employment, and to be responsible for fuel, maintenance, services and insurance. The Corporation agrees to pay a monthly car allowance of \$1,500 to the Executive as partial contribution to the capital cost and operating expenses of such vehicle, increasing at the rate of 3% per year.
- 6.4 During each year of the Executive's employment under this Agreement, the Corporation will reimburse the Executive's cost for medical examinations and treatment with a medical provider of the Executive's selection, to the extent such cost is not covered by medical or other insurance provided the Executive hereunder; provided that the annual maximum payment under this paragraph shall not exceed \$3,000 annually, increasing at the rate of 3% per year.

SECTION 7 - VACATION

- 7.1 The Executive shall be entitled to take paid vacation of up to four (4) weeks in each calendar year (pro-rated for part years of employment).
- 7.2 The Executive shall be entitled to all statutory holidays and any statutory holiday pay calculated in accordance with the *Employment Standards Act, 2000* (as amended) (the "ESA").

SECTION 8 - EXPIRY AND TERMINATION

- 8.1 Termination Date.

The Executive's employment may be terminated in accordance with, and subject to the terms and conditions, set forth in this Section 8. For the purposes of this Agreement, "Termination Date" refers to the date on which either the Corporation or the Executive, notifies the other of the termination of the Executive's employment.

8.2 Termination for Just Cause.

The Corporation may terminate the Executive's employment, without notice or pay in lieu thereof, at any time for "Just Cause", which means:

- (a) dishonesty, fraud, or an act of moral turpitude;
- (b) the Executive's conviction of, guilty or no contest plea to, or confession of guilt to a criminal, provincial or regulatory offence directly or indirectly relevant to the duties of his employment or that would, in the Corporation's judgment acting reasonably, impact negatively upon the Business or public image of the Corporation; and
- (c) "Just Cause" as defined at Common Law.

In the event that the Executive's employment is terminated for Just Cause, the Corporation shall pay, no later than the thirtieth (30th) day following the Termination Date, the Executive's Base Salary, accrued vacation and outstanding expenses to the Termination Date, along with amounts pursuant to the Perquisite Package and Aggregate Bonuses pro-rated to the Termination Date, and any other amounts which may be expressly required pursuant to the ESA. The Executive's entitlements under the Equity Plans shall be determined in accordance with the terms and conditions of the applicable plans.

8.3 Resignation by Executive without Good Reason.

The Executive may terminate his employment hereunder at any time on six (6) months notice to the Corporation, and the Executive's employment shall terminate on the date specified in the notice. Upon receipt of the Executive's notice, the Corporation shall pay to the Executive an amount equal to the Executive's Base Salary for a period of twelve (12) months in one lump sum unless otherwise agreed to. In addition, the Corporation shall provide the Executive with the compensation and benefits described in Sections 8.4(b) - (e) below.

8.4 Termination Without Cause.

If the Corporation terminates the Executive's employment at any time without just cause by providing the Executive with a notice:

- (a) the Corporation shall pay to the Executive an amount equal to the Executive's Base Salary for a period of twenty-four (24) months in one lump sum unless otherwise agreed to.
- (b) the Corporation shall pay the Executive all accrued but outstanding amounts under Sections 5.1 (Base Salary), 7.1 (vacation pay), 5.4 (Perquisite Package) and 5.7 (expenses) that have been accrued up to the Termination Date but remain unpaid, and all such amounts shall be payable in a lump sum no later than the thirtieth (30th) day following the Termination Date;
- (c) the Corporation shall pay to the Executive Aggregate Bonuses for the year of termination, pro-rated to the Termination Date, calculated as follows: (i) if the Termination Date occurs during the first nine (9) months of a calendar year, the pro-rated amount shall be calculated based on the annual average of the Aggregate Bonuses (excluding any Aggregate Bonuses provided to the Executive by way of an award of stock options, RSUs or PSUs) paid to the Executive by the Corporation in the two (2) completed fiscal years prior to the Termination Date, provided that such amount shall be payable in a lump sum on the thirtieth (30th) day following the Termination Date or (ii) if the Termination Date occurs during the last three (3) months of a calendar year the pro-rated Aggregate

Bonuses (excluding any Aggregate Bonuses provided to the Executive by way of an award of stock options, RSUs and PSUs) shall be calculated and paid by the Corporation to the Executive in the normal course following the end of the fiscal year during which the Termination Date occurs, provided that such amount shall be payable in a lump sum no later than the thirtieth (30th) day following the fiscal year in which the applicable performance period ends;

- (d) subject to the express minimum requirements of the ESA, the Executive's benefit coverage pursuant to Section 6.1 hereof shall cease as of the Termination Date, provided, however, that the Corporation shall provide the Executive with a lump sum payment, no later than the thirtieth (30th) day following the Termination Date, equal to the Corporation's premium costs of such benefits for a two (2) year period. The Corporation shall also reimburse the Executive in respect of career transition/outplacement services and/or related financial and tax planning services, provided by an organization of the Executive's choice and received by the Executive within a period of two (2) years following the Termination Date, to a maximum amount of CAD \$5,000 per calendar year;
- (e) the Executive's entitlements under the Equity Plans shall be determined in accordance with the terms and conditions of the applicable plans, with the exception of outstanding stock options, which shall immediately vest on the Termination Date, notwithstanding any other term or condition of the relevant plan. The Executive shall have until the earlier of (a) five (5) years from the Termination Date or (b) the end of the term of the applicable option, to exercise the vested options subject to the terms of the applicable plan in respect of a change of control (as defined in the plan); and
- (f) upon termination, the Executive shall have the discretion to require the Corporation to redeem/repurchase some or all of the outstanding shares held directly or indirectly by the Executive, provided that without the prior agreement of the Employer, the maximum number of shares which the Executive may redeem in any calendar quarter (commencing with the calendar quarter during which the termination occurred) shall not exceed 15% of the total number of shares which the Executive directly or indirectly held on the date of termination; and the redemption / repurchase price shall be at the then current market value of the shares being redeemed/repurchased as defined by a third party valuation expert agreeable to both Employer and Executive.

8.5 Termination or Resignation by Executive for Good Reason.

The Executive may terminate his employment hereunder for Good Reason, upon notice to the Employer setting forth in reasonable detail the nature of such Good Reason. The following shall constitute Good Reason for termination by the Executive:

- (a) *Changed Duties or Status.* Any material reduction in the Executive's title, reporting relationship, responsibilities or authority;
- (b) *Reduced Compensation.* A reduction by the Corporation in the Executive's Base Salary, except with Executive's written comment except as otherwise contemplated under this agreement;
- (c) *Benefits and Perquisites.* The failure by the Corporation to continue to provide the Executive with benefits and perquisites substantially similar to those provided for by Sections 5.4 (Perquisite Package) and 6.1 (Benefits) of this Agreement or the taking by

the Corporation of any action that would directly or indirectly materially reduce any such benefits or deprive the Executive of any material perquisite enjoyed by him;

- (d) *Relocation.* The Corporation's requiring the Executive to be based anywhere other than his usual and prevailing areas required for the discharge of his duties, being Canada; or
- (e) *Non-assumption of this Agreement by Successor.* In the event that upon a Change of Control defined at Section 8.7 below, the acquirer or successor to the Corporation or the Business of the Corporation refuses to continue this Agreement or refuses to provide substantially similar terms of this Agreement in any offer of employment extended to the Executive in advance of closing.

In the event that the Executive terminates his employment for Good Reason, the Corporation shall provide the Executive with the compensation and benefits described in Sections 8.4(a) - (f) above.

8.6 Disability.

In this Employment Agreement, "Disability" means a physical or mental incapacity of the Executive that has prevented the Executive from performing the duties customarily assigned to the Executive for one hundred and eighty (180) calendar days whether consecutive or not in any twelve (12) consecutive months, which the Corporation cannot reasonably accommodate without undue hardship and in the opinion of a duly qualified independent medical practitioner (agreed to by both the Corporation and the Executive), is likely to continue to a similar degree for the foreseeable future. If this condition is met, the Corporation may terminate the Executive's employment by notice given to the Executive specifying the date on which such termination will be effective (such date being referred to in this clause of the "Termination Date"). If the Executive's employment terminates by reason of notice given under this Section 8.8, the Corporation shall provide the Executive with the compensation and benefits described in Sections 8.4(a) - (f) hereof. Moreover, the Corporation will cooperate with the Executive, his medical advisors and the Corporation's insurer with respect to any claim for long term disability benefits in respect of a Disability and will not take any actions that would impair the Executive's entitlements to disability insurance payments. In the event of a termination due to Disability hereunder, unless otherwise determined by the Board, the Executive's entitlements due under the Equity Plans shall be determined in accordance with the terms and conditions of the applicable plans, with the exception of outstanding stock options, which shall immediately vest on the Termination Date, notwithstanding any other term or condition of the relevant plan. The Executive shall have until the earlier of (a) five (5) years from the Termination Date or (b) the end of the term of the applicable option, to exercise the vested options subject to the terms of the applicable plan in respect of a change of control (as defined in the plan).

8.7 Death.

In the event of the Executive's death, the Executive's employment shall be deemed to have terminated on the date of the Executive's death and the Corporation shall pay the Executive's estate (i) the amounts set out in Section 8.4(a) and (b) hereof, and (ii) provide the benefits in respect of the Equity Plans as set out in Section 8.4(d), in each case in accordance with Section 8.4(a), 8.4(b) or 8.4(d), as applicable.

8.8 Non-Disparagement.

Upon termination of this Agreement for any reason, both the Executive and the Corporation agree that they will not disparage each other, which in the case of the Corporation extends to taking

positive action to advise its officers and directors of this non-disparagement covenant and their obligations in respect thereto.

SECTION 9 - CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION

9.1 The Executive acknowledges and agrees that:

- (a) in the course of performing his duties and responsibilities, he will have access to and will be entrusted with Confidential Information (as defined below), the disclosure of which to competitors of the Corporation or to the general public, or the use of same by the Executive or any competitor thereof, would be highly detrimental to the interests of the Corporation; and
- (b) the Executive shall not, either during the term of this Agreement and following the termination of the Agreement, directly or indirectly, disclose to any person or in any way make use of (other than for the benefit of the Corporation), in any manner, any Confidential Information, provided that such Confidential Information shall be deemed not to include information that is or becomes generally available to the public other than as a result of disclosure by the Executive.

9.2 Confidential Information means information, whether or not originated by the Executive, that relates to the business or affairs of the Corporation, its clients or suppliers and is confidential or proprietary to the Corporation, its affiliates or their clients or suppliers. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing or designated or marked as confidential):

- (a) work product resulting from or related to work or projects performed or to be performed by the Corporation;
- (b) information relating to any discoveries, know how, inventions, designs, works of authorship, ideas, contributions, developments, processes, compositions, techniques or any improvements thereof and legally recognized proprietary rights prior to any public disclosure thereof, including but not limited to information regarding acquiring, protecting, enforcing and licensing proprietary rights (including patents, copyrights and trade secrets);
- (c) internal Corporation personnel and financial information, vendor names and other vendor information, purchasing and internal cost information, internal services and operational manuals;
- (d) marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques and methods of obtaining business, forecasts and forecast assumptions and volumes, and future plans and potential strategies of the Corporation which have been or are being discussed, customer names and customer information;
- (e) contracts and their contents, client services, data provided by clients and the type, quantity and specifications of products and services purchased, leased, licensed or received by clients of the Corporation; and
- (f) all confidential information of the Corporation which becomes known to the Executive as a result of employment with the Corporation, which the Executive acting reasonably, believes is confidential information of the Corporation or which the Corporation takes measures to protect, provided that the Executive is aware or ought to be aware of such measures.

9.3 Confidential Information does not include:

- (a) the general skills, general knowledge and experience of the Executive learned or acquired prior to the Employment Commencement Date, or learned or acquired during the Executive's employment;
- (b) information publicly known within the industry in which the Corporation operates without breach of this Agreement; or
- (c) information, the public disclosure of which is required to be made by any law, regulation, government authority or court (to the extent of the requirement), provided that before disclosure is made, notice of the requirement is provided to the Corporation where it is within the Executive's control to provide such notice, and to the extent possible in the circumstances, the Corporation is afforded an opportunity to dispute the requirement.

9.4 Non-Competition.

The Executive acknowledges that the Executive's services are unique and extraordinary. The Executive also acknowledges that the Executive's position will give the Executive access to Confidential Information of substantial importance to the Corporation and its business. Subject to permitted activities hereunder or allowed by the terms of Section 3 above, after the Commencement Date and for eighteen (18) months following the end of the Term or the Termination Date (whichever is earlier), the Executive shall not (other than as a holder of not more than 5% of the total stock of a publicly-traded company) whether individually or in partnership or jointly or in conjunction with any other person, as an investor, consultant, employee or otherwise, perform services for a competing business, or establish, control, own a beneficial interest in, or be otherwise commercially involved in any endeavour, activity or business in North America that competes with the Business. "Business" means (i) software platform for analysis of physical requirements and stresses associated with jobs in the workplace and development of "return to work" solutions; and (ii) any business that the Corporation is in the process of developing (as reflected in a written business or strategic plan of the Corporation that is communicated to the Executive) at the time the Executive's employment is terminated.

9.5 Non-Solicitation.

After the Commencement Date, and for a twenty-four (24) month period following the end of the Term or the Termination Date (whichever is earlier), the Executive will not, either individually or in partnership or jointly or in conjunction with any other person, as principal, agent, consultant, contractor, employer, employee or in any other manner, directly or indirectly:

- (a) induce or entice away or in any other manner persuade or attempt to persuade any officer, employee, or agent of the Corporation or its subsidiaries who reported to the Executive directly or indirectly or about whom the Executive has Confidential Information at the time of any termination of his employment to discontinue or alter any one or more of their relationships with the Corporation or its subsidiaries; or
- (b) solicit business for any competitive Business (as defined in Section 10.4), from any customer or client of the Corporation or its subsidiaries to whom the Executive provided services or with whom the Executive had material dealings during the last twelve (12) months of his employment with the Corporation, or attempt to direct any such customer or client away from the Corporation or its subsidiaries or to discontinue or alter any one or more of their relationships with the Corporation or its subsidiaries.

9.6 Return of Documents.

The Executive agrees that all documents (including, without limitation, software and information in machine-readable form) of any nature pertaining to activities of the Corporation or any subsidiary or other affiliate of the Corporation, including, without limitation, Confidential Information, in the Executive's possession now or at any time after the Commencement Date, are and shall be the property of the Corporation or such subsidiary or other affiliate, and that all such documents and all copies of them shall be surrendered to the Corporation whenever requested by the Corporation.

9.7 Acknowledgement.

The Executive acknowledges that the Executive's position and responsibilities make him a fiduciary and that his position will give him access to confidential information of substantial importance to the Corporation and its business. Moreover, in connection with the Executive's employment by the Corporation, the Executive will receive or will become eligible to receive substantial benefits and compensation. The Executive acknowledges that the Executive's employment by the Corporation and all compensation and benefits and potential compensation and benefits to the Executive from such employment will be conferred by the Corporation upon the Executive only because and on condition of the Executive's willingness to commit the Executive's best efforts and loyalty to the Corporation, including protecting the Corporation's right to have its Confidential Information protected from non-disclosure by the Executive and abiding by the confidentiality, non-competition, non-solicitation and other provisions herein. The Executive agrees that the restrictions contained in this Section 10 are reasonable and valid and all defences to the strict enforcement thereof by the Corporation are waived by the Executive.

9.8 Rights and Remedies.

All rights and remedies of the parties are separate and cumulative, and none of them, whether exercised or not, shall be deemed to be to the exclusion of any other rights or remedies or shall be deemed to limit or prejudice any other legal or equitable rights or remedies which either of the parties may have.

SECTION 10 - GENERAL

10.1 Notices.

- (a) Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Employment Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by fax or other similar means of electronic communication, in each case to the applicable address set out below:

- (i) if to the Corporation, to:

MyAbilities Technologies Inc.
c/o IBM Innovation Space
1 King St West, Suite 400
Hamilton, ON, L8P 1A4

Attention: Chair, Board of Directors
Email: pstoyan@grllp.com

Fax: 416.865.6636

(ii) if to the Executive, to:

Reed Hanoun
2084 Gatestone Ave
Oakville ON

Email: reed@hanoun.com

- (b) Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that the day in either event is a business day and the communication is so delivered, faxed or sent prior to 5:00 p.m. on that day. Otherwise, the communication shall be deemed to have been given and made and to have been received on the next following business day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth business day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- 10.2 Any party may from time to time change its address under Section 11.1 by notice to the other party given in the manner provided by this section.
- 10.3 Further Assurances.
- Each party from time to time at the request of the other party and without further consideration, shall execute any other documents and take any further actions as the other party may reasonably require to more effectively complete any matter provided for in this Agreement.
- 10.4 Entire Agreement.
- This Agreement constitutes the entire agreement between the parties and supersedes all prior representations, understandings, warranties, covenants and agreements with respect to the subject matter of this Agreement. There are no oral representations or warranties among the parties of any kind respecting the subject matter of this Agreement on which the Executive and the Corporation rely in entering into this Agreement. This Agreement may not be amended or modified except by written instrument signed by all parties.
- 10.5 Applicable Law and Attornment.
- This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario exclusively and shall be treated in all respects as an Ontario contract. Each party shall attorn to the exclusive jurisdiction of the courts of Ontario for the settlement of any dispute arising out of this Agreement.
- 10.6 Severability.
- Any covenant or provision in this Agreement determined to be illegal or unenforceable, in whole or in part, shall be deemed not to affect or impair the validity of any other covenant or provision of this Agreement and the covenants and provisions are declared to be separate and distinct. Any term determined to be illegal or unenforceable shall be severed from this Agreement to the extent of such illegality or unenforceability without affecting the remaining terms of this Agreement.

10.7 Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the parties and their respective heirs, administrators, executors, successors and permitted assigns. The Corporation shall have the right to assign this Employment Agreement to any successor (whether direct or indirect, by purchase, amalgamation, arrangement, merger, consolidation or otherwise) to all or substantially all of the Business or assets of the Corporation provided only that the Corporation must first require the successor to expressly assume and agree to perform this Employment Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place, and subject to the Executive's consent, which consent shall not be unreasonably withheld. The Executive shall not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of the Executive's rights or obligations under this Employment Agreement without the prior consent of the Corporation, which may be arbitrarily withheld.

10.8 Survival.

The provisions of this Agreement (including, without limitation, the restrictive covenants set out in Section 9) which, by their nature, extend beyond the term of this Agreement, shall survive any termination of this Agreement.

10.9 Waiver.

The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of the same or any other provision hereof.

10.10 Legal Advice.

The Executive hereby represents and warrants to the Corporation and acknowledges and agrees that he has had the opportunity to seek independent legal advice prior to the execution and delivery of this Agreement. The Corporation agrees that upon provision by the Executive of an invoice evidencing the legal fees incurred, it will reimburse the Executive for those costs up to a maximum of CAD \$5,000 plus HST inclusive of all applicable taxes and disbursements.

SECTION 11 - EXECUTIVE'S ACKNOWLEDGEMENT

11.1 Acknowledgement.

The Executive acknowledges that:

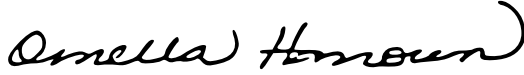
- (a) the Executive has had sufficient time to review this Employment Agreement thoroughly;
- (b) the Executive has read and understands the terms of this Employment Agreement and the obligations hereunder;
- (c) the Executive has been given an opportunity to obtain independent legal advice concerning the interpretation and effect of this Employment Agreement; and
- (d) the Executive has received a fully executed original copy of this Employment Agreement.

[balance of this page intentionally left blank]

Effective as of November 28, 2019.

SIGNED AND DELIVERED

IN THE PRESENCE OF:



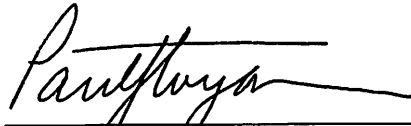
Witness to the signature of
the Executive



Reed Hanoun

MYABILITIES TECHNOLOGIES INC.

Per:



Name: Paul Stoyan
Title: Chair, Board of Directors

I have authority to bind the Corporation.

THIS IS **EXHIBIT “M”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

**Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.**



September 25, 2025

Confidential and Without Prejudice

Mr. Reed Hanoun
2084 Gatestone Ave
Oakville ON
L6J 2G3

Delivered: Via Email reed.hanoun@3motionai.com

Re: Termination of employment pursuant to the Employment Agreement between Reed Hanoun and MyAbilities Technologies Inc. made effective as of November 28, 2019 (the “**Agreement**”)

Dear Reed:

MyAbilities Technologies Inc. amalgamated with another company to become 3MotionAI Inc. (the “**Corporation**”) on or about February 1, 2021, and by virtue of such amalgamation, the Agreement continued with the Corporation assuming the rights and responsibilities of the employer under the Agreement.

Pursuant to Section 8.4 of your Agreement, the Corporation is entitled to terminate your employment at any time without just cause by providing you with notice of such termination. This letter is to serve as notice that your employment with the Corporation will end effective as of today, September 25, 2025. Your employment is being terminated on a without-cause basis due to the Corporation filing a Notice of Intention to make a proposal to creditors (“**NOI Proceeding**”) under the Canadian Bankruptcy and Insolvency Act (“**BIA**”) on September 3, 2025.

Pursuant to Section 8.4 of the Employment Agreement, you are entitled:

1. an amount equal to the your Base Salary (as defined in the Agreement) for a period of twenty-four (24) months in one lump sum payment;
2. all accrued and outstanding amounts due and owing to you as at the date hereof on account of unpaid Base Salary to date, unpaid vacation pay to date, the Perquisite Package (as defined in the Agreement) and expenses incurred by you in the course of performing your employment duties to date. All such amounts to be payable in one lump sum within 30 days after the date hereof;
3. Aggregate Bonuses (as defined in the Agreement) for the year 2025, pro-rated to today’s date and calculated based on the annual average of the Aggregate Bonuses (excluding any Aggregate Bonuses provided to you by way of an award of stock options, RSUs or PSUs) paid to you for the last 2 fiscal years, and payable in one lump sum within 30 days after the date hereof;

4. benefits continuance in accordance with the ESA minimums plus a lump sum payment equal to the Corporation's premium costs of such benefits for a two (2) year period (at \$960/month, less all applicable taxes), less the benefits continuation as prescribed by the ESA;
5. reimbursement in respect of career transition/outplacement services and/or related financial and tax planning services to a maximum amount of CAD \$5,000 per year for a 2 year period; and
6. the equity entitlements set out in Sections 8.4(e) and (f) of the Agreement.

Given the continuance of the NOI Proceeding, the Corporation is currently unable to make any of the foregoing payments and directs you to file a proof of claim with the Corporation's trustee, TDB Restructuring Limited ("**TDB**"), as an unsecured creditor of the Corporation. In that regard, you understand that any payment on account of the amounts owing to you in respect of your termination will only be paid to the extent to which funds are available after a sale of the Corporation's assets as part of the NOI Process, and to the extent any such funds are available, you will share in such funds as an unsecured creditor of the Corporation with all other unsecured creditors of the Corporation.

A Record of Employment (ROE) will be issued to you, which indicates Code A (Shortage of Work) as the reason for issuance. You may use the ROE to apply for Employment Insurance benefits.

Given that the Corporation is unable to make payment of the amounts due to you on termination of your employment in accordance with the Agreement, and in consideration of

1. the assistance you have provided to date with respect to the NOI Process being pursued by the Corporation,
2. your agreement to provide assistance with the NOI Process to TDB on request;
3. the fact that the company may realize higher values for its assets if you are able to be able to be engaged by bidders for the Corporation's assets with respect to either their bid, the closing or the operation of the business post-acquisition,

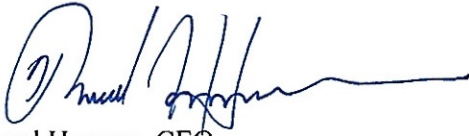
the Corporation hereby releases and forever discharges you from all non-solicitation and non-competition obligations as set out in Section 9 of the Agreement. In that regard, the Corporation on its own behalf and on behalf of its subsidiaries and affiliates and their respective successors and assigns hereby irrevocably and unconditionally remise, release and forever discharge you and your heirs, executors, administrators and representatives (collectively the "**Releasees**") of and from all actions, causes of action, suits, proceedings, debts, duties, monies, accounts, covenants, contracts, obligations, claims, liabilities, damages, grievances, executions, judgements and other demands, in each case of any kind whatsoever, both in law and in equity, under any statute, whether known or unknown and whether contingent or otherwise, which it now has, ever had or hereafter can, shall or may have or assert (including, for greater certainty and without limiting the generality of the foregoing, such as may hereafter become known or arise in respect of matters existing at the present time) against any of the Releasees for or by reason of or in any way related to, in connection with or arising out of your employment, termination thereof or the restrictive covenants set out in Section 9 of the Agreement.

You may retain free and clear Company property in your current position, such as laptops, office equipment, cell phone, etc. so as to enable you to assist with the NOI Process.

The termination of your employment on the terms and conditions set out herein shall be subject to TDB and court approval if the company deems it necessary or otherwise appropriate.

Thank you for your contribution to the 3motionAI.

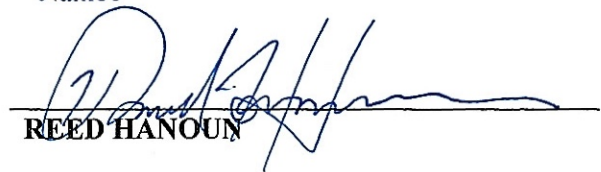
Regards,



Reed Hanoun, CEO
3MotionAI Inc.

THE TERMINATION OF EMPLOYMENT and the terms and conditions relating to such termination as set out in the foregoing letter are hereby accepted by Reed Hanoun this 25th day of SEPTEMBER, 2025 as evidenced by his signature hereto.

REED HANOUN
Name1


REED HANOUN

THIS IS **EXHIBIT “N”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.

INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT (the “Agreement”) is to take effect as of the 3rd day of September, 2025 (the “Effective Date”).

BETWEEN:

3MOTIONAI INC

(the “Company”)

- and -

REED HANOUN

(the “Contractor”)

(collectively referred to as the “Parties”)

WHEREAS the Contractor possesses special knowledge, abilities and experience in connection with the business of the Company (the “Business”). The Company desires to engage the services of Contractor to perform services as an independent contractor for the Company with respect to its Business, and Contractor desires to provide such services to the Company on the terms and conditions set forth in this Agreement

AND WHEREAS the Corporation filed a Notice of Intention to make a proposal to creditors (“NOI Proceeding”) under the Canadian Bankruptcy and Insolvency Act (“BIA”) on September 3, 2025 and as a result thereof the Corporation’s actions are to be approved by its trustee in bankruptcy, TDB Restructuring Limited (the “Trustee”).

THEREFORE, the Parties agree as follows:

1.0 TERM AND TERMINATION

- 1.1 The term of this Agreement shall commence on the Effective Date and continue for a period of ninety days from and after the Effective Date, extended in accordance with the provisions contained herein (herein referred to as the “Term”).
- 1.2 Notwithstanding anything else to the contrary contained in this Agreement, the Company may terminate this Agreement at any time without prior notice, (i) for fraud conviction, gross negligence, wilful misconduct, or breach of any material term hereof by the Contractor.
- 1.3 This Agreement may be terminated at any time by Contractor for non-payment of Fees (as hereinafter defined) when due.
- 1.4 Upon termination of this Agreement by the Company pursuant to Section 1.2 or upon the termination of the Contractor for non payment;
 - (a) the Company shall only be responsible for the payment of (i) Fees due and owing to the Contractor as at the time of termination and (ii) any reasonable expenditures properly

incurred by the Contractor and approved by the Company under this Agreement up to the effective date of termination, and

- (b) the Contractor shall have no further claims against the Company for damages of any nature whatsoever.

2.0 SERVICES TO BE PROVIDED

- 2.1 The Company hereby retains the Contractor to perform the such services as necessary to manage and oversee the operations of the Corporation for the duration of the NOI Process working in conjunction with the Trustee in connection therewith, and such other services as may be requested by the Company, its Board of Directors or Trustee from time to time during the NOI Process (collectively, the “Services”).
- 2.2 The Company grants the Contractor the authority and discretion to do such things as may be reasonably necessary for the purposes of performing the Services. However, the Contractor shall not have the authority or discretion to enter into any agreement, contract or understanding that legally binds the Company or otherwise assume, create or incur any obligations or liabilities on behalf of the Company, except as expressly provided for in this Agreement, without first obtaining the prior written consent of the Company.

3.0 FEES AND EXPENSES

- 3.1 In consideration of the Services provided, the Company shall pay to the Contractor a Fee of \$15,000 per month plus benefits of \$2,500 per month plus HST (the “Fee”).
- 3.2 The Contractor will invoice the Company for Services to be rendered on a monthly basis on the first day of each month. On each such invoice, the Contractor agrees to clearly outline the extent of Services provided in respect of such invoice, listing a description of tasks completed. The fee set out in each invoice will be paid by the Company on the 1st day of each month of Services in advance.
- 3.3 The Contractor will be reimbursed only for those out of pocket expenses which are preapproved in writing by the Company prior to such expenses being incurred.

4.0 NON-EXCLUSIVITY

- 4.1 The Contractor may carry on and perform services for others during the term, provided that such services do not interfere with the efficient and timely performance of the Services.

5.0 INDEPENDENT CONTRACTOR

- 5.1 The Contractor is and shall remain at all times an independent contractor and is not, and shall not represent itself to be an agent, joint venturer, partner, officer, or employee of the Company. Nothing contained in this Agreement is intended to create nor shall be construed as creating an employment relationship between the Contractor and the Company. The Contractor has sole responsibility, as an independent contractor, to comply with all laws, rules and regulations relating to the provision of Services, including without limitation, all requirements under any applicable tax, employment and pension related legislation and regulations. As an independent contractor, the Contractor shall not be entitled to any employment related benefits, including without limitation, any payments under the *Employment Standards Act, 2000* (Ontario). Upon termination of this Agreement, the Contractor shall not be entitled to any severance or termination pay otherwise payable to employees of the Company.

- 5.2 Should the relationship between the Contractor and the Company be found in law to constitute an employment relationship, which conclusion is expressly and mutually denied, the Contractor hereby agrees to indemnify the Company against any amounts which are found to be owing by way of employer contributions, withholdings, or termination or severance pay under any applicable legislation relating to employment status including without limitation all applicable income tax, employment standards or workplace health and safety legislation and any other legislation respecting any pension or employment insurance.

6.0 HEALTH AND SAFETY, DAMAGE TO PROPERTY

- 6.1 The Contractor shall comply with applicable health and safety laws, and hereby agrees to indemnify and hold harmless the Company, its directors, officers, agents and employees from and against any and all claims, demands, suits, losses, fines, surcharges, damages, costs and expenses arising out of the Contractor's failure to comply with such laws. The Contractor further agrees to indemnify and hold the Company, its directors, officers, agents and employees harmless from and against any and all liabilities, claims, demands, suits, losses, fines, surcharges, damages, costs and expenses relating to the injury or death of any person, damage to or destruction of any property, which is directly or indirectly caused by any act or omission on the part of the Contractor or any employees of the Contractor engaged in providing Services to the Company.

NOTICES

- 6.2 **Notice to Contractor:** Any notice required or permitted to be given to the Contractor shall be deemed to have been received if delivered personally to the Contractor, sent to reed@hanoun.com if mailed by registered mail to the Contractor's business address at. 19-511 Maple Grove Rd., Suite 61029 L6J 2G3 ON, Canada
- 6.3 **Notice to Company:** Any notice required or permitted to be given to the Company shall be deemed to have been received if delivered personally to Bryan A. Tannenbaum; btannenbaum@tdbadvisory.ca, mailed by registered mail, or sent to 11 King St. West, Suite 700 Toronto, ON M5H 4C7 to the attention of Bryan A. Tannenbaum

7.0 GENERAL PROVISIONS

- 7.1 **Severability:** In the event that any covenant, provision or restriction contained in this Agreement is found to be void or unenforceable (in whole or in part) by a court of competent jurisdiction, it shall not affect or impair the validity of any other covenant, provisions or restrictions contained herein, nor shall it affect the validity or enforceability of such covenants, provisions or restrictions in any other jurisdiction or in regard to other circumstances. Any covenants, provisions or restrictions found to be void or unenforceable are declared to be separate and distinct, and the remaining covenants, provisions and restrictions shall remain in full force and effect.
- 7.2 **Failsafe:** Notwithstanding anything to the contrary in this Agreement, in the event that Applicable Legislation provides the Contractor with superior entitlements upon termination of this Agreement than expressly provided for in this Agreement, the Company shall provide the Contractor with the applicable statutory entitlements in substitution for the Contractor's rights under this Agreement.
- 7.3 **Changes to Agreement:** Any modifications or amendments to this Agreement must be in writing and signed by both Parties or else they shall have no force and effect. The Parties specifically acknowledge that the Company's continued retention of the Contractor shall be sufficient and ample consideration supporting any future modifications or amendments to this Agreement.

- 7.4 Enurement: This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns, including without limitation, the Contractor's heirs, executors, administrators and personal representatives.
- 7.5 Assignment: The Contractor may not assign any of the Contractor's rights or delegate any of the Contractor's duties or responsibilities under this Agreement, without the Company's prior written consent. The Company may, without the consent of the Contractor, assign its rights, duties and obligations under this Agreement to an affiliate or to a purchaser of all, or substantially all of the assets of the Company.
- 7.6 Entire Agreement: This Agreement including the schedules thereto constitutes the entire agreement between the Parties and supersedes and replaces any and all other representations, understandings, negotiations and previous agreements, written or oral, express or implied.
- 7.7 Independent Legal Advice: The Contractor acknowledges that the Contractor has read and understands the terms and conditions contained in this Agreement, and that the Company has provided a reasonable opportunity for the Contractor to seek independent legal advice prior to executing this Agreement and the Contractor has either sought such independent legal advice or voluntarily declined to do so.
- 7.8 Currency: All dollar amounts set forth or referred to in this Agreement refer to the currency of Canada.
- 7.9 Governing Law: This Agreement shall be interpreted and construed in accordance with the local laws of the Province of Ontario and the laws of Canada applicable therein without reference to any conflicts of laws provisions, and the parties will attorn to the exclusive jurisdiction of the Courts of Toronto in respect of any dispute arising out of or in relation to this Agreement.

[signatures on following page]

IN WITNESS OF WHICH the Parties have duly executed this Agreement:

3MOTIONAL INC.

By:



Name: Reed Hanoun

Title Director



REED HANOUN

THIS IS **EXHIBIT “O”** REFERRED TO
IN THE AFFIDAVIT OF
REED HANOUN, AFFIRMED BEFORE ME via videoconference in the City of Toronto
in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.
THIS 29th DAY OF SEPTEMBER, 2025



A COMMISSIONER FOR TAKING AFFIDAVITS

Stephanie Isimisi Mayaki, a Commissioner, etc.,
Province of Ontario, for Gardiner Roberts LLP,
Lawyers.
Expires November 21, 2025.

Mahil, Saisha

Subject: VelocityEHS Holdings, Inc. v. 3MotionAI, Inc. - Notice of Intention
Attachments: Certificate for the Notice of Intention - 32-3267656.pdf

From: "Leon, Daryl G." <dleon@bakerlaw.com>
Date: September 3, 2025 at 5:56:24 PM EDT
To: Matthew Connors <Matthew.Connors@weil.com>, Joshua Amsel <joshua.amsel@weil.com>, Kevin Rudolph <krudolph@ramllp.com>, Bradley Aronstam <BAronstam@ramllp.com>
Cc: "Lyons, Jeffrey J." <jjlyons@bakerlaw.com>
Subject: VelocityEHS Holdings, Inc. v. 3MotionAI, Inc. - Notice of Intention

Counsel – Please see the attached Certificate for the Notice of Intention filed by 3MotionAI earlier today. As indicated to me by 3MotionAI's counsel, please see the below information that is relevant to our case.

1. The certificate has come back from the government confirming the company filed today (attached) and assigning the case file # (32-3267656). The filing is not a receivership. The company has filed a Notice of Intention to Make a Proposal to Creditors ("NOI") under the Canadian Bankruptcy and Insolvency Act ("BIA"). A NOI filing under the BIA is a short form equivalent of a Chapter 11 filing in the United States and triggers a statutory stay similar to the Bankruptcy Code § 362 Stay triggered by filing for Chapter 11 protection.
2. Pursuant to the BIA, the filing took effect retroactively at 12:01 am today.
3. As a result, the filing creates an automatic stay of proceedings against the company as of 12:01 am today.
4. VelocityEHS is subject to that stay under Canadian law.
5. VelocityEHS is subject to Canadian jurisdiction.
6. Proceeding in the face of the stay can lead to contempt sanctions.

Thanks,
Daryl

Daryl Leon
Counsel

45 Rockefeller Plaza
New York, NY 10111-0100
T +1.212.589.4222

dleon@bakerlaw.com
bakerlaw.com

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	WEDNESDAY, THE 1st
	)	
JUSTICE CAVANAGH	)	DAY OF OCTOBER, 2025

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C.
B-3, AS AMENDED**

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF 3MOTIONAI INC. FILED IN THE
CITY OF MISSISSAUGA, IN THE PROVINCE OF
ONTARIO**

**ORDER
(INITIAL PROPOSAL ORDER and SISP ORDER)**

THIS MOTION, made by 3MotionAI Inc. (“**3Motion**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”), for an order, among other things: (a) extending the time for 3Motion to file a proposal under section 50.4(9) of the BIA until November 14, 2025; (b) approving the First Report of the Proposal Trustee (each as defined herein); (c) enhancing certain powers of the Proposal Trustee; (d) approving the DIP Term Sheet and authorizing 3Motion to access the DIP Facility (each as defined herein); (e) establishing the Charges (as defined herein), (f) for an order, among other things, approving a sale and investment solicitation process (the “**SISP**”) in respect of 3Motion; (g) approving the termination of Reed Hanoun and his reengagement as a consultant; and (h) appointing the Proposal Trustee as foreign representative of this proceeding for purposes of a petition and related proceedings to be filed under Chapter 15 of the US Bankruptcy Code; and (i) requesting foreign judicial assistance with

the recognition and enforcement of this proceeding, the stay it creates and order made in this proceeding; was heard this day by videoconference.

ON READING the affidavit of Reed Hanoun affirmed on September 29, 2025 (the “**Hanoun Affidavit**”), the First Report (the “**First Report**”) of TDB Restructuring Limited in its capacity as proposal trustee of 3Motion (the “**Proposal Trustee**”) dated September 29, 2025, and on being advised that 3Motion filed a Notice of Intention to Make a Proposal (“**NOI Proceeding**”) pursuant to section 50.4(1) of the BIA on September 3, 2025 (the “**NOI Filing Date**”), and on hearing the submissions of the respective counsel for 3Motion, the Proposal Trustee, the DIP Lender (as defined herein) and such other counsel and parties as are listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavit of Service of [●], sworn **DATE** 2025, filed:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and First Report are hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the First Report and the Hanoun Affidavit, as applicable.
3. **THIS COURT ORDERS** that all references to currency herein shall be in Canadian dollars.
4. **THIS COURT ORDERS** that the Proposal Trustee is authorized and directed to administer the NOI Proceeding in carrying out its duties and responsibilities as proposal trustee under the BIA and in accordance with this Order, including, without limitation:
 - (a) sending notices to creditors of 3Motion;
 - (b) calling and conducting any meetings of creditors of 3Motion;
 - (c) issuing reports in respect of the estate of 3Motion;

- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estate of 3Motion;
- (e) taxing its fees and those of its counsel; and,
- (f) seeking any relief before this Court.

EXTENSION OF TIME TO FILE A PROPOSAL

5. **THIS COURT ORDERS** that pursuant to section 50.4(9) of the BIA, the time for 3Motion to file a proposal is hereby extended up to and including November 14, 2025.

APPROVAL OF FIRST REPORT

6. **THIS COURT ORDERS** that the First Report, as well as the actions, conduct and activities of the Proposal Trustee as described therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

POSSESSION OF PROPERTY

7. **THIS COURT ORDERS** that 3Motion shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, 3Motion shall continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the “**Business**”) and Property.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, 3Motion are and shall be entitled but not required to pay all reasonable expenses incurred in carrying on the Business in the ordinary course after the NOI Filing Date, subject to the terms of the DIP Term Sheet. Without limiting the foregoing, subject to the terms of the DIP Term Sheet, 3Motion shall be entitled, but not required, to pay the following expenses, whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable on or after the date of this Order, incurred in the ordinary course of the Business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants (as defined herein) retained or employed by 3Motion, at their standard rate and charges; and
- (c) with the consent of the Proposal Trustee and the DIP Lender, amounts owing for goods or services supplied to 3Motion prior to the NOI Filing Date up to the maximum aggregate amount of \$100,000, if, in the opinion of 3Motion and the Proposal Trustee, those goods and services are critical to the Business or were part of the process of preparing for the filing of the Proposal.

PROPOSAL TRUSTEE

9. THIS COURT ORDERS that the Proposal Trustee continues to be and is hereby authorized to take all steps required to fulfill its duties under the BIA or as an officer of this Court, including to perform such duties as are required to give effect to the terms of this Order and such other orders as may be made by this Court from time to time.

10. THIS COURT ORDERS that, without limiting the duties and powers of the Proposal Trustee under the BIA, the Proposal Trustee is authorized, but not obliged, to do any of the following in the name of and on behalf of 3Motion, where the Proposal Trustee considers it necessary or desirable, provided that such exercise of power is consistent with the terms of the DIP Term Sheet:

- (a) to exercise any rights and powers that may be exercised by one or more directors or officers of 3Motion in their capacity as director or officer, including, without limitation, to:
 - (i) perform any functions or duties, and enter into such agreements or incur such obligations as the Proposal Trustee considers necessary or desirable in order to facilitate or assist the Proposal Trustee in fulfilling its obligations under this or any other orders of this Court or pursuant to the BIA, including but

not limited to the solicitation, negotiation and completion of one or more sales of or investments in 3Motion, the Property or the Business, the taking of other steps to realize upon any of the Property, and the distribution of the net proceeds of any of the foregoing;

- (ii) engage, retain or terminate the services of any officers, employees, consultants, agents, representatives, advisors, or other persons or entities (collectively, “**Assistants**”), from time to time as the Proposal Trustee deems necessary or appropriate to assist with the exercise of the duties of the Proposal Trustee herein and as set forth under the BIA, with liberty to retain such further Assistants as the Proposal Trustee deems reasonably necessary or desirable in the ordinary course of Business or for the carrying out of the terms of this Order or any other Order of this Court;
- (iii) initiate, prosecute and/or continue the prosecution of any and all proceedings and defend all proceedings now pending or hereafter instituted with respect to 3Motion or the Property, and, subject to further Order of this Court, to settle or compromise any such proceedings;
- (iv) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of 3Motion, including any governmental authority;
- (v) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of 3Motion that any taxing or regulatory authority may require;
- (vi) claim any and all insurance refunds or tax refunds to which 3Motion are entitled, on behalf of 3Motion; and,
- (vii) file or take such actions necessary for the preparation and filing of, on behalf of and in the name of 3Motion (i) any tax returns and (ii) the 3Motion’s employee-related remittances, T4 statements and records of employment for 3Motion’s former employees;

(b) monitor 3Motion’s receipts and disbursements;

(c) review all disbursements of 3Motion in the amount of \$25,000 or greater and, if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business, to approve such disbursement;

(d) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to the Property, the Business and other such matters as may be

relevant to this NOI Proceeding;

- (e) assist 3Motion, to the extent required, in their dissemination to the DIP Lender and its counsel on a bi-weekly basis of financial and other information as set out in the DIP Term Sheet and as may otherwise be agreed upon by 3Motion and the DIP Lender;
- (f) advise 3Motion in the preparation of 3Motion's cash flow statements and other financial reporting reasonably required by the DIP Lender, which information shall be reviewed with the Proposal Trustee and delivered to the DIP Lender and its legal counsel on a periodic basis but not less than bi-weekly or as otherwise agreed to by the DIP Lender;
- (g) have full and complete access to the Property, including but not limited to the premises, books, records, data, including data in electronic form, and other financial records of 3Motion, to the extent necessary to perform its duties and obligations set out herein and under the BIA;
- (h) engage independent legal counsel or such other persons as the Proposal Trustee deems necessary or advisable;
- (i) perform such other duties as are required by this Order or any other Order of this Court; and,
- (j) take any steps reasonably incidental to the exercise of the powers hereby granted or the performance of any statutory obligations, and, in each case, where the Proposal Trustee takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of the directors and officers of 3Motion, and without interference.

11. THIS COURT ORDERS that the Proposal Trustee shall not take possession of the Property or the Business and shall not, in fulfilling its obligations hereunder or pursuant to the BIA, be deemed to have taken possession or control of the Property or the Business, or any part thereof.

12. THIS COURT ORDERS that the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of its duties under the BIA or the provisions of this Order or any other Orders which may be made by this Court, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Proposal Trustee by the BIA or any other applicable legislation.

DIP FINANCING

13. THIS COURT ORDERS that 3Motion is hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from West Tech Fitness Group Inc. (in such capacity, the “**DIP Lender**”) in order to finance 3Motion’s working capital requirements and other general corporate purposes and capital expenditures, provided that the aggregate borrowings under the DIP Facility shall not exceed the principal amount of \$750,000, unless permitted by further Order of the Court.

14. THIS COURT ORDERS that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Facility Term Sheet between 3Motion’s and the DIP Lender dated as of DATE in the form attached to the Hanoun Affidavit with such minor modification and amendments that may be agreed to by the parties thereto and consented to by the Proposal Trustee (the “**DIP Term Sheet**”).

15. THIS COURT ORDERS that 3Motion is hereby authorized and empowered to execute and deliver such ancillary credit agreements, mortgages, charges, hypothecs and security documents, guarantees, and other definitive documents (collectively, including the DIP Term Sheet, the “**DIP Credit Documents**”) as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and 3Motion are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

16. THIS COURT ORDERS that as security for the payment and performance by 3Motion their obligations under the DIP Term Sheet and any DIP Credit Documents, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Charge**”) on the

Property, which charge shall not exceed an aggregate amount of \$750,000 plus interest, fees and expenses, unless permitted by further Order of the Court, and which shall not secure an obligation that exists before the NOI Filing Date. The DIP Charge shall have the priority set out in paragraph 25 hereof.

17. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the DIP Credit Documents;
- (b) upon the occurrence of an Event of Default (as defined in the DIP Term Sheet) under the DIP Credit Documents, the DIP Lender, subject to the notice requirements under the DIP Credit Documents and any restrictions contained therein, may cease making advances to 3Motion and set off and/or consolidate any amounts owing by the DIP Lender to 3Motion against the obligations of 3Motion to the DIP Lender under the DIP Credit Documents or the DIP Lender Charge, make demand, accelerate payment and give other notices, or, upon two (2) business days' notice to 3Motion and the Proposal Trustee, exercise any and all other rights and remedies against 3Motion or the Property under or pursuant to the DIP Credit Documents and the DIP Charge, including, without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against 3Motion and for the appointment of a trustee in bankruptcy of any of 3Motion; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of 3Motion or the Property.

18. THIS COURT ORDERS that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Term Sheet, the DIP Credit Documents, or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as

made prior to the Variation), the DIP Term Sheet, the DIP Credit Documents or the DIP Charge with respect to any advances made or obligations incurred prior to the DIP Lender receiving notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Term Sheet or the DIP Credit Documents.

19. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any proposal filed by 3Motion under the BIA, with respect to any advances made under the DIP Credit Documents.

ADMINISTRATION CHARGE

20. THIS COURT ORDERS that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to 3Motion shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the NOI Filing Date, by 3Motion as part of the costs of these proceedings. 3Motion are hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to 3Motion a weekly basis, or as they may otherwise agree.

21. THIS COURT ORDERS that the Proposal Trustee, counsel to the Proposal Trustee and counsel to 3Motion shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which Administration Charge shall not exceed an aggregate amount of \$500,000, as security for payment of their respective professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order, in respect of this proceeding. The Administration Charge shall have the priority set out in paragraph 25 hereof.

DIRECTORS AND OFFICERS INDEMNIFICATIONS AND CHARGE

22. THIS COURT ORDERS that 3Motion shall and does hereby indemnify its directors and officers against obligations and liabilities that they may incur as a director or officer of 3Motion after the NOI Filing Date, except to the extent that, with respect to any officer or director, the

obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. THIS COURT ORDERS that the directors and officers of 3Motion shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for the indemnity provided in paragraph 22 of this Order. The D&O Charge shall have the priority set out in paragraph 25 herein.

24. THIS COURT ORDERS that notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the directors and officers of 3Motion shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors and officers insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

25. THIS COURT ORDERS that the priorities of the Administration Charge, the DIP Charge, and the D&O Charge (collectively, the "**Charges**"), as among them, with respect to the Property shall be as follows:

First – the DIP Charge (to the maximum amount of \$750,000 plus interest, fees and expenses);

Second – the Administration Charge (to the maximum amount of \$500,000); and,

Third – the D&O Charge (to the maximum amount of \$150,000).

26. THIS COURT ORDERS that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

27. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including any statutory, deemed or constructive trust), liens, charges and encumbrances, claims of secured creditors,

statutory or otherwise and any other claims (collectively, “**Encumbrances**”) in favour of any Person.

28. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, 3Motion shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless 3Motion also obtains the prior written consent of the Proposal Trustee and the beneficiaries of the Charges (collectively, the “**Chargees**”), or further Order of this Court.

29. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order subsequently made; (c) the filing of any, or the deemed occurrence of any, assignments for the general benefit of creditors made pursuant to the BIA; (d) the filing of any applications under the *Companies’ Creditors Arrangement Act* (Canada); (e) the provisions of any federal or provincial statutes; or (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease or other agreement (collectively, an “**Agreement**”) which binds 3Motion, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Documents shall create or be deemed to constitute a breach by 3Motion of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from 3Motion entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the DIP Credit Documents; and
- (c) the payments made by 3Motion pursuant to this Order, the DIP Credit Documents and the granting of the Charges, do not and will not constitute preferences,

fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE OF DOCUMENTS

30. THIS COURT ORDERS that the Guide Concerning Commercial List E-Service (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/regional-practice_directions/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL:

31. THIS COURT ORDERS that 3Motion, the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to 3Motion’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

32. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, 3Motion and the Proposal Trustee and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, email or facsimile transmission to 3Motion’s creditors or other interested parties at their respective addresses (including email addresses) as last shown on the records of 3Motion and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of transmission thereof, if sent by electronic message on or prior to

5:00 p.m. Eastern Time; (b) the next business day following the date of forwarding or transmission thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern; or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

SALE AND INVESTMENT SOLICITATION PROCESS

33. THIS COURT ORDERS that the terms of the SISP attached as **Schedule “A”** to this Order (the “**SISP Terms**”) be and are hereby approved.

34. THIS COURT ORDERS that 3Motion and the Proposal Trustee are hereby authorized, empowered and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with the SISP Terms and the terms of this Order.

35. THIS COURT ORDERS that 3Motion, the Proposal Trustee, the DIP Lender and their respective affiliates, officers, directors, partners, employees, advisors, counsel and agents (each a “**protected party**”) shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind, to any person in connection with or as a result of participating and performing their duties under the SISP, except to the extent such losses, claims, damages, or liabilities result from the gross negligence or wilful misconduct of the applicable protected party.

36. THIS COURT ORDERS that 3Motion and the Proposal Trustee may apply to this Court for directions with respect to the SISP at any time during the term thereof.

37. THIS COURT ORDERS that pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), 3Motion and the Proposal Trustee are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.

38. THIS COURT ORDERS that pursuant to paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, 3Motion, the Proposal Trustee and their respective advisors are hereby authorized and permitted to disclose to prospective bidders or

offerors that are party to a non-disclosure agreement (each, a “**SISP Participant**”), the DIP Lender, and their respective advisors, personal information of identifiable individuals (“**Personal Information**”) and records pertaining to 3Motion’s past and current employees and information on specific customers, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP. Each SISP Participant to whom any Personal Information is disclosed and the DIP Lender shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each SISP Participant to whom any Personal Information is disclosed and the DIP Lender shall limit the use of such Personal Information to its participation in the SISP.

39. THIS COURT ORDERS that nothing contained in this Order approves the sale or the vesting of any Property of 3Motion pursuant to a Successful Bid (as defined in the SISP Terms) and that this Order is without prejudice to any interested person’s ability to oppose the approval of a Successful Bid.

KERP

40. THIS COURT ORDERS that the Termination Agreement and the Consulting Agreement as those terms are defined in the Affidavit of Reed Hanoun sworn September 29, 2025 are hereby approved.

FOREIGN REPRESENTATIVE

41. THIS COURT ORDERS that the Proposal Trustee is hereby appointed as foreign representative of this proceeding further to section 279 of the BIA for purposes of making an application for recognition of this proceeding under Chapter 15 of the US Bankruptcy Code and to seek such other interim and other relief as may be available to 3Motion under the laws of the United States of America (“**USA**”) and the States composing same, including without limitation under the laws of the State of Delaware (the USA and the States composing same are variously herein as the “**US**”, and the “**United States**”), and further thereto, an Order requesting the aid of assistance of the courts of the US, including the US bankruptcy courts and the courts of the State of Delaware, in enforcing the stay of

proceedings which arose as a result of this proceeding and otherwise giving effect to this order and other orders made in this proceeding.

GENERAL

42. THIS COURT ORDERS that this Order shall have full force and effect in all provinces and territories in Canada.

43. THIS COURT ORDERS that 3Motion, the Proposal Trustee, and the DIP Lender may, from time to time, apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

44. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist 3Motion, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to 3Motion and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist 3Motion and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

45. THIS COURT ORDERS that each of 3Motion and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

46. THIS COURT ORDERS that any interested party, including 3Motion, the Proposal Trustee and the DIP Lender, may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to 3Motion, the Proposal Trustee and the DIP Lender, or upon such other notice, if any, as this Court may order.

47. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 3MOTIONAI INC. IN THE CITY OF
MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

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Estate No. 32-3267656

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED

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MOTION RECORD

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