

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF BEDFORD

SUPERIOR COURT  
(In bankruptcy and insolvency)

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COURT NO.: 460-11-001473-076  
Estate No.: 42-1002057

IN THE MATTER OF THE PROPOSAL OF :  
DE BALL INC.

Debtor

- and -

RSM RICHTER INC.

Trustee

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<p><b><u>AMENDED PROPOSAL</u></b></p>
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DE BALL INC. HEREBY SUBMITS THE FOLLOWING AMENDED PROPOSAL  
UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*:

I. **DEFINITIONS:**

For purposes hereof:

“**AMENDED PROPOSAL**” means the present AMENDED PROPOSAL, as same may be amended from time to time prior to the vote of the creditors.

“**AMENDED PROPOSAL EXPENSES**” means all proper fees, expenses, liabilities and obligations of the DEBTOR and the TRUSTEE, related or incidental to the NOTICE OF INTENTION and/or the PROPOSAL and the AMENDED PROPOSAL, including, without limitation, all legal fees and accounting fees and the fees and expenses of the legal representatives of the DEBTOR and of the TRUSTEE in connection therewith.

“**APPROVAL**” means the situation arising from the AMENDED PROPOSAL having been duly accepted by the creditors and having been approved by the COURT in a judgment that has become executory as a result of the deadline for appeal having expired without there having been an appeal, or an appeal having been lodged and the judgment approving the AMENDED PROPOSAL having

been finally confirmed or the appeal withdrawn.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

“**CLAIM**” means any claim or liability provable in proceedings under the BIA.

“**CLAIMS AGAINST DIRECTORS**” means all claims referred to in section 50(13) of the BIA, subject to the exceptions contained in section 50(14) thereof.

“**COURT**” means the Superior Court of Quebec, district of Bedford, sitting in bankruptcy and insolvency matters and, where applicable, the Québec Court of Appeal.

“**CROWN CLAIMS**” means all amounts referred to in section 60(1.1) of the BIA that were outstanding at the time of the FILING DATE and remain outstanding.

“**DEBTOR**” means De Ball Inc.

“**EMPLOYEE CLAIMS**” means CLAIMS of persons that were employed by the DEBTOR on the FILING DATE, including all amounts referred to in section 60(1.3)(a) of the BIA.

“**FILING DATE**” means October 5, 2007, being the date on which the DEBTOR filed the NOTICE OF INTENTION.

“**FONDS**” means the “Fonds de solidarité des Travailleurs du Québec (F.T.Q.)”.

“**NOTICE OF INTENTION**” means the notice of intention to file a proposal filed by the DEBTOR under the BIA on the FILING DATE.

“**POST-FILING GOODS AND SERVICES**” means all accrued expenses and debts arising in respect of goods supplied, guarantees issued, services rendered or other consideration given to the DEBTOR as and from the FILING DATE.

“**PREFERRED CLAIMS**” means all CLAIMS directed by section 136 of the BIA to be paid in priority to all other claims in the distribution of the property of an insolvent party, but excluding the EMPLOYEE CLAIMS.

“**PROPOSAL**” means the proposal by the DEBTOR to its creditors, as approved on January 30, 2008;

“**PROVEN CLAIM**” means any CLAIM for which a proof of claim is filed with the Trustee in accordance with section 124 of the BIA and that is proven in accordance with section 135 of the BIA.

“**SECURED CLAIMS**” means CLAIMS of SECURED CREDITORS.

“SECURED CREDITORS” has the meaning ascribed to such terms under section 2 of the BIA, and includes Les Placements Dennis Wood Inc., successor to the National Bank of Canada, 4170075 Canada Inc. and Konica Investments B.V.

“TRUSTEE” means RSM Richter Inc. in its capacity of Trustee to the PROPOSAL and to the AMENDED PROPOSAL;

“UNSECURED CLAIMS” means all CLAIMS against the DEBTOR to the exclusion of CROWN CLAIMS, EMPLOYEE CLAIMS, PREFERRED CLAIMS, SECURED CLAIMS and, for more certainty, the AMENDED PROPOSAL EXPENSES.

“UNSECURED CREDITORS” means the holders of UNSECURED CLAIMS.

**II. SECURED CLAIMS**

1. The SECURED CLAIMS will be paid in accordance with existing or future agreements between the DEBTOR and the SECURED CREDITORS or pursuant to the rights which the BIA grants to such creditors. The DEBTOR declares that this AMENDED PROPOSAL is not, and shall not be, made in respect of the SECURED CLAIMS and the security of the SECURED CREDITORS.

**III. CROWN CLAIMS, EMPLOYEE CLAIMS, PREFERRED CLAIMS AND AMENDED PROPOSAL EXPENSES**

2. The EMPLOYEE CLAIMS shall be paid in full in the normal course of business.
3. The AMENDED PROPOSAL EXPENSES will be paid in full, as they become due, in priority to all PREFERRED CLAIMS, CROWN CLAIMS and UNSECURED CLAIMS.
4. The CROWN CLAIMS, without interest, will be paid in full within six (6) months of the APPROVAL.
5. PREFERRED CLAIMS, without interest, will be paid in full in priority to all UNSECURED CLAIMS. For the purpose of voting, the PREFERRED CLAIMS shall fall within the class of UNSECURED CLAIMS.

**IV. UNSECURED CLAIMS**

6. All UNSECURED CLAIMS shall form part of a single class of UNSECURED CLAIMS for voting and distribution purposes.

7. The DEBTOR will remit to the TRUSTEE a total of **\$2,100,000** (the "**Basket Amount**"). The UNSECURED CREDITORS, other than the FONDS, will receive from this Basket Amount:
- (i) the lesser of (a) 100% of their PROVEN CLAIMS, without interest, and (b) \$10,000, the whole within one hundred and eighty (180) days following the APPROVAL; and
  - (ii) a pro rata and pari passu share of the balance of their PROVEN CLAIMS, if any, in 8 equal installments, the first payable within two hundred seventy (270) days after the date of APPROVAL, and the remaining installments payable thereafter once every three (3) months, without interest.
8. In full and final settlement of its UNSECURED CLAIM in the amount of \$3,847,500, the FONDS will be paid the sum of \$500,000, without interest, within one hundred and eighty (180) days following the APPROVAL.

**V. POST-FILING GOODS AND SERVICES**

9. POST-FILING GOODS AND SERVICES will be paid in full in the ordinary course of business and on regular trade terms.

**VI. DIRECTORS' LIABILITY**

10. In accordance with section 50(13) of the BIA, the AMENDED PROPOSAL will constitute a compromise of all CLAIMS AGAINST DIRECTORS and will operate as a full and complete discharge in favour of such directors with respect to such claims. Nothing herein shall be interpreted as an acknowledgment of any liability or obligation of the directors.

**VII. COMMITTEE**

11. The DEBTOR agrees to the formation of a committee of creditors at the meeting of creditors called to consider the AMENDED PROPOSAL.
12. This committee shall have, among others, the power to extend the deadline within which the DEBTOR must remit any sums to the Trustee as per the AMENDED PROPOSAL.

**VIII. PAYMENTS**

13. All monies payable under the AMENDED PROPOSAL shall be paid over to the

TRUSTEE who shall make the payments of the dividends, the whole in accordance with the terms of the AMENDED PROPOSAL.

**IX. ADDITIONAL PROOFS OF CLAIM**

14. Creditors that have filed a proof of claim under the PROPOSAL are not required to file a new proof of claim under the AMENDED PROPOSAL.

**X. OFFICIAL VERSION**

15. Notwithstanding the filing of the AMENDED PROPOSAL in both English and French, in the event of any discrepancy between the English and French versions, the French version shall prevail.

SIGNED IN MONTREAL, this 8<sup>th</sup> day of May, 2008

**DE BALL INC.**

[s] Michel Megelas

[s] Marie-G. Barthélemy

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Per: Michel Mégélas  
Duly Authorized

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Witness