

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF BEDFORD

SUPERIOR COURT
(In bankruptcy and insolvency)

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

PROPOSAL

DE BALL INC. HEREBY SUBMITS THE FOLLOWING PROPOSAL UNDER THE
BANKRUPTCY AND INSOLVENCY ACT:

I. DEFINITIONS:

For purposes hereof:

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

“**APPROVAL**” means the situation arising from the 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 delay for appeal having expired without there having been an appeal, or an appeal having been lodged and the judgment approving the PROPOSAL having been finally confirmed or the appeal withdrawn.

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

“**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.

“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.

“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 present proposal by the DEBTOR to its creditors, as same may be amended from time to time prior to the first meeting of creditors or pursuant to any postponement thereof.

“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, 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.

“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, and 4170075 Canada Inc.

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

2. The EMPLOYEE CLAIMS shall be paid in full in the normal course of business.
3. The 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. Any lessor of the DEBTOR under a commercial lease of an immovable has the right to file a proof of claim in respect of its UNSECURED CLAIM for actual losses (approved, as the case may be, by the DEBTOR) resulting from the resiliation of its lease by the DEBTOR;

8. The DEBTOR will remit to the TRUSTEE a total of **\$2,100,000** (the “**Basket Amount**”). After payment of the PROPOSAL EXPENSES from the Basket Amount, the UNSECURED CREDITORS, other than the FONDS, will receive from the Basket Amount:
 - (i) the lesser of (a) 100% of their PROVEN CLAIMS, without interest, and (b) \$10,000, the whole within sixty (60) 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 one hundred fifty (150) days after the date of APPROVAL, and the remaining installments payable thereafter once every three (3) months;
9. In final and complete settlement of its UNSECURED CLAIM in the amount of \$3,847,500, the FONDS will be paid the sum of \$500,000 within sixty (60) days following the APPROVAL;

V. POST-FILING GOODS AND SERVICES

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

VI. DIRECTORS’ LIABILITY

11. In accordance with section 50(13) of the BIA, the 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

12. The DEBTOR agrees to the formation of a committee of creditors at the meeting of creditors called to consider the PROPOSAL.

VIII. PAYMENTS

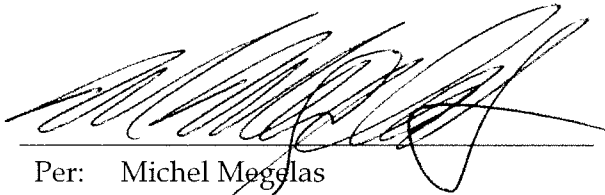
13. All monies payable under the PROPOSAL shall be paid over to the TRUSTEE who shall make the payments of the dividends, the whole in accordance with the terms of the PROPOSAL.

IX. OFFICIAL VERSION

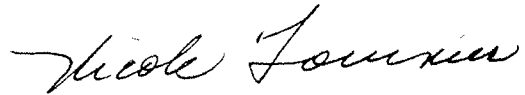
14. Notwithstanding the filing of the PROPOSAL in both English and French, in the event of any discrepancy between the English and French versions, the French version shall prevail.

SIGNED IN MONTREAL, this 5th day of December, 2007

DE BALL INC.



Per: Michel Megelas
Duly Authorized



Witness