

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF BEDFORD

SUPERIOR COURT
(Commercial Division)

In bankruptcy and insolvency

COURT NO.: 460-11-000938-046
Estate No.: 42-043090

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF

J.L. DE BALL CANADA INC.,

Debtor

- and -

RSM RICHTER INC.,

Trustee

PROPOSAL

WE, J.L. DE BALL CANADA INC., THE DEBTOR, HEREBY SUBMITS THE FOLLOWING PROPOSAL UNDER THE BANKRUPTCY AND INSOLVENCY ACT:

I. DEFINITIONS:

For purposes hereof:

"ACT" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

"AMENDED PROPOSAL" means any amendment of this PROPOSAL, which will be tabled by the DEBTOR at the first meeting of creditors or pursuant to any postponement thereof.

"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 delay 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or an appeal having been lodged and the Judgment approving the AMENDED PROPOSAL having been confirmed or the appeal withdrawn.

"COMMITTEE" means the committee comprising up to five (5) individuals to be named as inspectors, pursuant to the ACT, by the creditors at the meeting of creditors called to consider the AMENDED PROPOSAL.

"COURT" means the Superior Court of the District of Bedford sitting in bankruptcy and insolvency matters (Commercial Division);

"CROWN CLAIMS" means all amounts owing to Her Majesty the Queen in Right of Canada or a province of Canada of a kind that would be subject to a demand under Subsection 224(1.2) of the *Income Tax Act* (Canada) or any provision of the *Canada Pension Plan* or the *Employment Insurance Act* that refers to Subsection 224(1.2) of the *Income Tax Act* (Canada), or any substantially similar provision of provincial legislation that were outstanding at the time of the

FILING DATE and remain outstanding as well as all **DIRECTOR LIABILITIES** in respect thereof.

"DEBTOR" means J.L. de Ball Canada Inc.

"DIRECTOR LIABILITIES" means any claim against any and all present and past directors of the DEBTOR that arose before the FILING DATE and related to the DEBTOR's obligations for which such directors are, by law, liable in their capacity as directors for payment of such obligations, other than and excluding claims against such directors that are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.

"EMPLOYEE CLAIMS" means all amounts, up to the amount that the employee or former employee would be entitled to receive under section 60(1.3)(a) of the ACT, due to the present or former employees of the DEBTOR but other than claims for any notice of termination or severance indemnity,.

"FILING DATE" means February 4, 2004, being the date on which the DEBTOR filed the NOTICE OF INTENTION pursuant to the relevant provisions of the ACT.

"NOTICE OF INTENTION" means the Notice of Intention to file a proposal filed by the DEBTOR under the ACT on February 4, 2004.

"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 ACT to be paid in priority to all other claims in the distribution of the property of an insolvent party.

"PROPOSAL" means the present holding proposal by the DEBTOR to its creditors, which will be amended.

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

"SECURED CLAIMS" means claims of secured creditors as defined in section 2 of the ACT.

"SECURED CREDITORS" means the holders of the SECURED CLAIMS.

"TRUSTEE" means RSM Richter Inc. in its capacity of Trustee to the PROPOSAL and any AMENDED PROPOSAL.

"UNSECURED CLAIMS" means every "*provable claim*" (as defined in the ACT) against the DEBTOR, including claims of every nature and kind whatsoever, including all DIRECTORS LIABILITIES, whether due or not due for payment as of the FILING DATE, including contingent or unliquidated claims arising out of any transaction, repudiation or termination of contracts by the DEBTOR prior to such date including any claims by present or former employees, including any claim for notice of termination or severance indemnity, but specifically excluding the PROPOSAL EXPENSES, CROWN CLAIMS, EMPLOYEE CLAIMS, PREFERRED CLAIMS and SECURED CLAIMS.

"UNSECURED CREDITORS" means the holders of the UNSECURED CLAIMS.

II. SECURED CREDITORS

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

III. PREFERRED CREDITORS

2. Immediately upon APPROVAL, the EMPLOYEE CLAIMS, without interest, shall be paid in full.
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 will be paid in full within six (6) months of the APPROVAL.
5. PREFERRED CLAIMS, other than the EMPLOYEE CLAIMS, without interest, will be paid in full within sixty (60) days of APPROVAL in priority to all UNSECURED CLAIMS.

IV. UNSECURED CREDITORS

6. The following provisions will apply to UNSECURED CLAIMS:
 - a) The DEBTOR will defer the payment of UNSECURED CLAIMS until it tables at the first meeting of creditors or at any postponement thereof an AMENDED PROPOSAL under which the DEBTOR will propose a basis of payments to be made in full and final settlement of the UNSECURED CLAIMS.

V. OTHER CLAIMS

7. POST-FILING GOODS AND SERVICES will be paid in full in the ordinary course of business and on regular trade terms or as may have been arranged by the DEBTOR or as may hereafter be arranged by the DEBTOR and/or the TRUSTEE.

VI. DIRECTORS LIABILITY

8. In accordance with section 50(13) of the ACT, the AMENDED PROPOSAL will constitute a compromise of claims against the present and past directors of the DEBTOR that arose before the filing of the NOTICE OF INTENTION and that relate to the obligations of the DEBTOR for which the directors may, by law, be liable in their capacity as directors. Moreover, the AMENDED PROPOSAL, upon APPROVAL, will operate as a discharge in favour of such present and past directors with respect to such obligations. Nothing herein shall be interpreted as an acknowledgment of any liability or obligation of the directors.

VII. COMMITTEE

9. The DEBTOR agrees to the formation of the COMMITTEE at the meeting of creditors called to consider an AMENDED PROPOSAL.
10. The COMMITTEE shall have the powers given by the ACT to inspectors in a bankruptcy in addition to the following powers:
 - a) Advise the TRUSTEE on matters relating to the administration of the AMENDED PROPOSAL;
 - b) Postpone the payment of any dividends to UNSECURED CREDITORS herein provided;

VIII. PAYMENTS


11. 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. OFFICIAL VERSION

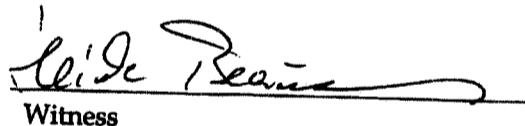
12. Notwithstanding the filing of the PROPOSAL or any AMENDED PROPOSAL in both English and French, in the event of any discrepancy between the English and French texts, the English version shall prevail.

DATED AT MONTREAL, this 4th day of August 2004

J.L. DE-BALL CANADA INC.



Per: Paul Flay
Duly Authorized


Witness