

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

THE HONOURABLE ) FRIDAY, THE  
 )  
JUSTICE HOY ) 11<sup>th</sup> DAY OF JUNE, 2010

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED,

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SIGNATURE ALUMINUM CANADA  
INC.

Applicant

**SANCTION ORDER**

**THIS MOTION** made by the Applicant for an Order approving and sanctioning the second amended and restated plan of compromise and arrangement (as may be amended, restated, modified or supplemented in accordance with its terms from time to time) dated June 7, 2010 (the "Plan"), as approved by the Applicant's creditors on June 8, 2010 at a meeting of its creditors, and which Plan is attached as Schedule "A" to this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

**UPON READING** the within Notice of Motion, and the Fifth Report of the Monitor, FTI Consulting Canada Inc. (the "Monitor") dated June 9, 2010 (the "Fifth Report"); and upon hearing the submissions of counsel for the Applicant, the Monitor, Biscayne Metals Finance, LLC ("Biscayne") and such other interested parties as were present; upon being advised that all persons received notice of this hearing in accordance with the Creditors' Meeting Order dated May 11, 2010 in these proceedings and that none of the persons who might be interested in these proceedings, other than those who have filed a Notice of Appearance in accordance with

the Creditors' Meeting Order or are otherwise named on the Service List attached to the Notice of Motion, were served with the Notice of Motion or the Motion Record herein;

**DEFINITIONS**

1. **THIS COURT ORDERS** that for the purposes of this Order all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

**SERVICE**

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Fifth Report and the Motion Record in support of this Motion be and is hereby abridged, such that this Motion is properly returnable today and that any further service of the Notice of Motion and the Motion Record is hereby dispensed with.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service, delivery and notice of the Information Package (as defined in the Creditors' Meeting Order) and the Plan, as amended, to all Creditors, and that the Creditors' Meeting was duly convened, held, and conducted in conformity with the Companies' Creditors Arrangement Act (the "CCAA") and all other Orders of this Court in these CCAA Proceedings.

**SANCTION OF THE PLAN**

4. **THIS COURT ORDERS AND DECLARES** that:
- (a) the Plan has been approved by the required majorities of Creditors present and voting either in person or by proxy at the Creditors' Meeting all in conformity with the CCAA and the terms of the Creditors' Meeting Order;
  - (b) the Applicant has acted and is acting in good faith and with due diligence, and has complied with the provisions of the CCAA and the Orders of this Court made in the CCAA Proceedings in all respects;
  - (c) the Court is satisfied that the Applicant has not done nor has it been purported to do anything that is not authorized by the CCAA; and

(d) the Plan and the transactions contemplated by it are fair and reasonable.

5. **THIS COURT ORDERS AND DECLARES** that the Plan (including, without limitation, the compromises, arrangements and releases set out therein) is hereby sanctioned and approved pursuant to Section 6 of the CCAA and, on the Plan Implementation Date, shall be effective and shall enure to the benefit of and will be binding on the Applicant, all Creditors and all other Persons, including their respective heirs, administrators, executors, legal personal representatives, successors and assigns, as provided for in the Plan and this Sanction Order.

### **PLAN IMPLEMENTATION**

6. **THIS COURT ORDERS** that the Applicant, and the Monitor, as the case may be, are hereby authorized and directed to take all steps and actions necessary or appropriate (as determined by the Applicant or the Monitor, as applicable) to implement the Plan in accordance with and subject to its terms, and enter into, execute, deliver, implement and consummate all of the transactions and agreements contemplated pursuant to the Plan, and such steps and actions are hereby approved.

7. **THIS COURT ORDERS** that upon the filing with this Court by the Monitor of a certificate, in substantially the form attached as Schedule "A" to the Plan (the "Monitor's Certificate"), signed by the Monitor, certifying that it has been advised by the Applicant and Biscayne that all of the conditions precedent set out in Section 8.2 of the Plan (other than the delivery of the Monitor's Certificate) have been satisfied or waived, the Plan Implementation Date shall be the date as set out in such certificate.

### **EFFECT OF PLAN IMPLEMENTATION**

8. **THIS COURT ORDERS** that subject to the performance by the Applicant and Biscayne of their respective obligations under the Plan and except to the extent expressly contemplated by the Plan or this Order, all obligations or agreements to which the Applicant is a party, other than agreements which were disclaimed or resiliated by the Applicant prior to the date hereof in accordance with the CCAA, will be and remain in full force and effect as at the Plan Implementation Date, unamended except as they may have been amended by agreement of the parties subsequent to the Filing Date in accordance with the Plan, and no Person who is a

party to any such obligations or agreements shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:

- (a) any defaults or events of default arising as a result of the insolvency of the Applicant or prior to the Plan Implementation Date;
- (b) the fact that the Applicant has sought or obtained relief under the CCAA or that the Plan has been implemented by the Applicant;
- (c) any change of control of the Applicant arising from implementation of the Plan;
- (d) the effect on the Applicant of the completion of any of the transactions contemplated by the Plan;
- (e) any compromises or arrangements effected pursuant to the Plan; or
- (f) any other event(s) which occurred on or prior to the Plan Implementation Date which would have entitled any Person thereto to enforce those rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Applicant after the Filing Date. For greater certainty, nothing in this paragraph shall waive any obligations of the Applicant in respect of any Excluded Claim.

9. **THIS COURT ORDERS** that from and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant or caused by the Applicant or any of the provisions hereof or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, real property lease, personal property lease or other agreement, written or oral, any amendments or supplements thereto, existing between such Person and the Applicant. Any and all notices of default, acceleration of payments and demands for payments under any instrument, or other

notices, including without limitation, any notices of intention to proceed to enforce security, arising from any of such aforesaid defaults shall be deemed to have been rescinded and withdrawn. For greater certainty, nothing in this paragraph shall waive any obligations of the Applicant in respect of any Excluded Claim.

10. **THIS COURT ORDERS** that, as of the Plan Implementation Date, each Creditor shall be deemed to have consented and agreed to all of the provisions of the Plan in their entirety and, in particular, each Creditor shall be deemed:

- (a) to have granted, executed and delivered to the Monitor and the Applicant all consents, releases, assignments, waivers or agreements required to implement and carry out the Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Applicant as of the Plan Implementation Date (other than those entered into by the Applicant on or after the Filing Date) and the provisions of the Plan, the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangements shall be deemed to be amended accordingly.

11. **THIS COURT ORDERS** that the releases effected by the Plan are hereby approved, and declared to be binding and effective as of the Plan Implementation Date upon all Creditors, the Monitor and all other Persons affected by the Plan and shall enure to the benefit of all Persons released under the Plan.

12. **THIS COURT ORDERS** that the appointment of the Claims Officer, if applicable, shall cease on the Plan Implementation Date, except with respect to matters to be completed pursuant to the Claims Procedure Order and the Plan after the Plan Implementation Date (including without limitation, the resolution of the Disputed Claims, if any), unless otherwise agreed with the Monitor and the Applicant.

13. **THIS COURT ORDERS** that all Charges established by the Initial Order or any other Order of the CCAA Court, shall be terminated, released and discharged effective on the

Plan Implementation Date save and except for the Administration Charge which shall attach to the Administration Charge Reserve established by the Monitor pursuant to Section 5.2(a) of the Plan.

14. **THIS COURT ORDERS** that, subject to the Applicant's right to assess accounts of its counsel and the rights set out in paragraph 29 of the Initial Order, the Monitor is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel to the Applicant, and any such other amounts of the type secured by the Administration Charge against the Administrative Charge Reserve on a weekly basis, and the Monitor is under no obligation to inquire or undertake any due diligence with respect to such amounts and shall incur no liability in connection with this paragraph 14 and paragraph 13 hereof and shall refund any residual amounts remaining in the Administration Charge Reserve to Signature or Biscayne, as applicable upon the filing of the Discharge Certificate (as hereinafter defined). The Administration Charge shall terminate upon the filing of the Discharge Certificate.

15. **THIS COURT ORDERS** that on the Plan Implementation Date, the commencement or prosecution, whether directly, indirectly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgements, or other remedy or recovery in respect of any Affected Claim, or any other claim released under the Plan, shall be permanently enjoined, including without limitation, the continuation of any litigation commenced prior to the Filing Date against the Applicant.

16. **THIS COURT ORDERS** that in the event that any amount of the type required to be paid by the Applicant pursuant to Sections 6(5) of the CCAA is unpaid, the Applicant shall pay, and is hereby authorized and directed to pay, any such amount to the applicable employee as soon as practicable upon the determination of the quantum of any such amount, either by agreement of the Applicant or by further Order of the Court.

17. **THIS COURT ORDERS** that in the event that any amount of the type required to be paid by the Applicant pursuant to Sections 6(6) of the CCAA is unpaid, the Applicant shall pay, and is hereby authorized and directed to pay, any such amount to the applicable pension plan fund, including the Affected Pension Plans, as soon as practicable upon the determination of

the quantum of any such amount, either by agreement of the Applicant or by further Order of the Court.

**INITIAL CCAA ORDER AND OTHER ORDERS**

18. **THIS COURT ORDERS** that:

- (a) other than as expressly set out herein, the provisions of the Initial Order (other than paragraphs 22, 24-29, 47-49 and 51-52 thereof) shall terminate, including the Stay Period (as defined in the Initial Order) on the Plan Implementation Date except to the extent of the protections granted therein in favour of the Monitor; and
- (b) all other Orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by or are inconsistent with this Order or any further Order of this Court.

**THE MONITOR**

19. **THIS COURT ORDERS** that the activities and conduct of the Monitor in relation to the Applicant, the CCAA Proceedings, and in conducting and administering the Creditors' Meeting on June 8, 2010 (as more particularly described in the Fifth Report), be and are hereby ratified and approved.

20. **THIS COURT ORDERS** that the Fifth Report, and the activities of the Monitor as described therein are hereby approved.

21. **THIS COURT ORDERS** that, effective upon the filing of the certificate provided in paragraph 23 below, all claims of any Person, whether such claims are direct, indirect, derivative or otherwise, against the Monitor, arising from or relating to its capacity, conduct or the services provided to the Applicant in the CCAA Proceedings shall be and are hereby stayed, extinguished and forever barred from enforcement and the Monitor shall have no liability in respect thereof, save and except for any claim against the Monitor for gross negligence or wilful misconduct on its part.

22. **THIS COURT ORDERS** that, until its discharge as provided for in this Order, the appointment of FTI Consulting Canada Inc. as Monitor pursuant to the Initial Order shall not expire or terminate on the Plan Implementation Date and shall continue for the purposes of allowing, and shall be effective until, the completion by the Monitor of all its duties in relation to the claims procedure and all matters relating thereto as set out in the Claims Procedure Order and the completion by the Monitor of all other matters for which it is responsible in connection with the Plan or pursuant to the Orders of this Court made in the CCAA Proceedings.

23. **THIS COURT ORDERS** that the Monitor shall be discharged of its duties and obligations pursuant to the Plan and all Orders made in the CCAA Proceedings, upon the filing with this Court of a certificate (the "Discharge Certificate") of the Monitor certifying that the matters set out in the immediately preceding paragraph 22 are completed to the best of the Monitor's knowledge.

24. **THIS COURT ORDERS** that the Administration Charge insofar as, and to the extent, it has attached to the Administration Charge Reserve, shall include and extend to any costs or disbursements of the Monitor, its counsel and the Applicant's counsel, incurred in connection with the performance of the Monitor's duties pursuant to paragraph 22.

### **STAY EXTENSION**

25. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 11 of the Initial Order of the Honourable Justice Morawetz, dated January 29, 2010) is hereby extended until and including July 12, 2010.

### **GENERAL PROVISIONS**

26. **THIS COURT ORDERS** that the Applicant, the Monitor and any other interested parties are hereby granted leave to apply to this Court for such further advice, directions or assistance as may be necessary to give effect to the terms of the Plan.

**EFFECT, RECOGNITION AND ASSISTANCE**

27. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all Persons against whom it may apply.

28. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States, including without limitation the United States Bankruptcy Court, and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

29. **THIS COURT ORDERS** that this Order shall be posted on the website maintained by the Monitor (<http://cfcanada.fticonsulting.com/signature>) and shall only be required to be served upon those parties who have either formally entered an appearance in these proceedings or those parties who appeared at the hearing of the motion for this Order.

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**SCHEDULE "A"**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SIGNATURE ALUMINUM CANADA INC.

Applicant

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**SANCTION ORDER**

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