

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF the *Companies' Creditors  
Arrangement Act*, R.S.C. 1985, c. C-36 as amended**

**AND IN THE MATTER OF a Proposed Plan of  
Compromise or Arrangement with respect to  
Timminco Limited and Becancour Silicon Inc.  
(collectively, the "Applicants")**

**AFFIDAVIT OF JEAN SIMONEAU  
(Sworn March 7, 2012)**

I, Jean Simoneau, of the City of Trois-Rivières, Province of Quebec, **MAKE  
OATH AND SAY:**

1. I am the President of the Communications, Energy and Paperworkers Union of Canada, Local 184 (the "Union").
2. I have been the President of the Union for approximately 3 years and a member of the Union executive for approximately 7 years prior to this.
3. Silicium Québec SEC and Silicium Bécancour inc., designated together as the employer on the certification delivered by the Labour Board, and the Union are parties to a collective agreement setting out the terms and conditions of employment for the bargaining unit employees. The collective agreement has a nominal expiry date of April 2013.
4. The Collective Agreement provides for pension and benefits plans of active and retired employees or their beneficiaries. The employer is obligated to undertake to keep the Pension Plans in effect.

5. I have apprised myself of a document entitled "Agreement of Purchase and Sale" entered into on March 1, 2012 between Becancour Silicon inc. and Timminco Limited, as vendors, and QSI Partners LTD., as purchaser, and Globe Specialty Metals, Inc., as guarantor.
6. I have also apprised myself of an affidavit sworn by Mr. Peter A.M. Kalins on March 2, 2012, which in particular states the following:


**Communications with Stakeholders**

8. The Timminco Entities, the Monitor, and their respective counsel continue to have regular discussions with Investissement Québec ("IQ"), Bank of America, N.A. ("Bank of America"), Dow Corporation, their suppliers and other creditors, employees and retirees, major customers, and parties potentially interested in acquiring some or all of the business of the Timminco Entities.
7. I was surprised to read in the Agreement of Purchase and Sale (section 2.5, p. 16) that the sales agreement expressly excludes certain obligations which are described as pertaining to the "vendors", in particular "*a) all debts, liabilities, obligations or Claims related to any Benefit Plans, Collective Agreements, Employees, Pension Plans, Post-Retirement Liabilities or any Excluded Asset;*".
8. To the best of my personal knowledge, there were no discussions between the employer and the Union, employees or retirees on the possibility that the potential sale of the company could exclude the employer's or the purchaser's pension plans and benefit plans obligations.
9. As indicated in M. Kalins' affidavit of January 20, 2012 (para. 19), meetings were scheduled to take place between the employer and the Union on January 24, 2012, February 21, 2012, March 12, 2012 and March 20, 2012. Subsequent discussions between the parties have led to the addition of March 29, 2012 as a meeting date, if necessary.
10. The discussions that occurred during the meeting of January 24, 2012 were described in my affidavit of February 1, 2012 (**Appendix 1**, para. 13).

11. As of the date of the present affidavit, the only other meetings held between the employer and the Union were on February 14 and 21, 2012.
12. Nothing new was discussed at the meeting of February 14, 2012, and the Union was left with the understanding that the employer would submit new information for discussion at the meeting scheduled for February 21, 2012.
13. During the meeting of February 21, 2012, the employer's representatives submitted a number of proposals to lower the operational costs of the employer, including with respect to the pension plans and the benefit plans. No mention was ever made of even the possibility that the employer be sold to a buyer that would not assume any responsibility with respect to the pension plans and benefit plans obligations, or the collective agreement *per se*.
14. In addition, I am informed by the members of the pension committee that the committee did not meet since my affidavit of February 1, 2012. I am further informed that no discussion on a possible sale of the employer, without the buyer assuming the pension plans and benefit plans obligations, ever occurred with the Union members of the pension committee.
15. I make this affidavit in good faith and solely in response to the Applicants' motion to, *inter alia*, initiate a Stalking Horse Bid and for no other or improper purpose.
16. My legal counsel in Montreal, has explained to me that this is an accurate translation of the affidavit attached hereto that I signed in the French language.

**SWORN** before me at the City of Montreal, in the Province of Quebec, this 7th day of March, 2012

  
A Commissioner for taking affidavits.

  
Jean Simoneau

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**AND IN THE MATTER OF a Proposed Plan of Compromise or Arrangement with respect to Timminco Limited and Becancour Silicon Inc. (collectively, the "Applicants")**

**AFFIDAVIT OF JEAN SIMONEAU  
(Sworn February 1, 2012)**

I, Jean Simoneau, of the City of Trois-Rivières, Province of Quebec, **MAKE OATH AND SAY:**

1. I am the President of the Communications, Energy and Paperworkers Union of Canada, Local 184 (the "Union").
2. I have been the President of the Union for approximately 3 years and a member of the Union executive for approximately 7 years prior to this.
3. Silicium Québec SEC and Silicium Bécancour, designated together as the employer on the certification delivered by the Labour Board, and the Union are parties to a collective agreement setting out the terms and conditions of employment for the bargaining unit employees. The collective agreement has a nominal expiry date of April 2013.
4. The Collective Agreement provides for pension plans for the benefit of active and retired employees or their beneficiaries. The employer is obligated to undertake to keep the Pension Plans in effect.

5. Silicium Bécancour inc.'s defined benefit plan covers two (2) active employees and ninety eight (98) retired employees who were employed by Silicium Bécancour inc. Silicium Québec s.e.c.'s defined benefit plan covers one hundred and seven (107) active employees and ten (10) retired employees. Finally, Silicium Québec s.e.c.'s defined contribution plan covers forty three (43) active employees.
6. I have apprised myself of the affidavit Mr. Kalins sworn on January 20, 2012 filed in support of the motion to obtain a super-priority for the "DIP Lender". In his affidavit, Mr. Kalins describes meetings held in January 2012.
7. The meetings held on January 4, 2012 (paras. 13 and 14 of Mr. Kalins' affidavit) were meetings called by the employer with the employees available at the time. During these meetings, the employer's representatives simply informed the employees that Timminco and Silicium Bécancour inc. had filed for protection under the CCAA. The employer provided only basic information on the process. No discussion or meaningful consultation with the employees or the Union occurred. I was present at the meetings mentioned at paragraph 13 of Mr. Kalins' affidavit and was apprised of the one mentioned at paragraph 14 by Mr. Lampron, vice-president of the Union. These meetings did not involve the Union and no discussion took place with the Union.
8. The Pension Plan meeting of January 11, 2012 consisted only of a meeting and a conference call. I was apprised of what happened in the pension plan committee meeting of January 11, 2012 by pension plan committee representative Gérald Brodeur. I have also apprised myself of the minutes (Annex B) of this meeting, which were taken by a representative of the employer. This meeting only addressed the investment policy for the assets of the pension fund for the defined benefit pension plans of unionized and non-unionized employees of Silicium Bécancour inc. The committee decided to only invest in bonds in light of the instability caused by the application of the CCAA. No discussion took place

about alternatives regarding the suspension of special payments to the pension plans.

9. With respect to paragraph 16 of Mr. Kalins' affidavit, I note that I received a phone call from Mr. Rivard around 4 P.M. on January 13, 2012, informing me of the decision to suspend group insurance for retired employees of Silicium Bécancour inc. (post retirement benefits). No prior notice whatsoever of this decision was given to me and there was no consultation with the Union regarding this decision, which is contrary to the collective agreement which requires the employer to maintain post retirement benefits. I, thereafter, requested a meeting with the employer to discuss the suspension. The retired employees' group insurance became inoperative on January 14, 2012.
10. The January 17, 2012 meeting (para. 17 of Mr. Kalins' affidavit) was an ordinary meeting of the industrial relations committee which the collective agreement provides for and was already on the agenda. This meeting, which lasted for about two hours, essentially addressed labour relations issues unrelated to the proceedings under the CCAA. At the end of the meeting, for a couple of minutes, René Boisvert, Managing Director of Silicium Québec s.e.c. (a company which is not the subject to the CCAA proceedings) provided some information on the status of the proceedings under the CCAA. No discussion or consultation took place regarding alternatives to the suspension of special payments to the pension plans or the suspension of group insurance plans. On this last subject, Mr. Boisvert simply said that there were no other solutions. Moreover, no discussion or consultation occurred regarding the DIP Lender and the super-priority charge that the Applicants' were seeking.
11. The January 18, 2012 meeting (para. 18 of Mr. Kalins' affidavit) was a meeting which the Union had asked for in relation to the suspension of the group insurance plans of Silicium Bécancour inc.'s retired employees. The Union explained that the suspension was completely unacceptable and was carried out

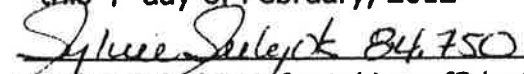
in a completely inappropriate manner. The employer's representatives maintained their decision and no discussion took place to explore alternatives.

12. With respect to para. 19 of Mr. Kahn's affidavit, the meetings therein mentioned were planned in the context of discussions which had already begun about the installation of a new production unit for Silicium Québec s.e.c. The latter wished to discuss changes to the collective agreement and its continuation in the context of the new production unit.
13. On January 24, 2012, the Union and Silicium Québec s.e.c. met for approximately one hour. In this meeting, Silicium Québec s.e.c. put forth a list of its demands regarding normative changes to the collective agreement, again in relation to the new installation referred to in the above paragraph. The parties agreed to pursue discussions on that subject. No discussion or consultation took place regarding the proceedings under the CCAA other than a mention that the next meetings would concern the reduction of operation costs. The Union requested that the Applicants identify the company (or companies) that will act as "DIP Lender(s)" and who will potentially be the buyer(s). This request was denied.
14. The meeting planned for February 14, 2012 will involve a presentation by two group insurance plans consultants. The Union was not informed of the subject of this presentation. As for the March 12, 2012 meeting, a representative from Mercer, who is the pension plans' actuary, will make a presentation. No information was given to the Union regarding this presentation.
15. From the beginning of the proceedings under the CCAA, the Union and the Pension Committee have been kept away from the decision-making process and from the planning of proceedings. The Union, whose members are already seriously affected, has been unable to participate in decisions and is not consulted regarding alternatives that might be put in place by the Applicants.

Silicium Bécancour inc.'s pension plan is at solvency level of 63%, thus placing the retired employees in a very precarious situation.

16. At no time has a representative of the Applicants approached me to discuss the possibility that special payments might be suspended or to discuss alternatives to address the pension plans deficit. Further, at no time has a representative of the Applicants contacted the Union to discuss the possibility that special payments might be suspended or to discuss alternatives to address the pension plans deficit. I am not aware of the Applicants engaging in any such consultation with beneficiaries under the Pension Plans, the Union or the Pension Committee.
17. I make this affidavit in good faith and solely in opposition to the Applicants' motion to, *inter alia*, obtain a super-priority for the "DIP Lender" and for no other or improper purpose.
18. My legal counsel in Montreal, has explained to me that this is an accurate translation of the affidavit attached hereto that I signed in the French language.

**SWORN** before me at the City of Montreal, in the Province of Quebec, this 1 day of February, 2012

  
A Commissioner for taking affidavits.

  
Jean Simoneau



**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 TIMMINCO LIMITED AND BECANCOUR  
SILICON INC.**

Court File No. CV-12-9539-00CL

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SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF JEAN SIMONEAU  
SWORN MARCH 7, 2012**

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