

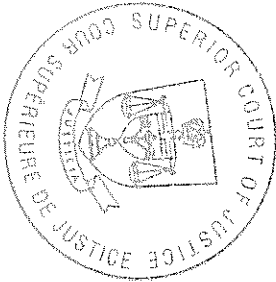
**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) THURSDAY, THE 29TH
)
MR. JUSTICE SPENCE) DAY OF APRIL, 2004

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 AJAX PRECISION MANUFACTURING
LIMITED

Applicant



ORDER

THIS MOTION, made by the Applicant, Ajax Precision Manufacturing Limited (the "Applicant" or "Ajax") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Robert M.C. Holmes of Prowis Inc. ("Prowis"), in its capacity as Chief Restructuring Officer ("CRO") of the Applicant, sworn April 26, 2004 (the "Holmes Affidavit"), the Sixth Report (the "Sixth Report") of BDO Dunwoody Limited ("BDO") in its capacity as Monitor (the "Monitor") of the Applicant dated April 26, 2004 filed, and on hearing the submissions of counsel for the Applicant, Permian Industries Limited, the Monitor and such other counsel from the Service List as may be in attendance on this motion:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is hereby abridged and that the Motion is properly returnable today, and that all parties entitled to notice of this Motion have been duly served with notice of this Motion

and service upon any interested party other than the persons served with the Notice of Motion is hereby dispensed with.

Extension of the Stay Termination Date

2. **THIS COURT ORDERS** that the Stay Termination Date, as defined in the Order of the Honourable Justice Farley, dated August 7, 2003 (the "Initial Order"), as amended and extended by further Orders of this Court, is hereby extended until May 31, 2004.

Approval of the Claims Procedure

3. **THIS COURT ORDERS** that the claims procedure provided for herein (the "Claims Procedure"), is hereby approved.

4. **THIS COURT ORDERS** that for the purposes of this Order the term "Claim" shall mean any right of any Person (as such term is defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA")), against Ajax in connection with any indebtedness, liability or obligation of any kind of Ajax owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to August 7, 2003, and which would have been claims provable in bankruptcy had Ajax become bankrupt on August 7, 2003.

5. **THIS COURT ORDERS** that for the purposes of this order the term "Creditor" shall mean a Person entitled to make a Claim.

6. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, shall, in consultation with the CRO, administer the Claims Procedure provided for herein, including the determination of claims of Creditors and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Order.

7. **THIS COURT ORDERS** that on or about the third business day following the date of this Order, the Monitor shall be and is hereby authorized and directed to send by ordinary mail or courier to Provincial and Federal taxing authorities, all known Creditors of Ajax, parties to significant transactions during these proceedings, and to other Persons from whom the Monitor has received notice of a potential claim, a copy of the Notice to Creditors attached as Schedule "A" to this Order and a Proof of Claim substantially in the form attached as Schedule "B" to this Order ("Proof of Claim"), together with detailed instructions on its completion.

8. **THIS COURT ORDERS** that the Monitor be and it is hereby authorized and directed on or about the fifth business day following the date of this Order, to place a notice substantially in the form attached hereto as Schedule "A" to this Order (the "Notice") in the national edition of the Globe and Mail inviting parties to file a Proof of Claim with the Monitor.

9. **THIS COURT ORDERS** that the claims bar date shall be 5:00 p.m. Toronto time on May 31, 2004 (the "Claims Bar Date").

10. **THIS COURT ORDERS** that the Monitor send a Proof of Claim to each Person responding to the Notice and to any other Persons who, prior to the Claims Bar Date otherwise notify the Monitor that they wish to make a claim.

11. **THIS COURT ORDERS** that all Proofs of Claim must be delivered by registered mail, courier, facsimile, e-mail message or personal delivery and be received by the Monitor at BDO Dunwoody Limited, Royal Bank Plaza, 200 Bay Street, 32nd Floor, South Tower, P.O. Box 33, Toronto, Ontario M5J 2J9, Attention: Clark McKeown, Email: cmckeown@bdo.ca, on or before the Claims Bar Date.

12. **THIS COURT ORDERS** that the Monitor may, at any time following receipt by the Monitor of the Creditor's Proof of Claim, but prior to the distribution of any funds to Creditors, give notice in writing, by ordinary mail, facsimile transmission, e-mail message or personal delivery to any Claimant at the address, facsimile number or e-mail address shown on the Creditor's Proof of Claim, of its intention to disallow the claims set out in such Proof of Claim and, if disallowed, the reasons therefor, by sending the Creditor a Notice of Disallowance, substantially in the form attached as Schedule "C" to this Order, which shall be deemed made when sent. A Notice of Disallowance issued by the Monitor shall be accompanied by a blank Notice of Dispute, substantially in the form attached as Schedule "D" to this Order, for use by the Creditor in question, if the Creditor chooses to dispute the Notice of Disallowance.

13. **THIS COURT ORDERS** that Creditors may dispute the disallowance of their Claim by delivering, by registered mail, courier, facsimile, e-mail message or personal delivery, to the Monitor at the address noted in paragraph 11 of this Order, a Notice of Dispute in the prescribed form, which Notice of Dispute must be received by the Monitor by no later than 5:00 p.m. Eastern Daylight Time on the 30th day following the date of the Notice of Disallowance.

14. **THIS COURT ORDERS** that if no Notice of Dispute is received by the Monitor in accordance with the terms of this Order, the Claim in question shall be deemed to have been disallowed in accordance with the Monitor's Notice of Disallowance.

15. **THIS COURT ORDERS** that where a Creditor delivers a Notice of Dispute in accordance with the terms of this Order, such dispute shall be resolved as directed by this Court or as the Creditor in question, Ajax and the Monitor may agree.

16. **THIS COURT ORDERS** that no proceeding shall be instituted by a Creditor to establish the validity, priority and/or amount of any disputed Claim, except as provided in this Order or as the Court may subsequently direct.

17. **THIS COURT ORDERS** that any Creditor that does not file a Proof of Claim as provided for in paragraph 11 of this Order so that such Proof of Claim is received by the Monitor

on or before the Claims Bar Date or such later date as the Monitor and Ajax may agree in writing or this Court may otherwise order:

- (a) shall be and is hereby forever barred from making or enforcing any Claim against Ajax and the Claim shall be forever extinguished;
- (b) shall not be entitled to any further notice; and
- (c) shall not be entitled to participate as a Creditor in these proceedings and/or in any subsequent proceedings, including, but not limited to, any Plan of Arrangement or Compromise and any proceedings under the BIA.

18. **THIS COURT ORDERS** that any Trustee in Bankruptcy of Ajax shall accept any Proof of Claim filed with the Monitor pursuant to the terms of this Order as a proof of claim pursuant to the BIA without the requirement that the Creditor file any further proof of claim.

19. **THIS COURT ORDERS** that the Monitor may apply to the Court for advice and directions with respect to the implementation and operation of the provisions of this Order or with respect to any other matters relating to the Claims Procedure.

20. **THIS COURT ORDERS** that any party affected by this Order may apply to this Court for an alteration or variation of this Order or direction as to the implementation of this Order upon seven days notice to the Monitor and the other parties on the Service List.

21. **THIS COURT HEREBY SEEKS AND REQUESTS** the aid and assistance of any court or administrative body in any Province or Territory of Canada, any Canadian Federal Court or administrative body and any Federal or State Court or administrative body in the United States of America or elsewhere to the extent necessary to give effect to the terms of this Order.

Approval of the CRO's Success Fees

22. **THIS COURT ORDERS** that the partial payment of the success fees of the CRO, in the amount of \$700,000, as described in the Holmes Affidavit, is hereby approved and the Monitor and Ajax are authorized and directed to make such payment to Prowis.

Approval of the Monitor's Fees and Disbursements

23. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel, in the amount of \$251,978.60, as described in the Sixth Report, are hereby approved and the Monitor and Ajax are authorized and directed to make such payment to BDO.

P. McKinnon

Registrar

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 30 2004

PER/PAR: *JA*

Schedule "A" to the Order

NOTICE TO CREDITORS OF AJAX PRECISION MANUFACTURING LIMITED (the "Applicant")

RE: NOTICE OF CLAIMS PROCEDURE FOR THE APPLICANT

PLEASE TAKE NOTICE that this notice is being published pursuant to the Order of the Ontario Superior Court of Justice – Commercial List made on April 29, 2004. This notice is directed towards creditors of the Applicant with respect to pre-filing claims.

BDO Dunwoody Limited was appointed Monitor of Ajax Precision Manufacturing Limited on August 7, 2003 pursuant to the *Companies' Creditors Arrangement Act*. Any person who believes they have a claim against the Applicant as of August 7, 2003 should send a Proof of Claim to the Monitor to be received by 5:00 p.m. (Toronto Time) on May 31, 2004 (the "Claims Bar Date").

PRE-FILING CLAIMS WHICH ARE NOT RECEIVED BY THE MONITOR ON OR BEFORE THE CLAIMS BAR DATE WILL BE FOREVER BARRED AND EXTINGUISHED AND WILL NOT PARTICIPATE IN ANY DISTRIBUTIONS.

Creditors who wish to receive a Proof of Claim form should contact the Monitor at:

BDO Dunwoody Limited
Monitor of Ajax Precision Manufacturing Limited
Attention: Clark McKeown
Telephone: 416-865-0210
Fax: 416-865-0904
Email: cmckeown@bdo.ca

Dated at Toronto, Ontario this _____ day of May, 2004.

Schedule "B" to the Order

Court File No. 03-CL-5101

**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 PLAN OF COMPROMISE OR
ARRANGEMENT OF AJAX PRECISION MANUFACTURING
LIMITED

PROOF OF CLAIM AND INSTRUCTIONS

Please read carefully the instructions accompanying this Proof of Claim. Please print legibly.

Full Name of Creditor: _____ (the "Creditor")

Full Mailing Address of Creditor: _____
(All notices and correspondence _____
regarding your Claim will be _____
forwarded to this address) _____

Telephone No. _____
Fax No. _____
E-Mail Address _____
Attention: _____

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

1. That I am the Creditor or that I hold the position of _____ of the Creditor and am an authorized representative of the Creditor (state position or title)
2. That I have personal knowledge of all the circumstances connected with the Claim against Ajax Precision Manufacturing Limited (the "Applicant") hereafter referred to.
3. Attached hereto is a separate schedule for the Claim that the Creditor has against the Applicant. The schedule sets out:

- (i) The amount of the Claim against the Company as at August 7, 2003 (the "Filing Date") together with a detailed and complete statement of account and the basis of calculation of the Claim;
- (ii) A description of each transaction or agreement giving rise or relating to all or any portion of the Claim against the Applicant;
- (iii) The name of any guarantor which has guaranteed all or any portion of the Claim against the Applicant; and
- (iv) A description of the security (including the Creditor's estimate of the fair market value of the collateral thereunder), if any, granted to the Creditor in respect of all or any portion of the Claim against the Applicant, together with copies of the security agreements.

4. As at the Filing Date, the Applicant was and still is indebted to the Creditor in the total amount of \$ _____ being an unsecured claim of \$ _____ and/or a secured claim of \$ _____ as specified in the schedule attached hereto.

DATED at _____, this _____ day of _____, 2004.

(Signature of Witness)

(Signature of individual completing this form)

(Please print name)

(Please print name)

The duly completed Proof of Claim together with the schedules and accompanying documents, must be returned to and received by the Monitor c/o BDO Dunwoody Limited by registered mail, courier, facsimile, e-mail message or personal delivery by no later than 5:00 p.m. Eastern Daylight Time on May 31, 2004 at the following address:

BDO Dunwoody Limited
 Monitor of Ajax Precision Manufacturing Limited
 Royal Bank Plaza
 200 Bay Street, 32nd Floor, South Tower
 P.O. Box 33
 Toronto, Ontario M5J 2J9
 Attention: Clark McKeown

Telephone: 416-865-0210
 Fax: 416-865-0904
 E-mail: cmckeown@bdo.ca

A DETAILED, COMPLETE STATEMENT OF ACCOUNT AS AT THE FILING DATE MUST BE ATTACHED TO EACH SCHEDULE SETTING OUT THE BASIS OF CALCULATION OF EACH PORTION OF THE CLAIM AGAINST THE COMPANY, INCLUDING, AS APPLICABLE, THE DATE, THE NUMBER AND THE AMOUNT OF ALL INVOICES OR CHARGES, AND THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS, COUNTERCLAIMS OR PAYMENTS.

SCHEDULE TO PROOF OF CLAIM

This schedule must be completed and attached to the Proof of Claim

A. To be completed by Secured Creditors of the Applicant.

- (i) Gross Amount of Total Secured Claim against the Applicant as at the Filing Date:

(If your Secured Claim is denominated in a currency other than Canadian dollars, indicate clearly the amount of your Secured Claim in the originating currency only.)

- (ii) Value of all collateral less any prior security as at the Filing Date:

(E.g., if collateral is worth \$100, and there is a prior mortgage of \$110, value of collateral is "nil".)

- (iii) Amount in (i) subtracted from amount in (ii), if greater than zero:

(This deficiency amount, if any, will be your Unsecured Claim.)

Description of all security, if any, granted to the Creditor in respect of the Total Secured Claim against the Applicant and value thereof as estimated by the Creditor:

B. To be completed by Unsecured Creditors of the Applicant.

Amount of Total Unsecured Claim against the Applicant as at the Filing Date:

(If your Unsecured Claim is denominated in a currency other than Canadian dollars, indicate clearly the amount of your Unsecured Claim in the originating currency only.)

SCHEDULE TO PROOF OF CLAIM (cont'd)

That in respect of this debt, I do not hold any assets of the debtor as security and (*check appropriate description*)

- Regarding the amount of CAD\$ _____, I do not claim a right to priority.

- Regarding the amount of CAD\$ _____, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or would claim such a priority if this Proof of Claim was being filed in accordance with that Act.
(set out on an attached sheet details to support priority claim)

C. To be completed by all Creditors of the Applicant

Description of each transaction or agreement giving rise or relating to all or any portion of the Claim against the Applicant: *

(Note: if space is insufficient, attach (a) separate page(s)).

Names of any guarantors which have guaranteed all or any portion of the Claim against the Applicant:

(Note: if space is insufficient, attach (a) separate page(s)).

- **A DETAILED, COMPLETE STATEMENT OF ACCOUNT AS AT THE FILING DATE MUST BE ATTACHED TO EACH SCHEDULE SETTING OUT THE BASIS OF CALCULATION OF EACH PORTION OF THE CLAIM AGAINST THE APPLICANT, INCLUDING, AS APPLICABLE, THE DATE, THE NUMBER AND THE AMOUNT OF ALL INVOICES OR CHARGES, AND THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS, COUNTERCLAIMS OR PAYMENTS.**

INSTRUCTIONS WITH RESPECT TO PROOF OF CLAIM

Please read this instruction sheet carefully before completing your Proof of Claim. A Proof of Claim which is incorrectly completed will not be accepted.

Creditors will be notified if their Claims are not accepted, either in whole or in part in accordance with the procedures set out in the Order of the Ontario Superior Court of Justice – Commercial List dated April 29, 2004. Details of the procedure and rules for disputing the disallowance of all or part of a claim will be provided with the Notice of Disallowance.

1. The Proof of Claim must be personally signed by the individual completing the form. If the individual is not the Creditor, the position or title of the individual must be stated in paragraph 1 of the Proof of Claim.
2. The name and signature of a witness is required.
3. Please indicate the complete mailing address, including the fax number and e-mail address, where all notices or correspondence are to be forwarded.
4. The details of a Creditor's Claim must be set out in the schedule to the Proof of Claim form.
5. A detailed, complete statement of account for all amounts claimed must be attached to the schedule setting out the basis of calculation of the Claim including, if applicable, the date, the number and the amount of all the invoices or charges, and the date, the number and the amounts of all credits, counterclaims, or payments. In particular, the total amount of indebtedness of each portion of any Claim must be set out in the schedule divided as follows (to the extent applicable):
 - Principal;
 - Unpaid interest and fees (not including interest or fees after the Filing Date):

INSTRUCTIONS WITH RESPECT TO PROOF OF CLAIM (cont'd)

6. Secured Creditors must show their total Claim and provide an estimate as to the value of their collateral. Secured Creditors will be able to claim as Unsecured Creditors for the deficiency if the value of their Claim exceeds the value of their collateral.
7. If your Claim is denominated in a currency other than Canadian dollars, your Proof of Claim must state your Claim in the originating currency only. The originating currency must be clearly stated.

The deadline for submission of your Proof of Claim and supporting documentation (which should be sent to BDO Dunwoody Limited at the address set out below) is 5:00 p.m. Toronto time on May 31, 2004.

Be advised that any creditor that does not file a Proof of Claim with the Monitor on or before 5:00 p.m. Toronto time on May 31, 2004 (the "Claims Bar Date") shall be forever barred from making or enforcing any claim against the Applicant, shall not be entitled to receive any further notice, shall not be entitled to participate as a Creditor in these proceedings and/or in any subsequent proceeding, including any Plan of Arrangement or compromise and any proceedings under the *Bankruptcy and Insolvency Act* and the creditor's claim shall be forever extinguished.

Your Proof of Claim must be delivered by registered mail, courier, facsimile, e-mail or personal delivery to:

BDO Dunwoody Limited
Monitor of Ajax Precision Manufacturing Limited
Royal Bank Plaza
200 Bay Street, 32nd Floor, South Tower
P.O. Box 33
Toronto, Ontario M5J 2J9
Attention: Clark McKeown

Fax: 416-865-0904
E-mail: cmckeown@bdo.ca

Schedule "C" to the Order

Court File No. 03-CL-5101

**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 PLAN OF COMPROMISE OR
ARRANGEMENT OF AJAX PRECISION MANUFACTURING
LIMITED

**NOTICE OF DISALLOWANCE OF
PROOF OF CLAIM**

TO: _____

TAKE NOTICE that, in accordance with the Order of this Court dated April 29, 2004,
\$[_____] of your Proof of Claim against Ajax Precision Manufacturing Limited ("Ajax") as
filed in the amount of \$[_____] has been rejected on the following grounds:

FURTHER TAKE NOTICE that if you intend to dispute this Disallowance you must
deliver, by registered mail, courier, facsimile, e-mail message or personal delivery a completed
Notice of Dispute, a copy of which is attached to this Notice of Disallowance, to the Monitor,
which must be received by the Monitor no later than 5:00 p.m. Toronto time on the 30th day
following the date of this Notice of Disallowance, at the address noted below. Your dispute shall
be resolved as directed by this Court or as you, Ajax and the Monitor may agree. If no Notice of
Dispute is received by the Monitor in accordance with these instructions and the Order of this

Court dated April 29, 2004, the claim in question shall be deemed to have been disallowed in accordance with this Notice of Disallowance.

DATED at Toronto, Ontario this _____ day of _____, 2004.

**BDO DUNWOODY LIMITED, in its
capacity as Monitor of Ajax Precision
Manufacturing Limited**

Per: _____

BDO Dunwoody Limited,
Royal Bank Plaza,
200 Bay Street,
32nd Floor, South Tower,
P.O. Box 33,
Toronto, Ontario, M5J 2J9,

Attention: Clark McKeown,
E-mail: cmckeown@bdo.ca.

Schedule "D" to the Order

Court File No. 03-CL-5101

**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 PLAN OF COMPROMISE OR
ARRANGEMENT OF AJAX PRECISION MANUFACTURING
LIMITED

NOTICE OF DISPUTE

TO: BDO Dunwoody Limited
Monitor of Ajax Precision Manufacturing Limited
Royal Bank Plaza
200 Bay Street, 32nd Floor, South Tower
P.O. Box 33
Toronto, Ontario M5J 2J9

Attention: Clark McKeown

1. **TAKE NOTICE** that, in accordance with the Order of this Court dated April 29, 2004,
_____ (Insert Name of
Creditor) hereby notifies you that the Notice of Disallowance dated [_____] of
the claims against Ajax Precision Manufacturing Limited ("Ajax") is disputed for the
following reasons (state the reasons fully and completely on the following lines; if more
space is required, attach additional pages):

NOTE: You must attach copies of any documents referred to above which are not attached to your Proof of Claim.

The Undersigned Creditor acknowledges that the Claim referred to in the Notice of Disallowance shall be resolved by further Order of this Court or as the Undersigned Creditor, Ajax and the Monitor may agree.

DATED at _____, Ontario this ____ day of _____, 2004.

Name of Creditor

Signature of Witness

Signature of Authorized Representative

Name of Witness

Name of Authorized Representative

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 AJAX PRECISION MANUFACTURING
LIMITED

Court File No: 03-CL-5101

Applicant

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

Proceeding commenced at Toronto

ORDER

BLAKE, CASSELS & GRAYDON LLP
Box 25, Commerce Court West
Toronto, Ontario M5L 1A9

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Tel: (416) 863-2616

Michael P. McGraw LSUC# 46679C
Tel: (416) 863-4247

Fax: (416) 863-2653

Solicitors for the Applicant