

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

THE HONOURABLE ) THURSDAY, THE 23<sup>rd</sup>  
*MR. JUSTICE CUMMING* )  
) DAY OF SEPTEMBER, 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 Tenth Report of BDO Dunwoody Limited in its capacity as Monitor of Ajax (the "Monitor") dated September 21, 2004 (the "Tenth Report") and the Plan of Compromise and Arrangement dated September 17, 2004 in respect of Ajax (the "Plan"), filed, and upon hearing the submissions of counsel for Ajax, the Monitor, Permian Industries Limited ("Permian") and such other counsel present:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is abridged such that this Motion is properly returnable today, any further service of the Notice of Motion or the Motion Record is hereby dispensed with and the service of the Notice of Motion and Motion Record is hereby validated in all respects.

2. **THIS COURT ORDERS** that, for the purposes of this Order, all capitalized terms that are not otherwise defined herein shall have the meanings given to them in the Plan.

**Classification of Creditors**

3. **THIS COURT ORDERS** that for the purposes of considering and voting on the Plan, there shall be a single class of creditors being the holders of Affected Claims, as provided for in the Plan.

**Procedure for Conduct of Creditors' Meeting**

4. **THIS COURT ORDERS** that Ajax be and is hereby authorized to call, hold and conduct a meeting of Creditors (the "Creditors' Meeting"), for the purpose of considering and, if deemed advisable, passing, with or without variation, a resolution to approve the Plan.

5. **THIS COURT ORDERS** that the Creditors' Meeting shall be held on Friday, October 15, 2004 at 11:00 a.m. at the MacDonald Room, Holiday Inn Select, 970 Dixon Road, Toronto, Ontario or as the same may be adjourned or such other date, time and place as the Court may order.

6. **THIS COURT ORDERS** that a senior officer of the Monitor, or another person designated by the Monitor, shall preside as the chair of the Creditors' Meeting (the "Chair") and shall decide all matters relating to the conduct of the Creditors' Meeting.

7. **THIS COURT ORDERS** that:

- (i) proxies may be submitted to the Monitor at, or any time prior to, the commencement of the Creditors' Meeting. Proxies submitted to the Monitor prior to the Creditors' Meeting must indicate whether the Proven Creditor wishes to cast its vote in favour or against the Plan. Proxies that

do not indicate either preference will be deemed to indicate a vote in favour of the Plan;

- (ii) Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Monitor, which may be orally, by ballot or such other means as the Monitor may deem appropriate. All votes will be recorded and tabulated by the Monitor;
- (iii) the quorum required at the Creditors' Meeting or any adjournment thereof shall be two holders of Proven Unsecured Claims present in person or by proxy. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Monitor to such date, time and place as determined by the Monitor;
- (iv) the only Persons entitled to attend at the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, their legal counsel and advisors and the officers and legal counsel of Ajax, Permian and the Monitor. Any other Person may be admitted on invitation of the Monitor;
- (v) each Creditor shall be entitled to a single vote valued at the amount of its Proven Unsecured Claim. In the event that the amount of the Proven Unsecured Claim of a Creditor is not finally determined prior to the date of the Unsecured Creditors' Meeting, the Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Claim, if any, that has been accepted by the Monitor for voting purposes without prejudice to the rights of the Monitor and Creditor to have the quantum of its Claim finally determined for the purposes of distribution under the Plan;

**Service of Meeting Materials**

8. **THIS COURT ORDERS** that the Monitor shall serve a copy of:
- (i) this Order;
  - (ii) the Plan;
  - (iii) the Monitor's Tenth Report and the Monitor's letter to creditors dated September 21, 2004 attached hereto as Schedule "A";
  - (iv) a notice setting out the date, time and place of the Creditors' Meeting substantially in the same form as that attached hereto as Schedule "B" ;  
and
  - (v) the form of proxy substantially in the same form as that attached as Schedule "C" hereto;

with such amendments to the documents referenced in the foregoing subparagraphs (i) to (iv) as the Monitor may determine are necessary or desirable, provided that such amendments are not inconsistent with this Order, or the Plan (collectively, the "Meeting Materials"). The Meeting Materials shall be sent by ordinary prepaid mail or, at the Monitor's option, by personal delivery or electronic or facsimile transmission no later than 5 days after the date of this Order to holders of Proven Unsecured Claims. The Meeting Materials shall be delivered in accordance with the contact co-ordinates set out in the relevant Proof of Claim.

9. **THIS COURT ORDERS** that the Monitor shall cause notice of the Creditors' Meeting to be published in The Globe and Mail (National Edition) not less than 15 days prior to the Creditors' Meeting.

10. **THIS COURT ORDERS** that service of the Meeting Materials and the publication of a notice of the Creditors' Meeting, as provided in paragraphs 8 and 9 above, shall constitute good and sufficient service on all parties who may be entitled to receive notice thereof, or of the motion for the Plan Sanction Order, and no other form of notice need to be made on

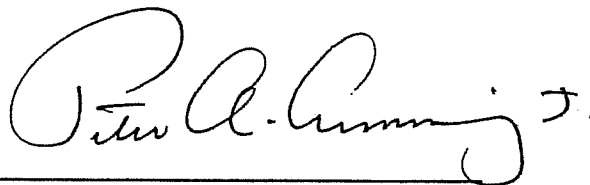
such parties and no such other document or materials need be served on such parties in respect of these proceedings.

11. **THIS COURT ORDERS** that any party who wishes to oppose the motion for sanction of the Plan shall serve upon the solicitors for Ajax, the Monitor, Permian, and upon other parties appearing on the Service List, a notice setting out the basis for such opposition and a copy of the materials to be relied upon to oppose the motion at least 5 days before the date set for the hearing of the motion for sanction of the Plan, or such shorter time as the Court, by Order, may allow.

12. **THIS COURT ORDERS** that in the event the motion for sanction of the Plan is adjourned, only those Persons or their solicitors who appear on the Service List shall be entitled to be served with notice of the adjourned date.

13. **THIS COURT** hereby requests the aid and recognition of any court, tribunal or administrative body of any province of Canada, the United States of America, or elsewhere, to give effect to the terms of this Order. The Monitor, as a foreign representative for the purposes of section 304 of the United States Bankruptcy Code or otherwise, shall be at liberty and it is hereby authorized and empowered to apply as it may consider necessary or desirable, with or without notice, to any other courts or administrative bodies whether in Canada, the United States of America, or elsewhere, for orders in such other jurisdictions recognizing and/or enforcing this Order. All courts and administrative bodies of all such jurisdictions, and in particular, the United States Bankruptcy Court, are hereby respectfully requested to make such orders and to provide such assistance as they may deem necessary or appropriate.

September 23, 2004

  
Peter A. Cunningham J.

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

SEP 23 2004

PER/PAR: