Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 7TH DAY
	)	
JUSTICE GROUND	)	OF NOVEMBER, 2006

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 OR PLANS OF COMPROMISE OR ARRANGEMENT OF IVACO INC. AND THE APPLICANTS LISTED IN SCHEDULE "A"

Applicants

ORDER

THIS MOTION made by Ernst & Young Inc., the Court-appointed Monitor of Ivaco Inc. and the Applicants listed in Schedule "A" (the "Monitor") for, *inter alia*, an order directing KPMG LLP ("KPMG"), as Expert, to include in its report on the working capital adjustment referred to in the Protocol approved by Mr. Justice Farley on November 16, 2005 (the "Protocol") a calculation of the working capital adjustment determined pursuant to the approach specified in each of the initial written submissions of Ivaco Inc. and other of the Applicants listed in Schedule "A" (collectively, "Ivaco") and III Canada Acquisition Company, Sivaco Wire Group 2004 L.P., Ifastgroupe 2004 L.P., Ivaco Rolling Mills 2004 L.P., Heico Holding, Inc. and The Heico Companies, L.L.C. (collectively, "Heico") to KPMG, namely whether KPMG is to do a free-standing review of both Exhibits B and C to the three asset purchase agreements entered into between Ivaco and Heico (the "APAs") and revise and prepare final Exhibits B and C (Heico's position) or whether KPMG is to finalize

Exhibit C and then, to the extent Exhibit C is changed and the accounting policies used in Exhibit C are different, KPMG may consider whether a concomitant change to Exhibit B is warranted (Ivaco's position), was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Supplementary Notice of Motion filed by Heico and the Notice of Cross-Motion and Amended Notice of Cross-Motion filed by the Monitor and the Motion Records of the parties, including the affidavits of Brian M. Denega sworn September 11, 2006, September 29, 2006 and October 13, 2006, the affidavits of E. Bruce Leonard sworn October 13, 2006 and October 23, 2006, and the affidavits of Stanley Meadows sworn September 29, 2006 and October 18, 2006, and on hearing the submissions of counsel for Heico, the Monitor, the Superintendent of Financial Services, the Bank of Nova Scotia, the Informal Committee of Noteholders, the National Bank of Canada, the Pension Committee and QIT Fer et Titane:

1. **THIS COURT ORDERS** that KPMG is directed to prepare and deliver to the parties its report on the working capital adjustment in accordance with the timetable set forth in Sections 4 and 5 of the Protocol and include in the report a calculation of the working capital adjustment determined pursuant to the approach specified in each of the parties' initial written submissions, provided always that KPMG is to indicate in its report the approach it accepts and the reasons on an accounting basis for such acceptance and the reasons, on an accounting basis, as to why the other approach is not accepted or is unsuitable.

2. **THIS COURT ORDERS** that, if the parties do not, within 60 days after receipt of the report of KPMG described above, resolve the issues with respect to the calculation of the net working capital adjustments, the stay shall be lifted and the parties shall seek directions as to the trial of an issue, such trial to be

limited to the interpretation of sections 2.11 and 2.12 of the APAs and whether the Reasons of Farley J. for his order of August 4, 2005 are *res judicata* in this regard and, if so, to what extent.

3. **THIS COURT ORDERS** that counsel for the parties may make brief written submissions with respect to the costs of these motions on or before January 15, 2007.

Jana Stead

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

JAN 05 2007

PER/PAR:

SCHEDULE "A"

Ivaco Rolling Mills Inc.
Ifastgroup Inc.
IFC (Fasteners) Inc.
Ifastgroupe Realty Inc.
Docap (1985) Corporation
Florida Sub One Holdings, Inc.
3632610 Canada Inc.

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

Court File No. 03-CL-5145

AND IN THE MATTER OF a Plan or Plans of Compromise or Arrangement of Ivaco Inc. and the Applicants listed in Schedule "A"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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Solicitors for Ernst & Young Inc., the Court-appointed Monitor

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9 P.D.

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Jan 5/07
Order to issue on
above terms on
consent

SCHEDULE "A"

Ivaco Rolling Mills Inc.
Ifastgroup Inc.
IFC (Fasteners) Inc.
Ifastgroupe Realty Inc.
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Florida Sub One Holdings, Inc.
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