Court File No. 03-CL-5145

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 IVACO INC. AND THE APPLICANTS LISTED IN SCHEDULE "A"

THIRTY-SEVENTH REPORT OF THE MONITOR
SEPTEMBER 20, 2007

INTRODUCTION

1. Ivaco Inc. ("Ivaco") and certain of its affiliates (collectively the "Applicants") obtained protection from their creditors pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended (the "CCAA"), through an order of this Honourable Court dated September 16, 2003, as amended and restated (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor (the "Monitor") of the Applicants.

2. The Applicants for the Initial Order included, among others, Ivaco, Ivaco Rolling Mills Inc., and the related limited partnership Ivaco Rolling Mills Limited Partnership ("IRM"), Ifastgroupe Inc., and the related limited partnership Ifastgroupe and Company Limited Partnership ("Ifastgroupe"), IFC (Fasteners) Inc. ("IFC") and Docap (1985) Corporation ("Docap").

3. This Thirty-Seventh Report of the Monitor (the "Report") is provided to this Honourable Court as an update on the status of these proceedings and in support of a number of motions the Monitor and others intend to bring, including motions seeking to: (i) appoint Blake, Cassels & Graydon LLP as representative counsel to represent the interests of pension plan beneficiaries in connection with the proposed settlement described below; (ii) direct Docap to declare the wind-up of the Pension Plan for

Employees of Docap (1985) Corporation (the "Docap Pension Plan"); and (iii) lift the stay of proceedings and the standstill order provided by the endorsement of the Honourable Mr. Justice Farley dated March 4, 2005 to allow for the appointment of PricewaterhouseCoopers Inc. as administrator of the Docap Pension Plan.

4. The Report is organized as follows:

- Terms of Reference
- Pension Matters
- Inter-Creditor Issues
- General Claims Process
- Directors and Officers Claims Process
- Subsequent Claims Process
- Status of the Working Capital Dispute Adjustment
- Monitor's Analysis and Recommendations

TERMS OF REFERENCE

5. Capitalized terms not defined in this Report are as defined in the Initial Order and the Monitor's previous reports. All references to dollars are in Canadian currency unless otherwise noted. The estimates provided in this report are based on the Monitor's current assessment and incorporate assumptions as to possible future events and outcomes. The Monitor has not audited or otherwise verified the figures and estimates included herein. Actual results may vary and the differences may be material.

PENSION MATTERS

6. As described at length in the Monitor's Thirty-Fourth Report, issues preventing a meaningful interim distribution to creditors included those relating to the quantum and

priority of, and the applicability of joint and several liability to, the pension claims. The Thirty-Fourth Report contained a detailed description of the pension claims issues, including the appeal to the Supreme Court of Canada by the Superintendent, not repeated here.

7. In August of 2006, the Monitor, the IAC and the Pension Parties participated in a mediation with the assistance of R.S.J Winkler (as he then was) to attempt to settle the outstanding inter-creditor and pension issues. No resolution was reached during the August 2006 mediation.

8. The Monitor organized a second mediation session to attempt to bring the parties together to discuss their individual issues and to work towards developing a commercially reasonable settlement of the pension issues as well as the inter-creditor issues described later in this Report.

9. On August 20 and 21, 2007, the second mediation session (the "Mediation") was held at the offices of Stikeman Elliott LLP in Toronto. The Mediator was Mr. Earl Cherniak. The parties present at the Mediation were the Pension Parties, the IAC and the Monitor. Subject to this Honourable Court's approval, terms of settlement were agreed upon between the IAC and the Pension Parties to resolve the issues of quantum, priority and joint and several liability in respect of the Ivaco Salaried Pension Plan and the Designated, Ingersoll and Docap Pension Plans (together, the "Pension Plans").

10. The parties' agreement for the Ivaco Salaried Pension Plan was incorporated into a document referred to as the minutes of settlement ("Ivaco Salaried Minutes of Settlement"), a copy of which is attached as Appendix "A". The Ivaco Salaried Minutes of Settlement provide that if an order is obtained:

- Approving a total payment of $29 million to the Ivaco Salaried Pension Plan out of the estates ("Pension Payment");

- Providing that such payment will be made on or before October 31, 2007;

- Releasing the Pension Parties from all liability in respect of the Ivaco Salaried Pension Plan and its administration;

- Establishing a pension escrow account; and

- Staying the Plan Beneficiaries (as defined therein) from pursuing, and barring and discharging, all claims relating to the Ivaco Salaried Pension Plan and any obligation to contribute to or provide pensions, benefits or other entitlements under the Ivaco Salaried Pension Plan;

then the Superintendent will withdraw the Supreme Court of Canada appeal and the Pension Committee will withdraw the motion it has brought in respect of the issue of joint and several liability, which will permit the estates to proceed in their administration. The Ivaco Salaried Employees Plan members were advised of the agreement by notice dated August 29, 2007, a copy of which is attached at Appendix "B".

11. As well, the Ivaco Salaried Minutes of Settlement propose that all parties will co-operate to obtain further orders to facilitate distributions to all proven creditors of IRM, Ifastgroupe and IFC pursuant to Plans of Arrangement and to the National Bank of Canada as secured creditor of Ivaco. In the meantime, the parties agree to extend or adjourn all the deadlines for the Supreme Court of Canada appeal and the joint and several motion to a date not earlier than November 30, 2007 to allow for the implementation of the Ivaco Salaried Minutes of Settlement.

12. The Parties have agreed to settle the claims relating to the Designated, Ingersoll and Docap Pension Plans on substantially the same terms as the Ivaco Salaried Pension Plan pursuant to separate minutes of settlement (collectively, the "Minutes of Settlement"). The settlement of these claims is also subject to the October 31, 2007 deadline and copies of the Minutes of Settlement relating to the Designated and Ingersoll plans are attached at Appendices "C" and "D". The Minutes of Settlement relating to the Docap Pension Plan are under review and the parties are confident a

settlement will be reached; however, they will not be finalized until a wind-up administrator is appointed, as described below.

13. The Motion to approve the Minutes of Settlement is returnable on October 9, 2007 (the "Approval Motion").

Representation Order

14. The Minutes of Settlement stay the Plan Beneficiaries (as defined therein) from pursuing, and bar and discharge, all claims relating to the Pension Plans and any obligation to contribute to or provide pensions, benefits or other entitlements under the Pension Plans. A substantial number of subsequent claims filed with the Monitor contain a claim related to the applicable provisions of the Pension Plans. In order to provide for proper representation of the Plan Beneficiaries, the Monitor, in consultation with the IAC and the Pension Parties, concluded that independent counsel should be appointed on their behalf. Blake, Cassels & Graydon LLP has agreed to represent the interests of the Plan Beneficiaries ("Representative Counsel").

15. The Representative Counsel is appointed to act in the best interests of the Plan Beneficiaries as a whole. Prior to, and at, the Approval Motion, the Representative Counsel:

- Shall have the right to appear and make submissions at the Approval Motion;
- May consult with the Plan Beneficiaries;
- Shall provide notice to the Plan Beneficiaries of the Approval Motion by sending a notice by mail or by causing a mailing to be executed by the Quebec Pension Committee or PricewaterhouseCoopers as administrator of the other affected pension plans and by publishing a notice in both *The Globe and Mail* (in English) and *La Presse* (in French).

16. The Monitor understands from the Representative Counsel that it will seek to assess the general fairness of the proposed pension settlement and the effect of the proposed

release on Plan Beneficiaries. The current proposal is that, if this Honourable Court approves the pension settlement, then any portion of the claims relating to any of the provisions of the Pension Plans, including but not limited to pension plan deficiency claims, pension "grow-in" claims and "bridge" claims, will be eliminated from the claims processes on the basis of the court order. The actual determination of each Plan Beneficiary's claim will still be determined individually by the Monitor through the issuance of notices of determination to the affected creditors who filed claims, in accordance with the Subsequent Claims Procedure and objection rights provided therein.

17. The Monitor believes it is prudent to have Plan Beneficiaries represented at the Approval Motion in respect of the Minutes of Settlement and recommends the approval of the appointment of Representative Counsel to represent the interests of the Plan Beneficiaries.

Docap

18. Docap is a wholly owned subsidiary of Ivaco and an importer and distributor of automotive and industrial products to customers located in both Canada and the United States. It is an Applicant in these proceedings and remains subject to the supervision of the Monitor as it was not included in the Heico Transaction. The National Bank of Canada is the principal lender to Docap. Its loan is secured by, among other things, a security agreement covering inventory and accounts receivable. The directors of Docap resigned in 2005.

19. The Applicants conducted a sale process in respect of Docap during 2004. Several parties expressed an interest in acquiring the business and/or specific assets. After reviewing the expressions of interest, the Applicants concluded that the transaction having the greatest likelihood of successful completion would be with the current management team of Docap.

20. The offer from the current management has been shelved for some time due principally to the pension dispute among the parties which also affects Docap. Based on

discussions with the prospective purchaser and the Monitor's preliminary analysis, it appears that no funds will be available for distribution to the unsecured creditors of Docap.

21. Since the Mediation, the National Bank of Canada has been engaged in a process to establish the value of the business on a liquidation basis and canvass the market for any interested purchasers for the business.

22. Given the size of the Docap Pension Plan deficit (approximately $1.7 million as at May 31, 2007), it appears unlikely that a potential purchaser would be interested in purchasing Docap and assuming such a large pension liability.

23. As part of the Mediation and the drafting of the Minutes of Settlement, discussions were held concerning the status of the Docap Pension Plan, as well as how the payment agreed to by the National Bank of Canada in respect of the Docap pension deficit would be made into the plan as that plan is still active, whereas the three other pension plans are at different stages of wind-up.

24. As Docap has no directors and as the size of the pension plan deficit appears significant in comparison to the enterprise value of the business, the Monitor seeks to obtain from this Honourable Court an order directing Docap to declare the wind-up of the Docap Pension Plan. The wind-up of this plan at this time will allow for its liquidation in a manner consistent with the other three plans.

25. The Superintendent of Financial Services has suggested that a third-party administrator (PricewaterhouseCoopers) be appointed to carry out the Docap Pension Plan wind-up process.

26. The Monitor recommends the approval of this Honourable Court to allow for the appointment of PricewaterhouseCoopers as wind-up administrator of the Docap Pension Plan.

INTER-CREDITOR ISSUES

27. The other category of claim-related issues that prevented a meaningful interim distribution can be described as inter-creditor claim issues, primarily involving the IRM estate and its major creditors.

28. The inter-creditor disputes essentially related to issues concerning the valuation of creditors' claims. There are three types of claim-related issues that remain unresolved: (i) treatment of interest (if any) from September 16, 2003 to present; (ii) the appropriate foreign exchange rates for valuing foreign currency denominated claims given the large fluctuation in exchange rates since September 16, 2003; and (iii) the admissibility and calculation of make whole premiums on the unsecured notes. The Thirty-Fifth Report contained a detailed description of these issues which is not repeated here.

Settlement Progress and Current Status

29. Apart from the issues described above, the Monitor has resolved substantially all of the contentious creditor claims issues arising out of the process authorized by the Claims Procedure Order. An overview of the various claims processes follows later in this Report.

30. As described in the Thirty-Fifth Report, prior to the Mediation, the members of the IAC had indicated that they were close to resolution of the outstanding major creditor claims issues. At the Mediation, the Monitor was advised by the members of the IAC that a resolution had been reached by the major IRM creditors on these issues.

31. The Monitor understands that the IRM creditors are collectively drafting a plan of arrangement for the IRM estate.

32. The Monitor also understands that the IAC has initiated or is about to initiate discussions to reach a similar resolution for the Ifastgroupe and IFC estates and that plans of arrangement for these two estates will also be forthcoming.

33. The Monitor continues to actively support and facilitate discussions between the members of the IAC and to monitor the interests of the unrepresented creditors with the view that a commercially reasonable resolution acceptable to all creditors of the estates could be recommended by the Monitor and approved by this Honourable Court.

GENERAL CLAIMS PROCESS

34. On June 18, 2004, this Honourable Court authorized the Applicants to conduct a process for soliciting and determining claims of their creditors arising prior to September 16, 2003 or post-filing claims arising between September 16, 2003 and June 18, 2004. The Claims Bar Date was established as August 6, 2004. The Court also made provision for a Subsequent Claims Bar Date for Subsequent Claims, which is discussed later in this Report.

35. The June 18, 2004 Claims Process is now substantially complete, excluding claims filed against Ivaco, which at present have been set aside by the Monitor since there is no expectation of a distribution to the unsecured creditors of Ivaco.

36. The following chart summarizes the value of the Claims against IRM, Ifastgroupe and IFC as determined or, in the case of the unresolved claims, estimated by the Monitor.

Estimated value of claims as at August 31, 2007 **($000's)**	**IRM**	**Ifastgroupe**	**IFC**
Estimated claims value	282,565	146,236	119,637
Estimated claims value without the Pension Plan Claims	241,773	103,414	119,637

For illustrative purposes and in anticipation of the payments to the Pension Parties further to the Minutes of Settlement, the table above provides the value of the

Ifastgroupe and IRM estimated claims as at August 31, 2007 with and without the Salaried Pension Plan deficit claim.

37. In determining the estimated value of the claims above pursuant to the Claims Procedure Order, the Monitor has valued all claims as at the date of the Initial Order for foreign exchange, interest and other contractual purposes.

DIRECTORS AND OFFICERS CLAIMS PROCESS

38. On April 19, 2005, this Honourable Court approved the D&O Claims Process to solicit and determine claims against the directors and officers of the Applicants and any related indemnity claims of the directors and officers against the Applicants. The D&O Claims Bar Date was June 3, 2005. The Indemnity Claims Bar Date was August 10, 2005.

39. The Monitor received a total of 377 D&O Claims. At present, all of the resolved D&O Claims have been disallowed and there are 13 unresolved D&O Claims, summarized as follows:

($000's)	IVACO	IRM	IFASTGROUPE	DOCAP	TOTAL
Unresolved Claims number	5	4	3	1	13
Amount	39,339	37,751	2,825	14	79,929
Amount without Bank of Nova Scotia claim	2,850	1,262	2,825	14	6,951

40. On April 20th, 2007, this Honourable Court granted an Order declaring that any Indemnity Claim filed by the directors and officers in connection with The Bank of Nova Scotia's D&O Claims against the directors and officers of Ivaco and IRM for $36.5 million is not covered by the Directors' Charge and does not constitute a CCAA

Charge Indemnity Claim. Consequently, in the table above, the Monitor has presented the unresolved D&O Claims with and without The Bank of Nova Scotia D&O Claims to illustrate both the total amount of unresolved claims and the total amount of claims that could be subject to the Directors' Charge.

41. The Monitor and its counsel are working closely with the D&O Claims Officer to resolve these remaining unresolved claims.

SUBSEQUENT CLAIMS PROCESS

42. On April 20, 2007, this Honourable Court granted an order approving the Subsequent Claims Process. The Subsequent Claims Process relates to claims arising on or after June 18, 2004 as a result of the restructuring, repudiation or termination of any contract, lease, employment agreement, collective agreement or any other agreement.

43. A chronology of the more significant events relating to the Subsequent Claims Process and the steps taken by the Monitor since April 20, 2007 is summarized below:

- On or about April 25, 2007, the Monitor sent Subsequent Claim Packages to all retired and active employees pursuant to the April 20, 2007 Subsequent Claims Procedure Order and to any person requesting them thereafter.

- The Subsequent Claims Bar Date was June 8, 2007. The Monitor received 1,103 Subsequent Claims. The vast majority of Subsequent Claims received relate either to claims of retired employees of the Applicants ("Retired Employees") or employees whose employment continued with Heico ("Heico Employees"). These claims are for, amongst other things, termination and severance, lost supplemental pension benefits and bridge benefits, lost life and medical insurance and pension plan deficiencies.

- The 1,103 subsequent claims also include six claims from III Canada Acquisition Company (a Heico subsidiary) for undetermined amounts. These claims will be dealt with after the October 26, 2007 hearing before the Court of Appeal described below.

- On or about July 10th, 2007, the Monitor issued 773 Notices of Determination of Claim for those claims filed by the Heico Employees.

- No Notices of Determination have yet been issued for Subsequent Claims filed by the Retired Employees.

- Between July 20th and August 24th, 2007, the Monitor received 657 Notices of Dispute relating to the Notices of Determination issued to the Heico Employees. 173 of these claimants are represented by six different legal counsel ("Claimants' Counsel").

- On August 2, 2007, the Monitor provided the Claims Officer with a complete listing of the Notices of Dispute received.

- Given the number of Notices of Dispute received and the limited number of legal issues to be addressed, on September 13th, 2007 the Claims Officer issued a Procedural Order and timeline to deal with the Notices of Dispute by soliciting submissions on threshold common questions of law.

44. On September 17, 2007, the Claimants' Counsel informed the Monitor that they would consult with the Claims Officer as they believe that the proposed timeline is not achievable. The Monitor will report further to this Honourable Court as more information becomes available.

45. The number of Subsequent Claims by Applicant is summarized as follows:

	IVACO	IRM	IFASTGROUPE	IFC	Others	TOTAL
Notice of Dispute received	193	195	229	20	20	657
Notice of Disallowance issued	197	202	329	21	24	773
Under review by Monitor	146	71	93	7	13	330
Total	343	273	422	28	37	1,103

46. In consultation with the IAC, the Monitor retained the services of AON Consulting Inc. to assist with the valuation of certain complex Retired Employees' claims not currently before the Claims Officer.

STATUS OF WORKING CAPITAL ADJUSTMENT DISPUTE

47. Further to the information provided by the Monitor in its Thirty-Fourth and Thirty-Sixth Reports, the following events have occurred since April 2007:

- On July 26, 2007, the Honourable Mr. Justice Ground ordered Heico to pay approximately $53 million plus interest forthwith relating to the working capital adjustment dispute (pending the trial of an issue described in the Thirty-Fourth Report);

- On August 7, 2007, Heico informed the Monitor that it intended to file both a notice of appeal and a notice of motion for leave to appeal in respect of Justice Ground's Order;

- On August 10, 2007, the Monitor's counsel served a notice to quash Heico's appeal because Heico had not sought leave to appeal the July 26, 2007 Order of

Justice Ground. The hearing of the motion to quash was set for September 13, 2007.

- Prior to the hearing of the September 13, 2007 motion, counsel for Heico and counsel for the Monitor agreed to a procedure that became the subject of an Order of the Court of Appeal, on consent, on September 13, 2007. Under the agreed terms, the motion to quash Heico's appeal, Heico's motion for leave and the appeal itself will be heard together by the Court of Appeal orally on October 26, 2007. Furthermore, Heico has delivered to the Monitor three letters of credit in the aggregate amount of approximately $70.1 million that can be drawn upon to, amongst other things, satisfy any final determination of the working capital adjustment (plus interest).

48. The Monitor will continue to vigorously pursue the payment by Heico of the Working Capital Dispute Amount.

MONITOR'S ANALYSIS AND RECOMMENDATION

49. As a result of the Mediation, the Monitor is pleased to report that progress has been made on a number of issues that had been preventing continuation and completion of the administration of the estates. The Mediation resulted in the Minutes of Settlement that, when implemented, resolve the legal issues before both the Supreme Court of Canada and the Superior Court of Justice. In addition, the members of the IAC appear to have made substantial progress on the inter-creditor issues.

50. For the reasons outlined in this Report and generally to permit the Monitor to advance the administration of the Applicants' estates, the Monitor recommends that this Honourable Court:

(a) appoint Blake, Cassels & Graydon LLP as Representative Counsel for the Plan;

(b) direct Docap to declare the wind-up of the Docap Pension Plan; and

(c) lift the stay of proceedings and the standstill order solely to allow the appointment of PricewaterhouseCoopers as wind-up administrator of the Docap Pension Plan.

All of which is respectfully submitted this 20th day of September, 2007.

ERNST & YOUNG INC.

In its capacity as Court-Appointed Monitor of
Ivaco Inc. and certain of its affiliates

Per

Brian M. Denega
Senior Vice-President

APPENDIX A

MINUTES OF SETTLEMENT

Private & Confidential

August 22, 2007

The Superintendent of Financial Services of Ontario (the "**Superintendent**") including as Administrator of the Pension Benefits Guarantee Fund, la Regie des Rentes du Quebec and the Pension Committee (the "**Pension Committee**") of the Registered Pension Plan for Salaried Employees of Ivaco Inc. and Participating Subsidiary Companies, CRA Registration Number 0410357 (the "**Salaried Plan**") and the members of the Informal Advisory Committee (the "**IAC**") are prepared to settle all claims (including potential claims of any nature) relating to the Salaried Plan against any of Ivaco, Ifastgroupe (the limited partnership and its general partner and IFC) (collectively "**Ifastgroupe**") and IRM (the limited partnership and its general partner) (collectively "**IRM**"), or any of their subsidiaries and affiliates, or against the Monitor, or against any of the former or present directors, officers, agents, employees, professional advisors, or creditors of any of the foregoing (collectively, the "**Ivaco Group**") on the following basis.

An Order will be sought in the CCAA proceedings, on the consent of the Superintendent, the Pension Committee, la Regie des Rentes du Quebec, and the members of the IAC and on such notice (including by means of giving notice and making such representation orders, if any, as the Court determines to be sufficient in respect of all persons identifiable as being presently or contingently entitled to the receipt of any pension, benefits or other entitlements under the Salaried Plan, (the "**Plan Beneficiaries**") and with the support of the Monitor and with an undertaking by the Superintendent to withdraw the Supreme Court of Canada appeal on a without costs basis to all parties, including costs at the Court of Appeal, and of the Pension Committee to withdraw (with prejudice and without any determination on the merits) the joint and several motion on a without costs basis, if the Orders referred to herein are made and become final. The Order referred to above shall provide for the matters referred to in paragraphs 1 to 5 hereof as follows:

1. Ordering and approving a payment of $29.0 million by the Monitor (the "**Salaried Pension Payment**"), to be allocated among the Ivaco estates as follows:

    (i) Ivaco $1,000,000;

    (ii) Ifastgroupe $13,750,000;

    (iii) IRM $14,250,000.

2. Ordering that the Monitor shall pay to the Superintendent and the Pension Committee (or as they may direct) the Salaried Pension Payment on the later of:

    I. The date the Orders referred to herein become final; and

    II. The earlier of:

        (i) in the case of IRM and Ifastgroupe (including IFC), the date on which distributions to unsecured creditors are made pursuant to a Plan of

Arrangement (or, with respect to Ifastgroupe, alternately pursuant to court order) to creditors of those debtors, respectively; and

(ii) October 31, 2007.

Despite anything contained herein, either of the Superintendent or the Pension Committee may terminate this agreement in the event that the Salaried Pension Payment is not paid by the Monitor on or before October 31, 2007. In the event that either the Superintendent or the Pension Committee terminates this Agreement, then this Agreement shall be null and void and deemed never to have been made. This provision is for the sole benefit of the Superintendent and the Pension Committee and may be waived by them jointly (and not individually) on such terms as they may agree.

3. Releasing the Superintendent, the Pension Committee, la Regie des Rentes du Quebec and RBC Dexia Investor Services Trust and their respective agents, employees, professional advisors, and actuaries from all liability in respect of the Salaried Plan and its administration, provided that such release shall not affect the obligations hereunder.

4. Establishing a pension escrow account and structure, including the approval of an escrow agreement in respect of the Salaried Pension Payment.

5. Ordering that the Superintendent, the Pension Committee and la Regie des Rentes du Quebec (collectively the "**Pension Parties**") are forever stayed from pursuing, and barring and discharging, all claims (liquidated or unliquidated, proven or unproven, in the nature of damages or otherwise, and whether or not asserted and whether arising under statute, civil law, common law or otherwise in any jurisdiction) relating to the Salaried Plan, any obligation to contribute to or to provide pensions, benefits or other entitlements under the Salaried Plan or the wind-up of the Salaried Plan against the Ivaco Group or any of them or any of the property or assets of the Ivaco Group or any of them, and against any other person who might make a claim over or for contribution or indemnity against any of the Ivaco Group or any of their assets relating to the Salaried Plan, including without limitation claims by way of debt, for priority, for liens, for trust obligations (deemed or otherwise) or in the nature of damages by any of the Pension Parties (or, as applicable, their heirs, executors, successors and assigns or legal personal representatives) or any of them, provided that the foregoing provisions of this paragraph shall not affect the Salaried Pension Payment. For greater certainty, none of the Pension Parties will be entitled to claim as a creditor or to have standing in any further proceedings or distributions relating to the Ivaco Group or any member thereof, other than for the enforcement of this settlement.

The above Order and the related undertakings are to be in form and substance satisfactory to the Superintendent, the Pension Committee and the members of the IAC, acting reasonably.

It is also a specific requirement of the IAC (and a condition to its agreement hereto) that the Court also order (in form and substance satisfactory to the IAC) that the Plan Beneficiaries are forever stayed from pursuing, and barring and discharging, all claims (liquidated or unliquidated, proven or unproven, in the nature of damages or otherwise, and whether or not asserted and whether arising under statute, civil law, common law or otherwise in any jurisdiction) relating to the Salaried Plan, any obligation to contribute to or to provide pensions, benefits or other entitlements under the Salaried Plan or the wind-up of the Salaried Plan against the Ivaco Group or any of them or any of the property or assets of the Ivaco Group or any of them, and against any other person who might make a claim over or for contribution or indemnity against any of the Ivaco Group or any of their assets relating to the Salaried Plan, including without limitation claims by way of debt, for priority, for liens, for trust obligations (deemed or otherwise) or in the nature of damages by any of the Plan Beneficiaries (or, as applicable, their heirs, executors, successors and assigns or legal personal representatives) or any of them, provided that the foregoing provisions of this paragraph shall not affect (i) the Salaried Pension Payment or (ii) any Plan Beneficiaries in respect of any claims unrelated to the Salaried Plan (including claims for supplemental pension benefits under any unregistered pension plan or post-retirement non-pension benefits that are triggered by, or depend upon, the payment of pension benefits to any such Plan Beneficiary under the Salaried Plan, but are not themselves obligations or entitlements to be paid pursuant to or in respect of the Salaried Plan).

All parties will co-operate in obtaining such further orders as may be needed that include such terms and conditions as the parties may reasonably request in order to facilitate:

I. an immediate distribution of not less than $56,000,000 to the unsecured creditors (other than the Pension Parties and the Plan Beneficiaries) of Ifastgroupe (the limited partnership and its general partner and IFC) (pursuant to a Plan of Arrangement or court order) and $131,500,000 to the unsecured creditors (other than the Pension Parties and the Plan Beneficiaries) of IRM (the limited partnership and its general partner) pursuant to a Plan of Arrangement; and

II. an immediate payment from Ivaco of the balance of National Bank's secured claim against Ivaco.

The joint and several motion (the "**Motion**") will be adjourned to a date not earlier than November 30, 2007. In the event that this Agreement terminates and it becomes necessary for the parties re-schedule the hearing of the Motion, the parties agree to cooperate and act reasonably to re-schedule the hearing date of the Motion on the earliest available date, subject to approval by the Court.

All parties to the Supreme Court of Canada appeal will take and consent to the steps necessary (including signing consents to a motion) to extend all deadlines for the filing of materials (including for any motion by the Pension Committee to intervene) to November 30, 2007 or such later date as may be agreed or ordered by the Supreme Court.

Claims relating to the Docap, Designated and Ingersoll Plans will be settled on substantially the same terms between the relevant members of the IAC, the Superintendent and PricewaterhouseCoopers Inc., in its capacity as the administrator of the Designated and Ingersoll Pension Plans. However, it is also a condition hereof that the Court Order provide that Ifastgroupe and IRM and their property and assets cannot be subject to any claims of any nature whatsoever by anyone whatsoever (including, without limitation, assertions of joint and several liability) in respect of the Docap and Designated Plans and that IRM and its property and assets cannot be subject to any claims of any nature whatsoever by anyone whatsoever (including, without limitation, assertions of joint and several liability) in respect of the Ingersoll Plan. The

25

completion of each of the these settlements just mentioned and this settlement shall each be conditional on the others being completed in accordance with their respective terms, failing which this Agreement shall terminate.

It is understood and agreed that this Settlement may be executed in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA,
by its counsel Fasken Martineau DuMoulin LLP

27/08/07
(DATE)

THE BANK OF NOVA SCOTIA,
by its counsel, McMillan Binch Mendelsohn LLP

(DATE)

QIT-FER ET TITANE,
by its counsel McCarthy Tétrault LLP

(DATE)

INFORMAL COMMITTEE OF NOTEHOLDERS,
by its counsel Bennett Jones LLP

(DATE)

THE ONTARIO SUPERINTENDENT
OF FINANCIAL SERVICES,
by its counsel Goodmans LLP

(DATE)

THE PENSION COMMITTEE
OF THE SALARIED PLAN,
by its counsel Rivest Schmidt

(DATE)

completion of each of the these settlements just mentioned and this settlement shall each be conditional on the others being completed in accordance with their respective terms, failing which this Agreement shall terminate.

It is understood and agreed that this Settlement may be executed in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA, by its counsel Fasken Martineau DuMoulin LLP	(DATE)
Adam Maerov THE BANK OF NOVA SCOTIA, by its counsel, McMillan Binch Mendelsohn LLP	08/29/07 (DATE)
QIT-FER ET TITANE, by its counsel McCarthy Tétrault LLP	(DATE)
INFORMAL COMMITTEE OF NOTEHOLDERS, by its counsel Bennett Jones LLP	(DATE)
THE ONTARIO SUPERINTENDENT OF FINANCIAL SERVICES, by its counsel Goodmans LLP	(DATE)
THE PENSION COMMITTEE OF THE SALARIED PLAN, by its counsel Rivest Schmidt	(DATE)

same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA,
by its counsel Fasken Martineau DuMoulin LLP

(DATE)

THE BANK OF NOVA SCOTIA,
by its counsel, McMillan Binch Mendelsohn LLP

(DATE)

McCarthy Tétrault LLP per [signature]

QIT-FER ET TITANE,
by its counsel McCarthy Tétrault LLP

August 28, 2007

(DATE)

INFORMAL COMMITTEE OF NOTEHOLDERS,
by its counsel Bennett Jones LLP

(DATE)

THE ONTARIO SUPERINTENDENT
OF FINANCIAL SERVICES,
by its counsel Goodmans LLP

(DATE)

THE PENSION COMMITTEE
OF THE SALARIED PLAN,
by its counsel Rivest Schmidt

(DATE)

completion of each of the these settlements just mentioned and this settlement shall each be conditional on the others being completed in accordance with their respective terms, failing which this Agreement shall terminate.

It is understood and agreed that this Settlement may be executed in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA, by its counsel Fasken Martineau DuMoulin LLP	(DATE)
THE BANK OF NOVA SCOTIA, by its counsel, McMillan Binch Mendelsohn LLP	(DATE)
QIT-FER ET TITANE, by its counsel McCarthy Tétrault LLP	(DATE)
Bennett Jones LLP INFORMAL COMMITTEE OF NOTEHOLDERS, by its counsel Bennett Jones LLP	August 30/07 (DATE)
THE ONTARIO SUPERINTENDENT OF FINANCIAL SERVICES, by its counsel Goodmans LLP	(DATE)
THE PENSION COMMITTEE OF THE SALARIED PLAN, by its counsel Rivest Schmidt	(DATE)

completion of each of the these settlements just mentioned and this settlement shall each be conditional on the others being completed in accordance with their respective terms, failing which this Agreement shall terminate.

It is understood and agreed that this Settlement may be executed in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA, by its counsel Fasken Martineau DuMoulin LLP	(DATE)
THE BANK OF NOVA SCOTIA, by its counsel, McMillan Binch Mendelsohn LLP	(DATE)
QIT-FER ET TITANE, by its counsel McCarthy Tétrault LLP	(DATE)
INFORMAL COMMITTEE OF NOTEHOLDERS, by its counsel Bennett Jones LLP	(DATE)
Goodmans per G Patel SUPERINTENDENT OF FINANCIAL SERVICES, ~~by his~~ counsel Goodmans LLP	Aug. 30, 2007 (DATE)
THE PENSION COMMITTEE OF THE SALARIED PLAN, by its counsel Rivest Schmidt	(DATE)

completion of each of the these settlements just mentioned and this settlement shall each be conditional on the others being completed in accordance with their respective terms, failing which this Agreement shall terminate.

It is understood and agreed that this Settlement may be executed in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA,
by its counsel Fasken Martineau DuMoulin LLP — (DATE)

THE BANK OF NOVA SCOTIA,
by its counsel, McMillan Binch Mendelsohn LLP — (DATE)

QIT-FER ET TITANE,
by its counsel McCarthy Tétrault LLP — (DATE)

INFORMAL COMMITTEE OF NOTEHOLDERS,
by its counsel Bennett Jones LLP — (DATE)

THE ONTARIO SUPERINTENDENT
OF FINANCIAL SERVICES,
by its counsel Goodmans LLP — (DATE)

Rivest Schmidt.
THE PENSION COMMITTEE
OF THE SALARIED PLAN,
by its counsel Rivest Schmidt — 28/8/07 (DATE)

APPENDIX B

PENSION COMMITTEE FOR THE PENSION PLAN FOR SALARIED EMPLOYEES OF IVACO INC. AND PARTICIPATING SUBSIDIARY COMPANIES

1 Place Alexis Nihon, 3400 de Maisonneuve West, Suite 1501

Telephone: 514 286-4966 Fax: 514 284-9414
e-mail: acromp@ivaco.com

August 29, 2007

To All Plan Members

Subject:
Pension Plan for Salaried Employees of Ivaco Inc. and Participating Subsidiary Companies

Dear Plan Members:

The Pension Committee of the Pension Plan for Salaried Employees of Ivaco Inc. and Participating Subsidiary Companies is happy to inform you that, after extensive negotiations, an agreement was reached between the Pension Committee and the various creditors of the Ivaco group.

The most important principle of the agreement is that all the plan members will receive 100% of their benefits. The only losses undergone by the members will consist of a loss of interests on the transfer values. The complexity of this case led us to consider certain forms of payment with tax deduction for a small part of the transfer values and pensions for Ontario members.

The agreement provides for a payment to the pension fund at the latest on October 31, 2007. This agreement will also result in the final settlement of all members' claims in respect of the pension plan (but not claims in respect of the post retirement benefits or of the supplementary pension plans).

This agreement is subject to and conditional on the obtaining of a ruling from the Ontario Superior Court that will satisfy the various parties to the agreement.

This agreement of principle received the preliminary authorization of the Régie des rentes du Québec and the Superintendent of the Financial Institutions of Ontario.

If all is held well, we expect to liquidate the pension funds and to carry out the payments at the beginning of the year 2008.

A general information meeting will be held as soon as we obtain the ruling from the Ontario Superior Court; we anticipate holding this meeting within a few weeks.

Best personal regards,

André Cromp
Chairman, Pension Committee

Copy:
<u>Members of the Pension Committee</u>

Normand Devine	Muriel Harrand
Joël Mercier	Jacques Varin
Serge Bouchard	Denis Plourde
Lucien Rondeau	Georges É. Vandal

APPENDIX C

MINUTES OF SETTLEMENT

Private & Confidential

August 22, 2007

The Superintendent of Financial Services of Ontario (the "**Superintendent**") including as Administrator of the Pension Benefits Guarantee Fund, PricewaterhouseCoopers Inc., in its capacity as the Administrator (the "**Administrator**") of the Pension Plan for Designated Hourly Rated Employees of Ivaco Inc., CRA Registration Number 0407130 (the "**Designated Plan**") and National Bank of Canada ("**NB**") are prepared to settle all claims (including potential claims of any nature) relating to the Designated Plan against any of Ivaco, Ifastgroupe (the limited partnership and its general partner and IFC) (collectively "**Ifastgroupe**") and IRM (the limited partnership and its general partner) (collectively "**IRM**"), or any of their subsidiaries and affiliates, or against the Monitor, or against any of the former or present directors, officers, agents, employees, professional advisors, or creditors of any of the foregoing (collectively, the "**Ivaco Group**") on the following basis.

An Order will be sought in the CCAA proceedings, on the consent of the Superintendent, the Administrator, and NB and on such notice (including by means of giving notice and making such representation orders, if any, as the Court determines to be sufficient in respect of all persons identifiable as being presently or contingently entitled to the receipt of any pension, benefits or other entitlements under the Designated Plan, (the "**Plan Beneficiaries**") and with the support of the Monitor and with an undertaking by the Superintendent to withdraw the Supreme Court of Canada appeal on a without costs basis to all parties, including costs at the Court of Appeal, if the Orders referred to herein are made and become final. The Order referred to above shall provide for the matters referred to in paragraphs 1 to 4 hereof as follows:

1. Ordering and approving a payment in the amount of $243,090.80 by the Monitor (the "**Designated Pension Payment**"), to be allocated among the Ivaco estates as follows:

(i)	Ivaco	$243,090.80
(ii)	Ifastgroupe	0
(iii)	IRM	0

2. Ordering that the Monitor shall pay to the Administrator, the Designated Pension Payment on the later of:

   I. The date the Orders referred to herein become final; and

   II. The earlier of:

      (i) in the case of IRM and Ifastgroupe (including IFC), the date on which distributions to unsecured creditors are made pursuant to a Plan of Arrangement (or, with respect to Ifastgroupe, alternatively pursuant to court order) to creditors of those debtors, respectively; and

35

(ii) October 31, 2007.

Despite anything contained herein, either of the Superintendent or the Administrator may terminate this agreement in the event that the Designated Pension Payment is not paid by the Monitor on or before October 31, 2007. In the event that either the Superintendent or the Administrator terminates this Agreement, then this Agreement shall be null and void and deemed never to have been made. This provision is for the sole benefit of the Superintendent and the Administrator and may be waived by them jointly (and not individually) on such terms as they may agree.

3. Releasing the Superintendent, the Administrator, and RBC Dexia Investor Services Trust and their respective agents, employees, professional advisors, and actuaries from all liability in respect of the Designated Plan and its administration, provided that such release shall not affect the obligations hereunder.

4. Ordering that the Superintendent and the Administrator (collectively the "**Pension Parties**") are forever stayed from pursuing, and barring and discharging, all claims (liquidated or unliquidated, proven or unproven, in the nature of damages or otherwise, and whether or not asserted and whether arising under statute, civil law, common law or otherwise in any jurisdiction) relating to the Designated Plan, any obligation to contribute to or to provide pensions, benefits or other entitlements under the Designated Plan or the wind-up of the Designated Plan against the Ivaco Group or any of them or any of the property or assets of the Ivaco Group or any of them, and against any other person who might make a claim over or for contribution or indemnity against any of the Ivaco Group or any of their assets relating to the Designated Plan, including without limitation claims by way of debt, for priority, for liens, for trust obligations (deemed or otherwise) or in the nature of damages by any of the Pension Parties (or, as applicable, their heirs, executors, successors and assigns or legal personal representatives) or any of them, provided that the foregoing provisions of this paragraph shall not affect the Designated Pension Payment. For greater certainty, neither of the Pension Parties will be entitled to claim as a creditor or to have standing in any further proceedings or distributions relating to the Ivaco Group or any member thereof, other than for the enforcement of this settlement.

The above Order and the related undertakings are to be in form and substance satisfactory to the Superintendent, the Administrator and NB, acting reasonably.

It is also a specific requirement of NB (and a condition to its agreement hereto) that the Court also order (in form and substance satisfactory to NB) that the Plan Beneficiaries are forever stayed from pursuing, and barring and discharging, all claims (liquidated or unliquidated, proven or unproven, in the nature of damages or otherwise, and whether or not asserted and whether arising under statute, civil law, common law or otherwise in any jurisdiction) relating to the Designated Plan, any obligation to contribute to or to provide pensions, benefits or other entitlements under the Designated Plan or the wind-up of the Designated Plan against the Ivaco Group or any of them or any of the property or assets of the Ivaco Group or any of them, and against any other person who might make a claim over or for contribution or indemnity against any of the Ivaco Group or any of their assets relating to the Designated Plan, including without limitation claims by way of debt, for priority, for liens, for trust obligations (deemed or otherwise) or in the nature of damages by any of the Plan Beneficiaries (or, as applicable, their heirs, executors, successors and assigns or legal personal representatives) or any of them, provided that the foregoing provisions of this paragraph shall not affect (i) the Designated Pension Payment or (ii) any Plan Beneficiaries in respect of any claims unrelated to the Designated Plan (including claims for supplemental pension benefits under any unregistered pension plan or post-retirement non-pension benefits that are triggered by, or depend upon, the payment of pension benefits to any such Plan Beneficiary under the Designated Plan, but are not themselves obligations or entitlements to be paid pursuant to or in respect of the Designated Plan).

All parties will co-operate in obtaining such further orders as may be needed that include such terms and conditions as the parties may reasonably request in order to facilitate:

I. an immediate distribution of not less than $56,000,000 to the unsecured creditors (other than the Pension Parties and the Plan Beneficiaries) of Ifastgroupe (the limited partnership and its general partner and IFC) (pursuant to a Plan of Arrangement or court order) and $131,500,000 to the unsecured creditors (other than the Pension Parties and the Plan Beneficiaries) of IRM (the limited partnership and its general partner) pursuant to a Plan of Arrangement; and

II. an immediate payment from Ivaco of the balance of National Bank's secured claim against Ivaco.

All parties to the Supreme Court of Canada appeal will take and consent to the steps necessary (including signing consents to a motion) to extend all deadlines for the filing of materials (including for any motion by the Administrator to intervene) to November 30, 2007 or such later date as may be agreed or ordered by the Supreme Court.

It is also a condition hereof that the Court Order provide that Ifastgroupe and IRM and their property and assets cannot be subject to any claims of any nature whatsoever by anyone whatsoever (including, without limitation, assertions of joint and several liability) in respect of the Docap Plan and that IRM and its property and assets cannot be subject to any claims of any nature whatsoever by anyone whatsoever (including, without limitation, assertions of joint and several liability) in respect of the Ingersoll Plan. The completion of each of these settlements just mentioned and this settlement shall each be conditional on the others being completed in accordance with their respective terms, failing which this Agreement shall terminate.

It is understood and agreed that this Settlement may be executed in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA, by its counsel Fasken Martineau DuMoulin LLP	18/09/07 (DATE)
SUPERINTENDENT OF FINANCIAL SERVICES, by its counsel Goodmans LLP	(DATE)
PRICEWATERHOUSECOOPERS INC., in its capacity as the Administrator of the Salaried Plan, by its counsel Goodmans LLP	(DATE)

GOODMANS\\5487094.5

NATIONAL BANK OF CANADA, by its counsel Fasken Martineau DuMoulin LLP — (DATE)

Superintendent of Financial Services by Goodmans LLP — Sept. 18, 2007

SUPERINTENDENT OF FINANCIAL SERVICES, by its counsel Goodmans LLP — (DATE)

PricewaterhouseCoopers Inc. by Goodmans LLP — Sept. 18, 2007

PRICEWATERHOUSECOOPERS INC., in its capacity as the Administrator of the Salaried Plan, by its counsel Goodmans LLP — (DATE)

GOODMANS\\5487094.5

APPENDIX D

MINUTES OF SETTLEMENT

Private & Confidential

August 22, 2007

The Superintendent of Financial Services of Ontario (the "**Superintendent**") including as Administrator of the Pension Benefits Guarantee Fund, PricewaterhouseCoopers Inc., in its capacity as the Administrator (the "**Administrator**") of the Pension Plan for the Ingersoll Employees of Ifastgroupe Inc., Ingersoll Fasteners Division, CRA Registration Number 1048669 (the "**Ingersoll Plan**") and certain members of the Informal Advisory Committee (the "**IAC**") are prepared to settle all claims (including potential claims of any nature) relating to the Ingersoll Plan against any of Ivaco, Ifastgroupe (the limited partnership and its general partner and IFC) (collectively "**Ifastgroupe**") and IRM (the limited partnership and its general partner) (collectively "**IRM**"), or any of their subsidiaries and affiliates, or against the Monitor, or against any of the former or present directors, officers, agents, employees, professional advisors, or creditors of any of the foregoing (collectively, the "**Ivaco Group**") on the following basis.

An Order will be sought in the CCAA proceedings, on the consent of the Superintendent, the Administrator, and the members of the IAC and on such notice (including by means of giving notice and making such representation orders, if any, as the Court determines to be sufficient in respect of all persons identifiable as being presently or contingently entitled to the receipt of any pension, benefits or other entitlements under the Ingersoll Plan, (the "**Plan Beneficiaries**") and with the support of the Monitor and with an undertaking by the Superintendent to withdraw the Supreme Court of Canada appeal on a without costs basis to all parties, including costs at the Court of Appeal, if the Orders referred to herein are made and become final. The Order referred to above shall provide for the matters referred to in paragraphs 1 to 4 hereof as follows:

1. Ordering and approving a payment in the amount of $1,262,892.60 by the Monitor (the "**Ingersoll Pension Payment**"), to be allocated among the Ivaco estates as follows:

(i)	Ivaco	0
(ii)	Ifastgroupe	$1,262,892.60
(iii)	IRM	0

2. Ordering that the Monitor shall pay to the Administrator the Ingersoll Pension Payment on the later of:

   I. The date the Orders referred to herein become final; and

   II. The earlier of:

      (i) in the case of IRM and Ifastgroupe (including IFC), the date on which distributions to unsecured creditors are made pursuant to a Plan of Arrangement (or, with respect to Ifastgroupe, alternately pursuant to court order) to creditors of those debtors, respectively; and

(ii) October 31, 2007.

Despite anything contained herein, either of the Superintendent or the Administrator may terminate this agreement in the event that the Ingersoll Pension Payment is not paid by the Monitor on or before October 31, 2007. In the event that either the Superintendent or the Administrator terminates this Agreement, then this Agreement shall be null and void and deemed never to have been made. This provision is for the sole benefit of the Superintendent and the Administrator and may be waived by them jointly (and not individually) on such terms as they may agree.

3. Releasing the Superintendent, the Administrator, and RBC Dexia Investor Services Trust and their respective agents, employees, professional advisors, and actuaries from all liability in respect of the Ingersoll Plan and its administration, provided that such release shall not affect the obligations hereunder.

4. Ordering that the Superintendent and the Administrator (collectively the "**Pension Parties**") are forever stayed from pursuing, and barring and discharging, all claims (liquidated or unliquidated, proven or unproven, in the nature of damages or otherwise, and whether or not asserted and whether arising under statute, civil law, common law or otherwise in any jurisdiction) relating to the Ingersoll Plan, any obligation to contribute to or to provide pensions, benefits or other entitlements under the Ingersoll Plan or the wind-up of the Ingersoll Plan against the Ivaco Group or any of them or any of the property or assets of the Ivaco Group or any of them, and against any other person who might make a claim over or for contribution or indemnity against any of the Ivaco Group or any of their assets relating to the Ingersoll Plan, including without limitation claims by way of debt, for priority, for liens, for trust obligations (deemed or otherwise) or in the nature of damages by any of the Pension Parties (or, as applicable, their heirs, executors, successors and assigns or legal personal representatives) or any of them, provided that the foregoing provisions of this paragraph shall not affect the Ingersoll Pension Payment. For greater certainty, neither of the Pension Parties will be entitled to claim as a creditor or to have standing in any further proceedings or distributions relating to the Ivaco Group or any member thereof, other than for the enforcement of this settlement.

The above Order and the related undertakings are to be in form and substance satisfactory to the Superintendent, the Administrator and the members of the IAC, acting reasonably.

It is also a specific requirement of the IAC (and a condition to its agreement hereto) that the Court also order (in form and substance satisfactory to the IAC) that the Plan Beneficiaries are forever stayed from pursuing, and barring and discharging, all claims (liquidated or unliquidated, proven or unproven, in the nature of damages or otherwise, and whether or not asserted and whether arising under statute, civil law, common law or otherwise in any jurisdiction) relating to the Ingersoll Plan, any obligation to contribute to or to provide pensions, benefits or other entitlements under the Ingersoll Plan or the wind-up of the Ingersoll Plan against the Ivaco Group or any of them or any of the property or assets of the Ivaco Group or any of them, and against any other person who might make a claim over or for contribution or indemnity against any of the Ivaco Group or any of their assets relating to the Ingersoll Plan, including without limitation claims by way of debt, for priority, for liens, for trust obligations (deemed or otherwise) or in the nature of damages by any of the Plan Beneficiaries (or, as applicable, their heirs, executors, successors and assigns or legal personal representatives) or any of them, provided that the foregoing provisions of this paragraph shall not affect (i) the Ingersoll Pension Payment or (ii) any Plan Beneficiaries in respect of any claims unrelated to the Ingersoll Plan (including claims for supplemental pension benefits under any unregistered pension plan or post-retirement non-pension benefits that are triggered by, or depend upon, the payment of pension benefits to any such Plan Beneficiary under the Ingersoll Plan, but are not themselves obligations or entitlements to be paid pursuant to or in respect of the Ingersoll Plan).

All parties will co-operate in obtaining such further orders as may be needed that include such terms and conditions as the parties may reasonably request in order to facilitate:

I. an immediate distribution of not less than $56,000,000 to the unsecured creditors (other than the Pension Parties and the Plan Beneficiaries) of Ifastgroupe (the limited partnership and its general partner and IFC) (pursuant to a Plan of Arrangement or court order) and $131,500,000 to the unsecured creditors (other than the Pension Parties and the Plan Beneficiaries) of IRM (the limited partnership and its general partner) pursuant to a Plan of Arrangement; and

II. an immediate payment from Ivaco of the balance of National Bank's secured claim against Ivaco.

All parties to the Supreme Court of Canada appeal will take and consent to the steps necessary (including signing consents to a motion) to extend all deadlines for the filing of materials (including for any motion by the Administrator to intervene) to November 30, 2007 or such later date as may be agreed or ordered by the Supreme Court.

It is also a condition hereof that the Court Order provide that Ifastgroupe and IRM and their property and assets cannot be subject to any claims of any nature whatsoever by anyone whatsoever (including, without limitation, assertions of joint and several liability) in respect of the Docap Plan and that IRM and its property and assets cannot be subject to any claims of any nature whatsoever by anyone whatsoever (including, without limitation, assertions of joint and several liability) in respect of the Designated Plan. The completion of each of these settlements just mentioned and this settlement shall each be conditional on the others being completed in accordance with their respective terms, failing which this Agreement shall terminate.

It is understood and agreed that this Settlement may be executed in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution, and that executed versions sent by facsimile or electronic mail shall be deemed to be original versions.

NATIONAL BANK OF CANADA,
by its counsel Fasken Martineau DuMoulin LLP

18/09/07
(DATE)

SUPERINTENDENT OF FINANCIAL SERVICES, by its counsel Goodmans LLP

(DATE)

PRICEWATERHOUSECOOPERS INC., in its capacity as the Administrator of the Ingersoll Plan, by its counsel Goodmans LLP

(DATE)

GOODMANS\\5487097.7

NATIONAL BANK OF CANADA, by its counsel Fasken Martineau DuMoulin LLP — (DATE)

Superintendent of Financial Services — Sept. 18, 2007

SUPERINTENDENT OF FINANCIAL SERVICES, by its counsel Goodmans LLP by Goodmans — (DATE)

PricewaterhouseCoopers Inc by Goodmans — Sept 18, 2007

PRICEWATERHOUSECOOPERS INC., in its capacity as the Administrator of the Ingersoll Plan, by its counsel Goodmans LLP — (DATE)

GOODMANS\\5487097.7