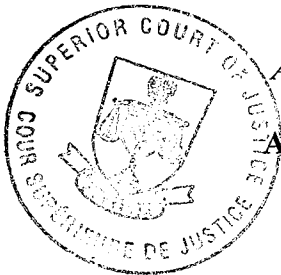


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) WEDNESDAY, THE 21ST DAY
OF JANUARY, 2009
)
JUSTICE CAMPBELL)



**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 NMC CANADA, INC. AND
2515080 NOVA SCOTIA COMPANY**

Applicants

INITIAL ORDER

THIS APPLICATION, made by NMC Canada, Inc. ("NMC") and 2515080 Nova Scotia Company ("2515080") (collectively, the "Applicants" and any one, an "Applicant"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Chen sworn January 21, 2009 (the "**Chen Affidavit**") and the Exhibits thereto and the report of RSM Richter Inc. ("**Richter**") as the proposed monitor in these proceedings (the "**Monitor**"), and on hearing the submissions of counsel for the Applicants, and counsel for Richter, Comerica Bank ("**Comerica**"), the Customers (as defined below), General Motors Corporation ("**GM**"), the National Automobile, Aerospace, Transportation and General Workers of Canada and its Local 1285 (the "**CAW**"), the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union (the "**USW**") and the Teamsters Local Union No. 419 (the "**Teamsters**" and, together with the CAW and USW, the "**Unions**" and, any one, a "**Union**"), no one else on the Service List appearing and on reading the consent of Richter to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are debtor companies to which the CCAA applies. Although not an Applicant, this Court further orders and declares that SKD Company, as the general partnership through which the Applicants carry on business (“SKD Company”, and together with the Applicants, the “CCAA Parties”, and any one, a “CCAA Party”), shall enjoy the benefits of the protections provided by this Order and shall be treated as if an applicant under this Order.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the “Plan”) between, *inter alia*, the CCAA Parties or any of them and one or more classes of their secured and/or unsecured creditors, as they deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the CCAA Parties shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Property”). Subject to further Order of this Court, the CCAA Parties shall continue to carry on business in a manner consistent with the preservation of their businesses (the business of the CCAA Parties, collectively, the “Business”) and Property. The CCAA Parties shall be authorized and empowered to continue to retain and employ the employees, consultants, financial advisors, agents, experts, accountants, counsel, appraisers and such other persons (collectively, “Assistants”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably

necessary or desirable in the ordinary course of business, for the carrying out of the terms of this Order or to assist the CCAA Parties with their restructuring activities as contemplated by this Order.

5. THIS COURT ORDERS that the CCAA Parties shall be entitled to continue to utilize their existing bank accounts and any other bank accounts permitted under the Forbearance Agreement (as defined below) (the “**Bank Accounts**”) and that all banks in which the CCAA Parties maintain any Bank Account are authorized and directed to continue to maintain, service and administer the Bank Accounts in accordance with the documents governing the Bank Accounts.

6. THIS COURT ORDERS that the CCAA Parties are authorized and empowered to continue to manage their cash and cash equivalents and transfer funds among their respective Bank Accounts pursuant to the cash management system currently in place, as described in the Chen Affidavit, or replace it with another substantially similar central cash management system satisfactory to Comerica (the “**Cash Management System**”), and that any present or future bank providing or participating in the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the CCAA Parties and Comerica pursuant to the terms of the documentation applicable to the Bank Accounts and the Cash Management System, and shall be, in their capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Bank Accounts and the Cash Management System and that the CCAA Parties may use the funds standing to their credit from time to time in their bank accounts within the Cash Management System.

7. THIS COURT ORDERS that the CCAA Parties shall be entitled but not required to pay the following expenses, whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, contributions to registered retirement pension plans, bonuses, expenses and retention plan payments pursuant to plans and programs currently in place payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with or pursuant to existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the CCAA Parties in respect of these proceedings, at their standard rates and charges.

8. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the CCAA Parties shall be entitled but not required to pay all reasonable expenses incurred by the CCAA Parties to carry on and preserve the Business in the ordinary course from and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of and operation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the CCAA Parties following the date of this Order.

9. THIS COURT ORDERS that the CCAA Parties, as applicable, shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the CCAA Parties in connection with the sale of goods and services by the CCAA Parties; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the CCAA Parties.

10. THIS COURT ORDERS that the CCAA Parties may pay to SKD Automotive Group, Limited Partnership (“**SKD AG**”) and to SKD, L.P., the amounts described in the Chen Affidavit in respect of the head office management, accounting, record-keeping, budgeting, financial reporting, cash management, payroll, human resources, information technology, purchasing, sales, engineering, research and development and other administrative functions provided by SKD AG and SKD L.P. to the CCAA Parties, unless objected to by the Monitor.

11. THIS COURT ORDERS that until such time as a CCAA Party repudiates a real property lease in accordance with paragraph 13(c) of this Order, such CCAA Party shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated by such CCAA Party from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, or the next business day thereafter, in advance (but not in arrears).

12. THIS COURT ORDERS that, except as specifically permitted under this Order, the CCAA Parties are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the CCAA Parties to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

13. THIS COURT ORDERS that the CCAA Parties shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and, subject to the prior consent of Comerica, to dispose of redundant or non-material assets, which are currently not used in the production of component parts for any of the Customers: (i) not exceeding \$100,000 in any one transaction; or (ii) with the consent of the Monitor, not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate, subject to paragraph 13(c), if applicable; and for further certainty the proceeds of sale of these assets shall remain subject to the terms of any valid and existing liens and security interests affecting the Property and its proceeds;
- (b) subject to any applicable seniority provisions of any applicable collective bargaining agreement, or as may be agreed between SKD Company and the applicable collective bargaining unit, terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the CCAA Parties and such employee or, failing such agreement, to deal with the consequences thereof in the Plan;
- (c) in accordance with paragraphs 14 and 15, vacate, abandon or quit any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days' notice in writing to the relevant landlord or on such terms as may be agreed upon between an applicable CCAA Party and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan;
- (d) repudiate such of their arrangements or agreements of any nature whatsoever, whether oral or written, as the CCAA Parties deem appropriate on such terms as may be agreed upon between the applicable CCAA Party and such counterparties, or failing such agreement, to deal with the consequences thereof in the

Plan, and to negotiate any new or replacement arrangements or agreements as the applicable CCAA Party deems appropriate (provided that the Monitor does not object to such new or replacement arrangements or agreements); provided that, notwithstanding this paragraph, SKD Company shall not repudiate any collective bargaining agreement with any Union; and

- (e) pursue avenues of refinancing and restructuring and the sale of material parts of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by paragraph 13(a), above);

all of the foregoing to permit the CCAA Parties to proceed with an orderly restructuring, sale or wind down of the Business (the “**Restructuring**”).

14. THIS COURT ORDERS that the applicable CCAA Party shall provide each of the relevant landlords with notice of their intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes a CCAA Party’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable CCAA Party, or by further Order of this Court upon application by the CCAA Parties on at least two (2) days’ notice to such landlord and any such secured creditors. If a CCAA Party repudiates the lease governing such leased premises in accordance with paragraph 13(c) of this Order, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to the CCAA Party’s claim to the fixtures in dispute.

15. THIS COURT ORDERS that if a lease is repudiated by a CCAA Party in accordance with paragraph 13(c) of this Order, then (a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable CCAA Party and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any

claims or rights such landlord may have against the applicable CCAA Party in respect of such lease or leased premises and such landlord shall be entitled to notify the applicable CCAA Party of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

16. THIS COURT ORDERS that, subject to the other provisions of this Order (including the payment of Rent as herein provided) and any further Order of this Court, the CCAA Parties shall be permitted to dispose of any or all of the Property located (or formerly located) at such leased premises without any interference of any kind from landlords (notwithstanding the terms of any leases) and, for greater certainty, the CCAA Parties shall have the right to realize upon the Property and other assets in such manner and at such locations, including leased premises, as it deems suitable or desirable for the purpose of maximizing the proceeds and recovery therefrom.

NO PROCEEDINGS AGAINST THE CCAA PARTIES OR THE PROPERTY

17. THIS COURT ORDERS that until and including February 19, 2009 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the CCAA Parties or the Monitor, or affecting any of the Business or the Property, except with the written consent of the CCAA Parties and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CCAA Parties or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, nothing in this Order shall stay the exercise by Comerica of any of its rights or remedies under the Credit Agreement or the Loan Documents (as defined below), provided however that Comerica shall provide notice to the CCAA Parties, the Customers and the Monitor in accordance with paragraph 38(b).

18. THIS COURT ORDERS that no proceeding, enforcement process or any other remedy available to the judgment creditors Roberto Costantino and Tony Wong (the "**Judgment Creditors**") pursuant to the Judgment issued in Action 06 CV 308 185 PD1 commenced at Toronto (the "**Judgment**") shall be commenced or continued as against the CCAA Parties or the

Property, including with respect to any amounts payable to the CCAA Parties by the Customers (as defined below) and GM, including, without limitation, that:

- (a) the effect of any notices of garnishment issued by the Judgment Creditors and served on any Person, including the Customers (as defined below) and GM, under the Judgment (the “**Notices of Garnishment**”) is hereby stayed;
- (b) the expiry of any time periods under the Notices of Garnishment for the filing of garnishees’ statements is hereby stayed and any Persons having been served with the Notices of Garnishment, including the Customers (as defined below) and GM (collectively, the “**Garnishees**”), are hereby relieved of any requirement to file with the Court garnishee’s statements with respect to the Notices of Garnishment;
- (c) five (5) days after this order has been served on the Sheriff for the Regional Municipality of Halton (the “**Sheriff**”) and the Judgment Creditors in accordance with sub-paragraph (d) below, the Garnishees are authorized and empowered to continue to make all payments of any amounts owing to any of the CCAA Parties directly to the CCAA Parties, rather than to the Sheriff, without regard to the Notices of Garnishment, shall incur no liability to the Judgment Creditors by doing so, shall be relieved of any obligations the Garnishees may have had under the Notices of Garnishment, and upon payment of amounts by the Garnishees to the CCAA Parties, the liabilities of the Garnishees to the Judgment Creditors, or to the CCAA Parties in respect of the amounts paid to the CCAA Parties, is extinguished; and
- (d) the CCAA Parties are hereby directed to deliver a copy of this Order to the Sheriff, as well as to counsel for the Judgment Creditors, with a cover letter advising that all proceedings, enforcement processes or any other remedy available in relation to the Judgment, including the enforcement of the Notices of Garnishment against any Person, including the Garnishees, have been stayed pursuant to this Order.

NO EXERCISE OF RIGHTS OR REMEDIES

19. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, partnership, governmental body or agency, or any other persons or entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the CCAA Parties or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the CCAA Parties and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the CCAA Parties to carry on any business which the CCAA Parties are not lawfully entitled to carry on, (ii) exempt the CCAA Parties from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the filing of any grievance pursuant to the *Labour Relations Act, 1995* or any collective agreements, provided that, subject to further order of the Court, no further steps of any kind shall be taken pursuant to or in connection with any such grievance by any party (for greater certainty, neither the CCAA Parties nor any other party shall be obligated to file any form of response or reply to any such grievance, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

20. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the CCAA Parties, except with the written consent of the CCAA Parties and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

21. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with any of the CCAA Parties or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all raw materials, metals, components, subcomponents, tools and tooling, dies, tests and assembly fixtures, gauges, jigs, computer software, communication and other data services, centralized and other banking services, payroll services, customs, customs brokerage (or similar) services, insurance, transportation, shipping services, utilities, gas, electricity and other services to the Business, or any of the CCAA Parties, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, utilities, gas and electricity as may be required by any of the CCAA Parties, and that the CCAA Parties shall be entitled to the continued use of their current premises, utilities, telephone numbers, facsimile numbers, internet

addresses and domain names, provided in each case that the normal prices or charges for all such goods, services, utilities, gas and electricity received after the date of this Order are paid by the CCAA Parties in accordance with normal payment practices of the CCAA Parties or such other practices as may be agreed upon by the supplier, utility provider or service provider and each of the CCAA Parties and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

22. THIS COURT ORDERS that, notwithstanding anything else contained herein, no creditor of any of the CCAA Parties shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to any CCAA Party. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA, provided however that, except as provided in the Accommodation Agreement, any Person that seeks to advance a claim of, or analogous to set-off or equitable set-off to justify the non-payment of any existing or accruing debt to any of the CCAA Parties shall advise the CCAA Parties and the Monitor in writing prior to so doing so as to enable the CCAA Parties to have the validity of the set-off adjudicated upon by this Honourable Court on an urgent basis if so advised.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the CCAA Parties whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses (i) relating to the failure of any CCAA Party, after

the date hereof, to make payments of the nature referred to in subparagraphs 7(a), 9(a), 9(b) and 9(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants, and (ii) which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants from and after the date of this Order (each, and any of (i) and (ii) , a “**D&O Claim**”), including without limitation, by reason of the Restructuring or in relation to any Plan, except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

25. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property of the Applicants, which charge shall not exceed an aggregate amount of \$3,000,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 45 and 47 herein. The Applicants’ directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

26. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge.

APPOINTMENT OF MONITOR

27. THIS COURT ORDERS that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, SKD Company and the Assistants shall advise the Monitor of all material steps taken by the CCAA Parties pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

28. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Restructuring, the Sales Process (as defined below) and such other matters as may be relevant to the proceedings herein;
- (b) monitor and review the CCAA Parties' receipts and disbursements;
- (c) monitor and review any transactions and obligations between the CCAA Parties and any affiliated entities or partnerships;
- (d) assist the CCAA Parties in preparing the cash flow projections, budgets and any other reporting or information they may require in relation to the Business and the Property, and to report to Comerica and the Customers (as defined below) as required in relation to the Forbearance Agreement and the Accommodation Agreement (each as defined below), which information shall be reviewed with the Monitor;
- (e) assist the CCAA Parties in their dissemination to Comerica and its counsel of financial and other information requested by Comerica and as otherwise required by the CCAA Parties, which may be used by the CCAA Parties in these proceedings;
- (f) assist the CCAA Parties, to the extent required by the CCAA Parties, in dealing with their respective creditors, customers, vendors and other interested Persons;
- (g) with the assistance of the CCAA Parties, conduct the Sales Process as provided for in this Order and report to this Court in relation to the status of the Sales Process from time to time as it considers appropriate;
- (h) advise the Applicants in their development of the Plan and any amendments to the Plan and, to the extent required by the CCAA Parties in their negotiations with creditors, customers, vendors and other interested Persons;

- (i) assist the CCAA Parties with their financing and restructuring activities to the extent required by the CCAA Parties;
- (j) carry out the responsibilities of the Monitor under the Accommodation Agreement and, to the extent requested by the CCAA Parties, to otherwise assist the CCAA Parties in the performance of their obligations under the Accommodation Agreement and the Access Agreement (each as defined below and together, the “**Customer Agreements**”);
- (k) give any consent or approval as is contemplated by this Order and any other orders made in this proceeding;
- (l) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors’ or shareholders’ meetings for voting on the Plan;
- (m) have full and complete access to the books, records and management, employees and advisors of the CCAA Parties and to the Business and the Property to the extent required to perform its duties arising under this Order;
- (n) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (o) be at liberty to serve as a “foreign representative” of any of the CCAA Parties in any proceeding outside of Canada, including if deemed advisable by the CCAA Parties and the Monitor, to file Chapter 15 proceedings as a foreign representative of the CCAA Parties;
- (p) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan; and
- (q) perform such other duties as are required by this Order or by this Court from time to time.

29. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

30. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law or guideline respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. THIS COURT ORDERS that the Monitor shall provide any creditor of the CCAA Parties with information provided by the CCAA Parties in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the CCAA Parties is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the CCAA Parties may agree.

32. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or

obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

PAYMENT OF FEES AND ADMINISTRATION CHARGE

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the CCAA Parties shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, by the CCAA Parties as part of the costs of these proceedings. The CCAA Parties are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis.

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall undertake a final assessment of their accounts, if requested by the Applicants, or as directed by this Court pursuant to a request made by a creditor of the CCAA Parties, and for this purpose such accounts are referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the CCAA Parties and the financial advisor to the CCAA Parties, Conway MacKenzie, Inc. (collectively, the “**Professionals**”) shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their unpaid professional fees and disbursements incurred at the standard rates and charges of such Professionals, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

COMERICA FACILITY

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) SKD Company is authorized and empowered to continue to borrow under the revolving credit agreement among Comerica and SKD Company (as Canadian

borrower), SKD AG (as US Borrower) and SKD, L.P., EASSA Mexico, S de R.I. de C.V., SKD de Mexico, S de R.I. de C.V. and the Applicants (as additional loan parties) made December 14, 2004, as subsequently amended, modified and supplemented, most recently pursuant to the Forbearance Agreement (defined below), including, without limitation, in relation to the subordinated participations in the Comerica loan facility purchased or to be purchased by the Customers in relation to the Customer Operations Funding (as described in the Chen Affidavit) in accordance with the Amended and Restated Subordinated Participation Agreement (as described in the Chen Affidavit) (the “**Credit Agreement**”);

- (b) the CCAA Parties are authorized and directed to perform all obligations to Comerica under the Credit Agreement and any security or other documents contemplated thereby, including those relating to the Customer Operations Funding (as defined below), whether arising before or after the making of this Order as and when the same become due and are to be performed, but subject to the priority set out in paragraph 45 hereof (the “**Loan Documents**”); and
- (c) the CCAA Parties are authorized, empowered and directed to enter into and perform their obligations under a certain forbearance agreement, substantially in the form of the agreement attached as Exhibit “H” to the Chen Affidavit (the “**Forbearance Agreement**”) to which the CCAA Parties are party, and are directed and shall comply with the Loan Documents and the Forbearance Agreement and shall make all payments to Comerica provided for under the Forbearance Agreement and Loan Documents, including without limitation, in relation to the Customer Operations Funding (as defined below).

37. THIS COURT ORDERS that Comerica shall be entitled to the benefits of and is hereby granted a charge (the “**Comerica Charge**”) as security for the existing and future obligations of the CCAA Parties to Comerica under the Credit Agreement and Loan Documents, which charge shall not exceed the aggregate amount owed to Comerica under the Credit Agreement and Loan Documents. The Comerica Charge shall have the priority set out in paragraphs 45 and 47 hereof.

38. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) Comerica may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Comerica Charge;
- (b) subject to the terms of the Customer Agreements, the Forbearance Agreement and the Credit Agreement, Comerica may (i) without notice to the CCAA Parties or any other Person cease making advances to SKD Company and set off and/or consolidate any amounts owing by Comerica to the CCAA Parties, other than in relation to amounts deposited to the Trust Accounts (as defined in the Forbearance Agreement) in accordance with the Forbearance Agreement, against the obligations of the CCAA Parties to Comerica under the Credit Agreement, the Loan Documents or the Comerica Charge, and (ii) upon the occurrence of a default (other than an Existing Default as defined in the Forbearance Agreement) under the Credit Agreement and the Loan Documents, and upon two (2) business days notice to the CCAA Parties, the Customers and the Monitor, exercise any and all of its rights and remedies against the CCAA Parties or the Property under or pursuant to the Forbearance Agreement, the Credit Agreement, the Loan Documents and the Comerica Charge, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the CCAA Parties or for the appointment of a trustee in bankruptcy of the CCAA Parties, but subject to the priorities as set out in paragraphs 45 and 47 of this Order; and
- (c) the foregoing rights and remedies of Comerica shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the CCAA Parties or the Property.

39. THIS COURT ORDERS AND DECLARES that Comerica shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by any of the CCAA Parties under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Credit Agreement or the Loan Documents.

CUSTOMER ACCOMMODATION AND ACCESS AGREEMENTS

40. THIS COURT ORDERS that notwithstanding any other provision of this Order, the CCAA Parties be and they are hereby authorized, empowered and directed to enter into and perform their obligations under a certain accommodation agreement, substantially in the form of the agreement attached as Exhibit “J” to the Chen Affidavit (the “**Accommodation Agreement**”) among SKD Company, Ford Motor Company, Chrysler Canada Inc., Chrysler LLC, on behalf of itself and Chrysler Motors LLC, Honda of America Mfg., Inc., for itself and on behalf of Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, the “**Customers**”) and Comerica.

41. THIS COURT ORDERS that the Accommodation Agreement and the exhibits thereto, including, without limitation (i) an access agreement, substantially in the form of the agreement among SKD Company and the Customers attached as Exhibit B to the Accommodation Agreement (the “**Access Agreement**”), (ii) the Customer Operations Funding (as defined in and to be provided under the Accommodation Agreement), and (iii) the transactions contemplated by the Accommodation Agreement (the “**Accommodation Agreement Transactions**”), be and they are hereby approved.

42. THIS COURT ORDERS that in completing the Accommodation Agreement Transactions, the CCAA Parties, and the Monitor, subject to the terms and conditions of the Accommodation Agreement, are hereby authorized to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Accommodation Agreement Transactions as the CCAA Parties, in their discretion, may deem to be reasonably necessary or advisable to complete the Accommodation Agreement Transactions and to take such steps as are necessary or incidental for the completion thereof.

43. THIS COURT ORDERS that the CCAA Parties be and they are hereby authorized, empowered and directed to enter into and perform their obligations under the Access Agreement and enter into and complete the transactions contemplated by the Access Agreement (the “**Access Agreement Transactions**”) and to grant the security interests provided for under the Access Agreement (the “**Customers’ Security**”) in accordance with the Access Agreement and

with such amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Access Agreement.

44. THIS COURT ORDERS that in completing the Access Agreement Transactions, the CCAA Parties, subject to the terms and conditions of the Access Agreement, are hereby authorized and directed to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Access Agreement Transactions as each of the CCAA Parties, in their discretion, may deem to be reasonably necessary or advisable to complete the Access Agreement Transactions and to take such steps as are necessary or incidental for the completion thereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. THIS COURT ORDERS that the priorities of the Administration Charge, the Directors' Charge, and the Comerica Charge shall be as follows:

- (i) First – the Administration Charge;
- (ii) Second – the Directors' Charge to the maximum amount of \$700,000 in relation to any vacation pay obligations;
- (iii) Third – the Comerica Charge, but excluding that portion of the Comerica Indebtedness (as defined in the Accommodation Agreement) relating to the Customer Operations Funding (as defined in the Accommodation Agreement);
- (iv) Fourth - the Directors' Charge for any amount greater than \$700,000 up to the maximum amount of \$2,300,000; and
- (v) Fifth - the Comerica Charge in relation to that portion of the Comerica Indebtedness (as defined in the Accommodation Agreement) relating to the Customer Operations Funding (as defined in the Accommodation Agreement);

46. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, Directors' Charge and Comerica Charge (collectively, the "**Charges**"), as well as the Customers' Security, shall not be required, and that the Charges and the Customers' Security shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges and the Customers' Security coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. THIS COURT ORDERS that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

48. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Parties shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, or which impair a Customer's "Right of Access" under the Access Agreement, unless the CCAA Parties also obtain the prior written consent of the Monitor, the beneficiaries of the Charges, and the Customers, or a further Order of this Court made on notice to the beneficiaries of the Charges and the Customers.

49. THIS COURT ORDERS that the exercise of the rights and remedies of the beneficiaries of the Charges shall be subject to the applicable terms of the Access Agreement, including a Customer's Right of Access if exercised in accordance with the Access Agreement; provided however that the Customers' Security shall be fully released and discharged and be of no further force and effect upon the later of (i) the expiration of the Term of the Access Agreement, and (ii) in relation to any Operating Assets and Real Estate in respect of which a Right of Access has been exercised by a Customer in accordance with the Access Agreement prior to expiration of the Term of the Access Agreement, at the end of the Occupancy Period arising from the exercise of such Right of Access (with capitalized terms in this paragraph being as defined under the Access Agreement).

50. THIS COURT ORDERS that the Charges, the Forbearance Agreement, the Customer Agreements and the Customers' Security, and any payments made by the CCAA Parties pursuant

to the Charges or the Credit Agreement or pursuant to paragraph 25 of this Order (collectively, the “**Payments**”), shall not be rendered invalid or unenforceable, and the rights and remedies of any Persons receiving the Payments and the chargees entitled to the benefit of the Charges (the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any of the CCAA Parties, and notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges, nor the execution, delivery, perfection registration or performance of the Forbearance Agreement, the Customer Agreements or the Customers’ Security, shall create or be deemed to constitute a breach by an applicable CCAA Party of any Agreement to which it is a party;
- (b) none of the Chargees, or the holders of the Customers’ Security shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges or the execution, delivery or performance by the CCAA Parties of the Forbearance Agreement, the Customer Agreements or the Customers’ Security; and
- (c) any payments made by any of the CCAA Parties pursuant to this Order or the Forbearance Agreement and the granting the Charges, the Forbearance Agreement, the Customer Agreements and the Customers’ Security do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

MARKETING AND SALES PROCESS

51. THIS COURT ORDERS that the Monitor, with the assistance of CCAA Parties, will forthwith conduct a marketing and sales process (the “**Sales Process**”) with the assistance of such other professionals as it considers desirable to assist it in undertaking the Sales Process, to explore a sale of the business of SKD Company and/or the Property, as follows:

- (a) immediately following the date of this Order, the Monitor, with the assistance of the CCAA Parties, will canvass the market for interested parties and send to potentially interested parties a letter detailing this acquisition opportunity;
- (b) if considered desirable, will arrange for the placement of an advertisement in one or more newspapers providing notice of this acquisition opportunity as soon as reasonably practicable;
- (c) on or before January 22, 2009, will prepare a summarized confidential information memorandum (“**CIM**”) to be provided to interested purchasers who execute a confidentiality agreement in a form acceptable to the CCAA Parties and the Monitor (the “**Prospective Purchasers**”);
- (d) on or before January 22, 2009, will arrange for a data room, either electronic, physical or both (the “**Data Room**”);
- (e) on or before January 30, 2009, the CCAA Parties and the Monitor will prepare and make available to Prospective Purchasers, and in the electronic Data Room, a standardized form of asset purchase agreement that the Monitor will request all Prospective Purchasers to use to structure and submit their offers;
- (f) Prospective Purchasers will be required to conduct due diligence and to submit a purchase agreement to the Monitor by 4:00 p.m. (eastern time) on February 18, 2009;
- (g) the CCAA Parties, with the assistance of the Monitor, may thereafter select and settle a form of purchase agreement with one or more Prospective Purchasers;

- (h) on or about February 25, 2009, the Applicants will move to this Court for approval of any sales transaction that they wish to complete (each, a “**Transaction**”) and for any related relief, including an order vesting title (“the **Sales Approval Order**”); and
- (i) the closing of any Transaction in respect of which a Sales Approval Order is made shall be completed within two (2) business days following the making of such Order.

The Monitor shall have the ability, with the approval of the CCAA Parties, Comerica and the Customers, to modify the Sales Process, including the foregoing timetable, and to apply to this Court for any advice and directions that it may require in relation to the Sales Process.

SERVICE AND NOTICE

52. THIS COURT ORDERS that the Monitor on behalf of the Applicants shall, within ten (10) business days of the date of entry of this Order, send a letter to the known creditors of the CCAA Parties, other than employees and creditors to which the CCAA Parties owe less than \$1,000, at their addresses as they appear on the CCAA Parties’ records, advising of this Order, specifying that a copy of the Order and other materials are available on the Monitor’s website and disclosing such website, and that the Monitor, on behalf of the Applicants, shall promptly send a copy of this Order (a) to all parties filing a Notice of Appearance in respect of this Application, and (b) to any other interested Person requesting a copy of this Order; and the Monitor is relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, other than to supervise this process.

53. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials, motions and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the CCAA Parties’ creditors or other interested parties at their respective addresses as last shown on the records of the CCAA Parties, as applicable, and that (i) any such service by courier, personal delivery, facsimile or electronic transmission shall be deemed to be received (i) if delivered by or forwarded by facsimile or

electronic submission before 4 p.m. on a business day (being a day that the principal Canadian banks are open for business in Toronto), on that same day, (ii) if delivered or forwarded by facsimile or electronic submission following 4 p.m. on any day, on the next business day following the date of delivery or forwarding thereof, or (iii) if sent by ordinary mail, on the third business day after mailing, and (ii) any such service shall be deemed to be good and sufficient service.

54. THIS COURT ORDERS that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials upon counsel and any other Persons appearing on the Service List to the email addresses of counsel and such Persons as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on the Monitor's website.

GENERAL

55. DECLARES that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, any of the CCAA Parties are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisers (individually, a "**Third Party**"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with a CCAA Party binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the applicable CCAA Party, or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring, or the preparation and implementation of the Plan or a transaction in furtherance

thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the applicable CCAA Party.

56. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

57. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, SKD Company, the Business or the Property.

58. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Parties, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor as a representative of the CCAA Parties in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

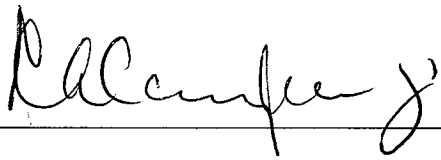
59. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

60. THIS COURT ORDERS that any interested party (including the CCAA Parties and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

61. THIS COURT ORDERS that notwithstanding paragraph 60, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the Charges unless notice of a motion for such order is served on the Applicants, the Monitor,

Comerica, the Chargees and the Customers, returnable no later than 7 days following the making of this Order.

62. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.



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

JAN 21 2009

PER / PAR: TV

**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 NMC CANADA, INC.
AND 2515080 NOVA SCOTIA COMPANY**

Applicants

Court File No. 09-CL-7960

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

INITIAL ORDER

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