PLAN OF COMPROMISE OR ARRANGEMENT

PURSUANT TO THE
***COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)**

concerning, affecting and involving

COOPER-STANDARD AUTOMOTIVE CANADA LIMITED

March 12, 2010

Tor#: 2448845.17

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Statutes of Canada, 2005, S.C. 2007, c. 36 and *An Act to Establish the Wage Earner Protection Program Act, to Amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act and to Make Consequential Amendments to Other Acts,* S.C. 2005, c. 47;

"**CCAA Proceedings**" means the proceedings under the CCAA commenced by the Debtor pursuant to the First Amended and Restated Initial Order;

"**Charge**" means a valid mortgage, charge, pledge, assignment by way of security, lien, privilege, hypothec or security interest;

"**Claim**" means any right or claim, of any Person whatsoever, whether or not asserted and however acquired, against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety, subrogation, cross-claim, counterclaim, set off or otherwise, and whether or not such right is executory in nature, including the right of any Person to advance a claim for contribution or indemnity or an equitable remedy for breach of performance or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing or discoverable prior to the Filing Date or that would have been a claim provable in bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, had the Debtor become bankrupt on the Filing Date, including, for greater certainty, any interest, fees, penalties, costs and expenses accrued, incurred or otherwise arising in connection with any such claim;

"**Creditors**" means collectively all Persons having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manger, liquidator, guardian or other Person acting on behalf of such Person;

"**Crown**" means Her Majesty the Queen in right of Canada or any province thereof;

"**Debtor**" means Cooper-Standard Automotive Canada Limited;

"**DIP Facility**" means the Debtor's superpriority senior secured credit facility, consisting of a U.S.$175,000,000 superpriority single draw term loan facility and a U.S.$25,000,000 standby uncommitted single draw term loan facility, provided by the DIP Lenders to the Debtor and the other borrowers party thereto during the CCAA Proceedings, pursuant to the DIP Financing Agreement and the First Amended and Restated Initial Order;

"**DIP Facility Claim**" means any Claim against the Debtor arising pursuant to the DIP Financing Agreement, including all Obligations;

"**DIP Financing Agent**" means (a) Deutsche Bank Trust Company Americas, in its capacity as the administrative agent, collateral agent and documentation agent under the DIP Financing Agreement and (b) Deutsche Bank Securities Inc., in its capacity as the

syndication agent, sole lead arranger and sole book runner under the DIP Financing Agreement;

"**DIP Financing Agreement**" means the debtor in possession credit agreement dated as of December 18, 2009, as amended, modified or otherwise supplemented from time to time, by and among the Debtor and the other borrowers party thereto, as the borrowers, the DIP Lenders, the other financial institutions party thereto, and the DIP Financing Agent;

"**DIP Financing Documents**" means the "Credit Documents" as defined in the DIP Financing Agreement;

"**DIP Lenders**" means the lenders under the DIP Financing Agreement, and the DIP Original Financing Agreement;

"**DIP Lenders' Charge**" has the meaning given to that term in paragraph 38 of the First Amended and Restated Initial Order;

"**DIP Original Financing Agent**" means (a) Deutsche Bank Trust Company Americas, in its capacity as the administrative agent, collateral agent and documentation agent under the DIP Original Financing Agreement; (b) Deutsche Bank Securities Inc., in its capacity as the joint lead arranger and book runner under the DIP Original Financing Agreement; (c) Banc of America Securities LLC as co-syndication agent and co-arranger under the DIP Original Financing Agreement; (d) General Electric Capital Corporation as co-syndication agent and joint lead arranger and book runner under the DIP Original Financing Agreement; and (e) UBS Securities LLC as co-syndication agent and co-arranger under the DIP Original Financing Agreement;

"**DIP Original Financing Agreement**" means the debtor in possession credit agreement, dated as of August 5, 2009, as amended, modified or otherwise supplemented from time to time, by and among Debtor Holdings and the other borrowers party thereto, as the borrowers, the lenders and other financial institutions party thereto, and the DIP Original Financing Agent, which was refinanced in full with the DIP Financing Agreement;

"**Directors**" means all individuals who are current or former directors or officers of the Debtor;

"**Directors' Charge**" has the meaning given to that term in paragraph 22 of the First Amended and Restated Initial Order;

"**Effective Date**" has the meaning given to that term in the U.S. Plan;

"**Equity Commitment Agreement**" means the Commitment Agreement dated February 1, 2010, approved by the U.S. Court by an order dated ■, 2010, [Docket No.] by and between Cooper-Standard Holdings Inc. and the Backstop Parties;

"**Filing Date**" means August 4, 2009;

"**Final Order**" means an order, ruling or judgment of the Canadian Court or any other Court of competent jurisdiction, which is not under appeal or subject to any right of appeal;

"**First Amended and Restated Initial Order**" means the initial order of the Canadian Court made on August 4, 2009, amended on August 6, 2009, and amended and restated on September 1, 2009, in the CCAA Proceedings, as same may be further amended from time to time;

"**Monitor**" means RSM Richter Inc., in its capacity as monitor of the Debtor appointed pursuant to the First Amended and Restated Initial Order;

"**New DIP Lenders' Charge**" has the meaning given to that term in paragraph 8 of the Order of the Canadian Court made in the CCAA Proceedings on December 18, 2009;

"**New Working Capital Credit Agreement**" means the new senior secured working capital credit agreement in the committed principal amount of up to U.S.$150 million, to be executed on or prior to (but effective as of) the Effective Date;

"**New Working Capital Facility**" means the New Working Capital Credit Agreement, together with the New Working Capital Facility Documents, executed in connection with or pursuant to the terms of the New Working Capital Credit Agreement, and the subject financing thereunder, to be made available on the Effective Date, and which shall be in form and substance reasonable satisfactory to the Required Backstop Parties as and to the extent required by the Equity Commitment Agreement;

"**New Working Capital Facility Documents**" means the loan documents and ancillary agreements and instruments to be executed in connection with or pursuant to the terms of the New Working Capital Credit Agreement;

"**New Secured Debt Financing Agreement**" means the new secured debt agreement in the committed principal amount of up to U.S.$400 million to be executed on or prior to (but effective as of) the Effective Date;

"**New Secured Debt Facility**" means the New Secured Debt Financing Agreement, together with the New Secured Debt Facility Documents, executed in connection with or pursuant to the terms of the New Secured Debt Financing Agreement, and the subject financing thereunder, to be made available on the Effective Date, and which shall be in form and substance reasonably satisfactory to the Required Backstop Parties as and to the extent required by the Equity Commitment Agreement;

"**New Secured Debt Facility Documents**" means the loan documents and ancillary agreements and instruments to be executed in connection with or pursuant to the terms of the New Secured Debt Financing Agreement;

"**Obligations**" has the meaning given to that term in the DIP Financing Agreement;

"**Person**" means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other juridical entity howsoever designated or constituted;

"**Plan**" means this plan of compromise or arrangement, together with all exhibits thereto, all in form and substance reasonably satisfactory to the Required Backstop Parties, as the same may be amended from time to time in accordance with the terms hereof;

"**Plan Implementation Date**" means the first Business Day immediately following the date upon which the conditions precedent to implementation of this Plan as set out in Section 7.1 have been satisfied, fulfilled or waived, and the Monitor has completed and filed its certificate in accordance with Section 7.2;

"**Prepetition Administrative Agent**" means Deutsche Bank Trust Company Americas, in its capacity as administrative agent and collateral agent under the Prepetition Credit Facility;

"**Prepetition Credit Facility**" means the credit agreement, dated as of December 23, 2004, as amended, restated, supplemented or otherwise modified from time to time, among the Debtor, Cooper-Standard Holdings Inc., Cooper-Standard Automotive Inc., Cooper-Standard Automotive International Holdings B.V., as borrowers, the Prepetition Credit Facility Lenders, the other financial institutions party thereto, including the Prepetition Credit Facility Parties, and the Prepetition Administrative Agent;

"**Prepetition Credit Facility Claim**" means any Claim against the Debtor arising under the Prepetition Credit Facility held by the Prepetition Credit Facility Lenders and/or the Prepetition Administrative Agent, and all other Claims against the Debtor arising under the Prepetition Credit Facility;

"**Prepetition Credit Facility Lenders**" means collectively, the lenders under, and as defined in, the Prepetition Credit Facility;

"**Prepetition Credit Facility Parties**" means collectively, (a) the Prepetition Credit Facility Lenders and (b) the Guaranteed Creditors, Secured Creditors, Syndication Agent, Co-Documentation Agents, and Joint Lead Arrangers and Book Runners in each case, under, and as defined in, the Prepetition Credit Facility;

"**Record Date**" means March 12, 2010;

"**Required Backstop Parties**" means those Backstop Parties representing two-thirds of the total amount of the Backstop Purchaser's Commitment Percentage (as defined in the Equity Commitment Agreement);

"**Rights Offering**" has the meaning given to that term in the U.S. Plan;

"**Rights Offering and Equity Commitment Approval Order**" has the meaning given to that term in the U.S. Plan;

"**Sanction Order**" means the Order to be sought from the Canadian Court in the CCAA Proceedings sanctioning the Plan, which Order shall be in form and substance reasonably satisfactory to the Required Backstop Parties;

"**Stay Period**" has the meaning given to that term in paragraph 15 of the First Amended and Restated Initial Order;

"**Unaffected Claims**" any and all Claims including without limitation, all DIP Facility Claims, with the exception of Prepetition Credit Facility Claims;

"**U.S. Bankruptcy Code**" means Title 11 of the United States Code, as amended from time to time, as applicable during the U.S. Proceedings;

"**U.S. Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure, as amended from time to time, promulgated under section 2075 and title 28 of the U.S. Bankruptcy Code;

"**U.S. Confirmation Order**" means the Order of the U.S. Court confirming the U.S. Plan, in form and in substance reasonably satisfactory to the Required Backstop Parties;

"**U.S. Court**" means the United States Bankruptcy Court for the District of Delaware, or any other court having jurisdiction over the U.S. Proceedings;

"**U.S. Debtors**" means collectively, Cooper-Standard Holdings Inc., Cooper-Standard Automotive Inc., Cooper-Standard Automotive FHS Inc., Cooper-Standard Automotive Fluid Systems Mexico Holding LLC, Cooper-Standard Automotive OH, LLC, StanTech, Inc., Westborn Service Center, Inc., North American Rubber, Incorporated, Sterling Investments Company, Cooper-Standard Automotive NC LLC, CS Automotive LLC, CSA Services Inc. and NISCO Holding Company;

"**U.S. Plan**" means the U.S. Debtors' Joint Chapter 11 Plan, together with all exhibits, appendices and schedules thereto (including the U.S. Plan Supplement), as same may be amended, varied or supplemented from time to time in accordance with the terms thereof, the U.S. Bankruptcy Code and the U.S. Bankruptcy Rules;

"**U.S. Plan Supplement**" has the meaning given to that term in the U.S. Plan; and

"**U.S. Proceedings**" means the proceedings in respect of the U.S. Debtors under Chapter 11 of the U.S. Bankruptcy Code pending before the U.S. Court under primary case number 09-12743.

1.2 Certain Rules of Interpretation

In this Plan:

(a) the division of this Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Plan. The terms "this

Plan", "hereof", "hereunder", "herein" and similar expressions refer to this Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless otherwise indicated, any reference in this Plan to an article, section, subsection or clause refers to the specified article, section, subsection or clause of this Plan;

(b) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;

(c) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes without limitation" and "including without limitation", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(d) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m., on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Whenever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day;

(e) unless otherwise specified, where any reference to an event occurring within any number of "days" appears in this Plan, such reference means Calendar Days and not Business Days; and

(f) unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of this Plan is to provide for payment by the Debtor of all Prepetition Credit Facility Claims in full and final satisfaction thereof with the funding for this Plan to be provided by the New Secured Debt Facility and through the proceeds of a Rights Offering being

conducted by the U.S. Debtors pursuant to the Rights Offering and Equity Commitment Approval Order.

2.2 New Credit Facilities

On the Plan Implementation Date, the Debtor will be authorized under this Plan to enter into the New Working Capital Facility and the New Secured Debt Facility and to grant the charges contemplated thereby.

2.3 Cancellation of Prepetition Credit Facility and DIP Financing Agreement

Upon payment in full in cash of all Prepetition Credit Facility Claims and all DIP Facility Claims, the Prepetition Credit Facility and the DIP Financing Agreement, as well as any and all securities or agreements relating to the Prepetition Credit Facility and/or the DIP Financing Agreement shall be deemed automatically cancelled, terminated and of no further force or effect; without further act or action under any applicable agreement, law, regulation, order or rule and the obligations of the parties, as applicable, under the agreements governing such Claims shall be discharged.

2.4 Affected Person

This Plan will be implemented under the CCAA and will become effective on, and be binding on and after, the Plan Implementation Date on the Debtor, all Affected Creditors and all other Persons in accordance with its terms.

ARTICLE 3
CLASSIFICATION OF CREDITORS

3.1 Class of Creditors

For the purpose of receiving distributions under this Plan, there shall be a single class of creditors, which is comprised of the Affected Creditors.

ARTICLE 4
TREATMENT OF CREDITORS

4.1 Treatment of Affected Creditors

For purposes of this Plan, the Affected Creditors shall receive the treatment provided for in this Plan on account of their Prepetition Credit Facility Claims, and on the Plan Implementation Date the Prepetition Credit Facility Claims affected by this Plan will be paid in full in cash to the Prepetition Administrative Agent and released in accordance with the terms of this Plan.

4.2 Unaffected Creditors

Notwithstanding anything to the contrary herein, other than pursuant to Section 9.2 this Plan does not compromise, release or otherwise affect any Unaffected Claims and each Person who has an Unaffected Claim shall not be entitled to receive any distribution under this Plan in respect of such Unaffected Claim. On the Plan Implementation Date the DIP Facility Claims shall be paid in full in cash to the DIP Financing Agent and released in accordance with the terms of this Plan.

4.3 Crown Claims

Any claims of the federal and provincial Crowns of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or any substantially similar provision in Canada of provincial legislation or in respect of which the federal or provincial Crown has a lien on or security interest in the property of the Debtor or recourse for non-payment against the current or former directors or officers of the Debtor, outstanding under the provisions of said subsection 224(1.2) or substantially similar provincial legislation, or any other such claims of the federal or provincial Crown shall be paid on or before the Plan Implementation Date.

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions to Affected Creditors

Each Affected Creditor shall receive in full satisfaction of its Prepetition Credit Facility Claim cash in an amount equal to the full amount of its Prepetition Credit Facility Claim.

5.2 Delivery of Distributions to Affected Creditors

All distributions to Affected Creditors shall be made by the Debtor to the Prepetition Administrative Agent, which will serve as the Debtor's designee for the purposes of making distributions under this Plan to Affected Creditors. The Debtor will pay the Prepetition Administrative Agent its reasonable fees and expenses for making distributions under this Plan to Affected Creditors.

5.3 Timing of Distributions to Affected Creditors

Payments and distributions in respect of Prepetition Credit Facility Claims will be made to the Affected Creditors on or as promptly practicable after the Plan Implementation Date and shall be deemed to occur when the Debtor delivers cash or a cash equivalent to the Prepetition Administrative Agent in accordance with Section 5.2.

5.4 Transfer of Prepetition Credit Facility Claims; Record Date for Distributions

Prepetition Credit Facility Claims may be sold, transferred or assigned at any time by the holder thereof, whether prior or subsequent to the Plan Implementation Date, provided that:

(a) none of the Debtor or the Prepetition Administrative Agent shall be obligated to deal with or to recognize the purchaser, transferee or assignee of the Prepetition Credit Facility Claim as the Creditor in respect thereof unless and until written notice of the sale, transfer or assignment is provided to the Prepetition Administrative Agent, and such notice to be in form and substance satisfactory to the Prepetition Administrative Agent, acting reasonably;

(b) only holders of record of Prepetition Credit Facility Claims as at the close of business on the Record Date, shall have the right to participate in the corresponding distribution provided for under Section 5.1.

ARTICLE 6
SANCTION ORDER

6.1 Application for the Sanction Order

The application for the Sanction Order shall be brought by the Debtor at least 21 days before the date on which the U.S. Confirmation Order becomes a Final Order.

6.2 Effect of the Sanction Order

In addition to sanctioning this Plan, the Debtor shall apply for the Sanction Order, which shall substantially have the effect that:

(a) the Debtor and the Prepetition Administrative Agent are directed and authorized to complete the distributions contemplated under this Plan;

(b) the releases and waivers effected by this Plan are approved, binding and effective upon all Affected Creditors and all other Persons affected by this Plan and shall inure to the benefit of all such Persons;

(c) subject to the performance by the Debtor, Monitor and the Prepetition Administrative Agent of its obligations under this Plan, and except to the extent expressly provided otherwise by this Plan or the Sanction Order, no Person who is a party to any obligation or agreement with the Debtor shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason:

(i) of any event(s) that occurred on or prior to the date of the First Amended and Restated Initial Order that would have entitled any other Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Debtor);

(ii) of the fact that the Debtor or U.S. Debtors have sought or obtained relief under the CCAA or the U.S. Bankruptcy Code, where applicable, or that

the within restructuring has been implemented by the Debtor or the U.S. Debtors;

(iii) of the effect on the Debtor of the completion of any of the transactions contemplated by this Plan or the U.S. Plan; or

(iv) of any compromises or arrangements effected pursuant to this Plan;

(d) the Monitor shall be discharged and released on the Plan Implementation Date, save and except with respect to any remaining duties or powers required to implement and give effect to the terms of this Plan;

(e) the charges on the assets of the Debtor provided for in the First Amended and Restated Initial Order, namely the Directors' Charge, the DIP Lenders' Charge and the Administration Charge, shall automatically be discharged and released on the Plan Implementation Date and the New DIP Lenders Charge shall automatically be discharged and released upon payment in full in cash of all DIP Facility Claims; and

(f) on the Plan Implementation Date, subject to the satisfaction of the conditions contained in Article 7, this Plan will be binding upon all Affected Creditors and all other Persons in accordance with its terms.

6.3 Further Stay

The Debtor may apply for an interim or further Order extending the Stay Period so that the application for the Sanction Order may be made before the Stay Period expires and the Stay Period shall not expire until the later of the Plan Implementation Date and the date which is 60 Business Days after the date on which the Sanction Order is made, or such later date as may be fixed by the Canadian Court.

6.4 Monitor

On the Plan Implementation Date, and subject to the Sanction Order, the Monitor shall be discharged and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Plan.

ARTICLE 7
CONDITIONS PRECEDENT

7.1 Conditions Precedent to Implementation of Plan

The implementation of this Plan shall be conditional upon the fulfillment of the following conditions on or before the Plan Implementation Date:

(a) ***Entry of Sanction Order***

The Sanction Order shall have been granted by the Canadian Court, in form and substance satisfactory to the Debtor and the Required Backstop Parties, including the granting by the Canadian Court of its approval of the releases and waivers contained in and effected by this Plan, and the Sanction Order shall have become a Final Order;

(b) ***Satisfaction of the Conditions to the Effective Date***

The conditions to the Effective Date set out in Section 13.02 of the U.S. Plan, except for the condition set out in Subsection 13.02(g) of the U.S. Plan requiring this Plan to have been sanctioned by the Canadian Court, must occur and be satisfied or waived in accordance with Section 13.03 of the U.S. Plan, and the U.S. Plan will have become effective in accordance with its terms;

(c) ***Completion of Necessary Documentation***

(i) The Debtor and the Monitor, as applicable, shall have obtained the execution and delivery of all such agreements, settlements, resolutions, indentures, releases, documents and other instruments that are necessary to be executed and delivered by the Debtor or the Monitor, as the case may be, to implement this Plan and perform the obligations of the Debtor and the Monitor hereunder; and

(ii) The Debtor and the Monitor, as applicable, shall have obtained the execution and delivery by all relevant Persons other than the Debtor of all agreements and other documentation necessary to give effect to all material terms and provisions of this Plan.

The Debtor reserves the right, with the consent of the Required Backstop Parties, which shall not be unreasonably withheld, to waive one or more of the foregoing conditions precedent, save and except for (a) and (b) above. The Debtor shall confirm to the Monitor, in writing, that the foregoing conditions precedent to the implementation of this Plan have been satisfied or waived.

7.2 Monitor's Certificate

Upon receipt of the Debtor's written confirmation that the conditions set out in Section 7.1 hereof have been satisfied or waived, the Monitor shall file with the Canadian Court in the CCAA Proceedings a certificate that states that all conditions precedent set out in Section 7.1 of this Plan have been satisfied or waived and that the Plan Implementation Date has occurred.

7.3 Termination of Plan for Failure to Become Effective

If all the conditions to implementation and the occurrence of the Plan Implementation Date have not been satisfied or duly waived on or before the first Business Day that is more than 180 days following the date the U.S. Court enters the U.S. Confirmation Order, or by such later date as is proposed by the Debtor, with the consent of the Required Backstop Parties, which shall not be unreasonably withheld, and approved by the Canadian Court after notice and hearing,

then, subject to further motion by the Debtor, after consultation with the Required Backstop Parties, made before the time that all of the conditions have been satisfied or duly waived and order of the Canadian Court, this Plan shall automatically terminate and be of no further force or effect; provided, however, that this Plan shall not automatically terminate pursuant to this Section 7.3 if each of the conditions to implementation is either satisfied or duly waived prior to the Canadian Court entering an Order granting the relief requested in such motion.

ARTICLE 8
EFFECT OF PLAN

8.1 Effect of Plan Generally

The Plan, upon being sanctioned and approved by the Canadian Court pursuant to the Sanction Order, shall be binding on the Plan Implementation Date on the Affected Creditors and all other Persons (and each of their respective heirs, executors, administrators, guardians, legal personal representatives, successors and assigns) irrespective of the jurisdiction in which such Affected Creditors and other Persons reside, or in which the Claims of the Affected Creditors or other Persons arose.

8.2 Discharge of Charges

On the Plan Implementation Date and upon payment made in full in cash to the Prepetition Administrative Agent of all Prepetition Credit Facility Claims affected by this Plan and payment made in full in cash to the DIP Financing Agent of the DIP Facility Claims:

(a) no step or proceeding may be taken in respect of any Charge in connection with a Prepetition Credit Facility Claim and any such Charge will be deemed to have no further effect against the Debtor or any of its assets and will be released, discharged, dismissed and vacated without cost to the Debtor; and

(b) the Debtor and its agents (including, without limitation, Davies Ward Phillips & Vineberg LLP) shall have the authority to execute and effect instruments of discharge to effect the full release and full discharge of any Charge in connection with a Prepetition Credit Facility Claim or a DIP Facility Claim.

8.3 Consents, Waivers And Agreements

On the Plan Implementation Date, each Affected Creditor shall be deemed to have consented and agreed to all of the provisions of this Plan in their entirety. In particular, each Affected Creditor shall be deemed:

(a) to have executed and delivered to the Monitor and to the Debtor all consents, releases or agreements required to implement and carry out this Plan in its entirety; and

(b) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between

such Affected Creditor and the Debtor at the Plan Implementation Date (other than those entered into by the Debtor on, or after the Filing Date) and the provisions of this Plan, the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

8.4 Exculpation

The Debtor, the Directors, the Monitor, the present and former Prepetition Credit Facility Parties, the present and former Prepetition Administrative Agent, the present and former DIP Lenders, the present and former DIP Financing Agent, the present and former DIP Original Financing Agent, each of the Backstop Parties and each of the respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns of the foregoing (including any professionals retained by such persons or entities), will have no liability for any act or omission in connection with, or arising out of, the pursuit of approval of the CCAA Proceedings, the Rights Offering, this Plan or the U.S. Plan, or the solicitation of votes for or confirmation of this Plan, or the consummation and implementation of this Plan, or the transactions contemplated and effectuated by this Plan or the administration of this Plan or the property to be distributed under this Plan, or any other act or omission during the CCAA Proceeding except for gross negligence or willful misconduct as determined by a Final Order, and in all respects, will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

ARTICLE 9
RELEASES

9.1 Release by the Affected Creditors

As at the Plan Implementation Date, each Affected Creditor, the present and former Prepetition Credit Facility Parties, the present and former Prepetition Administrative Agent, and each of the respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns of the foregoing (including any professionals retained by such persons or entities), will be deemed to forever release, waive and discharge all Causes of Action that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Plan Implementation Date in any way relating to the Debtor, the Prepetition Credit Facility Claims, the Rights Offering, the Backstop Parties, the CCAA Proceedings or this Plan against (a) the Debtor, (b) the legal counsel and other professional advisors of the Debtor, (c) Persons who may claim contribution or indemnification against or from the Debtor, (d) the Monitor and its counsel, (e) the Directors, or (f) the Backstop Parties each in such capacity and its present and former affiliates, officers, directors, shareholders, members, employees, advisors, legal counsel, accountants, financial advisors, investment bankers, advisory affiliates, agents, successor and assigns (including any professionals retained by such persons or entities).

9.2 Release by the DIP Lenders

As at the Plan Implementation Date, the present and former DIP Lenders, the present and former DIP Financing Agent, the present and former DIP Original Financing Agent and each of the respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns of the foregoing (including any professionals retained by such persons or entities), will be deemed to forever release, waive and discharge all Causes of Action that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Plan Implementation Date in any way relating to the Debtor, the DIP Financing Agreement, the DIP Facility, the Rights Offering, the Backstop Parties, the CCAA Proceedings or this Plan against (a) the Debtor, (b) the legal counsel and other professional advisors of the Debtor, (c) Persons who may claim contribution or indemnification against or from the Debtor, (d) the Monitor and its counsel, (e) the Directors, or (f) the Backstop Parties, each in such capacity and its present and former affiliates, officers, directors, shareholders, members, employees, advisors, legal counsel, accountants, financial advisors, investment bankers, advisory affiliates, agents, successor and assigns (including any professionals retained by such persons or entities).

9.3 Release by the Debtor

As at the Plan Implementation Date, the Debtor will be deemed to forever release, waive and discharge all Causes of Action that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Plan Implementation Date in any way relating to the Debtor, the Prepetition Credit Facility, the DIP Facility, the Rights Offering, the Backstop Parties, the CCAA Proceedings or this Plan against (a) the present and former Prepetition Administrative Agent and the present and former Prepetition Credit Facility Parties, each in such capacity, and their respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons or entities), (b) the present and former DIP Financing Agent, the present and former DIP Original Financing Agent, and the present and former DIP Lenders, each in such capacity, and each of their respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons and entities), (c) each of the Backstop Parties, each in such capacity, and each of the respective Backstop Parties' present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons and entities), (d) the Monitor and its counsel, and (e) any Person claimed to be liable derivatively through any of the foregoing; provided, however, that the foregoing releases shall not apply to any Person who, in connection with any act or omission by such Person in connection with or relating to the Debtor or their businesses, has been or is hereafter found by any court or tribunal by Final Order to have acted with gross negligence or willful misconduct.

ARTICLE 10
GENERAL PROVISIONS

10.1 Plan Amendment

The Debtor reserves the right, at any time prior to the Plan Implementation Date, to alter, amend, modify and/or supplement this Plan, provided that:

(a) subject to Section 10.1(c), no such alteration, amendment, modification or supplement will be made without the consent of the Required Backstop Parties, which shall not be unreasonably withheld;

(b) any such alteration, amendment, modification or supplement must be contained in a written document that is communicated to the Affected Creditors in such manner, if any, as may be required by the Canadian Court;

(c) any such alteration, amendment, modification or supplement may be made unilaterally by the Debtor following the entry of the Sanction Order, provided that it concerns a matter which, in the opinion of the Debtor, the Monitor and the Required Backstop Parties, acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and to the Sanction Order and is not adverse to the financial or economic interests of the Affected Creditors; and

(d) any supplementary plan or plans of compromise or arrangement filed with the Canadian Court shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan.

10.2 Severability

In the event that any provision in this Plan (other than Sections 5.1, 7.1, 8.1, 9.1, 9.2 and 9.3 hereof) is held by the Canadian Court to be invalid, void or unenforceable, the Canadian Court, at the request of the Debtor, which request shall be made in accordance with section 10.1 of this Plan, shall have the power to alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered and interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Sanction Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

10.3 Termination

At any time prior to the Plan Implementation Date, the Debtor, with the consent of the Required Backstop Parties, which shall not be unreasonably withheld, may, subject to further order of the Canadian Court, determine not to proceed with this Plan notwithstanding the

obtaining of the Sanction Order. If the conditions precedent to implementation of this Plan are not satisfied or waived, if the Debtor determines not to proceed with this Plan, with the consent of the Required Backstop Parties, or if the Sanction Order is not issued by the Canadian Court (a) this Plan shall be null and void in all respects, (b) any settlement or compromise embodied in this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (c) nothing contained in this Plan, and no act taken in preparation of the consummation of this Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Claims or any defences thereto by or against any of the Affected Parties or any other Person, (ii) prejudice in any manner the rights of any of the Affected Creditors or any other Person in any further proceedings involving the Debtor, or (iii) constitute an admission of any sort by the Debtor, the Affected Creditors or any other Person.

10.4 Paramountcy

From and after the Plan Implementation Date, any conflict between (a) this Plan, and (b) any information summary in respect of this Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, loan agreement, commitment letter, document or agreement, written or oral, and any and all amendments and supplements thereto existing between the Debtor and any Affected Creditor or other Person as at the Plan Implementation Date, will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

10.5 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings and the Monitor will not be responsible or liable for any obligations of the Debtor hereunder. The Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order of the Canadian Court in the CCAA Proceedings, including the First Amended and Restated Initial Order.

10.6 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.7 Notices

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery or by fax addressed to the respective parties as follows:

(a) if to the Debtor:

703 Douro Street,
Stratford, ON N5A 3TI

Attention: General Counsel

with a copy to (which shall not constitute notice):

Davies Ward Phillips & Vineberg LLP
1 First Canadian Place, Suite 4400
Toronto, ON M5X 1B1

Attention: Robin Schwill
Fax: (416) 863-0871

(b) if to an Affected Creditor:

to address (including fax number or email address) for such Affected Creditor set out in the Prepetition Credit Facility;

(c) if to the DIP Financing Agent:

to address (including fax number or email address) for the DIP Financing Agent set out in the DIP Facility;

(d) if to the Monitor:

RSM Richter Inc.
200 King Street West
Suite 1100, P.O. Box 48
Toronto, ON M5H 3T4

Attention: Peter P. Farkas / Mitchell Vininsky
Fax: (416) 932-6200

with a copy to (which shall not constitute notice):

Ogilvy Renault LLP
Suite 3800, Royal Bank Plaza, South Tower
200 Bay Street
P.O. Box 84
Toronto, ON M5J 2Z4

Attention: Tony Reyes
Fax: (416) 216- 3930

(e) if to the Backstop Parties:

Fraser Milner Casgrain LLP
1 First Canadian Place, Suite 3900
100 King Street West
Toronto, ON M5X 1B2

Attention: Alex MacFarlane / Ryan Jacobs
Fax: (416) 863-4592

with a copy to (which shall not constitute notice):

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036

Attention: Daniel Golden / Arik Preis
Fax: (212) 872-1002

or to such other address as any party may from time to time notify the others in accordance with this Section 10.7. All such notices and communications which are delivered shall be deemed to have been received on the date of delivery. Any such notices and communications which are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. Eastern Standard Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by the Monitor or the Debtor to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Plan.

10.8 Successors and Assigns

Subject to Section 5.4, the rights, benefits and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, trustee, administrator, personal representative, successor or assign of such Person.

10.9 Further Assurances

Notwithstanding that the transactions and events set out in this Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby shall make, do and execute or cause to be made, done or executed all such further acts, deeds, agreements, transfers, assurances, instruments, documents or discharges as may be reasonably required by the Debtor or the Monitor in order to implement and give effect to this Plan.

10.10 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflict of laws.

All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, Ontario, as of this 12th day of March, 2010.