

**ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BARZEL INDUSTRIES CANADA INC.

Applicant

**AFFIDAVIT OF G. WAYNE DAY  
(Sworn October 14, 2009)**

I, G. Wayne Day, of the City of Fishkill, in the State of New York, U.S.A.

MAKE OATH AND SAY:

1. I am the Chief Restructuring Officer of the Applicant and have held this position since September 15, 2009. As such I have personal knowledge of the matters to which I depose in respect of the Applicant and the US Debtors (defined below) (collectively, the "**Debtors**"). To the extent that I do not have personal knowledge, I verily believe the information to which I depose.

**Purpose of Affidavit**

2. The purpose of this Affidavit is to supplement my affidavit sworn on October 9, 2009 in these proceedings in support of the Applicant's motion for this Honourable Court's approval of an employee incentive compensation program (the "**October 9 Affidavit**"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the October 9 Affidavit.

3. This supplemental affidavit is necessary because the ICP as described in my October 9 Affidavit has since been revised and superseded in light of further discussions with the Secured Lenders and the Applicant's U.S. counsel in connection with the desire to have essentially a parallel program in place in the Chapter 11 Proceedings.

**Overview of the Revised ICP**

4. The ICP has been revised to simply become an employee retention incentive plan (the "**RIP**") which now only provides for retention payments equal to a specified number of weeks of salary (ranging from 6 to 23 weeks) (the "**Retention Amount**") for certain named individuals as an incentive for them to remain in the employ of the Applicant, or otherwise continue to provide services to the Applicant although technically employed by one of the other Debtors.

5. The Applicant has reserved the right to amend the list of individuals that will be afforded the benefit of the RIP together with their corresponding Retention Amount.

6. The RIP provides for a lump sum cash award of the Retention Amount contingent upon the occurrence of a closing of a sale of the assets of the Debtors pursuant to the bidding procedures as approved by the Bid Procedures Order (a "**Closing**").

7. Payment under the RIP will be made within 30 days following a Closing provided that the participant is an employee of the Applicant or one of the Debtors as of the day prior to a Closing.

8. If a participant's employment is terminated involuntarily (and not for cause) prior to a Closing, then the participant will remain eligible for payment under the RIP. However, participants who terminate their employment voluntarily will not be eligible for any payment under the RIP.

9. If within 30 days of a Closing, a participant becomes an employee of the Successful Bidder (as defined in Schedule A to the Bid Procedures Order), then the participant will only be eligible to receive two-thirds of his or her Retention Amount.

10. Acceptance of payment of the Retention Amount by a participant shall be in lieu of any right of that participant to any other potential severance benefits.

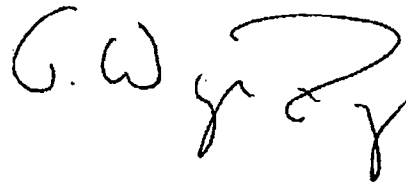
11. The Secured Lenders have approved the financial terms of the RIP (together with a companion one in respect of the US Debtors) with a projected aggregate maximum cost of up to approximately \$504,000 (U.S.). If all of the stated awards become payable for both U.S. and Canadian employees, the aggregate cost could slightly exceed the amount approved for payment by the Secured Lenders and would, therefore, be subject to cutback. It is the intention of the Applicant to effect any required cutback proportionately, to the extent possible. The addition of any awards that would increase the costs of the RIP would require approval of the Secured Lenders.

12. A copy of the RIP is attached hereto as Exhibit "A" but will not be filed with the public record. As the RIP obviously contains personal and confidential information that would be prejudicial to those persons named in the RIP if the public, including other employees of the Applicant and the US Debtors, were to become knowledgeable of who was eligible for what awards and in what amounts, the RIP will only be filed with this Honourable Court on a sealed and confidential basis that it shall be treated as confidential and sealed and segregated from and not form part of the public record.

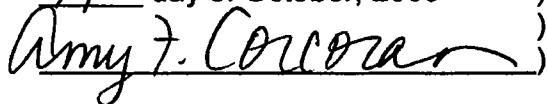
13. As Exhibit "A" to the October 9 Affidavit has yet to be filed with this Honourable Court and has been superseded and replaced with the RIP, only the RIP as referred to in this affidavit will be filed with this Honourable Court as noted above.

**Conclusion**

14. As payments made in connection with the RIP will be payments made outside of the ordinary course of the Applicant's business and operations, the approval of this Honourable Court is necessary in order to implement and give effect to the RIP.



SWORN/ATTESTED BEFORE ME )  
at the City of Fishkill, in the )  
State of New York, USA, this )  
14 day of October, 2009 )



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G. Wayne Day

AMY F. CORCORAN  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01CO6201051  
Town of Ulster in Dutchess County  
My Commission Expires February 17, 2013

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INDUSTRIES CANADA INC.**

Court File No: 09-8363-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIS**

Proceeding commenced at Toronto

**AFFIDAVIT OF G. WAYNE DAY  
(Sworn October 14, 2009)**

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**Lawyers for the Applicant**

This is Exhibit "A"  
referred to in the Affidavit of  
G. Wayne Day  
sworn before me  
this 14 day of October, 2009



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Commissioner for Taking Affidavits

AMY F. CORCORAN  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01CO6201051  
Qualified in Dutchess County  
My Commission Expires February 17, 2013