

**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 THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF SMURFIT-STONE  
CONTAINER CANADA INC. AND THE OTHER  
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

**NOTICE OF MOTION  
(Returnable February 10, 2010)**

Smurfit-Stone Canada Inc. ("SSC Canada") and the other Applicants listed on Schedule "A" hereto will make a motion before a judge of the Ontario Superior Court of Justice on February 10, 2010 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An Order accepting the filing of a plan of compromise and arrangement concerning, affecting and involving the Applicants listed on Schedule "A" and the Partnerships listed on Schedule "B" (the "**Plan**");

2. An Order authorizing and directing the Applicants to convene a meeting of creditors entitled to consider and vote on the Plan (the “**Creditors’ Meeting**”); and
3. Such further and other relief as to this Honourable Court seems just.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

4. Each of the Applicants listed on Schedule “A” is either a direct or indirect subsidiary of Smurfit-Stone Container Enterprises, Inc., a Delaware corporation (“**SSCE**”). SSCE and its parent company, Smurfit-Stone Container Corporation (“**SSCC**”), and certain of its direct and indirect subsidiaries (together, the “**U.S. Debtors**”), including the Applicants and the Partnerships, filed for protection from their creditors under title 11 of chapter 11 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1532 (the “**U.S. Bankruptcy Proceedings**”) in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) in the early hours of January 26, 2009.
5. Later on January 26, 2009, SSC Canada and the other Applicants and Partnerships were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and an initial order of the Ontario Superior Court of Justice (the

“Court”), as subsequently amended, restated and extended, and Deloitte & Touche Inc. was appointed to act as monitor.

6. On or about December 1, 2009, the U.S. Debtors filed the first draft of a Joint Plan of Reorganization for Smurfit-Stone Container Corporation and its Debtor Subsidiaries and Plan of Compromise and Arrangement for Smurfit-Stone Container Canada Inc. and Affiliated Canadian Debtors with the U.S. Court. The Joint Plan, which has since been amended and includes provisions relating to the classification and treatment of Affected Claims against the Applicants in the CCAA Proceedings (Article IV) and the Canadian Asset Sale (Article V) and related provisions, also serves as the plan to be put before the meeting of Affected Creditors in these CCAA Proceedings. Defined terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

#### **Plan of Arrangement**

7. As it relates to the Affected Creditors, the Plan is premised upon an offer by Canadian Newco to purchase the assets of Smurfit-Stone Container Canada Inc., Smurfit-MBI, MBI Limited, B.C. Shipper Supplies Ltd. and Francobec Company pursuant to an Asset Purchase Agreement described in Article V of the Plan in exchange for, amongst other things, the payment of the

Prepetition Canadian Revolving Loans and Prepetition Canadian Term Loans and cash for the Distribution Pools.

8. Pursuant to Articles IV and V of the Plan, a sale will take place provided, amongst other conditions, that the Plan is approved by the Affected Secured Creditors by the Required Majority and is sanctioned by the Court. Under the terms of the Plan, approval of the Affected Unsecured Creditors is not required for a sale to occur. That having been said, Distribution Pools will be available to Affected Unsecured Creditors of SSC Canada and Smurfit-MBI if, amongst other things, both such Classes approve the Plan by the Required Majority. If, however, either (or both) of such Classes of Affected Unsecured Creditors fail to approve the Plan, the Distribution Pools will not be available.
9. If the Court authorizes the filing of the Plan, the Applicants intend to distribute the Plan, the Disclosure Statement filed in the U.S. Bankruptcy Proceedings, a form of joint proxy/ballot, a copy of the CCAA Meeting Order and other materials to the Affected Creditors on or about February 15, 2010 and propose to convene a meeting in early April 2010 so that the Affected Creditors can consider and, if deemed appropriate, approve the Plan.

10. Section 4.2 of the Plan divides Affected Creditors into eight classes for purposes of voting on, and receiving distributions under, the Plan:

**Affected Secured Creditors**

- (a) Affected Secured Creditors of SSC Canada;
- (b) Affected Secured Creditors of Smurfit-MBI;
- (c) Affected Secured Creditors of MBI Limited;
- (d) Affected Secured Creditors of Francobec Company;
- (e) Affected Secured Creditors of 3083527 Nova Scotia Company;

**Affected Unsecured Creditors**

- (f) Affected Unsecured Creditors of SSC Canada;
- (g) Affected Unsecured Creditors of Smurfit-MBI; and
- (h) Affected Unsecured Creditors of Stone FinCo II.

11. For purposes of the Plan, the Class of Affected Unsecured Creditors of Smurfit-MBI shall also include the Holders of Affected Unsecured Claims against MBI Limited in its capacity as the general partner of Smurfit-MBI.
12. Sections 4 and 5 of the CCAA.
13. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*; R.R.O. 1990, Reg. 194, as amended.
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The Affidavit of Dean Jones, sworn February 5, 2010, and the exhibits thereto; and
2. Such further and other materials as counsel may advise and this Honourable Court may permit.

February 5, 2010

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Court File No: CV-09-7966-00CL

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Proceeding commenced at Toronto

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