

**CANWEST PUBLISHING INC. / PUBLICATIONS CANWEST  
INC., CANWEST BOOKS INC. AND CANWEST (CANADA) INC.**

**TWELFTH REPORT OF  
FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS**

**July 1, 2010**

**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 CANWEST  
PUBLISHING INC./ PUBLICATIONS CANWEST  
INC., CANWEST BOOKS INC., AND CANWEST  
(CANADA) INC.**

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FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

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SUPERIOR COURT OF JUSTICE  
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PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC., AND CANWEST (CANADA) INC.**

**TWELFTH REPORT OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**July 1, 2010**

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the “**Initial Order**”), Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), and Canwest (Canada) Inc. (“**CCI**”, and together with CPI and CBI, the “**Applicants**”) obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the “**Limited Partnership**”, and together with the Applicants, the “**LP Entities**”) and appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor (the “**Monitor**”) of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

## **PURPOSE OF THIS REPORT**

2. The purpose of this twelfth report of the Monitor (the “**Twelfth Report**”) is to provide this Honourable Court with:
  - a) an update on the Claims Procedure (as defined below); and
  - b) the Monitor’s comments in relation to a motion brought by the LP Entities for an Order:
    - i. establishing the Administrative Reserve (as defined below);
    - ii. expanding the powers and duties of the Monitor following Plan Implementation Date (as defined below); and
    - iii. assigning the rights and obligations of the LP Entities under certain Contracts (as defined below).
  - c) the Monitor’s conclusions and recommendations.

## **TERMS OF REFERENCE**

3. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities’ books and records, certain financial information prepared by, and discussions with, the LP Entities’ management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.

4. Capitalised terms not defined in this report shall have the meanings assigned to them in the Pre-filing Report of the Proposed Monitor dated January 7, 2010 (the “**Pre-filing Report**”). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

## **RESTRUCTURING BACKGROUND & STATUS**

5. Canwest Global Communications Corp. (“**Canwest**”) carries on business through a number of subsidiaries. Through its ownership of the LP Entities, Canwest is Canada’s largest publisher of English-language paid daily and non-daily newspapers and owns and operates substantial digital media and online businesses. Canwest also directly or indirectly owns, operates and/or holds substantial interests in free-to-air television stations, subscription-based specialty television channels, and websites in Canada.
6. Relief in the CCAA Proceedings was obtained on January 8, 2010 by the Canwest entities which carry on, *inter alia*, newspaper and online publishing and digital media businesses. Not included in the CCAA Proceedings is National Post Inc., a wholly-owned subsidiary of the LP Entities which acquired the business and certain assets that comprised the *National Post* newspaper from The National Post Company / La Publication National Post in October 2009.
7. The Canwest entities that own and operate Canwest’s free-to-air television broadcast business and certain subscription-based specialty television channels in Canada, including Canwest Media Inc. (collectively, the “**CMI Entities**”), applied for and obtained protection under the CCAA in a separate proceeding on October 6, 2009.

8. The Initial Order contemplated a plan of arrangement for the LP Entities under the CCAA in a pre-arranged support transaction (the “**Support Transaction**”) with the LP Senior Secured Lenders (as defined in the Pre-filing Report) pursuant to which (and subject to a successful Court-approved bid as a result of and in accordance with the terms of the SISP (as defined below)) an entity to be initially capitalized by the LP Senior Secured Lenders as described in the AcquireCo Capitalization Term Sheet (as this term is defined in the Senior Lenders’ Plan (as defined below)) (“**AcquireCo**”) would acquire substantially all of the assets of the LP Entities, assume the liabilities of the LP Entities and offer employment to all or substantially all of the employees of the LP Entities on terms and conditions consistent with their current employment (other than certain specified liabilities and subject to AcquireCo’s right to exclude certain additional liabilities) (the “**Credit Acquisition**”).
9. The Support Transaction was to be implemented pursuant to a plan of compromise or arrangement between the LP Senior Secured Lenders, the Limited Partnership, and CPI (the “**Senior Lenders’ Plan**”).
10. The Support Transaction contemplated that the LP Entities’ financial advisor, RBC Dominion Securities Inc., a member of RBC Capital Markets (the “**Financial Advisor**”), would conduct a sale and investor solicitation process (the “**SISP**”) under the supervision of the Monitor in an effort to attract a Superior Offer (as defined in the SISP).
11. As described in greater detail in the Seventh Report, following its review of the bids received at the end of Phase 2 of the SISP and in consultation with the Financial Advisor and the LP CRA, the Monitor determined in its reasonable business judgment that the bid

- (the “**AHC Bid**”) submitted by the *ad hoc* committee (the “**Ad Hoc Committee**”) of holders of 9.25% senior subordinated notes (the “**9.25% Notes**”) issued by the Limited Partnership constitutes a Superior Cash Offer and recommended that the AHC Bid be selected and a definitive agreement be negotiated and settled to carry out the transaction contemplated thereby (the “**AHC Transaction**”).
12. The Monitor’s recommendation to the Special Committee was accepted and by Order dated May 17, 2010 (the “**AHC Bid Approval Order**”) this Court approved the AHC Bid. A copy of the AHC Bid Approval Order is attached as **Appendix “A”**.
  13. Also on May 17, 2010, the LP Entities obtained an Order conditionally sanctioning the Senior Lenders’ Plan (the “**Conditional Sanction Order**”) (described in greater detail in the Eighth Report).
  14. The LP Entities called for and held a meeting of their affected creditors (the “**Creditors’ Meeting**”) to vote on, and if appropriate, approve a plan of compromise or arrangement, as amended (the “**AHC Plan**”), on June 14, 2010. As reported in the Tenth Report of the Monitor, affected creditors voted overwhelmingly in support of the Amended AHC Plan and a majority in number and greater than two-thirds in value of the affected creditors present and voting at the Creditors’ Meeting voted in favour of the AHC Plan.
  15. By Order dated June 18, 2010 (the “**AHC Plan Sanction Order**”) this Court sanctioned the AHC Plan. A copy of the AHC Plan Sanction Order (without schedules) is attached as **Appendix “B”**.



16. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report and in the affidavit of Thomas Strike sworn January 7, 2010 (the “**Strike Affidavit**”), copies of which (together with other relevant materials, including a copy of the Initial Order) have been posted on the Monitor’s website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/clp>.

## **CLAIMS PROCEDURE**

17. On April 12, 2010, the LP Entities obtained an Order (the “**Claims Procedure Order**”) establishing a claims procedure for the identification and quantification of certain claims against the LP Entities (the “**Claims Procedure**”). For reasons described in the Monitor’s Seventh Report, the Claims Procedure Order was amended by Order of Justice Pepall dated May 17, 2010 (the “**Amended Claims Procedure Order**”) to call for certain additional claims, including claims against the directors and officers of the Applicants. Copies of the Claims Procedure Order (without Schedules) and the Amended Claims Procedure Order (without schedules) dated May 17, 2010 are attached hereto collectively as **Appendix “C”**.
18. As at June 30, 2010, the Monitor had received approximately 1,000 LP Proof of Claim forms on or before the applicable claims bar dates. The Monitor also received 74 LP Proof of Claim forms after the LP Claims Bar Dates, but before the date the AHC Plan was sanctioned by this Court (June 18, 2010), which claims were initially rejected and disallowed in their entirety and were subsequently accepted for late filing as permitted under the Amended Claims Procedure Order. Any LP Proofs of Claim received after June 18, 2010 are being rejected and disallowed in their entirety.

19. As at June 30, 2010, the Monitor had delivered approximately 420 LP Notices of Revision or Disallowance and received 129 LP Notices of Dispute of Revision or Disallowance. As at the date of this report, over 650 claims asserted in the Claims Procedure have been accepted, withdrawn or otherwise resolved.
20. A table summarizing the number and value of claims asserted, accepted and disputed as at June 30, 2010 against the LP Entities is attached hereto as **Appendix "D"**. The table is intended to reflect only the claims as called for and asserted under the terms of the Amended Claims Procedure Order and is not intended to provide a commentary on the distribution rights of any such claims, which rights may be affected by, *inter alia*, the provisions of the CCAA.
21. The Monitor has posted a table summarizing the number and value of claims asserted, accepted and disputed against the LP Entities on its website for these proceedings shortly and will be updating it on a regular basis.
22. The Amended Claims Procedure Order established 5:00 p.m. on June 3, 2010 as the LP Director/Officer Claims Bar Date. As at June 30, 2010, no claims against the directors and officers of the LP Entities have been received.

#### **ADMINISTRATIVE RESERVE**

23. The AHC Plan contemplates that, subject to Court approval in a subsequent Order, on or before the Plan Implementation Date, an administrative reserve (the "**Administrative Reserve**") will be established in an amount to be agreed by the Monitor, the LP Entities and Purchaser, which amount is not to exceed \$25 million, using cash from the accounts

of the LP Entities. The Administrative Reserve will be held in a segregated account in trust by the Monitor for the benefit of persons entitled to be paid certain specified costs and priority payments (the “**Administrative Reserve Costs**”) to the extent such costs and payments are not paid prior to the Plan Implementation Date, or assumed by the Purchaser (as defined in the AHC Plan). Any residual balance in the Administrative Reserve after the payment of all such costs and priority payments shall be an asset of and owned by the Purchaser.

24. The proposed Order sets out the categories of Administrative Reserve Costs to be paid from the Administrative Reserve (which categories are also recited in paragraph 16 of the Affidavit of Doug E.J. Lamb sworn June 29, 2010 in support of this motion (the “**Lamb Affidavit**”).
25. The proposed Administrative Reserve Order also provides that on the Plan Implementation Date, the LP Administrative Charge (as defined in the Initial Order) will be terminated, released and discharged as against the Acquired Assets, the Unsecured Creditors’ Pool (as defined in the AHC Plan) and all payments made to or on behalf of the LP Administrative Agent, the DIP Administrative Agent or any other LP Senior Secured Lender but will continue as against the Administrative Reserve in respect of the fees, costs and expenses of the Monitor and any trustee in bankruptcy and their respective counsel and other advisors and will rank in priority to all other encumbrances notwithstanding the order of protection or attachment.
26. The LP Entities and the Monitor, in consultation with counsel for the Purchaser, have performed an analysis of the probable quantum of the various categories of

Administrative Reserve Costs (as listed in the proposed Order and the Lamb Affidavit) and have proposed the Administrative Reserve to be approximately \$7.5 million.

27. The Monitor is satisfied that the necessary Administrative Reserve Costs are provided for in the Administrative Reserve and the proposed Administrative Reserve Order. Based on information provided and representations made by the LP Entities and the Purchaser with respect to which Administrative Reserve Costs will be either (a) paid prior to the Plan Implementation Date or (b) assumed by the Purchaser, the Monitor is also of the view that the proposed quantum of the Administrative Reserve is reasonable and necessary to pay the projected remaining Administrative Reserve Costs.

#### **POWERS OF THE MONITOR AFTER PLAN IMPLEMENTATION**

28. The LP Entities are also seeking to expand the powers of the Monitor to authorize the Monitor to perform certain additional functions necessary to complete the CCAA Proceedings. Among other things, the LP Entities propose that after the Plan Implementation Date (as defined in the AHC Plan), the Monitor will be:
- a) authorized and directed to complete the Claims Procedure;
  - b) authorized (but not directed) to prepare and file tax returns, statutory returns and other employee-related remittances and engage, communicate and negotiate with government tax authorities on behalf of the LP Entities;
  - c) at liberty to engage other persons to assist in the completion of the CCAA Proceedings and the winding up of the LP Entities; and

- d) authorized to assign the LP Entities into bankruptcy and perform other functions to facilitate the winding up of the LP Entities.
29. The Monitor is of the view that the additional powers proposed to be granted to the Monitor are reasonable and necessary to complete the CCAA Proceedings and wind up the estates of the LP Entities.

### **ASSIGNMENT OF CONTRACTS**

30. Pursuant to the Asset Purchase Agreement, the Acquired Assets (as these terms are defined in the AHC Plan) include all material contracts and agreements (including leases) relating to the businesses of the LP Entities to which any of the LP Entities is a party on the third business day after the AHC Plan Sanction Order becomes final (each a “Contract” and collectively, the “Contracts”). Where a Contract is not assignable or requires consent for an assignment, the Asset Purchase Agreement requires the LP Entities to use commercially reasonable efforts to secure third party approval for such assignment.
31. As described in greater detail in the Lamb Affidavit, the LP Entities have conducted a review of all of their Contracts to identify those Contracts that either do not permit assignment or that require consent prior to assignment and have made efforts to make contact with all of the counterparties to secure consents where required.
32. The LP Entities were not able to obtain consents to the assignments of five leases (listed below) and are seeking an Order assigning their rights and obligations under these

Contracts to the Purchaser. The LP Entities have requested the Monitor's approval of the proposed assignments.

33. In fulfilling its statutory responsibilities under the CCAA in respect of the proposed assignments by the LP Entities of their rights and obligations under the leases sought to be assigned (the "**Assigned Leases**"), the Monitor was guided, *inter alia*, by the Canadian Association of Insolvency and Restructuring Professionals' ("**CAIRP**") Standard of Practice No. 09-3, Assignment of Agreements approved, ratified and confirmed by CAIRP members on August 21, 2009 (the "**Guidelines**"). A copy of the Guidelines is attached hereto as **Appendix "E"**.
34. Copies of the Assigned Leases are attached as the following appendices to this report:

**Appendix "F"** - Lease between London Life Insurance Company and Southam Inc. dated April 1, 1991 as renewed by the renewal letter dated April 28, 2004 and as assumed by The Edmonton Journal Group Inc. on October 30, 2000, in respect of 10006-101 St., Edmonton, Alberta and which is scheduled to expire in March 2041 (the "**Edmonton Journal Lease**");

**Appendix "G"** - Lease between Sodican (B.C.) Inc. and Lower Mainland Publishing Group Inc. dated March 10, 2005, in respect of #100 and #301, 126 East 15th Street, North Vancouver, British Columbia and which is scheduled to expire on March 31, 2015;

**Appendix “H” -** Lease between Sun Life Assurance Company of Canada and CanWest MediaWorks Publications Inc. (successor in interest by assignment dated November 1, 2005 to Ottawa Citizen Group Inc.) dated January 30, 2003 as amended by the amendment dated May 17, 2006, in respect of Units 404, 405, 406, 407, 408 at 1230 Old Innes Road, Ottawa, Ontario and which is scheduled to expire on August 31, 2013;

**Appendix “I” -** Lease between Fairlane Developments Inc. and Phoenix Media Group Inc.<sup>1</sup> dated June 27, 2001 as amended by the letter agreement dated May 26, 2006, in respect of 1614 Lesperance Rd, Unit 2, Building A, Tecumseh, Ontario and which is scheduled to expire on June 30, 2011; and

**Appendix “J” -** Lease between Sun Life Assurance Company of Canada and 156 O’Connor Limited (successor to 1331430 Ontario Inc.) and CanWest MediaWorks Publications Inc. dated May 8th, 2007 as amended by (i) the generator license agreement dated June 27, 2007; and (ii) the storage lease dated February 25, 2008, in respect of 50 O’Connor Street, Ottawa, Ontario and scheduled to expire on December 31, 2017.

35. The LP Entities have advised the Monitor that the Assigned Leases are important to the businesses of the LP Entities that are being sold to the Purchaser and that it would be

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<sup>1</sup> Canwest MediaWorks Publications Inc. (now CPI) acquired the shares of Phoenix Media Group Inc. in November 2007.

extremely disruptive to business operations if the businesses using the leased properties in question were not permitted to continue to use such properties pursuant to the terms of the existing leases.

36. The LP Entities and the Purchaser also confirmed that the LP Entities and/or the Purchaser will pay (or, in the case of the Edmonton Journal Lease, already paid pursuant to Court Order) any and all rent owing in arrears to the landlords pursuant to the Assigned Leases on or before the Plan Implementation Date.
37. The LP Entities believe that the Purchaser will be able to perform the obligations under the Assigned Leases and that the requested assignments are appropriate. The Monitor has reviewed the LP Entities' financial statements and cash flow projections and the *pro forma* financial statements generated by the Purchaser for the combined businesses of the LP Entities and National Post Inc. as at February 28, 2010. Based on its review, the Monitor agrees with the LP Entities' assessment that the Purchaser will be able to perform the obligations under the Assigned Leases and that the requested assignments are appropriate.
38. Accordingly, the Monitor supports the LP Entities' request for an Order assigning their rights and obligations under the Assigned Leases to the Purchaser.

## **RECOMMENDATION AND CONCLUSIONS**

39. For the reasons set out above, the Monitor supports the LP Entities' motion for an Order:

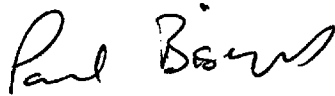


- a) establishing the Administrative Reserve;
- b) expanding the powers and duties of the Monitor following Plan Implementation Date; and
- c) assigning the rights and obligations of the LP Entities under the Assigned Leases.

All of which is respectfully submitted this 1<sup>st</sup> day of July, 2010.

FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en Commandite

Per



Paul Bishop  
Senior Managing Director

# APPENDIX "A"

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

THE HONOURABLE MADAM ) MONDAY, THE 17<sup>th</sup> DAY  
 )  
JUSTICE PEPALL ) OF MAY, 2010



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 CANWEST PUBLISHING  
INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC. AND CANWEST (CANADA) INC.

**ORDER APPROVING THE AHC TRANSACTION AND AMENDING THE CLAIMS  
PROCEDURE ORDER AND THE SISP PROCEDURES**

**THIS MOTION** made by Canwest Publishing Inc./Publications Canwest Inc. ("CPI"), Canwest Books Inc. and Canwest (Canada) Inc. (the "**Applicants**") and Canwest Limited Partnership (the "**Limited Partnership**", collectively and together with the Applicants, the "**LP Entities**", and each an "**LP Entity**"), for the relief set out in the Applicants' Notice of Motion including the approval of a transaction (the "**AHC Transaction**") to sell the Acquired Assets (as defined in the AHC APA) pursuant to an asset purchase agreement dated as of May 10, 2010 (the "**AHC APA**") among 7535538 Canada Inc., CW Acquisition Limited Partnership (the "**Purchaser**") and the LP Entities, the amendment of the Order of this Honourable Court dated April 12, 2010 (the "**Claims Procedure Order**") and the amendment of the procedures for the sale and investor solicitation process (the "**SISP Procedures**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Affidavit of Douglas E. J. Lamb sworn May 10, 2010 (the "**Lamb Affidavit**"), the Seventh Report of FTI Consulting Canada Inc. in its capacity as Court-appointed monitor of the LP Entities (the "**Monitor**") and on hearing from

counsel for the LP Entities, the Monitor, the ad hoc committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership (the “**Ad Hoc Committee**”), 7535538 Canada Inc., The Bank of Nova Scotia in its capacity as Administrative Agent (the “**Agent**”) for the senior lenders to the Limited Partnership (collectively, the “**LP Senior Lenders**”), counsel for the Special Committee of the Board of Directors of Canwest Global Communications Corp., counsel for the court-appointed representatives of certain employees and former employees of the LP Entities and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Seventh Report of the Monitor and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### **APPROVAL OF AHC OFFER AND AHC TRANSACTION**

2. **THIS COURT ORDERS AND DECLARES** that the AHC Transaction is hereby approved. The execution, delivery and performance of the AHC APA, substantially in the form attached as Exhibit “D” to the Lamb Affidavit, by the LP Entities is hereby authorized and approved, and the LP Entities are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the AHC Transaction and for the conveyance of the Acquired Assets to the Purchaser, including the filing of a related plan of compromise or arrangement and the calling and conduct of a meeting of creditors.

3. **THIS COURT ORDERS** that either Douglas E.J. Lamb or Kevin Bent is hereby authorized and directed to execute the AHC APA and such additional documents as may be necessary or desirable for the completion of the AHC Transaction and for the conveyance of the Acquired Assets to the Purchaser on behalf of the LP Entities. Notwithstanding anything herein or any provision of the AHC APA, the approval and completion of the AHC Transaction pursuant to this Order is conditional upon the Administrative Agent receiving, or escrow arrangements satisfactory to the Administrative Agent being made to ensure that the Administrative Agent receives, from or on behalf of the LP Entities in immediately available funds an amount sufficient to be distributed to the Senior Lenders in indefeasible repayment in

full of all amounts owing under the Credit Agreement, the Hedging Agreements and the Collateral Agency Agreement (as such capitalized terms are defined in the Initial Order dated January 8, 2010, which is referred to herein as the “**Initial Order**”).

#### **AMENDMENTS TO CLAIMS PROCEDURE ORDER**

4. **THIS COURT ORDERS** that the Claims Procedure Order made in this proceeding dated April 12, 2010 be and is hereinafter replaced by an amended Claims Procedure Order (the “**Amended Claims Procedure Order**”) that is to be issued substantially in the form attached as Schedule “A” to this Order.

5. **THIS COURT ORDERS** that the LP Entities and the Monitor are hereby authorized and directed to resume the LP Claims Process as contemplated in paragraph 34 of the Amended Claims Procedure Order and to take steps to adjudicate and resolve claims pursuant to the terms of the Amended Claims Procedure Order.

#### **AMENDMENT TO SISP PROCEDURES**

6. **THIS COURT ORDERS** that the SISP Procedures, as amended by the Order of this Court dated February 2, 2010, be and are hereby amended so that the first two paragraphs in the section entitled “Superior Cash Offer is Received” on page 11 shall read as follows (with added provisions underlined and in italics):

If the Monitor determines in its reasonable business judgment following consultation with the Financial Advisor and the LP CRA, that one or more of the Qualified Bids is a Superior Cash Offer, the Monitor, in consultation with the Financial Advisor and the LP CRA, shall recommend (the “**Superior Cash Offer Recommendation**”) to the Special Committee that the most favourable Superior Cash Offer be selected and that a definitive agreement be negotiated and settled in respect of that Superior Cash Offer, conditional upon Court approval and conditional on the Superior Cash Offer closing on or before July 29, 2010, or such longer period as shall be agreed to by the Monitor, in consultation with the Financial Advisor and the LP CRA, and consented to by the Agent, acting in consultation with the Steering Committee, or by further Order of the Court.

If the Special Committee accepts the Superior Cash Offer Recommendation, the Monitor, in consultation with the Financial Advisor and the LP CRA, shall negotiate and settle a definitive agreement in accordance with the recommendation but subject to the terms and conditions of the Senior Lenders' CCAA Plan, provided that nothing herein shall prevent the LP Entities or the Monitor from seeking sanction of the Senior Lenders' CCAA Plan, the implementation of which plan will remain conditional upon delivery of a Monitor's Certificate on such terms as may be agreed to by the LP Entities, the Monitor, the Ad Hoc Committee and the Agent or ordered by the Court and, if such sanction is granted, taking such commercially reasonable steps as are required for the LP Entities to remain in compliance with the terms of the Support Agreement and the Senior Lenders' CCAA Plan pending the closing of the Successful Bid (as defined herein).

#### **PRIORITY TO MANAGEMENT TIME**

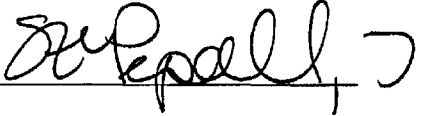
7. **THIS COURT ORDERS** that the AHC Transaction will have priority to management time to close that transaction. However, the LP Entities will also use reasonable efforts to comply with information requests from the Agent in accordance with the email of Alvarez & Marsal Canada ULC to the Monitor dated May 16, 2010 and such other requests in accordance with the LP Support Agreement so long as in each case they do not materially hinder or prejudice the closing of the AHC Transaction within the intended timeline. If any issues arise in relation to access to management time or other closing requirements as between the AHC Transaction and the Credit Acquisition (as defined in the Initial Order), the parties will consult with the Monitor who will seek to resolve them. If the Monitor is unable to resolve any such issues advice and direction will be sought from the Court.

#### **OTHER PROVISIONS**

8. **THIS COURT ORDERS** that in the event that the Monitor's Credit Bid Sanction Certificate provided for in the Conditional Credit Acquisition Sanction, Approval and Vesting Order made on the date of this Order is delivered by the Monitor, then this Order shall be of no force or effect.


9. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.

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

MAY 17 2010

PER / PAR: 

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 CANWEST  
PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND  
CANWEST (CANADA) INC.

Court File No: CV-10-8533-00CL

APPLICANTS

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

Proceeding commenced at Toronto

**ORDER APPROVING THE AHC TRANSACTION AND  
AMENDING THE CLAIMS PROCEDURE ORDER AND  
THE SISF PROCEDURES**

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# APPENDIX "B"

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) FRIDAY, THE 18<sup>th</sup> DAY  
 )  
MADAM JUSTICE PEPALL ) OF JUNE, 2010

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 CANWEST PUBLISHING  
INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC. AND CANWEST (CANADA) INC.

**APPLICANTS**



**PLAN SANCTION ORDER**

**THIS MOTION** made by Canwest Publishing Inc./Publications Canwest Inc. (“CPI”), Canwest Books Inc. and Canwest (Canada) Inc. (the “**Applicants**”) and Canwest Limited Partnership/Canwest Societe en Commandite (“**Limited Partnership**”, collectively and together with the Applicants, the “**LP Entities**”, and each an “**LP Entity**”), for an order sanctioning the consolidated plan of compromise concerning, affecting and involving the LP Entities dated May 20, 2010, as such Plan has been and may be amended, varied or supplemented by the LP Entities from time to time in accordance with the terms thereof (the “**Plan**”), which is attached as Schedule “A” hereto, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Affidavit of Douglas E.J. Lamb sworn June 14, 2010 (the “**Lamb Affidavit**”), the Eighth Report of FTI Consulting Canada Inc. (the “**Monitor’s Eighth Report**”) in its capacity as Court-appointed monitor of the LP Entities (the “**Monitor**”) and the Supplement to the Monitor’s Eighth Report dated June 10, 2010, the Tenth Report dated June 14, 2010, the asset purchase agreement between CW Acquisition Limited Partnership (the “**Assignor**”), 7535538 Canada Inc. (“**Holdco**”) and the LP Entities dated as of May 10, 2010 (the “**Asset Purchase Agreement**”), the Assignment and Amending Agreement

dated June 10, 2010 (the "Assignment and Amending Agreement") between Holdco, the Assignor, 7536321 Canada Inc. (the "Purchaser") and the LP Entities pursuant to which the Assignor has assigned its interest under the Asset Purchase Agreement to the Purchaser and on hearing from counsel for the LP Entities, the Monitor, the ad hoc committee of holders of 9.25% notes and senior subordinated debt issued by the Limited Partnership, The Bank of Nova Scotia in its capacity as Administrative Agent (the "Administrative Agent") for the Senior Lenders, the court-appointed representatives of the salaried employees and retirees and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed.

## **DEFINITIONS**

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Plan Sanction Order shall have the meanings ascribed to them in the Plan.

## **SERVICE AND CREDITORS' MEETING**

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with and that the service of the Notice of Motion, the Motion Record and the Monitor's Eighth Report as effected by the LP Entities is hereby validated in all respects.

3. **THIS COURT ORDERS** that there has been good and sufficient service and delivery of the Meeting Order granted by this Court on May 17, 2010, and all documents referred to in the Meeting Order, including the notice of the Creditors' Meeting and the Plan to all Affected Creditors.

4. **THIS COURT ORDERS** that the Creditors' Meeting was duly convened and held, all in conformity with the CCAA and the Orders of the Court made in these proceedings, including the Meeting Order.

## **APPROVALS AND AUTHORIZATIONS**

5. **THIS COURT ORDERS AND DECLARES** that the execution, delivery and performance of the Assignment and Amending Agreement, attached as Exhibit "G" to the Lamb

Affidavit, by the LP Entities is hereby authorized and approved, and the LP Entities are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated therein.

6. **THIS COURT ORDERS** that the LP Entities are hereby authorized to amend the agreement dated as of November 1, 2009 between CRS Inc. and Gary Colter (collectively, the “**LP CRA**”), Canwest Global Communications Corp. and the LP Entities (the “**LP CRA Agreement**”) and that the letter agreement dated as of July 1, 2010 that, among other things, confirms the continuing retainer of the LP CRA (the “**Amending CRA Retainer Letter**”) is hereby approved.

7. **THIS COURT ORDERS** that either of Douglas E.J. Lamb, Kevin Bent or Steven Pasternak is hereby authorized and directed to execute the Assignment and Amending Agreement and the Amending CRA Retainer Letter on behalf of the LP Entities.

8. **THIS COURT ORDERS** that all references to the LP CRA Agreement in paragraphs 42, 43 and 45 to 47 of the Initial Order be and are hereby deemed also to refer to the Amending CRA Retainer Letter.

#### **SANCTION OF THE PLAN**

9. **THIS COURT ORDERS** that the relevant class of Creditors of the LP Entities for the purpose of voting to approve the Plan is the Unsecured Creditors’ Class.

10. **THIS COURT ORDERS AND DECLARES** that (a) the Plan has been approved by the Required Majority of Affected Creditors in conformity with the CCAA; (b) the LP Entities have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all respects; (c) the Court is satisfied that the LP Entities have not done or purported to do anything that is not authorized by the CCAA; and (d) the LP Entities have acted in good faith and with due diligence and the Plan and all the terms and conditions of, and matters and transactions contemplated by, the Plan are fair and reasonable.

11. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA.

## PLAN IMPLEMENTATION

12. **THIS COURT ORDERS** that any one of Douglas E.J. Lamb, Kevin Bent or Steven Pasternak is hereby authorized and directed to take all actions necessary or appropriate to enter into, adopt, execute, deliver, implement and consummate the contracts, instruments, releases, all other agreements or documents to be created or which are to come into effect in connection with the Plan, including the Assignment and Amending Agreement, and all matters contemplated under the Plan involving corporate action of the LP Entities on behalf of the LP Entities and such actions are hereby approved and will occur in accordance with the Plan, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the LP Entities. Further, to the extent not previously given, all necessary approvals to take such action shall be and are hereby deemed to have been obtained from the directors or the shareholders of the LP Entities, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution, and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated in the Plan shall be effective or have any force or effect.

13. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the Plan in accordance with its terms, and enter into, execute, deliver, implement and consummate all of the steps, transactions and agreements contemplated pursuant to the Plan.

14. **THIS COURT ORDERS** that, subject to paragraph 15 below, upon the delivery of the Monitor's Plan implementation certificate to the Purchaser and the LP Entities in accordance with Section 9.4 of the Plan, substantially in the form attached hereto as Schedule "B", the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are and shall be implemented in accordance with the provisions of the Plan.

15. **THIS COURT ORDERS** that the Monitor shall file with the Court a copy of the Plan implementation certificate referred to in paragraph 14 above as soon as reasonably practicable after delivery thereof, provided that notwithstanding any other provision in this Plan Sanction Order, the Monitor shall not deliver the Monitor's Plan implementation certificate

unless and until (i) the Monitor has received confirmation from the Administrative Agent that the Administrative Agent has received, or escrow arrangements satisfactory to the Administrative Agent have been made, to ensure that the Administrative Agent receives, from or on behalf of the LP Entities in immediately available funds an amount sufficient to be distributed to the Senior Lenders in indefeasible repayment in full of all amounts owing under the Credit Agreement, the Hedging Agreements and the Collateral Agency Agreement (as such capitalized terms are defined in the Initial Order) and any other amounts secured by security granted by the LP Entities in favour of the Collateral Agent (as defined in the Senior Credit Agreement), including Cash Management Claims, provided that the cash management services currently provided to the LP Entities by The Bank of Nova Scotia will either be assumed by the Purchaser or terminated on the Plan Implementation Date, in either case on terms satisfactory to the Purchaser and The Bank of Nova Scotia, acting reasonably; and (ii) the Monitor has received confirmation from the DIP Administrative Agent that either the DIP Lender Distribution Amount is nil or that the DIP Administrative Agent has received, or escrow arrangements satisfactory to the DIP Administrative Agent have been made, to ensure that the DIP Administrative Agent receives from or on behalf of the LP Entities in immediately available funds, the DIP Lender Distribution Amount. For the purposes of calculating the amount set out in paragraph 15(i) herein, the principal amount outstanding under the Credit Agreement and the Hedging Agreements (as such capitalized terms are defined in the Initial Order) shall be as set out in Schedule "C" hereto provided that to the extent there is a dispute among the Administrative Agent, the LP Entities and the Monitor with respect to the amounts owing under the Credit Agreement, the Hedging Agreements, the Collateral Agency Agreement (as such capitalized terms are defined in the Initial Order) or any other amounts secured by security granted by the LP Entities in favour of the Collateral Agent (as defined in the Senior Credit Agreement), including Cash Management Claims, such dispute will be determined by Order of the Court.

16. **THIS COURT ORDERS** that as of the Effective Time on the Plan Implementation Date, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are hereby approved, binding and effective in accordance with the provisions of the Plan, and shall enure to the benefit of and be binding upon the LP Entities, all Affected Creditors, past and present directors or officers of the LP Entities, including *de facto* directors and officers, the Purchaser, and all other Persons and

Parties named or referred to in, affected by, or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

**TRANSACTIONS TO BE COMPLETED PRIOR TO THE PLAN IMPLEMENTATION DATE**

17. **THIS COURT ORDERS** that the steps to be taken prior to the Plan Implementation Date pursuant to section 7.2 of the Plan, including the step set out in paragraph 18 of this Plan Sanction Order, are and shall be deemed to occur and be effected in the sequential order contemplated by section 7.2 of the Plan.

18. **THIS COURT ORDERS** that, based solely on the information provided by the Affected Creditors to the Monitor, the Monitor shall advise the Purchaser of the aggregate Cash Elected Amount not less than three (3) Business Days prior to the Plan Implementation Date.

**TRANSACTIONS TO BE COMPLETED ON THE PLAN IMPLEMENTATION DATE BEGINNING AT THE EFFECTIVE TIME**

19. **THIS COURT ORDERS** that the steps to be taken and the compromises and releases to be effected on the Plan Implementation Date are and shall be deemed to occur and be effected in the order contemplated in section 7.3 of the Plan, without any further act or formality, on the Plan Implementation Date, beginning at the Effective Time.

20. **THIS COURT ORDERS** that if, and to the extent that, any of the Affected Creditors entitled to receive Shares are Affected Creditors solely of the Limited Partnership, CCI or CBI, CPI shall assume the liability to pay the Share Amount in accordance with the Plan.

21. **THIS COURT ORDERS** that if, and to the extent that, any of the Affected Creditors that have made or are deemed to have made a valid Cash Election in accordance with the Plan are Affected Creditors solely of the Limited Partnership, CCI or CBI, CPI shall assume the liability to pay the Cash Amount in accordance with the Plan.

22. **THIS COURT ORDERS** that in consideration for the assumption by CPI of the liability to pay the Share Amount and the Cash Amount, each of the Limited Partnership, CCI and CBI shall assign to CPI its entitlement to receive such portion of the Purchase Price allocable to it pursuant to section 4.1 of the Asset Purchase Agreement as is equal to the aggregate of the

Share Amount and the Cash Amount applicable to the Affected Creditors of the Limited Partnership, CCI and CBI, respectively.

23. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the LP Entities shall be and are hereby authorized and directed to pay from the Cash and Equivalents:

- (a) all fees and disbursements owing as at the Plan Implementation Date to the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee, the LP CRA and counsel to the LP CRA;
- (b) all fees and disbursements owing as at the Plan Implementation Date to RBC pursuant to the engagement letter dated October 1, 2009 between CPI, the Limited Partnership and RBC, including the Sale/Restructuring Fee contemplated therein, which engagement letter was approved by the Court pursuant to the terms of the Initial Order; and
- (c) any amounts then due and payable under the LP MIP.

24. **THIS COURT ORDERS** that the Senior Lender Distribution Amount, which shall include the amount required under paragraph 15(i) herein, shall be paid to the Administrative Agent as follows:

- (a) The Monitor shall release from escrow to the Administrative Agent, on behalf and for the account of CPI, in its capacity as guarantor under the Senior Credit Agreement, the Deposit; and
- (b) The remainder of the Senior Lender Distribution Amount, which shall include the amount required under paragraph 15(i) herein, as at the Plan Implementation Date shall be paid by the Purchaser to the Administrative Agent:
  - (i) on behalf and for the account of CCI, in its capacity as guarantor, CBI, in its capacity as guarantor, and the Limited Partnership, in its capacity as borrower or counterparty, to the extent of the portion of the Purchase Price allocable to CCI, CBI and the Limited Partnership, respectively, pursuant to section 4.1 of the Asset Purchase Agreement less the amount, if any, of



such portion of the Purchase Price, the entitlement to which has been assigned to CPI pursuant to paragraph 22 above; and

(ii) on behalf of CPI, in its capacity as guarantor, as to the remainder.

25. **THIS COURT ORDERS** that following the payment of the Senior Lender Distribution Amount, which shall include the amount required under paragraph 15(i) herein, to the Administrative Agent by the Monitor and the Purchaser in accordance with paragraph 24 above, the Administrative Agent is hereby authorized and directed to pay to each Senior Lender that is a party to one or more Hedging Agreements an amount equal to the principal amount of such Senior Lender's senior secured claim arising under or pursuant to such Hedging Agreement(s) plus accrued and outstanding interest thereon (the "**Hedging Claims**").

26. **THIS COURT ORDERS** that the Administrative Agent shall have no duty to any Senior Lender in respect of any Hedging Claim save and except for the obligation of the Administrative Agent to make payment to such Senior Lender to the extent that monies are actually received by the Administrative Agent from the Monitor and the Purchaser in accordance with paragraph 24 above, that the Administrative Agent shall have no liability for any breach of that duty except for breaches arising from the gross negligence or wilful misconduct of the Administrative Agent, and that the duties, obligations and liabilities of the Administrative Agent and its advisors pursuant to paragraph 25 above are subject to and are limited by the terms of the Senior Credit Agreement as if the Hedging Claims arose thereunder.

27. **THIS COURT ORDERS** that the Administrative Agent shall be entitled to establish a record date (the "**Senior Lender Distribution Record Date**") for the purpose of determining which Senior Secured Creditors are entitled to receive distributions out of the Senior Lender Distribution Amount, which shall include the amount required under paragraph 15(i) herein, and the Administrative Agent shall be entitled to rely solely upon the Administrative Agent's existing books and records (the "**Administrative Agent's Books and Records**") as of the Senior Lender Distribution Record Date for the purposes of determining which Senior Secured Creditors are entitled to receive distributions out of the Senior Lender Distribution Amount. Not later than three (3) Business Days following the Senior Lender Distribution Record Date, the Administrative Agent shall be authorized to post on one of the IntraLinks web sites maintained by the Administrative Agent for the benefit of the Senior Lenders a notice (the

“**Senior Secured Creditor Distribution Notice**”) to the Senior Secured Creditors setting out the names of the Senior Secured Creditors entitled to receive distributions based solely on the Administrative Agent’s Books and Records as of the Senior Lender Distribution Record Date. To the extent that any Senior Secured Creditor does not agree with the information contained in the Senior Secured Creditor Distribution Notice and is not able to resolve the matter with the Administrative Agent prior to the Plan Implementation Date, such Senior Secured Creditor shall be entitled to seek direction from the Court.

28. **THIS COURT ORDERS** that the Purchaser shall pay to the DIP Administrative Agent, on behalf and for the account of CPI, in its capacity as guarantor under the DIP Credit Agreement, the DIP Lender Distribution Amount, if any.

29. **THIS COURT ORDERS** that following receipt of the payment of the Senior Lender Distribution Amount to the Administrative Agent, which shall include the amount required under paragraph 15(i) herein, and the payment of the DIP Lender Distribution Amount to the DIP Administrative Agent by the Monitor and the Purchaser in accordance with the provisions of this Plan Sanction Order, the Administrative Agent, the DIP Administrative Agent and the collateral agent shall be authorized to execute such releases of security as are reasonably requested by the LP Entities.

30. **THIS COURT ORDERS** that the Purchaser shall pay to the Monitor, on behalf and for the account of CPI, the aggregate of all Cash Elected Amounts in respect of Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan.

31. **THIS COURT ORDERS** that, at the direction of the Purchaser, Holdco shall issue to CPI the Share Consideration and CPI shall, on its own behalf and in its capacity as guarantor to the extent Shares are to be distributed to Affected Creditors whose Claim consists of a debt guaranteed by CPI, as the case may be, cause such Share Consideration to be administered by the Monitor pursuant to sections 5.1 and 5.2 of the Plan.

32. **THIS COURT ORDERS** that the Purchaser shall assume the Assumed Liabilities, the Prior Ranking Secured Claims in respect of lessors under Personal Property

Leases, the Permitted Encumbrances, the Employee Priority Claims, the Government Priority Claims (except to the extent such Government Priority Claims are funded out of cash reserves or Shares pursuant to and in accordance with the Plan) and the Pension Priority Claims.

33. **THIS COURT ORDERS** that the Purchaser shall make a payment to Holdco in the amount equal to the aggregate of all costs incurred by Holdco in connection with the Acquisition and the Plan, including all financial advisory fees and expenses, legal fees and expenses and fees and expenses paid to rating agencies.

34. **THIS COURT ORDERS** that each of the Charges shall be terminated, discharged and released as against the Acquired Assets, the Unsecured Creditors' Pool, all payments made to or on behalf of the Administrative Agent, the DIP Administrative Agent or any other Senior Secured Creditor on or prior to the Plan Implementation Date and, except as may otherwise be provided in the Administrative Reserve Order (as herein defined), the Administrative Reserve, provided, however, that the Administrative Charge, as defined in and provided for in the Initial Order, shall not be discharged and released as against the Acquired Assets, the Unsecured Creditors' Pool or the Administrative Reserve unless and until the Administrative Reserve has been authorized and established in accordance with the further Order of this Court (the "**Administrative Reserve Order**").

#### **COMPROMISE OF CLAIMS AND EFFECT OF PLAN**

35. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, any and all Affected Claims of any nature against the LP Entities shall be forever compromised, discharged and released, and the ability of any Person to proceed against the LP Entities in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims are hereby permanently stayed, subject only to the rights of Affected Creditors to receive distributions pursuant to the Plan and this Plan Sanction Order in respect of their Affected Claims, in the manner and to the extent provided for in the Plan.

36. **THIS COURT ORDERS** that, all payments received by or on behalf of the Administrative Agent, the DIP Administrative Agent or the other Senior Secured Creditors, whether for principal, interest, fees, recoverable costs or expenses or otherwise, on or prior to the

Plan Implementation Date are infeasible, neither the LP Entities nor any secured or unsecured creditor of any of the LP Entities nor any other Person shall have for any reason any claims against any of the Senior Secured Creditors in respect of or for the return of such payments, and the Senior Secured Creditors shall not have any obligation to release or turn over to any Person all or any portion of any of such payments.

37. **THIS COURT ORDERS** that, without in any way limiting the release of the Senior Secured Creditors provided for in paragraph 59 hereof, upon the implementation of the Plan, the Senior Secured Creditors shall be released and discharged from any and all claims which any LP Entity, any secured or unsecured creditor of any of the LP Entities, or any other Person may have in any way relating to, arising or in any way connected with the Senior Secured Creditors' dealings, arrangements or agreements with the LP Entities or any of the LP Entities' creditors or the Senior Secured Creditors' involvement in the CCAA Case, including without limitation any and all claims in any way relating to, arising out of or in connection with the payments referred to in paragraphs 24, 28 and 36 above and any claim of the Subordinated Agent or the LP Subordinated Lenders for costs or expenses.

38. **THIS COURT DECLARES** that, notwithstanding, (i) the pendency of the CCAA Case; (ii) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") in respect of any of the LP Entities and any bankruptcy order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made in respect of any of the LP Entities, the release in paragraph 37 above and the making of the payments to the Administrative Agent, the Senior Lenders that are counterparties to the Hedging Agreements and the DIP Administrative Agent referred to in paragraphs 24, 28 and 36 above, shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the LP Entities and shall not be void or voidable, nor constitute nor be deemed to be a fraudulent preference or assignment, fraudulent conveyance, or transfer at undervalue, preference or any other challengeable or voidable transaction under the BIA or any other applicable federal or provincial legislation, nor shall such release or the making of such payments constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

39. **THIS COURT ORDERS** that all Proven Claims determined in accordance with the Amended Claims Procedure Order, the Meeting Order and the Plan shall be final and binding on the LP Entities and all Affected Creditors.

40. **THIS COURT ORDERS** that, without limiting the provisions of the Amended Claims Procedure Order or the Meeting Order, an Affected Creditor that did not file a Proof of Claim by the applicable Claims Bar Date in accordance with the provisions of the Amended Claims Procedure Order, the Meeting Order and the Plan, whether or not such Affected Creditor received notice of the claims process established by the Amended Claims Procedure Order, shall be and is hereby forever barred from making any Affected Claim against the LP Entities and shall not be entitled to any distribution under the Plan, and such Affected Creditor's Claim shall be and is hereby forever barred and extinguished. Nothing in the Plan extends or shall be interpreted as extending or amending the applicable Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Amended Claims Procedure Order or the Meeting Order.

41. **THIS COURT ORDERS** that each Affected Creditor is hereby deemed to have consented and agreed to all of the provisions in the Plan, in its entirety; and each Affected Creditor is hereby deemed to have executed and delivered to the LP Entities all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

42. **THIS COURT ORDERS** that on the Plan Implementation Date, the LP Notes Indenture, the LP Notes and related transaction documents, shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule and obligations of the LP Entities under such documents, agreements, or instruments evidencing any Claims with respect to the LP Notes shall be discharged, provided however, that the LP Notes Indenture shall continue in effect for purposes of permitting The Bank of New York Mellon, as successor to the LP Notes Trustee, and the Canadian LP Notes Trustee and their agents to (i) make distributions pursuant to the Plan and to perform such other necessary functions with respect thereto, and (ii) maintain and assert any rights or liens with respect thereto.

**ESTABLISHMENT OF THE POOLS AND DISTRIBUTIONS AND PAYMENTS BY THE MONITOR**

43. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the Unsecured Creditors' Pool shall be deemed to be held and administered by the Monitor in escrow for distribution in accordance with the Plan.

44. **THIS COURT ORDERS** that the Monitor shall administer the Unsecured Creditors' Cash Pool, which shall be held by the Monitor in escrow for the benefit of the Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan, and shall be distributed by the Monitor in accordance with the Plan.

45. **THIS COURT ORDERS** that the Monitor shall administer the Unsecured Creditors' Equity Pool with the Share Consideration issued by Holdco to CPI pursuant to section 7.3(h) of the Plan, which shall be administered by the Monitor to effect distributions to the Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan, and shall be distributed by the Monitor in accordance with the Plan.

46. **THIS COURT ORDERS** that the Monitor shall maintain and administer the Disputed Claims Reserve in accordance with the Plan.

47. **THIS COURT ORDERS** that pursuant to the Plan, the Initial Distribution Date will be a date not more than seven (7) days after the later of (x) the Plan Implementation Date and (y) the date that the last Disputed Claim is quantified (but not necessarily resolved) by agreement with the relevant Affected Creditor or by a claims officer or the Court.

48. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, subject to the Disputed Claims Reserve held by the Monitor in escrow, the Monitor on behalf and for the account of the LP Entities, shall be and is hereby authorized to make distributions on the Initial Distribution Date and each subsequent Distribution Date from the Unsecured Creditors' Cash Pool to each Affected Creditor with a Proven Claim equal to or less than \$1,000 and to each Affected Creditor with a Proven Claim greater than \$1,000 who has made a valid

Cash Election in accordance with the Plan, by way of a cheque in an amount equal to such Affected Creditors' Cash Elected Amount, sent by prepaid ordinary mail to the address for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor.

49. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, subject to the Disputed Claims Reserve held by the Monitor in escrow, the Monitor on behalf and for the account of the LP Entities, shall be and is hereby authorized to make distributions on the Initial Distribution Date and each subsequent Distribution Date from the Unsecured Creditors' Equity Pool to each Affected Creditor with a Proven Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan, by way of a distribution of Shares in an amount such that after giving effect to that distribution and any prior distributions, each Affected Creditor shall have received its Pro Rata Share.

50. **THIS COURT ORDERS** that no payments or distributions from the Unsecured Creditors' Pool in relation to any Disputed Claim shall be made with respect to all or any portion of a Disputed Claim unless and to the extent that it has become a Proven Claim, in whole or in part, in accordance with the Amended Claims Procedure Order, the Meeting Order and section 6.1 of the Plan.

51. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the Monitor, on behalf of the LP Entities, shall be and is hereby authorized and directed to make distributions from the Disputed Claims Reserve on the last Business Day of every month (or more frequently as the Monitor may determine in its sole and unfettered discretion) to:

- (a) each holder of a Disputed Claim, who has not made or been deemed to have made a valid Cash Election in accordance with the Plan, that has become a Proven Claim on or before the third Business Day prior to a Distribution Date (other than the Final Distribution Date), the appropriate portion of Shares in the Disputed Claims Reserve in respect of such Proven Claim such that after giving effect to that distribution and any prior distributions, such Affected Creditor shall have received its Pro Rata Share;
- (b) each other holder of a Proven Claim, who has not made or been deemed to have made a valid Cash Election in accordance with the Plan, the appropriate portion of

Shares in the Disputed Claims Reserve in respect of such Proven Claim such that after giving effect to that distribution and any prior distributions each such Affected Creditor on such Distribution Date shall have received its Pro Rata Share; and

- (c) each holder of a Disputed Claim that has become a Proven Claim on or before the third Business Day prior to such Distribution Date who has made or been deemed to have made a valid Cash Election in accordance with the Plan and who has not yet received a cash distribution, the appropriate portion of cash in the Disputed Claims Reserve in respect of such Affected Claim that would have been distributed on the Initial Distribution Date had such Disputed Claim been a Proven Claim.

52. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the Monitor shall be and is hereby authorized and directed to distribute any balance that remains in the Disputed Claims Reserve on the Final Distribution Date as follows:

- (a) any remaining portion of the Cash Elected Amounts that remain in the Disputed Claims Reserve shall be paid to the Purchaser; and
- (b) any Shares that remain in the Disputed Claims Reserve shall be distributed in accordance with section 5.1 and 5.2 of the Plan such that after giving effect to that distribution and any prior distributions each Affected Creditor with Proven Claims on the Final Distribution Date shall have received its Pro Rata Share.

53. **THIS COURT ORDERS** that any Disputed Claims to the extent that they have not become Proven Claims on or before the Final Distribution Date shall be forever discharged, barred and released, without any compensation therefor.

54. **THIS COURT ORDERS** that on the Plan Implementation Date and in accordance with section 7.3 of the Plan, the Purchaser, on behalf and for the account of the LP Entities, shall:

- (a) make payments to the Administrative Agent by way of cash and wire transfer(s) (in accordance with wire transfer instructions provided to the applicable LP



Entities and the Monitor at least three (3) Business Days prior to the Plan Implementation Date) in the sum of the Senior Lender Distribution Amount, which shall include the amounts set out in paragraph 15(i) herein; and

- (b) make payment to the DIP Administrative Agent by way of wire transfer(s) (in accordance with wire transfer instructions provided to CPI and the Monitor at least three (3) Business Days prior to the Plan Implementation Date) in the sum of the DIP Lender Distribution Amount.

55. **THIS COURT ORDERS** that all distributions and payments by or at the direction of the Monitor, in each case on behalf of the LP Entities, to the Affected Creditors under the Plan are for the account of the LP Entities and the fulfilment of their obligations under the Plan.

#### **STAY OF PROCEEDINGS**

56. **THIS COURT ORDERS** that, subject to further Order of this Court, the stay of proceedings under the Initial Order shall be and is hereby extended to, and including, July 30, 2010 provided that if the Plan Implementation Date occurs on or prior to July 30, 2010 then the stay of proceedings under the Initial Order shall be and is hereby extended to, and including, the Final Distribution Date.

57. **THIS COURT ORDERS** that, subject to performance by the LP Entities of their obligations under the Plan, all obligations, agreements or leases to which any of the LP Entities is a party shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, unless disclaimed or resiliated or deemed to be disclaimed or resiliated by the LP Entities pursuant to the Initial Order, and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

- (a) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under

the Plan, which would have entitled any other party thereto to enforce those rights or remedies;

- (b) that the LP Entities have sought or obtained relief or have taken steps as part of the Plan or under the CCAA;
- (c) of any default or event of default arising as a result of the financial condition or insolvency of the LP Entities;
- (d) of the effect upon the LP Entities of the completion of any of the transactions contemplated under the Plan;
- (e) of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan; or
- (f) of the assignment of any obligations, agreements, leases or other arrangements pursuant to the Asset Purchase Agreement.

58. **THIS COURT ORDERS** that any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any matter which is released pursuant to paragraph 59 of this Plan Sanction Order and section 8.1 of the Plan.

#### **RELEASES**

59. **THIS COURT ORDERS** that pursuant to and in accordance with section 8.1 of the Plan, on the Plan Implementation Date the Released Parties, including the Monitor and *de facto* directors and officers of the LP Entities, shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor or other Person (other than the Senior Secured Creditors in respect of the LP Entities) may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds

and statutory liabilities of present and former directors, officers, members and employees of the LP Entities, including *de facto* directors and officers, and any alleged fiduciary or other duty (whether acting as a director, officer, member, employee or acting in any other capacity, including as a *de facto* director or officer, in connection with the administration or management of the LP Pension Plans or otherwise), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the business and affairs of the LP Entities whenever or however conducted, the administration and/or management of the LP Pension Plans, the Plan, the CCAA Case, any Claim that has been barred or extinguished by the Amended Claims Procedure Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the LP Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing in the Plan shall release or discharge any Released Party for criminal or other wilful misconduct or present or former directors of the LP Entities with respect to matters set out in section 5.1(2) of the CCAA.

#### **THE MONITOR**

60. **THIS COURT ORDERS** that as of the Effective Time, the Monitor shall be discharged and released from its duties other than those obligations, duties and responsibilities necessary or required to give effect to the terms of the Plan.

61. **THIS COURT ORDERS AND DECLARES** that the actions and conduct of the Monitor in the CCAA Proceedings are hereby approved and that the Monitor has satisfied all of its obligations up to and including the date of this Sanction Order, and that in addition to the protections in favour of the Monitor as set out in the Initial Order, the Monitor shall not be liable for any act or omission on the part of the Monitor, including with respect to any reliance thereof, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of duties under the Plan or as requested by the LP Entities or with respect to any other duties or obligations in respect of the implementation of the Plan, save and

except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Subject to the foregoing, and in addition to the protections in favour of the Monitor as set out in the Orders of this Court, any claims against the Monitor in connection with the performance of its duties as Monitor are hereby released, stayed, extinguished and forever barred and the Monitor shall have no liability in respect thereof.

62. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor and such further order securing, as security for costs, the full indemnity costs of the Monitor in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

63. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein, shall be and is hereby authorized, directed and empowered to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan.

64. **THIS COURT ORDERS** that the Monitor shall be and is hereby authorized to execute and deliver on behalf of CPI, any Person required to withhold, deduct and/or remit to a Taxing Authority and on its own behalf all such stock transfer instruments, omnibus directions and other instruments and instructions which are necessary or advisable in the reasonable business judgment of the Monitor to effect the distribution or sale of Shares in accordance with the Plan, and Holdco, its agents, Computershare Investor Service Inc. and third party brokers, as applicable, shall be and are hereby authorized and directed to accept all such stock transfer instruments, omnibus directions, and other instruments and instructions when received.

65. **THIS COURT ORDERS** that upon completion by the Monitor of its duties in respect of the LP Entities pursuant to the CCAA and the Orders, including without limitation the Monitor's duties in respect of the Amended Claims Procedure Order and distributions made by or at the direction of the Monitor in accordance with the Plan, the Monitor may file with the Court a certificate of Plan termination, substantially in the form attached hereto as Schedule "D", stating that all of its duties in respect of the LP Entities pursuant to the CCAA and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be

discharged from its duties as Monitor of the LP Entities and the Charges shall be terminated and released.

66. **THIS COURT ORDERS** that for a period of five years after the Plan Implementation Date (or such longer period as the Purchaser and the LP Entities may agree):

- (a) Purchaser shall provide the LP Entities and the Monitor with reasonable access to any information in its possession or control relating to the Business and the business of the National Post as the LP Entities or the Monitor may reasonably require to meet legal, regulatory, accounting and auditing requirements;
- (b) upon the request of the Monitor, acting reasonably, employees of the Purchaser shall assist the Monitor in the performance of its duties and obligations, including the duties and obligations of the LP Entities under the Asset Purchase Agreement and the preparation and service of notices to creditors and preparation of the LP Entities' tax returns; and
- (c) upon the request of any trustee in bankruptcy appointed in respect of the estates of the LP Entities, the Purchaser shall (i) provide such trustee in bankruptcy with reasonable access to any information in its possession or control relating to the Business and the business of National Post and (ii) direct any requested Transferred Employees (as defined in the Asset Purchase Agreement) to assist the trustee in bankruptcy in the performance of its duties and obligations including the preparation and service of notices to creditors.

#### **ADDITIONAL PROVISIONS**

67. **THIS COURT ORDERS** that this Plan Sanction Order shall have full force and effect in all Provinces and Territories of Canada and abroad as against all Persons and Parties against whom it may otherwise be enforced.

68. **THIS COURT ORDERS** that the activities of the Monitor as described in the Sixth Report of the Monitor dated April 6, 2010, the Seventh Report of the Monitor dated May 10, 2010, the Supplement to the Seventh Report of the Monitor dated May 16, 2010, the

Monitor's Eighth Report, the Supplement to the Monitor's Eighth Report dated June 10, 2010 and the Ninth Report of the Monitor dated June 3, 2010 be and are hereby approved.

69. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from March 22, 2010 to May 31, 2010, all as particularized in the Affidavit of Paul Bishop sworn June 14, 2010 are hereby approved, and that the fees and disbursements of counsel for the Monitor, Stikeman Elliott LLP, for the period from March 20, 2010 to May 29, 2010, all as particularized in the Affidavit of Daphne J. MacKenzie sworn June 14, 2010 are hereby approved.

70. **THIS COURT ORDERS** that the LP Entities and the Monitor may apply to this Court for advice and direction, or to seek relief in respect of, any matters arising from or under the Plan and this Plan Sanction Order, including without limitation the interpretation of this Plan Sanction Order and the Plan or the implementation thereof, and for any further Order that may be required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.

71. **THIS COURT ORDERS AND REQUESTS** the aid and recognition (including assistance pursuant to Section 17 of the CCAA) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this court in carrying out the terms of this Plan Sanction Order.



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ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

JUN 18 2010

PER / PAR: 

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 CANWEST  
PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND  
CANWEST (CANADA) INC.

Court File No: CV-10-8533-00CL

APPLICANTS

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

Proceeding commenced at Toronto

**PLAN SANCTION ORDER**

**OSLER, HOSKIN & HARCOURT LLP**

Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8

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Lawyers for the Applicants

F. 1117119

# APPENDIX "C"

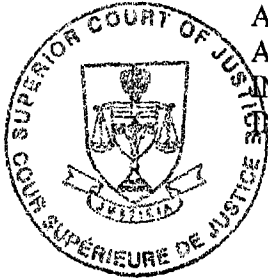


**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE )  
 )  
MADAM JUSTICE PEPALL ) MONDAY, THE 12<sup>th</sup> DAY  
 )  
 ) OF APRIL, 2010

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 CANWEST PUBLISHING  
INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC. AND CANWEST (CANADA) INC.



**APPLICANTS**

**CLAIMS PROCEDURE ORDER**

**THIS MOTION** made by Canwest Publishing Inc./Publications Canwest Inc. ("CPI"), Canwest Books Inc. and Canwest (Canada) Inc. (the "**Applicants**") and Canwest Limited Partnership ("**Canwest LP**", collectively and together with the Applicants, the "**LP Entities**", and each an "**LP Entity**"), for an order establishing a claims procedure for the identification and quantification of certain claims against the LP Entities was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Affidavit of Douglas E.J. Lamb sworn April 6, 2010, the Sixth Report of FTI Consulting Canada Inc. in its capacity as Court-appointed monitor of the LP Entities (the "**Monitor**") and on hearing from counsel for the LP Entities, the Monitor, The Bank of Nova Scotia in its capacity as Administrative Agent (the "**Agent**") for the LP Senior Lenders (as defined below), court-appointed counsel for the representatives of the salaried employees and retirees and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed.

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

**DEFINITIONS AND INTERPRETATION**

2. **THIS COURT ORDERS** that, for the purposes of this Order establishing a claims process for the LP Entities (the “**LP Claims Procedure Order**”), in addition to terms defined elsewhere herein, the following terms shall have the following meanings:
  - (a) “**Assessments**” means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority;
  - (b) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
  - (c) “**Calendar Day**” means a day, including Saturday, Sunday and any statutory holidays in the Province of Ontario, Canada;
  - (d) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
  - (e) “**CCAA Proceeding**” means the proceeding commenced by the LP Entities in the Court at Toronto under Court File No. CV-10-8533-00CL;
  - (f) “**Claim**” means:
    - (i) any right or claim of any Person against one or more of the LP Entities, whether or not asserted, in connection with any indebtedness, liability or

obligation of any kind whatsoever of one or more of the LP Entities in existence on the Filing Date, and any accrued interest thereon and costs payable in respect thereof to and including the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity 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 which existed prior to the Filing Date, and includes any other claims that would have been claims provable in bankruptcy had the applicable LP Entity become bankrupt on the Filing Date (each, a **"Prefiling Claim"**, and collectively, the **"Prefiling Claims"**); and

- (ii) any right or claim of any Person against one or more of the LP Entities in connection with any indebtedness, liability or obligation of any kind whatsoever owed by one or more of the LP Entities to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach on or after the Filing Date of any contract, lease or other agreement whether written or oral and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of this LP Claims Procedure Order (each, a **"Restructuring Period Claim"**, and collectively, the **"Restructuring Period Claims"**)

other than Excluded Claims;

- (g) **"Claims Officer"** means the individuals designated by the Court pursuant to paragraph 11 of this LP Claims Procedure Order and such other Persons as may be designated by the LP Entities and consented to by the Monitor;

- (h) “**Court**” means the Superior Court of Justice (Commercial List) in the City of Toronto in the Province of Ontario;
- (i) “**Director**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants;
- (j) “**Distribution Claim**” means the amount of the Claim of a Creditor to the extent that such claim is finally determined for distribution purposes, in the event that an LP Plan is filed, in accordance with the provisions of this LP Claims Procedure Order and the CCAA;
- (k) “**Excluded Claim**” means (i) claims secured by any of the Charges as defined in the Initial Order, (ii) any claim against a Director or Officer of the LP Entities, (iii) Insured Claims, (iv) with the exception of SERA Claims and Termination and Severance Claims (as defined herein), all claims by current or former employees of the LP Entities, including both unionized and non-unionized employees, arising out of the employment of such employees or former employees by the LP Entities including, without limitation, Grievance Claims and Pension Claims (as defined herein), (v) all claims by the LP Senior Lenders (as defined herein), (vi) all claims of the LP DIP Lenders against the LP Entities pursuant to the LP DIP Definitive Documents, (vii) Intercompany Claims, and (viii) all claims of The Bank of Nova Scotia arising from the provision of cash management services to the LP Entities;
- (l) “**Filing Date**” means January 8, 2010;
- (m) “**Grievance**” means all grievances filed by bargaining agents (the “**Unions**”) representing unionized employees of the LP Entities, or their members, under applicable collective bargaining agreements;
- (n) “**Initial Order**” means the Initial Order of the Honourable Madam Justice Pepall made January 8, 2010, as amended, restated or varied from time to time;
- (o) “**Insured Claim**” means that portion of a Claim arising from a cause of action for

which the applicable LP Entities are insured to the extent that such claim, or portion thereof, is insured;

- (p) “**Intercompany Claim**” means any claim by Canwest Global Communications Corp. (“**Canwest Global**”) or an affiliate or subsidiary of Canwest Global against one or more of the LP Entities including, for greater certainty, a claim by an LP Entity against another LP Entity;
- (q) “**LP Claims Bar Date**” means 5:00 p.m. on May 7, 2010;
- (r) “**LP Claims Package**” means the materials to be provided by the LP Entities to Persons who may have a Claim which materials shall consist of a blank LP Proof of Claim, an LP Proof of Claim Instruction Letter, and such other materials as the LP Entities may consider appropriate or desirable;
- (s) “**LP Claims Process**” means the call for claims process to be administered by the LP Entities with the assistance of the Monitor pursuant to the terms of this Order;
- (t) “**LP CRA**” means CRS Inc. in its capacity as the court-appointed Chief Restructuring Advisor of the LP Entities;
- (u) “**LP Creditor**” means any Person having a Claim including, without limitation and for greater certainty, the LP Noteholders, the LP Subordinated Lenders, the transferee or assignee of a transferred Claim that is recognized as an LP Creditor in accordance with paragraph 38 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;
- (v) “**LP Hedging Creditor**” means the various counterparties to certain foreign currency, interest rate and commodity hedging agreements with the LP Entities whose obligations rank *pari passu* to the claims of the LP Secured Lenders (as defined below);
- (w) “**LP Note Indenture**” means the note indenture dated July 13, 2007 with CanWest MediaWorks Limited Partnership as issuer, CanWest MediaWorks Publications Inc. and Canwest Books Inc. as guarantors, the Bank of New York as

U.S. Trustee, and BNY Trust Company of Canada as Canadian Trustee that was entered into in connection with the issuance of US\$400 million of senior subordinated notes that bear interest at 9.25%;

- (x) **“LP Notes”** means the US\$400 million of senior subordinated notes that bear interest at 9.25% that were issued pursuant to the LP Note Indenture;
- (y) **“LP Noteholders”** means the holders of the LP Notes;
- (z) **“LP Notice of Dispute of Revision or Disallowance”** means the notice referred to in paragraph 28 hereof, substantially in the form attached as Schedule “E” hereto, which may be delivered to the Monitor by an LP Creditor disputing an LP Notice of Revision or Disallowance, with reasons for its dispute;
- (aa) **“LP Notice of Revision or Disallowance”** means the notice referred to in paragraphs 26 and 27 hereof, substantially in the form of Schedule “D” advising an LP Creditor that the LP Entities have revised or rejected all or part of such LP Creditor’s Claim as set out in its LP Proof of Claim;
- (bb) **“LP Notice to Creditors”** means the notice for publication by the LP Entities or the Monitor as described in paragraph 16 hereof, substantially in the form attached hereto as Schedule “A”, calling for any and all Claims of LP Creditors;
- (cc) **“LP Plan”** means, as further defined in the Initial Order, any proposed plan of compromise or arrangement that may be filed by any or all of the LP Entities (in consultation with the Monitor and the LP CRA) pursuant to the CCAA as the same may be amended, supplemented or restated from time to time in accordance with the terms thereof other than the LP Senior Lenders’ CCAA Plan;
- (dd) **“LP Proof of Claim”** means the Proof of Claim referred to in paragraphs 22, 23 and 24 hereof to be filed by LP Creditors, in order to establish a Claim, substantially in the form attached hereto as Schedule “C”;
- (ee) **“LP Proof of Claim Instruction Letter”** means the instruction letter to LP Creditors, substantially in the form attached as Schedule “B” hereto, regarding the

completion of an LP Proof of Claim and the claims procedure described herein and stating the amount of the Claim of the particular LP Creditor receiving the LP Proof of Claim Instruction Letter, as evidenced by the books and records of the LP Entities;

- (ff) **“LP Restructuring Period Claims Bar Date”** means 5:00 p.m. on the day that is 21 Calendar Days after an LP Creditor with a Restructuring Period Claim is deemed to have received the LP Claims Package pursuant to paragraph 39 of this Order.
- (gg) **“LP Secured Lenders”** means the syndicate of lenders from time to time party to the credit agreement dated as of July 10, 2007 between CanWest MediaWorks Limited Partnership, The Bank of Nova Scotia, as Administrative Agent, the LP Secured Lenders and CanWest MediaWorks (Canada) Inc., CanWest MediaWorks Publications Inc. and Canwest Books Inc., as guarantors;
- (hh) **“LP Senior Lenders”** means the LP Hedging Creditors and the LP Secured Lenders;
- (ii) **“LP Senior Lenders’ CCAA Plan”** means the plan of compromise or arrangement between the LP Entities and the LP Senior Lenders that was accepted for filing by this Honourable Court pursuant to the Initial Order and was approved by the LP Senior Lenders at a meeting on January 27, 2010;
- (jj) **“LP Senior Lenders’ Claims”** means the claims of the LP Senior Lenders as determined pursuant to the LP Senior Lenders’ Claim Procedure (as described below);
- (kk) **“LP Senior Lenders’ Claims Procedure”** means the claims procedure approved in the Initial Order by which the LP Senior Lenders’ Claims were determined in the context of the LP Senior Lenders’ CCAA Plan;
- (ll) **“LP Senior Subordinated Credit Agreement”** means the senior subordinated credit agreement dated as of July 10, 2007 between CanWest MediaWorks

Limited Partnership, the Subordinated Agent, the LP Subordinated Lenders, and CanWest MediaWorks (Canada) Inc., CanWest MediaWorks Publications Inc. and Canwest Books Inc., as guarantors;

- (mm) “**LP Subordinated Lenders**” means the syndicate of lenders that are parties to the LP Senior Subordinated Credit Agreement;
- (nn) “**Meeting**” means any meeting of LP Creditors called for the purpose of considering and voting in respect of an LP Plan, if one is filed;
- (oo) “**Monitor**” means FTI Consulting Canada Inc., as court-appointed Monitor in the CCAA proceeding of the LP Entities;
- (pp) “**Officer**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants;
- (qq) “**Pension Claim**” means any claim under the pension plans of the LP Entities as identified in the Initial Order Affidavit;
- (rr) “**Person**” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;
- (ss) “**Prefiling Claim**” has the meaning ascribed to that term in paragraph 2(f)(i) of this LP Claims Procedure Order;
- (tt) “**Restructuring Period Claim**” has the meaning ascribed to that term in paragraph 2(f)(ii) of this LP Claims Procedure Order;
- (uu) “**SERA Claim**” means any claim by a current or former employee of the LP Entities for payments or benefits arising out of a Southam Executive Retirement Arrangement (a “**SERA**”) that were discontinued after the Filing Date;



- (vv) “**SISP**” means the Sale and Investor Solicitation Process being carried out pursuant to the terms of the SISP Procedures;
  - (ww) “**SISP Procedures**” means the Procedures for the Sale and Investor Solicitation Process, as amended, in the form attached as Schedule “A” to the Stay Extension Order and Order Amending the Initial Order and the Procedures for the Sale and Investor Solicitation Process that was issued by this Honourable Court on February 2, 2010;
  - (xx) “**Subordinated Agent**” means The Bank of Nova Scotia, as Administrative Agent under the LP Senior Subordinated Credit Agreement;
  - (yy) “**Termination and Severance Claim**” means any claim by a former employee of the LP Entities with an effective date of termination on or before January 8, 2010 who was in receipt of salary continuance from the LP Entities that has been discontinued as a result of the commencement of the LP Entities’ CCAA proceeding;
  - (zz) “**Trustees**” means the Bank of New York as U.S. Trustee and BNY Trust Company of Canada as Canadian Trustee under the LP Note Indenture;
  - (aaa) “**Voting Claim**” means the amount of the Claim of an LP Creditor to the extent that such claim has been finally determined for voting at a Meeting, in accordance with the provisions of this LP Claims Procedure Order, and the CCAA.
3. **THIS COURT ORDERS** that all capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order.
  4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, 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 indicated herein.
  5. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.

6. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

### **GENERAL PROVISIONS**

7. **THIS COURT ORDERS** that the LP Entities and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this LP Claims Procedure Order, including in respect of completion, execution and time of delivery of such forms and request any further documentation from an LP Creditor that the LP Entities or the Monitor may require in order to enable them to determine the validity of a Claim.
8. **THIS COURT ORDERS** that any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date. U.S. dollar denominated claims shall be converted at the Bank of Canada Canadian/U.S. dollar noon exchange rate in effect at the Filing Date, which rate was CDN\$1.0344:\$1 U.S.
9. **THIS COURT ORDERS** that interest and penalties that would otherwise accrue after the Filing Date shall not be included in any Claim.
10. **THIS COURT ORDERS** that copies of all forms delivered by or to an LP Creditor hereunder, as applicable, and determinations of Claims by a Claims Officer or the Court, as the case may be, shall be maintained by the LP Entities and, subject to further order of the Court, such LP Creditor will be entitled to have access thereto by appointment during normal business hours on written request to the LP Entities or the Monitor.

### **CLAIMS OFFICER**

11. **THIS COURT ORDERS** that The Honourable Edward Saunders, The Honourable Coulter Osborne and such other Persons as may be appointed by the Court from time to time on application of the LP Entities (in consultation with the LP CRA), or such other

Persons designated by the LP Entities (in consultation with the LP CRA) and consented to by the Monitor, be and they are hereby appointed as Claims Officers for the claims procedure described herein.

12. **THIS COURT ORDERS** that, subject to the discretion of the Court, a Claims Officer shall determine the validity and amount of disputed Claims in accordance with this LP Claims Procedure Order and to the extent necessary may determine whether any Claim or part thereof constitutes an Excluded Claim. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. A Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before a Claims Officer shall be paid.
13. **THIS COURT ORDERS** that the Claims Officers shall be entitled to reasonable compensation for the performance of their obligations set out in this Claims Order on the basis of the hourly rate customarily charged by the Claims Officers in performing comparable functions to those set out in this Claims Order and any disbursements incurred in connection therewith. The fees and expenses of the Claims Officers shall be borne by the LP Entities and shall be paid by the LP Entities forthwith upon receipt of each invoice tendered by the Claims Officers.
14. **THIS COURT ORDERS** that, notwithstanding anything to the contrary herein, an LP Entity may in its sole discretion refer an LP Creditor's Claim for resolution to a Claims Officer or the Court for voting and/or distribution purposes, where in the LP Entity's view such a referral is preferable or necessary for the resolution of the valuation of the Claim.

#### **MONITOR'S ROLE**

15. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall assist the LP Entities in connection with the administration of the claims procedure provided for herein, including the determination of Claims of LP Creditors and the referral of a

particular Claim to a Claims Officer, as requested by the LP Entities from time to time, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this LP Claims Procedure Order.

### **NOTICE OF CLAIMS**

16. **THIS COURT ORDERS** that forthwith after the date of this LP Claims Procedure Order and in any event on or before April 20, 2010, the LP Entities or the Monitor shall publish the LP Notice to Creditors, for at least two (2) Business Days in the *National Post*, *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal*.
17. **THIS COURT ORDERS** that the Monitor shall send an LP Claims Package to each LP Creditor with a Claim (other than a Restructuring Period Claim) as evidenced by the books and records of the LP Entities in accordance with paragraph 39 before 11:59 p.m. on April 16, 2010. The LP Proof of Claim Instruction Letter for each such LP Creditor shall provide general information and instructions in respect of the filing of Claims. The LP Claims Package as sent to LP Creditors will also include an individualized letter setting forth the amount of the Claim of such LP Creditor as evidenced by the books and records of the LP Entities.
18. **THIS COURT ORDERS** that the LP Entities are authorized to send an LP Claims Package to the Trustees and that the LP Entities shall not be required to send LP Claims Packages to the individual LP Noteholders.
19. **THIS COURT ORDERS** that the LP Entities are authorized to send an LP Claims Package to the Subordinated Agent and that the LP Entities shall not be required to send LP Claims Packages to the individual LP Subordinated Lenders.
20. **THIS COURT ORDERS** that the Monitor shall send forthwith an LP Claims Package to any LP Creditor of the LP Entities that requests such documents.

### **NOTICE OF RESTRUCTURING PERIOD CLAIMS**

21. **THIS COURT ORDERS** that the LP Entities shall deliver an LP Claims Package to each LP Creditor with a Restructuring Period Claim, as soon as practicable after the LP

Entities have knowledge of the Restructuring Period Claim and, in any event, no later than 31 Calendar Days before the date of any Meeting.

**FILING OF PROOFS OF CLAIM**

22. **THIS COURT ORDERS** that any LP Creditor asserting a Claim against the LP Entities shall file an LP Proof of Claim with the Monitor on or before the LP Claims Bar Date or the LP Restructuring Period Claims Bar Date, as applicable.
23. **THIS COURT ORDERS** that the Trustees are authorized to file one or more LP Proofs of Claim on or before the LP Claims Bar Date on behalf of all of the LP Noteholders indicating that amount owing on an aggregate basis for all of the LP Notes. Notwithstanding any other provisions in this Order, the LP Noteholders are not required to file individual LP Proofs of Claim in respect of claims relating solely to the debt evidenced by the LP Notes.
24. **THIS COURT ORDERS** that the Subordinated Agent is hereby authorized to file one or more LP Proofs of Claim on or before the LP Claims Bar Date on behalf of all of the LP Subordinated Lenders, indicating that amount owing on an aggregate basis under the LP Senior Subordinated Credit Agreement. Notwithstanding any other provisions in this Order, the LP Subordinated Lenders are not required to file individual LP Proofs of Claim in respect of claims relating solely to the obligations under the LP Senior Subordinated Credit Agreement.
25. **THIS COURT ORDERS** that any LP Creditor that does not file an LP Proof of Claim as provided for in paragraph 22 herein so that such LP Proof of Claim is received by the Monitor on or before the LP Claims Bar Date or the LP Restructuring Period Claims Bar Date, as applicable, or such later date as the Monitor and the Applicants may agree in writing or the Court may otherwise agree:
  - (a) shall be and is hereby forever barred from making or enforcing any Claim against the LP Entities and the Claim shall be forever extinguished;

- (b) shall not be entitled to further notice of any action taken by the LP Entities pursuant to this Order; and
- (c) shall not be entitled to participate as an LP Creditor in these proceedings.

**ADJUDICATION OF CLAIMS**

26. **THIS COURT ORDERS** that provided that the LP Claims Process has not been suspended pursuant to paragraph 34 herein, the LP Entities shall, with the assistance of the Monitor and in consultation with the LP CRA, review all LP Proofs of Claim received by the LP Claims Bar Date or the LP Restructuring Period Claims Bar Date, as applicable, and shall accept, revise or reject each Claim. If the LP Entities intend to revise or reject a Claim, other than a Restructuring Period Claim, the LP Entities shall by no later than 11:59 p.m. on the later of (i) May 28, 2010 or (ii) the date exactly three weeks after the Monitor posts notice on its website that a determination to proceed with the adjudication of claims has been made pursuant to paragraph 34 herein, or such other date as may be agreed to by the Monitor, notify each LP Creditor who has delivered an LP Proof of Claim whether such LP Creditor's Claim as set out therein has been revised or rejected and the reasons therefor, by sending an LP Notice of Revision or Disallowance. If the LP Entities intend to revise or reject a Restructuring Period Claim, the LP Entities shall by no later than 14 Calendar Days after the LP Restructuring Period Claims Bar Date, or such other date as may be agreed to by the Monitor, notify each LP Creditor who has delivered an LP Proof of Claim in respect of a Restructuring Period Claim whether such LP Creditor's Claim as set out therein has been revised or rejected and the reasons therefore, by sending an LP Notice of Revision or Disallowance. Where the LP Entities do not send by such dates, or such other dates as may be agreed to by the Monitor, an LP Notice of Revision or Disallowance to an LP Creditor, the LP Entities shall be deemed to have accepted such LP Creditor's Claim in the amount set out in that LP Creditor's LP Proof of Claim.
27. **THIS COURT ORDER** that, where the LP Entities intend to revise or reject an LP Proof of Claim filed by the Trustees on behalf of the LP Noteholders or an LP Proof of Claim filed by the Subordinated Agent on behalf of the LP Subordinated Lenders, the LP

Entities shall send the LP Notice of Revision or Disallowance to the Trustees or the Subordinated Agent, as applicable.

28. **THIS COURT ORDERS** that, except in the case of an LP Creditor with a Restructuring Period Claim, any LP Creditor, and in the case of the LP Noteholders and the LP Subordinated Lenders, the Trustees and the Subordinated Agent, respectively, who intends to dispute an LP Notice of Revision or Disallowance sent pursuant to the immediately preceding paragraphs shall deliver an LP Notice of Dispute of Revision or Disallowance to the Monitor before the later of (i) June 11, 2010 or (ii) the date exactly five weeks after the Monitor posts notice on its website that a determination has been made to proceed with the adjudication of claims pursuant to paragraph 34 herein, or such other date as may be agreed to by the Monitor. In the case of an LP Creditor with a Restructuring Period Claim, such LP Creditor shall deliver an LP Notice of Dispute of Revision or Disallowance within ten (10) Calendar Days of the date that the Notice of Revision or Disallowance is deemed to have been received pursuant to paragraph 39 of this Order.

### **RESOLUTION OF CLAIMS**

29. **THIS COURT ORDERS** that where an LP Creditor that receives an LP Notice of Revision or Disallowance pursuant to paragraphs 26 and 27 above does not file an LP Notice of Dispute of Revision or Disallowance by the time set out in paragraph 28 above, such LP Creditor's Claim shall be deemed to be as set out in the LP Notice of Revision or Disallowance.
30. **THIS COURT ORDERS** that in the event that an LP Entity, with the assistance of the Monitor and in consultation with the LP CRA, is unable to resolve a dispute regarding any Claim with an LP Creditor, the LP Entity or the LP Creditor shall so notify the Monitor, and the LP Creditor or the LP Entity, as the case may be. The decision as to whether the LP Creditor's Claim should be adjudicated by the Court or a Claims Officer shall be in the sole discretion of the LP Entity. To the extent a Claim is referred under this paragraph to the Court or a Claims Officer, the Court or a Claims Officer, as the case may be, shall resolve the dispute between the LP Entity and such LP Creditor, and in any

event, it is anticipated that the Court or a Claims Officer shall, by no later than eight (8) Calendar Days prior to the date of any Meeting, notify the LP Entity, the LP Creditor and the Monitor of the determination of the value of the LP Creditor's Claim.

31. **THIS COURT ORDERS** that where the value of an LP Creditor's Voting Claim has not been finally determined by the Court or the Claims Officer by the date of a Meeting, if any, the relevant LP Entity shall (in consultation with the LP CRA) either:

- (a) accept the LP Creditor's determination of the value of the Voting Claim as set out in the applicable LP Notice of Dispute of Revision or Disallowance only for the purposes of voting and conduct the vote of the Creditors on that basis subject to a final determination of such LP Creditor's Voting Claim, and in such case the Monitor shall record separately the value of such LP Creditor's Voting Claim and whether such LP Creditor voted in favour of or against the LP Plan;
- (b) adjourn the Meeting until a final determination of the Voting Claim(s) is made; or
- (c) deal with the matter as the Court may otherwise direct or as the LP Entities, the Monitor and the LP Creditor may otherwise agree.

32. **THIS COURT ORDERS** that either an LP Creditor or an LP Entity may, within seven (7) Calendar Days of notification of a Claims Officer's determination in respect of an LP Creditor's Claim, appeal such determination to the Court by filing a notice of appeal, and the appeal shall be initially returnable within ten (10) Calendar Days of the filing of such notice of appeal, such appeal to be an appeal based on the record before the Claims Officer and not a hearing de novo.

33. **THIS COURT ORDERS** that if neither party appeals the determination of a Claim by a Claims Officer within the time set out in paragraph 32 above, the decision of the Claims Officer in determining the value of an LP Creditor's Claim shall be final and binding upon the relevant LP Entity, the Monitor and the LP Creditor and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final



determination of a Claim.

**SUSPENSION OF THE CLAIMS PROCESS**

34. **THIS COURT ORDERS** that no steps for the purposes of adjudicating or resolving the Claims (as described in paragraphs 26 through 32 herein) shall be taken unless:
- (a) Phase 2 of the SISP is completed and the Monitor, the LP CRA, the LP Entities and the Agent make a determination that such steps are reasonably required to close the Successful Bid (as defined in the SISP Procedures);
  - (b) after the closing of the Successful Bid (or such earlier date as may be agreed to by the Monitor, the LP CRA, the LP Entities and the Agent), the Monitor, the LP CRA and the LP Entities make a determination that the resolution of Claims is reasonably required to facilitate a distribution of proceeds from such Successful Bid; or
  - (c) directed by further Order of the Court.
35. **THIS COURT ORDERS** that if a determination is made under paragraph 34 above, the Monitor shall as soon as reasonably possible thereafter post notice of such determination on the website maintained for this proceeding at: <http://cfcanada.fticonsulting.com/clp>, and such posting shall constitute notice of such determination.

**SET-OFF**

36. **THIS COURT ORDERS** that the LP Entities may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to the LP Plan to any LP Creditor, any claims of any nature whatsoever that any of the LP Entities may have against such LP Creditor, however, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the LP Entities of any such claim that the LP Entities may have against such LP Creditor.

**NOTICE OF TRANSFEREES**

37. **THIS COURT ORDERS** that leave is hereby granted from the date of this LP Claims Procedure Order until ten (10) Business Days prior to the date fixed by the Court for any Meeting to permit an LP Creditor to provide notice of assignment or transfer of a Claim to the Monitor.
38. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the LP Entities shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the relevant LP Entity and the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this LP Claims Procedure Order prior to receipt and acknowledgement by the relevant LP Entity and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which an LP Entity may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the LP Entities. No transfer or assignment shall be received for voting purposes unless such transfer shall have been received by the Monitor no later than ten (10) Business Days prior to the date to be fixed by the Court for the Meeting, failing which the original transferor shall have all applicable rights as the "Creditor" with respect to such Claim as if no transfer of the Claim had occurred. Reference to transfer in this LP Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

**SERVICE AND NOTICES**

39. **THIS COURT ORDERS** that the LP Entities and the Monitor may, unless otherwise specified by this LP Claims Procedure Order, serve and deliver the LP Claims Package, any letters, notices or other documents to LP Creditors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the LP Entities or set out in such LP Creditor's LP Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 6:00 p.m. on a Business Day, on such Business Day and if delivered after 6:00 p.m. or other than on a Business Day, on the following Business Day.
40. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by an LP Creditor to the Monitor or the LP Entities under this LP Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this LP Claims Procedure Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc., Court-appointed Monitor of Canwest Publishing  
Inc./Publications Canwest Inc. et al  
Claims Process  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, ON  
M5K 1G8

Attention: Pamela Luthra  
Telephone: 1 888- 310-7627  
Fax: 416-649-8101  
Email: CanwestLP@fticonsulting.com

Any such notice or communication delivered by an LP Creditor shall be deemed to be received upon actual receipt by the Monitor thereof during normal business hours on a

Business Day or if delivered outside of normal business hours, the next Business Day.

41. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this LP Claims Procedure Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this LP Claims Procedure Order.
42. **THIS COURT ORDERS** that in the event that this LP Claims Procedure Order is later amended by further Order of the Court, the LP Entities or the Monitor may post such further Order on the Monitor's website and such posting shall constitute adequate notice to LP Creditors of such amended claims procedure.

#### **MISCELLANEOUS**

43. **THIS COURT ORDERS** that notwithstanding any other provisions of this LP Claims Procedure Order, the solicitation by the Monitor or the LP Entities of LP Proofs of Claim, and the filing by any LP Creditor of any LP Proof of Claim shall not, for that reason only, grant any person any standing in these proceedings or rights under any proposed LP Plan.
44. **THIS COURT ORDERS** that nothing in this LP Claims Procedure Order shall (i) constitute or be deemed to constitute an allocation or assignment of Claims or Excluded Claims by the LP Entities into particular affected or unaffected classes for the purpose of an LP Plan; or (ii) authorize or require the LP Entities to file an LP Plan.
45. **THIS COURT ORDERS** that in the event that no LP Plan is approved by this Court, the LP Claims Bar Date or LP Restructuring Claims Bar Date, as the case may be, shall be of no effect in any subsequent proceeding or distribution with respect to any and all Claims made by LP Creditors.
46. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any

judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial regulatory body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this LP Claims Procedure Order.

A handwritten signature in black ink, appearing to read "J. Spall", is written over a horizontal line.

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

APR 12 2010

PER / PAR:

A small, handwritten signature in black ink, possibly initials, is written next to the "PER / PAR:" label.

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

Court File No: CV-10-8533-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANWEST  
PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND  
CANWEST (CANADA) INC.

APPLICANTS

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**CLAIMS PROCEDURE ORDER**

**OSLER, HOSKIN & HARCOURT LLP**

Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8

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Fax: (416) 862-6666

Lawyers for the Applicants

F. 1117119



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE )  
 )  
MADAM JUSTICE PEPALL ) MONDAY, THE 17<sup>th</sup> DAY  
 ) OF MAY, 2010

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 CANWEST PUBLISHING  
INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC. AND CANWEST (CANADA) INC.

**APPLICANTS**

**AMENDED CLAIMS PROCEDURE ORDER**

**THIS MOTION** made by Canwest Publishing Inc./Publications Canwest Inc. (“CPI”), Canwest Books Inc. and Canwest (Canada) Inc. (the “**Applicants**”) and Canwest Limited Partnership/Canwest Societe en Commandite (“**Canwest LP**”, collectively and together with the Applicants, the “**LP Entities**”, and each an “**LP Entity**”), for an order amending the procedure for the identification and quantification of certain claims against the LP Entities that was established pursuant to an order dated April 12, 2010 was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Affidavit of Douglas E.J. Lamb sworn May 10, 2010, the Seventh Report of FTI Consulting Canada Inc. (the “**Monitor’s Seventh Report**”) in its capacity as Court-appointed monitor of the LP Entities (the “**Monitor**”) and on hearing from counsel for the LP Entities, the Monitor, the ad hoc committee of holders of 9.25% notes issued by Canwest Limited Partnership, The Bank of Nova Scotia in its capacity as Administrative Agent (the “**Agent**”) for the LP Senior Lenders (as defined below), the court-appointed representatives of the salaried employees and retirees and such other counsel as were



present, no one else appearing although duly served as appears from the affidavit of service, filed.

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

### **DEFINITIONS AND INTERPRETATION**

2. **THIS COURT ORDERS** that, for the purposes of this Order establishing and amending a claims process for the LP Entities (the “**LP Amended Claims Procedure Order**”), in addition to terms defined elsewhere herein, the following terms shall have the following meanings:
  - (a) “**Assessments**” means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority;
  - (b) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
  - (c) “**Calendar Day**” means a day, including Saturday, Sunday and any statutory holidays in the Province of Ontario, Canada;
  - (d) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
  - (e) “**CCAA Proceeding**” means the proceeding commenced by the LP Entities in the Court at Toronto under Court File No. CV-10-8533-00CL;

- (f) **“Claim”** means:
- (i) any right or claim of any Person against one or more of the LP Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of one or more of the LP Entities in existence on the Filing Date, and any accrued interest thereon and costs payable in respect thereof to and including the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity 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 which existed prior to the Filing Date, and includes any other claims that would have been claims provable in bankruptcy had the applicable LP Entity become bankrupt on the Filing Date (each, a **“Prefiling Claim”**, and collectively, the **“Prefiling Claims”**);
  - (ii) any right or claim of any Person against one or more of the LP Entities in connection with any indebtedness, liability or obligation of any kind whatsoever owed by one or more of the LP Entities to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach on or after the Filing Date of any contract, lease or other agreement whether written or oral and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of this LP Amended Claims Procedure Order (each, a **“Restructuring Period Claim”**, and collectively, the **“Restructuring Period Claims”**);
  - (iii) any right or claim of any Person against one or more of the Directors or

Officers of one or more of the LP Entities or any of them, that relates to a Prefiling Claim or a Restructuring Period Claim howsoever arising for which the Directors or Officers of an LP Entity are by statute or otherwise by law liable to pay in their capacity as Directors or Officers or in any other capacity including, for greater certainty, any claim against a Director or Officer that may be secured by the LP Directors' Charge, but excluding any claims by the LP Senior Lenders (as defined herein) (each a "Director/Officer Claim", and collectively, the "**Directors/Officers Claims**");

other than Excluded Claims;

- (g) "**Claims Officer**" means the individuals designated by the Court pursuant to paragraph 11 of this LP Amended Claims Procedure Order and such other Persons as may be designated by the LP Entities and consented to by the Monitor;
- (h) "**Court**" means the Superior Court of Justice (Commercial List) in the City of Toronto in the Province of Ontario;
- (i) "**Creditors' Meeting Order**" means the Order of this Honourable Court dated May 17, 2010 establishing procedures for the call and conduct of a meeting of creditors of the LP Entities;
- (j) "**Director**" means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants;
- (k) "**Distribution Claim**" means the amount of the Claim of a Creditor to the extent that such claim is finally determined for distribution purposes, in the event that an LP Plan is filed, in accordance with the provisions of this LP Amended Claims Procedure Order or the Creditors' Meeting Order, as applicable, and the CCAA;
- (l) "**Employee Claim**" any claim by an employee or former employee of the LP Entities arising out of the employment of such employee or former employee by

the LP Entities that relates to a Prefiling Claim or a Restructuring Period Claim other than an Excluded Claim or any employee-related liabilities that are being assumed by the Purchaser pursuant to the Purchase Agreement (each, an **“Employee Claim”**);

- (m) **“Excluded Claim”** means (i) claims secured by any of the Charges as defined in the Initial Order, (ii) Insured Claims, (iii) all Grievances or claims that can only be advanced in the form of a Grievance pursuant to the terms of a collective bargaining agreement, (iv) all claims by the LP Senior Lenders (as defined herein), including Director/Officer Claims (v) all claims of the LP DIP Lenders against the LP Entities pursuant to the LP DIP Definitive Documents, (vi) Intercompany Claims, and (vii) all claims of The Bank of Nova Scotia arising from the provision of cash management services to the LP Entities;
- (n) **“Filing Date”** means January 8, 2010;
- (o) **“Grievance”** means all grievances filed by bargaining agents (the **“Unions”**) representing unionized employees of the LP Entities, or their members, under applicable collective bargaining agreements;
- (p) **“Initial Order”** means the Initial Order of the Honourable Madam Justice Pepall made January 8, 2010, as amended, restated or varied from time to time;
- (q) **“Insured Claim”** means that portion of a Claim, other than a Director/Officer Claim, arising from a cause of action for which the applicable LP Entities are insured to the extent that such claim, or portion thereof, is insured;
- (r) **“Intercompany Claim”** means any claim by Canwest Global Communications Corp. (**“Canwest Global”**) or an affiliate or subsidiary of Canwest Global against one or more of the LP Entities including, for greater certainty, a claim by an LP Entity against another LP Entity;
- (s) **“LP Claims Bar Date”** means 5:00 p.m. on May 7, 2010;
- (t) **“LP Claims Package”** means the materials to be provided by the LP Entities to

Persons who may have a Claim which materials shall consist of a blank LP Proof of Claim, an LP Proof of Claim Instruction Letter, and such other materials as the LP Entities may consider appropriate or desirable;

- (u) “**LP Claims Procedure Order**” means the Order of this Honourable Court dated April 12, 2010 that is hereby amended by this LP Amended Claims Procedure Order
- (v) “**LP Claims Process**” means the call for claims process to be administered by the LP Entities with the assistance of the Monitor pursuant to the terms of this Order;
- (w) “**LP CRA**” means CRS Inc. in its capacity as the court-appointed Chief Restructuring Advisor of the LP Entities;
- (x) “**LP Creditor**” means any Person having a Claim including, without limitation and for greater certainty, the LP Noteholders, the LP Subordinated Lenders, the transferee or assignee of a transferred Claim that is recognized as an LP Creditor in accordance with paragraph 38 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;
- (y) “**LP Director/Officer Claims Bar Date**” means 5:00 p.m. (Toronto time) on June 3, 2010;
- (z) “**LP Hedging Creditor**” means the various counterparties to certain foreign currency, interest rate and commodity hedging agreements with the LP Entities whose obligations rank *pari passu* to the claims of the LP Secured Lenders (as defined below);
- (aa) “**LP Note Indenture**” means the note indenture dated July 13, 2007 with CanWest MediaWorks Limited Partnership as issuer, CanWest MediaWorks Publications Inc. and Canwest Books Inc. as guarantors, the Bank of New York as U.S. Trustee, and BNY Trust Company of Canada as Canadian Trustee that was entered into in connection with the issuance of US\$400 million of senior subordinated notes that bear interest at 9.25%;

- (bb) **“LP Notes”** means the US\$400 million of senior subordinated notes that bear interest at 9.25% that were issued pursuant to the LP Note Indenture;
- (cc) **“LP Noteholders”** means the holders of the LP Notes;
- (dd) **“LP Notice of Dispute of Revision or Disallowance”** means the notice referred to in paragraph 28 hereof, substantially in the form attached as Schedule “E” hereto, which may be delivered to the Monitor by an LP Creditor disputing an LP Notice of Revision or Disallowance, with reasons for its dispute;
- (ee) **“LP Notice of Revision or Disallowance”** means the notice referred to in paragraphs 26 and 27 hereof, substantially in the form of Schedule “D” advising an LP Creditor that the LP Entities have revised or rejected all or part of such LP Creditor’s Claim as set out in its LP Proof of Claim;
- (ff) **“LP Notice to Creditors”** means the notice for publication by the LP Entities or the Monitor as described in paragraph 16 hereof, substantially in the form attached hereto as Schedule “A”, calling for any and all Claims of LP Creditors;
- (gg) **“LP Notice of Amended Claims Procedure”** means the notice for publication by the LP Entities or the Monitor as described in paragraph 16.1 hereof, substantially in the form attached hereto as Schedule “F”, advising of the amendments to the LP Claims Procedure;
- (hh) **“LP Plan”** means, as further defined in the Initial Order, any proposed plan of compromise or arrangement that may be filed by any or all of the LP Entities (in consultation with the Monitor and the LP CRA) pursuant to the CCAA as the same may be amended, supplemented or restated from time to time in accordance with the terms thereof other than the LP Senior Lenders’ CCAA Plan;
- (ii) **“LP Proof of Claim”** means the Proof of Claim referred to in paragraphs 22, 23 and 24 hereof to be filed by LP Creditors, in order to establish a Claim, substantially in the form attached hereto as Schedule “C”;
- (jj) **“LP Proof of Claim Instruction Letter”** means the instruction letter to LP

Creditors, substantially in the form attached as Schedule "B" hereto, regarding the completion of an LP Proof of Claim and the claims procedure described herein and stating the amount of the Claim of the particular LP Creditor receiving the LP Proof of Claim Instruction Letter, as evidenced by the books and records of the LP Entities;

- (kk) **"LP Restructuring Period Claims Bar Date and Employee Claims Bar Date"** means 5:00 p.m. (Toronto time) on June 3, 2010;
- (ll) **"LP Secured Lenders"** means the syndicate of lenders from time to time party to the credit agreement dated as of July 10, 2007 between CanWest MediaWorks Limited Partnership, The Bank of Nova Scotia, as Administrative Agent, the LP Secured Lenders and CanWest MediaWorks (Canada) Inc., CanWest MediaWorks Publications Inc. and Canwest Books Inc., as guarantors;
- (mm) **"LP Senior Lenders"** means the LP Hedging Creditors and the LP Secured Lenders;
- (nn) **"LP Senior Lenders' CCAA Plan"** means the plan of compromise or arrangement between the LP Entities and the LP Senior Lenders that was accepted for filing by this Honourable Court pursuant to the Initial Order and was approved by the LP Senior Lenders at a meeting on January 27, 2010;
- (oo) **"LP Senior Lenders' Claims"** means the claims of the LP Senior Lenders as determined pursuant to the LP Senior Lenders' Claim Procedure (as described below);
- (pp) **"LP Senior Lenders' Claims Procedure"** means the claims procedure approved in the Initial Order by which the LP Senior Lenders' Claims were determined in the context of the LP Senior Lenders' CCAA Plan;
- (qq) **"LP Senior Subordinated Credit Agreement"** means the senior subordinated credit agreement dated as of July 10, 2007 between CanWest MediaWorks Limited Partnership, the Subordinated Agent, the LP Subordinated Lenders, and

CanWest MediaWorks (Canada) Inc., CanWest MediaWorks Publications Inc. and Canwest Books Inc., as guarantors;

- (rr) “**LP Subordinated Lenders**” means the syndicate of lenders that are parties to the LP Senior Subordinated Credit Agreement;
- (ss) “**Meeting**” means any meeting of LP Creditors called for the purpose of considering and voting in respect of an LP Plan, if one is filed;
- (tt) “**Meeting Materials**” means those materials prepared by the LP Entities and in advance of a Meeting and including, among other things, copies of a notice of the Meeting, the Plan, the Creditors’ Meeting Order and a form of proxy;
- (uu) “**Monitor**” means FTI Consulting Canada Inc., as court-appointed Monitor in the CCAA proceeding of the LP Entities;
- (vv) “**Officer**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the LP Entities;
- (ww) “**Pension Claim**” means any claim under the pension plans of the LP Entities as identified in the Initial Order Affidavit;
- (xx) “**Person**” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;
- (yy) “**Prefiling Claim**” has the meaning ascribed to that term in paragraph 2(f)(i) of this LP Amended Claims Procedure Order;
- (zz) “**Proven Claim**” means the Claim of an LP Creditor as established and determined pursuant to the terms of this LP Amended Claims Procedure Order for purposes of voting and distribution under any Plan;



- (aaa) **“Purchase Agreement”** means the asset purchase agreement dated as of May 10, 2010 between 7535538 Canada Inc., CW Acquisition Limited Partnership, Canwest Books Inc., Canwest (Canada) Inc., Canwest Publications Inc./Publications Canwest Inc. and Canwest Limited Partnership/Canwest Societe en Commandite;
- (bbb) **“Purchaser”** means CW Acquisition Limited Partnership pursuant to the AHC APA;
- (ccc) **“Restructuring Period Claim”** has the meaning ascribed to that term in paragraph 2(f)(ii) of this LP Amended Claims Procedure Order;
- (ddd) **“SERA Claim”** means any claim by a current or former employee of the LP Entities for payments or benefits arising out of a Southam Executive Retirement Arrangement (a **“SERA”**) that were discontinued after the Filing Date;
- (eee) **“SISP”** means the Sale and Investor Solicitation Process being carried out pursuant to the terms of the SISP Procedures;
- (fff) **“SISP Procedures”** means the Procedures for the Sale and Investor Solicitation Process, as amended, in the form attached as Schedule “A” to the Initial Order, as amended;
- (ggg) **“Subordinated Agent”** means The Bank of Nova Scotia, as Administrative Agent under the LP Senior Subordinated Credit Agreement;
- (hhh) **“Termination and Severance Claim”** means any claim by a former employee of the LP Entities with an effective date of termination on or before January 8, 2010 who was in receipt of salary continuance from the LP Entities that has been discontinued as a result of the commencement of the LP Entities’ CCAA proceeding; for greater certainty, Termination and Severance Claims do not include any employee claims that could be advanced as a Grievance pursuant to the terms of an applicable collective bargaining agreement;
- (iii) **“Trustees”** means the Bank of New York as U.S. Trustee and BNY Trust

Company of Canada as Canadian Trustee under the LP Note Indenture;

(jjj) “**Voting Claim**” means the amount of the Claim of an LP Creditor to the extent that such claim has been finally determined for voting at a Meeting, in accordance with the provisions of this LP Amended Claims Procedure Order, and the CCAA.

3. **THIS COURT ORDERS** that all capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order.
4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, 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 indicated herein.
5. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.
6. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

#### **GENERAL PROVISIONS**

7. **THIS COURT ORDERS** that the LP Entities and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this LP Amended Claims Procedure Order, including in respect of completion, execution and time of delivery of such forms and request any further documentation from an LP Creditor that the LP Entities or the Monitor may require in order to enable them to determine the validity of a Claim.
8. **THIS COURT ORDERS** that any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date. U.S. dollar denominated claims shall be converted at the Bank of Canada Canadian/U.S. dollar noon exchange rate in effect at the Filing Date, which rate was

CDN\$1.0344:\$1 U.S.

9. **THIS COURT ORDERS** that interest and penalties that would otherwise accrue after the Filing Date shall not be included in any Claim.
10. **THIS COURT ORDERS** that copies of all forms delivered by or to an LP Creditor hereunder, as applicable, and determinations of Claims by a Claims Officer or the Court, as the case may be, shall be maintained by the LP Entities and, subject to further order of the Court, such LP Creditor will be entitled to have access thereto by appointment during normal business hours on written request to the LP Entities or the Monitor.

#### **CLAIMS OFFICER**

11. **THIS COURT ORDERS** that The Honourable Edward Saunders, The Honourable Coulter Osborne and such other Persons as may be appointed by the Court from time to time on application of the LP Entities (in consultation with the LP CRA), or such other Persons designated by the LP Entities (in consultation with the LP CRA) and consented to by the Monitor, be and they are hereby appointed as Claims Officers for the claims procedure described herein.
12. **THIS COURT ORDERS** that, subject to the discretion of the Court, a Claims Officer shall determine the validity and amount of disputed Claims in accordance with this LP Amended Claims Procedure Order and to the extent necessary may determine whether any Claim or part thereof constitutes an Excluded Claim. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. A Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before a Claims Officer shall be paid.
13. **THIS COURT ORDERS** that the Claims Officers shall be entitled to reasonable compensation for the performance of their obligations set out in this Claims Order on the basis of the hourly rate customarily charged by the Claims Officers in performing comparable functions to those set out in this Claims Order and any disbursements incurred in connection therewith. The fees and expenses of the Claims Officers shall be

borne by the LP Entities and shall be paid by the LP Entities forthwith upon receipt of each invoice tendered by the Claims Officers.

14. **THIS COURT ORDERS** that, notwithstanding anything to the contrary herein, an LP Entity may in its sole discretion refer an LP Creditor's Claim for resolution to a Claims Officer or the Court for voting and/or distribution purposes, where in the LP Entity's view such a referral is preferable or necessary for the resolution of the valuation of the Claim.

#### **MONITOR'S ROLE**

15. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall assist the LP Entities in connection with the administration of the claims procedure provided for herein, including the determination of Claims of LP Creditors and the referral of a particular Claim to a Claims Officer, as requested by the LP Entities from time to time, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this LP Amended Claims Procedure Order.

#### **NOTICE OF CLAIMS**

16. **THIS COURT ORDERS** that forthwith after April 12, 2010 and in any event on or before April 20, 2010, the LP Entities or the Monitor shall publish the LP Notice to Creditors, for at least two (2) Business Days in the *National Post*, *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal*.
- 16.1 **THIS COURT ORDERS** that forthwith after the date of this LP Amended Claims Procedure Order, the LP Entities or the Monitor shall publish the LP Notice of Amended Claims Procedure, for at least two (2) Business Days in the *National Post*, *The Globe and Mail* (National Edition) and *La Presse*.
17. **THIS COURT ORDERS** that the Monitor shall send an LP Claims Package to each LP Creditor with a Claim (other than a Restructuring Period Claim, an Employee Claim or a Director/Officer Claim) as evidenced by the books and records of the LP Entities in

accordance with paragraph 39 before 11:59 p.m. on April 16, 2010. The LP Proof of Claim Instruction Letter for each such LP Creditor shall provide general information and instructions in respect of the filing of Claims. The LP Claims Package as sent to LP Creditors will also include an individualized letter setting forth the amount of the Claim of such LP Creditor as evidenced by the books and records of the LP Entities.

18. **THIS COURT ORDERS** that the LP Entities are authorized to send an LP Claims Package to the Trustees and that the LP Entities shall not be required to send LP Claims Packages to the individual LP Noteholders.
19. **THIS COURT ORDERS** that the LP Entities are authorized to send an LP Claims Package to the Subordinated Agent and that the LP Entities shall not be required to send LP Claims Packages to the individual LP Subordinated Lenders.
20. **THIS COURT ORDERS** that to the extent any LP Creditor requests such documents, the Monitor shall forthwith send an LP Claims Package, direct the LP Creditor to the documents posted on the Monitor's website or otherwise respond to the request for the LP Claims Package as may be appropriate in the circumstances.

**NOTICE OF RESTRUCTURING PERIOD CLAIMS, EMPLOYEE CLAIMS AND DIRECTOR/OFFICER CLAIMS**

21. **THIS COURT ORDERS** that to the extent that an LP Claims Package has not already been delivered to such LP Creditor pursuant to paragraph 17 hereof, the LP Entities shall deliver an LP Claims Package to each LP Creditor with a Restructuring Period Claim and each LP Creditor with an Employee Claim as soon as practicable after the LP Entities have knowledge of the Restructuring Period Claim or the Employee Claim and, in any event, no later than May 21, 2010.

**FILING OF PROOFS OF CLAIM**

22. **THIS COURT ORDERS** that any LP Creditor asserting a Claim against the LP Entities or any Director or Officer thereof shall file an LP Proof of Claim with the Monitor on or before the LP Claims Bar Date, the LP Restructuring Period Claims Bar Date and

Employee Claims Bar Date or the LP Director/Officer Claims Bar Date, as applicable.

23. **THIS COURT ORDERS** that the Trustees are authorized to file one or more LP Proofs of Claim on or before the LP Claims Bar Date on behalf of all of the LP Noteholders indicating that amount owing on an aggregate basis for all of the LP Notes. Notwithstanding any other provisions in this Order, the LP Noteholders are not required to file individual LP Proofs of Claim in respect of claims relating solely to the debt evidenced by the LP Notes.
24. **THIS COURT ORDERS** that the Subordinated Agent is hereby authorized to file one or more LP Proofs of Claim on or before the LP Claims Bar Date on behalf of all of the LP Subordinated Lenders, indicating that amount owing on an aggregate basis under the LP Senior Subordinated Credit Agreement. Notwithstanding any other provisions in this Order, the LP Subordinated Lenders are not required to file individual LP Proofs of Claim in respect of claims relating solely to the obligations under the LP Senior Subordinated Credit Agreement.
25. **THIS COURT ORDERS** that any LP Creditor that does not file an LP Proof of Claim as provided for in paragraph 22 herein so that such LP Proof of Claim is received by the Monitor on or before the LP Claims Bar Date, the LP Restructuring Period Claims Bar Date and Employee Claims Bar Date or the LP Director/Officer Claims Bar Date, as applicable, or such later date as the Monitor and the Applicants may agree in writing or the Court may otherwise agree:
  - (a) shall be and is hereby forever barred from making or enforcing any Claim against the LP Entities and/or the Directors or Officers thereof and the Claim shall be forever extinguished;
  - (b) shall not be entitled to further notice of any action taken by the LP Entities pursuant to this Order; and
  - (c) shall not be entitled to participate as an LP Creditor in these proceedings.

**ADJUDICATION OF CLAIMS**

26. **THIS COURT ORDERS** that with the assistance of the Monitor and in consultation with the LP CRA, the LP Entities shall review all LP Proofs of Claim received by the LP Claims Bar Date, the LP Restructuring Period Claims Bar Date and Employee Claims Bar Date or the LP Director/Officer Claims Bar Date, as applicable, and shall accept, revise or reject each Claim. If the LP Entities intend to revise or reject a Claim, other than a Restructuring Period Claim, an Employee Claim or a Director/Officer Claim, the LP Entities shall by no later than May 31, 2010, or such other date as may be agreed to by the Monitor, notify each LP Creditor who has delivered an LP Proof of Claim whether such LP Creditor's Claim as set out therein has been revised or rejected and the reasons therefor, by sending an LP Notice of Revision or Disallowance. If the LP Entities intend to revise or reject a Restructuring Period Claim, an Employee Claim or a Director/Officer Claim, the LP Entities shall by no later than June 21, 2010, or such other date as may be agreed to by the Monitor, notify each LP Creditor who has delivered an LP Proof of Claim in respect of a Restructuring Period Claim, Employee Claim or Director/Officer Claim whether such LP Creditor's Claim as set out therein has been revised or rejected and the reasons therefore, by sending an LP Notice of Revision or Disallowance. Where the LP Entities do not send by such dates, or such other dates as may be agreed to by the Monitor, an LP Notice of Revision or Disallowance to an LP Creditor, the LP Entities shall be deemed to have accepted such LP Creditor's Claim in the amount set out in that LP Creditor's LP Proof of Claim.
27. **THIS COURT ORDER** that, where the LP Entities intend to revise or reject an LP Proof of Claim filed by the Trustees on behalf of the LP Noteholders or an LP Proof of Claim filed by the Subordinated Agent on behalf of the LP Subordinated Lenders, the LP Entities shall send the LP Notice of Revision or Disallowance to the Trustees or the Subordinated Agent, as applicable.
28. **THIS COURT ORDERS** that, except in the case of an LP Creditor with a Restructuring Period Claim, an Employee Claim or a Director/Officer Claim, any LP Creditor, and in the case of the LP Noteholders and the LP Subordinated Lenders, the Trustees and the

Subordinated Agent, respectively, who intends to dispute an LP Notice of Revision or Disallowance sent pursuant to the immediately preceding paragraphs shall deliver an LP Notice of Dispute of Revision or Disallowance to the Monitor before June 10, 2010, or such other date as may be agreed to by the Monitor. In the case of an LP Creditor with a Restructuring Period Claim, an Employee Claim or a Director/Officer Claim, such LP Creditor shall deliver an LP Notice of Dispute of Revision or Disallowance before June 30, 2010.

### **RESOLUTION OF CLAIMS**

29. **THIS COURT ORDERS** that where an LP Creditor that receives an LP Notice of Revision or Disallowance pursuant to paragraphs 26 and 27 above does not file an LP Notice of Dispute of Revision or Disallowance by the time set out in paragraph 28 above, such LP Creditor's Claim shall be deemed to be as set out in the LP Notice of Revision or Disallowance.
30. **THIS COURT ORDERS** that in the event that an LP Entity, with the assistance of the Monitor and in consultation with the LP CRA and any Director or Officer if the Claim is asserted as against them, is unable to resolve a dispute regarding any Claim with an LP Creditor, the LP Entity or the LP Creditor shall so notify the Monitor, and the LP Creditor or the LP Entity, as the case may be. The decision as to whether the LP Creditor's Claim should be adjudicated by the Court or a Claims Officer shall be in the sole discretion of the LP Entity. To the extent a Claim is referred under this paragraph to the Court or a Claims Officer, the Court or a Claims Officer, as the case may be, shall resolve the dispute between the LP Entity, any Director or Officer to the extent that a Claim is asserted as against them, and such LP Creditor, as soon as practicable.
31. **THIS COURT ORDERS** that where the value of an LP Creditor's Voting Claim has not been finally determined by the Court or the Claims Officer by the date of a Meeting, if any, the relevant LP Entity shall (in consultation with the LP CRA and the Monitor) either:



- (a) accept the LP Creditor's determination of the value of the Voting Claim as set out in the applicable LP Proof of Claim only for the purposes of voting and conduct the vote of the Creditors on that basis subject to a final determination of such LP Creditor's Voting Claim, and in such case the Monitor shall record separately the value of such LP Creditor's Voting Claim and whether such LP Creditor voted in favour of or against the LP Plan;
- (b) subject to the written consent of the Purchaser, adjourn the Meeting until a final determination of the Voting Claim(s) is made; or
- (c) deal with the matter as the Court may otherwise direct or as the LP Entities, the Monitor and the LP Creditor may otherwise agree.

32. **THIS COURT ORDERS** that either any of LP Creditor, a Director or Officer to the extent that a Claim is asserted as against them, or an LP Entity may, within two (2) Business Days of notification of a Claims Officer's determination in respect of an LP Creditor's Claim, appeal such determination to the Court by filing a notice of appeal, and the appeal shall be initially returnable within five (5) Business Days of the filing of such notice of appeal, such appeal to be an appeal based on the record before the Claims Officer and not a hearing de novo.
33. **THIS COURT ORDERS** that if no party appeals the determination of a Claim by a Claims Officer within the time set out in paragraph 32 above, the decision of the Claims Officer in determining the value of an LP Creditor's Claim shall be final and binding upon the relevant LP Entity, the Monitor and the LP Creditor and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

#### **SUSPENSION OF THE CLAIMS PROCESS**

34. **THIS COURT ORDERS** that no steps for the purposes of adjudicating or resolving the Claims (as described in paragraphs 26 through 32 herein) shall be taken unless:

- (a) Phase 2 of the SISP is completed and the Monitor, the LP CRA, the LP Entities and the Agent make a determination that such steps are reasonably required to close the AHC Transaction (as defined in the Monitor's Seventh Report);
- (b) after the closing of the AHC Transaction (or such earlier date as may be agreed to by the Monitor, the LP CRA, the LP Entities and the Agent), the Monitor, the LP CRA and the LP Entities make a determination that the resolution of Claims is reasonably required to facilitate a distribution of proceeds from such Successful Bid; or
- (c) directed by further Order of the Court.

For greater certainty, in the event that the AHC Transaction is not approved or is otherwise terminated, no further steps shall be taken for the purpose of adjudicating or resolving the Claims.

35. **THIS COURT ORDERS** that if a determination is made under paragraph 34 above, the Monitor shall as soon as reasonably possible thereafter post notice of such determination on the website maintained for this proceeding at: <http://cfcanada.fticonsulting.com/clp>, and such posting shall constitute notice of such determination.

#### **SET-OFF**

36. **THIS COURT ORDERS** that the LP Entities may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to the LP Plan to any LP Creditor, any claims of any nature whatsoever that any of the LP Entities may have against such LP Creditor, however, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the LP Entities of any such claim that the LP Entities may have against such LP Creditor.

#### **NOTICE OF TRANSFEREES**

37. **THIS COURT ORDERS** that leave is hereby granted from the date of this LP Amended Claims Procedure Order until May 27, 2010 to permit an LP Creditor to provide notice of assignment or transfer of a Claim to the Monitor.

38. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the LP Entities shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the relevant LP Entity and the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this LP Amended Claims Procedure Order prior to receipt and acknowledgement by the relevant LP Entity and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which an LP Entity may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the LP Entities. No transfer or assignment shall be received for voting purposes unless such transfer shall have been received by the Monitor no later than 5:00 p.m. (Toronto time) on May 27, 2010, failing which the original transferor shall have all applicable rights as the "Creditor" with respect to such Claim as if no transfer of the Claim had occurred. Reference to transfer in this LP Amended Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

#### **SERVICE AND NOTICES**

39. **THIS COURT ORDERS** that the LP Entities and the Monitor may, unless otherwise specified by this LP Amended Claims Procedure Order, serve and deliver the LP Claims Package, the Meeting Materials, any letters, notices or other documents to LP Creditors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the LP Entities or set out in such LP Creditor's LP Proof of Claim. Any such service and

delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 6:00 p.m. on a Business Day, on such Business Day and if delivered after 6:00 p.m. or other than on a Business Day, on the following Business Day.

40. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by an LP Creditor to the Monitor or the LP Entities under this LP Amended Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this LP Amended Claims Procedure Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc., Court-appointed Monitor of Canwest Publishing Inc./Publications Canwest Inc. et al  
Claims Process  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, ON  
M5K 1G8

Attention: Pamela Luthra  
Telephone: 1 888-310-7627  
Fax: 416-649-8101  
Email: CanwestLP@fticonsulting.com

Any such notice or communication delivered by an LP Creditor shall be deemed to be received upon actual receipt by the Monitor thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

41. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this LP Amended Claims Procedure Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given

hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this LP Amended Claims Procedure Order.

42. **THIS COURT ORDERS** that in the event that this LP Amended Claims Procedure Order is later amended by further Order of the Court, the LP Entities or the Monitor may post such further Order on the Monitor's website and such posting shall constitute adequate notice to LP Creditors of such amended claims procedure.

### **MISCELLANEOUS**

43. **THIS COURT ORDERS** that notwithstanding any other provisions of this LP Amended Claims Procedure Order, the solicitation by the Monitor or the LP Entities of LP Proofs of Claim, and the filing by any LP Creditor of any LP Proof of Claim shall not, for that reason only, grant any person any standing in these proceedings or rights under any proposed LP Plan.
44. **THIS COURT ORDERS** that nothing in this LP Amended Claims Procedure Order shall (i) constitute or be deemed to constitute an allocation or assignment of Claims or Excluded Claims by the LP Entities into particular affected or unaffected classes for the purpose of an LP Plan; or (ii) authorize or require the LP Entities to file an LP Plan.
45. **THIS COURT ORDERS** that in the event that no LP Plan is approved by this Court, the LP Claims Bar Date, LP Restructuring Period Claims Bar Date and Employee Claims Bar Date or LP Director/Officer Claims Bar Date, as the case may be, shall be of no effect in any subsequent proceeding or distribution with respect to any and all Claims made by LP Creditors.
46. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial regulatory body of the United States and the states

or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this LP Amended Claims Procedure Order.

Stu Papp, J.

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

MAY 17 2010

PER / PAR: 

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

Court File No: CV-10-8533-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANWEST  
PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND  
CANWEST (CANADA) INC.

APPLICANTS

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AMENDED CLAIMS PROCEDURE ORDER**

**OSLER, HOSKIN & HARCOURT LLP**  
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Fax: (416) 862-6666

Lawyers for the Applicants

F. 1117119

# APPENDIX "D"



## Appendix

All amounts in CAD '000s <sup>(a)</sup>

## LP Entities

	Accepted		Settlement Pending <sup>(e)</sup>			To Be Resolved			Claims Received After the Plan Sanction Date <sup>(g)</sup>	
	# of claims	Accepted Value (\$)	# of claims	Value as per Creditor (\$)	Tentative Settlement Value (\$)	# of claims	Value as per Company (\$)	Value as per Creditor (\$)	# of claims	Value as per Creditor (\$)
LP Noteholder Claim	unknown <sup>(b)</sup>	450,360	0	0	0	0	0	0	0	0
LP Subordinated Lenders	11 <sup>(c)</sup>	78,361	0	0	0	0	0	0	0	0
Marker Claims <sup>(d)</sup>	0	0	0	0	0	2 <sup>(f)</sup>	0	TBD	0	0
Other Claims	649	24,987	3 <sup>(h)</sup>	967,680	2,519	350	14,241	34,354	1	9

**Notes:**

- (a) USD claims converted to CAD based on the on an F/X rate of 1.0344 based on the Bank of Canada Canadian/US dollar noon exchange rate in effect at the Filing Date.
- (b) Number of the 9.25% Noteholders is currently not disclosed.
- (c) Number of LP Subordinated Lenders is currently not disclosed.
- (d) Claims filed by creditors for unknown amounts for the objective of preserving rights.
- (e) Tentative settlement reached pending finalizing settlement documentation and satisfaction of certain other conditions.
- (f) One marker claim was filed on behalf of all current and former Directors and Officers of the LP Entities.
- (g) The claims received after the Plan Sanction Date have been rejected and disallowed in their entirety in accordance with the Amended Claims Procedure Order.
- (h) There are 3 claims with pending settlement. The 3 claims are valued per the Creditors at approximately \$930 million, \$33 million and \$2.5 million.

# APPENDIX "E"

Standards of Professional Practice

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No. 09-3  
ASSIGNMENT OF AGREEMENTS

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*In this Standard, words importing the singular number or the masculine gender only include more persons, parties or things of the same kind than one, and females as well as males and the converse.*

## 1.00 SCOPE AND PURPOSE

- 1.01 The purpose of this Standard is to provide guidance to a Monitor fulfilling its statutory responsibilities under the **Companies' Creditors Arrangement Act (CCAA) R.S.C. 1985, c. C-36, as amended**, in respect of a Monitor's Report on the assignment by a Company of its rights and obligations under an Agreement to any person pursuant to the **Act**.
- 1.02 The **Act** does not specifically state that the Monitor must file a report in respect of an assignment of an Agreement. Notwithstanding, one of the factors to be considered by the court is whether the Monitor approves of the proposed assignment. The Monitor may therefore be required to file a report to the court in this regard.
- 1.03 The Monitor's duties and obligations in respect of a particular **CCAA** proceeding **shall** be governed by the **Act**, the applicable orders issued by the court, and this Standard where applicable. To the extent that this Standard conflicts with any order issued by the court, the Monitor **shall** be governed by the order.

## 2.00 DEFINITIONS

- 2.01 In this Standard:

"**May**" means the Standard is simply intended to be helpful and the Monitor has full discretion to follow it or not.

"**Should**" means it is appropriate to do so in most circumstances. Where a Monitor judges it appropriate to do otherwise, the Monitor should consider the advisability of documenting the reasons for its decision.

"**Shall**" means the Standard is mandatory and the Monitor must follow it.

Standards of Professional Practice

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No. 09-3  
ASSIGNMENT OF AGREEMENTS

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2.02 In this Standard:

"**Act**" means the Companies' Creditors Arrangement Act R.S.C. 1985, c. C-36, as amended;

"**Agreement**" means an agreement in respect of which a Company wishes to effect an assignment in accordance with the **Act**, but excluding, for greater certainty, those agreements set out in Section 11.3(2) of the **Act**;

"**Assignee**" means the party to whom the Agreement is being assigned;

"**Association**" means Canadian Association of Insolvency and Restructuring Professionals/ Association canadienne des professionnels de l'insolvabilité et de la réorganisation;

"**Company**" means a debtor company, as defined in Section 2 of the **Act**, that intends to commence or has commenced, as the case may be, a proceeding under the **Act** or in respect of whom a proceeding under the **Act** has been commenced;

"**Monitor**" in respect of a Company, means the person appointed pursuant to Section 11.7 of the **Act** to monitor the business and financial affairs of the Company; and

"**Monitor's Report**" means a report in respect of the assignment issued by the Monitor in accordance with the requirements of this Standard.

3.00 ASSISTING THE COMPANY

3.01 The Monitor **may** assist the Company in reviewing the Agreements to which the Company is a party for the purpose of determining which Agreements, if any, are to be assigned as a part of the Company's proceedings under the **Act**, and in developing an appropriate approach to assign an Agreement to an Assignee.

3.02 The Monitor **may** assist the Company in negotiating the terms and conditions of the assignment of an Agreement with an Assignee and/or the counterparty to such Agreement.

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- 3.03 The Monitor **should** advise the Company that the responsibility for the assignment of the Agreement and providing appropriate information for the Court's consideration in determining whether to make an order assigning the Agreement to the Assignee rests with the Company.
- 3.04 The Monitor **should** advise the Company that any information given by the Company to the Monitor may be disclosed to the court and the creditors.
- 3.05 The Monitor **should** advise the Company and the Assignee that in considering whether to order the assignment, the court will consider, among other things:
- (a) whether the Monitor approved the proposed assignment;
  - (b) whether the Assignee would be able to perform the obligations under the Agreement;  
and
  - (c) whether it would be appropriate to assign the Agreement to the Assignee.
- 4.00 DOCUMENTATION
- 4.01 The review performed by the Monitor in accordance with this Standard **shall** be documented.
- 5.00 MONITOR'S REVIEW
- 5.01 The Monitor **shall** gain an understanding of the reasons/purpose of the proposed assignment, the benefits and costs to the Company resulting from such assignment, and the impact of the assignment, or the absence of such assignment, as the case may be, on the Company and its proceedings under the **Act**. The Monitor **should** review the Agreement being assigned to the Assignee and the potential impact on the Company and its stakeholders and its proceedings under the **Act** resulting from the assignment of, or the failure to assign, as the case may be, the Agreement.

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- 5.02 The Monitor **should** review the basis on which the Company has determined that the Assignee will be able to perform the obligations under the Agreement and that such assignment would be appropriate.
- 5.03 The Monitor **should** perform a review of the terms of the proposed assignment of the Agreement to assess the monetary defaults existing under the Agreement (other than those arising by reason only of the Company's insolvency, the commencement of proceedings under the **Act** or the Company's failure to perform a non-monetary obligation) and that such defaults will be remedied on or before a date fixed by the court.
- 5.04 The review **shall** be performed by an individual or individuals having, when considered as a whole, adequate technical training and proficiency, with due care and with an objective state of mind.
- 5.05 The review **shall** be adequately planned and properly executed and if assistants are employed, they **shall** be properly supervised.

6.00 MONITOR'S REPORT

- 6.01 Where the Monitor is required to report on a proposed assignment of an Agreement, the Monitor's Report **should** include the following:
- (a) An appropriate disclaimer / notice to reader, summarizing the scope of the Monitor's review, the documents or information on which it relied, and the possible limitations of such information;
  - (b) An overview of the Agreement;
  - (c) The identity of the Assignee;
  - (d) The reasons an assignment of the Agreement is being sought;
  - (e) The potential impact on the Company and its proceedings under the **Act** resulting from the assignment of, or the failure to assign, as the case may be, the Agreement;

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- (f) The quantification of any monetary defaults in existence as at the commencement of the proceedings and the ability and willingness of the Assignee or other applicable party to remedy all such financial defaults upon completion of the assignment; and
  - (g) The Monitor's comments on the Company's assessment of the Assignee's ability to perform the obligations under the Agreement and that such assignment would be appropriate.
- 6.02 Where any person objects to the proposed assignment of the Agreement to the Assignee, the Monitor **may** include in the Monitor's Report observations with respect to the objection.
- 6.03 The Monitor's Report **should** state the Monitor's position on the proposed assignment and the reasons therefore.