

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No: 500-11-048114-157

SUPERIOR COURT

(Commercial Division)

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

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT
OF:

BLOOM LAKE GENERAL PARTNER
LIMITED, QUINTO MINING CORPORATION,
8568391 CANADA LIMITED, CLIFFS QUÉBEC
IRON MINING ULC, WABUSH IRON CO.
LIMITED, WABUSH RESOURCES INC.

Petitioners

-and-

THE BLOOM LAKE IRON ORE MINE
LIMITED PARTNERSHIP, BLOOM LAKE
RAILWAY COMPANY LIMITED,
WABUSH MINES, ARNAUD RAILWAY
COMPANY, WABUSH LAKE RAILWAY
COMPANY LIMITED

Mises-en-cause

-and-

MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON

PETITIONERS-Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

BOOK OF AUTHORITIES AND PRECEDENTS

BOOK OF AUTHORITIES AND PRECEDENTS in support of the
the response of Representative Counsel to the Motion by the CCAA Parties for the Issuance of a
Plan Filing and Meetings Order

1.	Creditors' Meeting Order of Justice Campbell In the Matter of a Plan of Compromise or Arrangement in the Matter of Hollinger Canadian Publishing Holdings Co., dated June 12, 2012
2.	Plan Filing and Meeting Order of Justice Newbould In the Matter of a Plan of Compromise or Arrangement of Nortel Networks Corporation et al., dated December 1, 2016
3.	Meetings Order of Justice Wilton-Siegel In the Matter of a Proposed Plan of Compromise or Arrangement with Respect to U.S. Steel Canada Inc., dated March 15, 2017
4.	Decision of Justice Wilton-Siegel In the Matter of a Proposed Plan of Compromise or Arrangement with Respect to U.S. Steel Canada Inc., dated April 19, 2017

MONTREAL and TORONTO, April 12, 2018

KOSKIE MINSKY LLP & FISHMAN FLANZ
MELAND PAQUIN LLP

*Attorneys for the Petitioners-Mises-en-cause Michael
Keeper, Terence Watt, Damien Lebel and Neil Johnson*

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY, THE
JUSTICE CAMPBELL) 8th DAY OF JUNE, 2012

**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 IN THE MATTER OF HOLLINGER
CANADIAN PUBLISHING HOLDINGS CO.**



CREDITORS' MEETING ORDER

THIS MOTION, made by Hollinger Canadian Publishing Holdings Co. ("HCPH" or the "Applicant"), for an order (the "Order"), among other things, scheduling two meetings of creditors and establishing related procedures in connection with the Applicant's plan of compromise and arrangement dated [May 24], 2012 (the "CCAA Plan"), as may be amended, attached hereto at Schedule "A", pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the Applicant's Notice of Motion dated May 25, 2012, the twelfth Report of the Monitor dated June 7, 2012 (the "Twelfth Report"), and the affidavit of Dennis M. Byrd, the Court-appointed chief restructuring officer of the Applicant, sworn May 24, 2012, and on hearing the submissions of counsel for the Applicant, the Monitor, and the Representative Counsel, and no one else appearing, and on being advised that the Notice of Motion and Motion Record was served upon the service list established in this proceeding, as evidenced by the affidavit of service of Kelly Penman, sworn June 7, 2012:

I. SERVICE

1. **THIS COURT ORDERS** that the time for service of the Applicant's Notice of Motion and the Motion Record is hereby abridged so that the motion is properly returnable today and hereby dispenses with further service thereof.

II. DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the CCAA Plan.

III. PENSION PLANS

3. **THIS COURT ORDERS** that HCPH shall not file any further annual valuation reports in respect of any of the Pension Plans.

4. **THIS COURT ORDERS** that the individual allocation of any surplus assets (if any) remaining on the wind up of the HCPH Retirement Plan, Reg. No. 0526947 (the "HCPH Plan") of any member (save and except for any member excluded by agreement of the Monitor, Representative Counsel and HCPH) who previously received an overpayment in error of benefits payable under the HCPH Plan which has not been repaid shall have his or her individual surplus share (if any) reduced by the amount of such overpayment up to the full amount of such individual surplus allocation (if any), and that such set offs of individual surplus allocations (if any) shall form part of the surplus assets (if any) distributed to all remaining HCPH Plan members.

5. **THIS COURT ORDERS** that any member who previously received an overpayment in error of benefits payable under the HCPH Plan which has not been repaid is hereby released (other than in respect of the set-off against the member's individual surplus allocation (if any) pursuant to paragraph 4 above) of any claims in respect of such overpayment by HCPH, any of its agents or any successor administrator of the HCPH Plan.

IV. CREDITORS' MEETINGS AND CCAA PLAN PROCEDURES

A. CCAA Plan Filing and Amendment

6. **THIS COURT ORDERS** that the Applicant is authorized to contemporaneously file the CCAA Plan with this Order, provided that (i) the Applicant may at any time, and from time to time, prior to or during the Creditors' Meetings (as defined below) amend, restate, modify and/or supplement the CCAA Plan, provided that any such amendment, restatement, modification and/or supplement shall be contained in a written document filed with this Court on notice to creditors present at the Creditors' Meetings, with a posting of such written document on the Monitor's Website (the "Website"); and, (ii) any amendment, restatement, modification and/or supplement to the CCAA Plan after the Creditors' Meetings, if the CCAA Plan is approved by the Required Majorities (as defined below), shall be governed by the CCAA Plan and/or further order of this Court.

B. Two Classes of Affected Creditors

7. **THIS COURT ORDERS** that pursuant to section 22 of the *CCAA*, the following two classes of Affected Creditors (collectively, the "Affected Creditors Classes") in respect of the CCAA Plan are hereby approved: (i) a class constituting the holders of all Pension Plan Claims (the "Pension Plan Claims Class"); and (ii) a class constituting the holders of all Affected Claims against HCPH other than Pension Plan Claims (the "Non-Pension Affected Claims Class").

C. One Creditors' Meeting Per Affected Creditors Class

8. **THIS COURT ORDERS** that the Applicant is hereby authorized to call, hold and conduct separate meetings for each of the Affected Creditors Classes (collectively, the "Creditors' Meetings" and each such meeting, a "Creditors' Meeting") on July 20, 2012 at Toronto, Ontario, at the time and place set out in the Notice to Non-Pension Affected Claims Class Regarding Creditors' Meetings and the Notice to Pension Plan Claims Class Regarding Creditors' Meetings (each as defined below), for the purpose of considering, and if deemed advisable by each of the Affected Creditors Classes, voting in favour of, with or without variation, the resolution to approve the CCAA Plan.

D. Approval of Certain Meeting Materials

9. **THIS COURT ORDERS** that (i) the notice to Pension Plan Claims Class regarding the Creditors' Meetings, substantially in the form attached hereto as Schedule "B" (the "Notice to Pension Plan Claims Class Regarding Creditors' Meetings"); (ii) notice to Non-Pension Affected Claims Class regarding the Creditors' Meetings, substantially in the form attached hereto as Schedule "C" (the "Notice to Non-Pension Affected Claims Class Regarding Creditors' Meetings"); and (iii) the proxy, substantially in the form attached hereto as Schedule "D" (the "Proxy") are each hereby approved, and the Applicant is authorized to make such changes as it considers necessary or desirable to conform the content thereof to the terms and descriptions in the CCAA Plan or this Order.

E. Notice and Service of Order and Meeting Materials

10. **THIS COURT ORDERS** that the Monitor shall prepare and send by regular pre-paid mail, courier, fax, or e-mail, a copy of this Order to all parties listed on the service list established in the Applicant's CCAA proceeding and shall post an electronic copy of this order on the Website as soon as practicable after the date of this Order.

11. **THIS COURT ORDERS** that the Applicant, having previously prepared and provided to the Monitor a list of the names and addresses of the Affected Creditors (the "Mailing List") based upon (i) for holders of OPEB Claims and members of Pension Plans, the names and addresses provided on the lists of OPEB Plan and Pension Plan members developed from the Personal Information Statements (as defined in this Court's order dated April 15, 2010), and (ii) for any other holder of any other Affected Claims in the Non-Pension Affected Claims Class, the name and address provided by such Affected Creditor on such Affected Creditor's Proof of Claim (as defined in the General Claims Procedure Order), and having updated such mailing list from time to time, shall advise the Monitor of any further updates thereto and confirm the final form thereof as soon as practicable after the date of this Order.

12. **THIS COURT ORDERS** that the Monitor shall send by regular pre-paid mail, courier, fax, or e-mail, a copy of the Notice to Pension Plan Claims Class Regarding Creditors' Meetings and/or the Notice to Non-Pension Affected Claims Class Regarding Creditors' Meetings, as applicable, together with the Proxy and the Twelfth Report, which attaches a copy of the CCAA

Plan (collectively, the “Meeting Materials”) to the Representative Counsel, each person on the Mailing List and any holder of a Claim that is subject to a dispute between the Monitor or Applicant and such holder pursuant to the Claims Disallowance Procedure Order of this Court, dated June 8, 2012 (a “Disputed Claim”) at the address provided on such creditor’s Notice of Dispute, as soon as practicable after the date of this Order.

13. **THIS COURT ORDERS** that the Monitor shall as soon as reasonably practicable after the date of this Order: (i) cause the Meeting Materials, the CCAA Plan and the Twelfth Report to be posted on the Website; (ii) send by regular pre-paid mail, courier, fax, or e-mail, a copy of this Order, the Meeting Materials, the CCAA Plan and the Twelfth Report to be sent to any person who requests such materials from the Monitor prior to the date set for the Creditors Meetings; and (iii) cause notice of the Creditors’ Meetings in substantially the form attached as Schedule “E”, to be published for a period of two (2) Business Days in the *The Globe & Mail* (National Edition).

14. **THIS COURT ORDERS** that the herein referenced service and/or publication of this Order and the Meeting Materials shall constitute good and sufficient service and notice of this Order, the Creditors’ Meetings, and the CCAA Plan, on all persons who may be entitled to receive notice thereof or of this proceeding or who may wish to be present in person or by proxy at a Creditors’ Meeting or who may wish to appear in this proceeding, and no other form or manner of notice or service need be made on such persons, and no other document or material need be served on such persons in respect of this proceeding.

15. **THIS COURT ORDERS** that the record date for the purposes of determining Affected Claims in respect of which Affected Creditors are entitled to receive the Meeting Materials and vote at the Creditors’ Meetings (the “Record Date”) shall be:

- (i) in respect of all OPEB Claims, August 31, 2011;
- (ii) in respect of all Pension Plan Claims, December 31, 2010;
- (iii) in respect of any other Affected Claim, December 10, 2009; and

- (iv) in respect of any Restructuring Claim, the applicable date upon which the Applicant terminated, disclaimed, or repudiated its obligations giving rise to the Restructuring Claim.

F. Receipt of Proxies by the Monitor

16. **THIS COURT ORDERS** that any Proxy in respect of the Non-Pension Affected Claims Class Creditors' Meeting (or any adjournment thereof) must be received by the Monitor by no later than 5:00 p.m. (Toronto time) on July 18, 2012, or two Business Days prior to any adjournment of the Non-Pension Affected Claims Class Creditors' Meeting.

17. **THIS COURT ORDERS** that the Monitor may in its discretion waive the time limits imposed on the Affected Creditors as set out in this Order and the Instructions for the deposit of Proxies and all other procedural matters if the Monitor deems it advisable to do so.

G. Conduct at the Creditors' Meetings

18. **THIS COURT ORDERS** that the Creditors' Meetings shall be called, held and conducted, and the CCAA Plan shall be voted upon and, if approved by the Required Majorities, ratified and given full force and effect, in accordance with the provisions of this Order, the Claims Procedure Orders, the CCAA, and any further order of this Court.

19. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair (the "Chair") of each Creditors' Meeting and, subject to this Order and any further order of this Court, shall decide all matters relating to the conduct of each Creditors' Meeting.

20. **THIS COURT ORDERS** that the Chair is hereby authorized to accept and rely upon Proxies substantially in the form attached hereto as Schedule "D", or such other form as is acceptable to the Chair.

21. **THIS COURT ORDERS** that the quorum required at each of the Creditors' Meeting shall be as follows: (a) for the Pension Plan Claims Class Creditors' Meeting, the presence at such Creditors' Meeting in person or by proxy of the Representative Counsel; and (b) for the

Non-Pension Affected Claims Class Creditors' Meeting, the presence at such Creditors' Meeting in person or by proxy of one (1) Affected Creditor with a Non-Pension Affected Claim.

22. **THIS COURT ORDERS** that the Monitor may appoint scrutineers (the "Scrutineers") for the supervision and tabulation of the attendance, quorum and votes cast at each Creditors' Meeting. A Person designated by the Monitor shall act as secretary at each Creditors' Meeting.

23. **THIS COURT ORDERS** that if (a) the requisite quorum is not present at a Creditors' Meeting, or (b) a Creditors' Meeting is postponed by, in the case of the Pension Plan Claims Class Creditors' Meeting, the vote of the Representative Counsel; and in the case of the Non-Pension Affected Claims Class Creditor' Meeting, the vote of the majority in value of Voting Claims (as defined below) of the Affected Creditors present in person or by proxy of the Non-Pension Affected Claims Class, then the applicable Creditors' Meeting shall be adjourned by the Chair to a date thereafter and to such time and place as may be appointed by the Chair.

24. **THIS COURT ORDERS** that a Creditors' Meeting need not be convened in order to be adjourned and that the Chair shall be entitled to adjourn and further adjourn a Creditors' Meeting at a Creditors' Meeting or any adjourned Creditors' Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the Applicant and Monitor shall not be required to deliver any notice of adjournment of a Creditors' Meeting or adjourned Creditors' Meeting other than announcing the adjournment at the applicable Creditors' Meeting or posting notice at the originally designated time and location of the Creditors' Meeting or adjourned Creditors' Meeting and on the Website.

25. **THIS COURT ORDERS** that the only Persons entitled to notice of or to attend the Creditors' Meetings are the Monitor and its counsel; those Persons, including the holders of proxies, entitled to vote at a Creditors' Meeting and their legal counsel and advisors; the Applicant's respective legal counsel and advisors; the Chief Restructuring Officer; the Representative Counsel and its advisors; and the Scrutineers. Any other Person may be admitted to a Creditors' Meeting on invitation of the Chair.

H. Voting Procedure

26. **THIS COURT ORDERS** that at each Creditors' Meeting, the Chair shall direct a vote on a resolution to approve the CCAA Plan and any amendments thereto as the Applicant may consider appropriate.

27. **THIS COURT ORDERS** that, further to the powers granted to the Representative Counsel pursuant to the Initial Order and other Orders of this Court to represent the interests of the members of the Pension Plans and the OPEB Plans in these proceedings:

- (a) in respect of the Pension Plan Claims Class Creditors' Meeting, the Representative Counsel is hereby appointed as proxy for HCPH, in its capacity as administrator of each Pension Plan, with full power of substitution, to attend on behalf of and act for HCPH in its capacity as administrator of each Pension Plan at the Pension Plan Claims Class Creditors' Meeting and at any and all adjournments thereof, and to vote the amount of the Pension Plan Claims, in its discretion, and members, beneficiaries, and administrators of the HCPH Pension Plans shall not be required to issue any proxy or any other document to effect same; and
- (b) in respect of the Non-Pension Affected Claims Class Creditors' Meeting, the Representative Counsel is (i) hereby appointed as proxy for all Affected Creditors in respect of OPEB Claims other than Affected Creditors who have previously opted out of such representation pursuant to the Initial Order or the Order of this Court made on December 10, 2009 ("**Opt-Outs**") or those Affected Creditors who appoint an alternative proxy and submit their Proxy to the Monitor in accordance with this Order or attend the Non-Pension Affected Claims Class Creditors' Meeting in person to vote on the Plan in respect of their OPEB Claims; and (ii) hereby authorized to vote all OPEB Claims in respect of which it acts as proxy holder in favour of the CCAA Plan unless the applicable Affected Creditor has indicated in its Proxy that it wishes to vote against the CCAA Plan.

28. **THIS COURT ORDERS** that in respect of the Non-Pension Affected Claims Class Creditors' Meeting, only Affected Creditors holding Non-Pension Affected Claims or their proxies shall be entitled to vote at such Creditors' Meeting.

29. **THIS COURT ORDERS** that voting entitlement on the CCAA Plan shall be calculated as follows:

- (a) for the Pension Plan Claims Class, Pension Plan Claims shall have a voting claim (to be voted by the Representative Counsel pursuant to paragraph 27 of this Order) equal to (i) in respect of any Pension Plan with a deficiency, the amount of such deficiency as indicated in the applicable wind up report, being the final wind-up or termination report prepared by Mercer and approved by the applicable pension regulator having jurisdiction in respect of each Pension Plan or submitted to Canada Revenue Agency, where applicable (the "Wind Up Report"); and (ii) in respect of any Pension Plan with a surplus, as indicated in the applicable Wind Up Report, a deemed Proven Amount ("Proven Amount") of \$1.00;
- (b) for the Non-Pension Affected Claims Class:
 - (i) Affected Creditors with Proven Amounts (other than Pension Plan Claims constituting part of the Pension Plan Claims Class or Affected Claims addressed in (ii) and (iii) below) shall have a voting claim equal to the value of such Affected Creditors' Proven Amount;
 - (ii) Affected Creditors holding OPEB Claims shall, have a voting claim equal to the value of such Affected Creditor's OPEB Claim as indicated on such Affected Creditor's OPEB Claim Notice (as defined in the OPEB Claims Procedure Order); and
 - (iii) Affected Creditors holding Disputed Claims shall, have a voting claim equal to the Monitor's accepted value, if any, of such Claim;

(collectively, the "Voting Claims").

30. **THIS COURT ORDERS** that the vote on the resolution to approve the CCAA Plan shall be decided by: (i) in respect of the Pension Plan Claims Class, approval of the CCAA Plan by the Representative Counsel representing the Pension Plan Claims; and (ii) in respect of the Non-Pension Affected Claims Class, approval of the CCAA Plan by a majority in number of the Affected Creditors of such class holding Voting Claims representing a two-thirds majority in value of such class that is present and voting at the Creditors' Meeting in person or by proxy ((i) and (ii), together, the "Required Majorities").

31. **THIS COURT ORDERS** that Affected Creditors with Disputed Claims shall have their voting intentions with respect to the Disputed Claims recorded by the Monitor and reported to this Court. If approval or non-approval of the CCAA Plan by any of the Affected Creditors Classes shall prove to be determined by the votes cast in respect of Disputed Claims, the Applicant and the Monitor, on notice to the service list, shall request this Court's directions and, if necessary, appropriate deferral of the Sanction Hearing (as defined below) and any other applicable dates.

32. **THIS COURT ORDERS** that following the vote at each Creditors' Meeting, the Monitor shall tally the votes and determine whether the CCAA Plan has been accepted by the Required Majorities.

33. **THIS COURT ORDERS** that the result of any vote at the Creditors' Meetings shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present at the Creditors' Meeting or voted on the resolution to approve the CCAA Plan.

I. Sanction Hearing

34. **THIS COURT ORDERS** that the Monitor shall provide a report to this Court no later than three (3) Business Days following the Creditors' Meetings (the "Monitor's Report Regarding the Creditors' Meetings") with respect to:

- (a) the results of the voting at each Creditors' Meeting on the resolution to approve the CCAA Plan;
- (b) whether the Required Majorities have approved the CCAA Plan;

- (c) the effect on the results of the voting had all of the Affected Creditors with Disputed Claims also voted the full amount of their Disputed Claims and
- (d) any other matter which the Monitor considers relevant in view of the Sanction Hearing (as defined below).

35. **THIS COURT ORDERS** that in the event that the CCAA Plan has been approved by the Required Majorities, the Applicant may bring a motion before this Court on 31 July, 2012, or such later date as is set by this Court upon motion by the Applicant (the "Sanction Hearing") at which the Applicant will seek an order sanctioning the CCAA Plan (the "Sanction Order").

36. **THIS COURT ORDERS** that service of this Order by the Monitor to the parties on the service list, the service of the Meeting Materials on Affected Creditors, and the posting of the Meeting Materials on the Website, in accordance with the requirements of this Order, shall constitute good and sufficient service of notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the Sanction Hearing, except that the Applicant shall serve the service list with the motion materials relating to the Sanction Hearing and any additional materials to be used in support thereof and, with the consent of the Monitor, such service on the service list of additional materials to be used in support of the Applicant's request for the Sanction Order may be made on less than four (4) Business Days' notice.

37. **THIS COURT ORDERS** that any party who wishes to oppose the entry of the Sanction Order shall serve on the service list a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the granting of the Sanction Order at least two (2) Business Days before the date set for the Sanction Hearing, or such shorter time as this Court, by order, may allow.

38. **THIS COURT ORDERS** that in the event that the Sanction Hearing is adjourned, only those Persons who have filed and served a Notice of Appearance in the Applicant's CCAA proceeding shall be served with notice of the adjourned date.

39. **THIS COURT ORDERS** that subject to any further order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the CCAA Plan

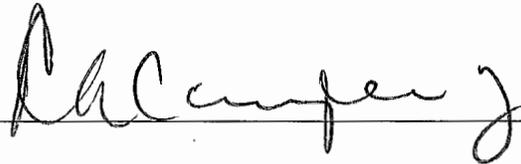
and this Order, the terms, conditions and provisions of the CCAA Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

J. Approval of Activities

40. **THIS COURT ORDERS** that the Monitor's Twelfth Report and Supplement to the Twelfth Report of the Monitor and all of the activities described therein are hereby approved in their entirety and all of the activities of the Chief Restructuring Officer, described in the affidavit of Dennis M. Byrd, sworn May 24, 2012, are hereby approved in their entirety.

K. Assistance of Other Courts

41. **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 Order.



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JUN 12 2012

SCHEDULE A

CCAA PLAN OF COMPROMISE AND ARRANGEMENT

Court File No.: CV-09-8503-00CL

**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 IN THE MATTER OF
HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**

**PLAN OF COMPROMISE AND ARRANGEMENT OF
HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**

MAY 24, 2012

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**PLAN OF COMPROMISE AND ARRANGEMENT of
hollinger canadian publishing holdings co. PURSUANT TO THE COMPANIES'
CREDITORS ARRANGEMENT ACT (CANADA)
INTRODUCTION¹**

HCPH is the corporate entity holding what remains of the former Southam newspaper chain, the majority of the assets of which were sold in 2002, with the remaining newspaper assets sold in 2006. As such, for several years prior to the CCAA Proceeding, HCPH has not conducted any business activity or operations other than its continued administration of the Pension Plans and OPEB Plans not transferred as part of the aforementioned sales, relating to more than 3,000 former employees, the vast majority of whom are elderly pensioners.

HCPH's CCAA Proceeding has involved a very unique set of facts and circumstances, in that, since the commencement of the CCAA Proceeding it has been recognized that the overwhelming majority of HCPH's stakeholders consist of its former employees and their respective entitlements under the Pension Plans and OPEB Plans. Since the commencement of the CCAA Proceeding, HCPH's focus has been to facilitate an orderly wind-up of the Pension Plans and termination of the OPEB Plans and to address its liabilities in respect thereof together with its other liabilities and obligations.

Against this backdrop, the CCAA Plan is to effect a compromise and arrangement of all Affected Claims against the Applicant, with the Pension Plan Claims given preferred treatment in the unique circumstances of this case, in a manner that provides equitable treatment among the Affected Creditors and allows for the orderly allocation and distribution of HCPH's assets to the Affected Creditors. HCPH proposed the appointment of the independent Representative Counsel at the commencement of the CCAA Proceeding and has worked cooperatively with such counsel during the course of the CCAA Proceeding, including in connection with the formulation of this CCAA Plan.

The CCAA Plan addresses two Affected Creditors Classes: (i) a Pension Plan Claims Class, and (ii) a Non-Pension Affected Claims Class. Holders of Pension Plan Claims shall constitute the Pension Plan Claims Class, and shall receive the treatment described in Section 4.01(a) hereof. All other holders of Affected Claims against HCPH (*i.e.*, all holders of Affected Claims other than Pension Plan Claims), shall constitute the Non-Pension Affected Claims Class, and shall receive the treatment described in Section 4.01(b) hereof.

The CCAA Plan is presented to the Affected Creditors with the expectation that the implementation of the CCAA Plan and the structured and orderly wind-up of the Pension Plans and the OPEB Plans in the context of the CCAA Proceeding is of greater benefit to the members and beneficiaries thereof and all Persons with claims against HCPH than an abrupt termination thereof.

¹ Capitalized terms used in this Introduction but not otherwise defined shall have the meanings ascribed to such terms in Section 1.01 of the CCAA Plan.

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.01 Definitions

Unless the context otherwise requires, the following capitalized terms shall have the following meanings when used herein:

“Additional Reserves” shall have the meaning ascribed to such term in Section 5.02 hereof;

“Administration Claim” means any Claim in respect of the fees and disbursements of the Monitor and its counsel, HCPH’s counsel, advisors and other retained professionals (including actuaries), the CRO, and the Representative Counsel and its retained professionals (including its actuarial advisor), in each case relating to its duties and responsibilities in the CCAA Proceeding, the administration of the CCAA Plan, the Pension Plan Wind-ups, realization of any Remaining Assets, the administration of HCPH or any related matter;

“Affected Claim” means (i) any OPEB Claim in existence on August 31, 2011; (ii) any Pension Plan Claim in existence on December 31, 2010; and (iii) any other Claim in existence on the Filing Date that is not an Unaffected Claim;

“Affected Creditor” means any Person holding an Affected Claim and includes the transferee or assignee of a transferred or assigned Affected Claim who is recognized as an Affected Creditor by HCPH and the Monitor in accordance with the Claims Procedure Orders;

“Affected Creditors Classes” means the following two classes of Affected Creditors established in accordance with the Creditors’ Meeting Order and this CCAA Plan: (i) the Pension Plan Claims Class, and (ii) the Non-Pension Affected Claims Class;

“Applicable Law” means in respect of any Person, property, transaction, event or other matter, any law, statute, regulation, code, ordinance, principle of common law, civil law, or equity, municipal by-law, treaty or order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies, in each case, having the force of law, of any Governmental Authority having or purporting to have the authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance;

“Available Cash Pool” means all Cash, Cash equivalents, and accounts of HCPH (excluding, for greater certainty, funds held by HCPH in trust for any other Person) held by or on behalf of HCPH or to which it is entitled from time to time, including all proceeds of realization on Remaining Assets of HCPH and any payments received by HCPH from the STMG Trust, if any, after the Plan Implementation Date pursuant to Section 5.06 hereof.

“Business Day” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;

“**Cash**” means lawful currency of Canada and includes legal tender, cheque, draft or funds available through electronic transfer;

“**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, in effect as of the date of the Initial Order;

“**CCAA Plan**” means this Plan of Compromise and Arrangement of HCPH filed pursuant to the CCAA, including the schedules hereto, as may be amended, modified, or supplemented hereinafter and from time to time in accordance with the terms hereof or order of the Court;

“**CCAA Proceeding**” means the proceeding commenced by HCPH pursuant to the Initial Order and the CCAA;

“**Claim**” means any right or claim of any Person against HCPH, in any capacity, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of HCPH, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including arising by reason of the commission of a tort (intentional or unintentional), any breach of duty (including any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or to a trust, constructive trust or deemed trust (statutory, express, implied, resulting, or otherwise) against any property or assets, any Taxes and together with any security enforcement costs or legal costs associated with any such claim, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, by surety, by warranty, or otherwise, and whether or not such right is executory or anticipatory in nature, including any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation by HCPH of any contract, lease or other agreement, whether written or oral, any claim made or asserted against HCPH through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, and includes any other claims of any kind that, if unsecured, would have been claims provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 had HCPH become bankrupt on the Filing Date, including any other claims arising from or caused by, directly or indirectly, the implementation of, or any action taken pursuant to, the Initial Order or the CCAA Proceeding, including any Restructuring Claim;

“**Claims Bar Date**” means 5:00 p.m. (Eastern Standard Time) on June 18, 2010, as established by the General Claims Procedure Order;

“**Claims Disallowance Procedure Order**” means the Court’s claims disallowance procedure order issued in the CCAA Proceeding, dated June 8, 2011;

“**Claims Procedure Orders**” means, collectively, the following orders relating to the procedures for Claim filing and/or determination, as such orders may be amended, restated or varied by subsequent order of the Court from time to time:

- (i) the General Claims Procedure Order;
- (ii) the Restructuring Claims Bar Date Order;
- (iii) the Claims Disallowance Procedure Order; and
- (iv) the OPEB Claims Procedure Order;

“**Court**” means the Ontario Superior Court of Justice (Commercial List);

“**Creditor**” means any Person having a Claim and includes the transferee or assignee of a Claim or a trustee, liquidator, receiver, receiver and manager, or other Person acting on behalf of such Person;

“**Creditors’ Meetings**” means the meetings of each of the Affected Creditors Classes to be held pursuant to the Creditors’ Meeting Order for the purpose of considering and voting on the resolution to approve the CCAA Plan and includes any adjournment of such meetings;

“**Creditors’ Meeting Order**” means the Court’s meeting order, dated [DATE];

“**CRO**” means Mr. Dennis M. Byrd, as the chief restructuring officer of HCPH appointed pursuant to the Initial Order;

“**Directors**” means, collectively, those individuals who are or were previously directors or officers of HCPH and “**Director**” means, individually, any one of them;

“**Disbursing Agent**” means HCPH, to the extent it has any remaining officers or employees available, and otherwise the Monitor solely in its capacity as the Applicant’s agent, for purposes of making Distributions from the Available Cash Pool in respect of Affected Claims and making other payments from the Available Cash Pool in respect of Unaffected Claims, in each case as required by and in accordance with Section 5.01 and the other provisions hereof;

“**Disputed Claim**” means any Affected Claim or any portion thereof in respect of which a Proof of Claim has been filed or which has otherwise been asserted in accordance with the applicable Claims Procedure Order(s) but which has not been accepted by HCPH and the Monitor or finally determined for CCAA Plan distribution purposes in accordance with the applicable Claims Procedure Order(s);

“**Disputed Claim Reserve**” means the reserve established in accordance with Section 6.02 hereof on account of Disputed Claims;

“**Distribution**” means any payment made by the Disbursing Agent on account of an Affected Claim pursuant to the terms and provisions of the CCAA Plan;

“**E&Y**” means Ernst & Young Inc.;

“**Filing Date**” means December 10, 2009, the date on which the Initial Order was granted;

“General Claims Procedure Order” means the Court’s Order, dated April 15, 2010 establishing a procedure for asserting Claims other than OPEB Claims or Pension Plan Claims, as supplemented by the Restructuring Bar Date Order and the Claims Disallowance Procedure Order;

“Government and Other Priority Claims” means any Claim required to be paid in accordance with section 6(3), (5) or (6) of the CCAA;

“Governmental Authority” means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government;

“HCPH” means Hollinger Canadian Publishing Holdings Co.;

“Initial Order” means the Initial Order of the Court, dated December 10, 2009, as amended, extended, restated or varied by subsequent order of the Court from time to time;

“Inter-Company Claim” means a Claim of any affiliate of HCPH against the Applicant;

“Mercer” means Mercer (Canada) Limited, the Applicant’s actuary;

“Monitor” means Ernst & Young Inc., in its capacity as Court-appointed Monitor, pursuant to the Initial Order;

“Non-Pension Affected Claim” means any Affected Claim other than a Pension Plan Claim;

“Non-Pension Affected Claims Class” means the class of Affected Creditors holding Non-Pension Affected Claims;

“OPEB Claim” means any Claim in respect of or relating to any OPEB Plan;

“OPEB Claims Procedure Order” means the Court’s OPEB Claims Procedure Order, dated July 28, 2011;

“OPEB Plans” means all unfunded retirement plans, agreements and arrangements (including the Southam Executive Retirement Agreements and the Divisional Allowance Top-Up) and all other post-employment benefit plans of HCPH in respect of which HCPH may have an obligation or liability, which relate to, among other things, medical coverage, dental coverage, life insurance, accidental death and dismemberment insurance, and long-term disability income benefits, including any claim, right or entitlement in respect of any long-term disability plan whether insured or uninsured and including the plans listed on Schedule “A” hereto, and which, for greater certainty, shall not include the Pension Plans, and shall not include the Long Term Disability Plan for the Employees of Southam Inc., and any one of the OPEB Plans shall be referred to herein as an “OPEB Plan”;

“Pension Plans” means the following six registered pension plans relating to former employees of HCPH:

- (a) Hollinger Canadian Publishing Holdings Co. Retirement Plan (FSCO and CRA No. 0526947);
- (b) Sterling Newspaper Company Pension Plan for Employees of Newspapers Formerly Owned by Thomson Newspapers (FSCO and CRA No. 1024744);
- (c) Hollinger Canadian Publishing Holdings Co. Pension Plan for the Employees of Newspapers Formerly Owned by Thomson Newspapers (FSCO and CRA No. 1033786);
- (d) Hollinger Canadian Publishing Holdings Co., Windsor Star Employees’ Pension Plan (FSCO and CRA No. 0208355);
- (e) Hollinger Canadian Publishing Holdings Co. Plan for Employees of Newspapers Formerly Owned by Sterling Newspapers (B.C. No. P085060-1 and CRA No. 0399444); and
- (f) Journal Publishing Company Limited Pension Plan (CRA No. 0267351);

“Pension Plan Claim” means any Claim in respect of or relating to any Pension Plan, including in respect of any Pension Plan Deficiency;

“Pension Plan Claims Class” means the class of Affected Creditors holding Pension Plan Claims against HCPH;

“Pension Plan Deficiency” means any deficiency in any Pension Plan in respect of the Pension Plan Wind-ups, based on the final actual costs of settling all benefits and refunds and payments of related expenses on wind-up, including fees and expenses of any trustees or agents appointed by any Pension Plan administrator and the actual costs of annuity purchases;

“Pension Plan Wind-ups” means the Court authorized wind-up of the Pension Plans pursuant to the October 14, 2010 order of the Court, with the wind-up date as of December 31, 2010, substantially in accordance with the Pension Plan Wind-up Steps and the Pension Plan Wind-up Direction;

“Pension Plan Wind-up Steps” means the steps substantially set out in Schedule "B" hereto, as may be amended with the agreement of HCPH and the Monitor and the consent of Representative Counsel or by order of the Court.

“Pension Plan Wind-up Direction” means a direction and agreement, substantially in the form attached hereto as Schedule “C”, to be executed and delivered by HCPH to the Monitor upon approval of the Court, with such amendments thereto as the Monitor and HCPH may agree with the consent of Representative Counsel or as may be approved by the Court.

“Person” means any individual, corporation, limited or unlimited liability company, general or limited partnership, income fund, association, trust, pension fund, union, unincorporated organization, joint venture, government or any agency, regulatory body, representative or instrumentality thereof, legal personal representative or litigation guardian, pension plan administrator, pension committee, or any other entity howsoever designated or constituted;

“Plan Implementation Date” means the Business Day on which the conditions precedent to implementation of the CCAA Plan have been satisfied, fulfilled, or waived, as applicable, and the Monitor has completed and filed its certificate with the Court in accordance with Section 9.03 hereof;

“Post-Filing Claim” means any Claim that arose after the Filing Date and not satisfied as at the Plan Implementation Date, in respect of which HCPH and the Monitor have actual notice as at the Plan Implementation Date, from or in respect of: (a) any executory contract or unexpired lease that has not been terminated or disclaimed by HCPH; (b) the supply of any services, delivery of any goods, or any monies advanced to HCPH on or after the Filing Date; or (c) any amounts to be remitted to a tax authority pursuant to paragraph 8 of the Initial Order during the period from the Filing Date to, but excluding, the Plan Implementation Date; provided that “Post-Filing Claim” shall not include any Restructuring Claim;

“Post-Implementation Claim” means any Claim incurred from and after the Plan Implementation Date by or on behalf of HCPH with the approval of the Monitor in relation to the Pension Plan Wind-Ups (other than fees and costs of HCPH's agents or Representative Counsel that constitute wind up administration expenses that are charged to and payable from the funds of the respective Pension Plans) and administration of the CCAA Plan, occupation rent or the supply of services, delivery of goods or monies loaned to HCPH;

“Pro Rata Share” means, in respect of a Person with a Non-Pension Affected Claim, the Proven Amount of such Non-Pension Affected Claim divided by the aggregate Proven Amounts of all Non-Pension Affected Claims, in each case as adjusted to reflect any gross-up of OPEB Claims pursuant to Section 5.09(b);

“Proof of Claim” means the form to have been completed and filed by a Creditor setting forth its purported Claim in accordance with the Claims Procedure Orders;

“Proven Amount” means:

- (a) in respect of a Pension Plan Claim, the amount of such Claim as accepted by HCPH and the Monitor as necessary to fund the Pension Plan Deficiency or as finally determined by an order of the Court; and
- (b) in any other case, the amount of a Claim in respect of which a Proof of Claim has been or is deemed to have been filed in a proper and timely manner in accordance with the applicable Claims Procedure Order(s) and which has been accepted by HCPH and the Monitor or finally determined in accordance with the applicable Claims Procedure Order(s) or order of the Court;

“Released Claims” shall have the meaning ascribed to such term in Section 11.01 hereof;

“Released Parties” shall have the meaning ascribed to such term in Section 11.01 hereof;

“Remaining Assets” means all remaining assets of HCPH, if any, other than Available Cash Pool;

“Representative Counsel” means Koskie Minsky LLP, in its capacity as the Court-appointed representative counsel for all members and beneficiaries of holders of OPEB Claims and all members and beneficiaries of the Pension Plans, other than those members and beneficiaries who opted out of such representation pursuant to the Initial Order and the order of the Court made on December 10, 2009;

“Restructuring Claim” shall have the meaning given to such term in the General Claims Procedure Order;

“Restructuring Claims Bar Date” means the bar date for filing a Proof of Claim in respect of a Restructuring Claim pursuant to the Claims Procedure Orders;

“Restructuring Claims Bar Date Order” means the Court’s order dated July 27, 2010;

“Sanction Hearing” means the Court hearing at which the Applicant’s motion for the Sanction Order will be heard;

“Sanction Order” means an order made by the Court pursuant to the CCAA to, among other things, sanction, authorize and approve the CCAA Plan, as such order may be amended by the Court from time to time;

“Secured Claims” means any Claim (excluding any Pension Plan Claim) which is secured by a lien or encumbrance on the property of the Applicant, which lien or encumbrance is valid, perfected and enforceable pursuant to Applicable Law, to the extent of and limited to the value of such property, as of the Plan Implementation Date.

“Taxes” means any and all federal, provincial, local or foreign taxes, duties, fees, pending assessments, reassessments and other governmental charges, duties, impositions and liabilities of any kind whatsoever (including any Claims by Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any Province or Territory of Canada, the Canada Revenue Agency and any similar revenue or taxing authority, including any municipality, of any Province or Territory of Canada), including all interest, penalties, fines and additions with respect to such amounts;

“Unaffected Claim” shall have the meaning ascribed to such term in Section 2.02 hereof;

“Unaffected Creditor” means a Person who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

“Website” means the website of the Monitor established in connection with the CCAA Proceeding: www.ey.com/ca/hcph; and

1.02 Certain Rules of Interpretation

In the CCAA Plan:

- (a) the division of the CCAA Plan into Articles, Sections, subsections and clauses and the use of headings and a table of contents are for convenience of reference only and do not affect the construction or interpretation of the CCAA Plan, nor are the descriptive headings of Articles and Sections intended as complete or accurate descriptions of the contents thereof;
- (b) the terms “the CCAA Plan”, “hereof”, “hereunder”, “herein” and similar expressions refer to the CCAA Plan and not to any particular Article, Section, subsection, clause or Schedule of or to the CCAA Plan;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation but rather shall mean “includes without limitation”, “including without limitation”, “includes but is not limited to” and “including but not limited to”, as applicable, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (f) all references to the CCAA are references to the CCAA as it existed on the date of the Initial Order;
- (g) all accounting terms not otherwise defined herein shall have the meanings ascribed to them, from time to time, in accordance with the Canadian generally accepted accounting principles, including those prescribed by the Canadian Institute of Chartered Accountants;
- (h) unless otherwise indicated, all references to currency and to “\$” are Canadian dollars;
- (i) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (j) unless otherwise specified, the time periods within or following which any act is to be done shall be calculated by excluding the day on which the period

commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

1.03 Interest

Interest shall not be paid on any Affected Claim after the Filing Date, no Affected Claim shall be entitled to interest accruing after or on the Filing Date and any Claim in respect of such interest shall be released and extinguished upon the Plan Implementation Date.

1.04 Schedules

The following are the Schedules to the CCAA Plan:

- (i) Schedule "A": List of OPEB Plans
- (ii) Schedule "B": Pension Plan Wind-Up Steps
- (iii) Schedule "C": Pension Plan Wind-Up Direction

1.05 Currency Conversion

All Affected Claims denominated in a currency other than lawful money of Canada are to be converted to the equivalent thereof in lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Filing Date, or, in the case of OPEB Claims, on August 31, 2011.

ARTICLE II

AFFECTED AND UNAFFECTED CLAIMS

2.01 Affected Claims

The CCAA Plan will become effective on the Plan Implementation Date and shall be binding on and enure to the benefit of the Applicant, the Affected Creditors holding Affected Claims and all other Persons named or referred to in, or subject to, the CCAA Plan, in accordance with its terms but shall not affect Unaffected Creditors, solely with respect to and to the extent of their Unaffected Claims.

2.02 Unaffected Claims

The CCAA Plan does not compromise or affect the following Claims (collectively, the "Unaffected Claims") against the Applicant:

- (a) Administration Claims;
- (b) Government and Other Priority Claims;
- (c) Secured Claims;

- (d) Post-Filing Claims; and
- (e) Post-Implementation Claims.

ARTICLE III
CLASSIFICATION OF CREDITORS AND PROCEDURAL MATTERS

3.01 Two Classes of Affected Creditors

For the purposes of considering and voting on and receiving any Distribution under the CCAA Plan, there shall be two Affected Creditors Classes:

- (i) the Pension Plan Claims Class; and
- (ii) the Non-Pension Affected Claims Class.

3.02 No Vote or Distribution in Respect of Unaffected Claims

No holder of an Unaffected Claim shall be entitled to vote on or receive any Distributions under this CCAA Plan in respect of such Unaffected Claim (although the payment of Unaffected Claims in full is contemplated by Section 5.01).

3.03 Claims Bar Date and Restructuring Claims Bar Date

Nothing in the CCAA Plan extends or shall be interpreted as extending or amending the Claims Bar Date or the Restructuring Claims Bar Date, or gives, or shall be interpreted as giving, any rights to any Person in respect of Claims that have been determined, barred, extinguished or released pursuant to the Claims Procedure Orders and/or the Sanction Order.

3.04 Approval by Creditors

In order to be approved by the Affected Creditors, the CCAA Plan must receive an affirmative vote by the majorities required by the CCAA of each of the Affected Creditors Classes at the Creditors' Meetings.

3.05 Meetings of Creditors

The Creditors' Meetings and voting procedures in respect of the CCAA Plan shall be held and conducted in accordance with the Creditors' Meeting Order and any further applicable order of the Court.

ARTICLE IV
TREATMENT OF AFFECTED CREDITORS

4.01 Affected Creditors Classes

The treatment of the Affected Creditors Classes shall be as follows:

- (a) **Pension Plan Claims Class:** The trustee(s) of each Pension Plan will be paid the Proven Amount of the Pension Plan Claims from the Available Cash Pool in accordance with Section 5.01(e) hereof (adjusted as necessary in accordance with the Pension Plan Wind-up Steps and Pension Plan Wind-Up Direction), in full and final satisfaction of the applicable Pension Plan Claims. Any surplus funds, if any, remaining in a Pension Plan after completion of the payment of or provision for all basic benefits on the wind-up of such Pension Plan (including after payment of all applicable costs and expenses and funding of all annuities in respect thereof) shall be distributed to those individuals who were members and beneficiaries of such Pension Plan as at the wind-up date of December 31, 2010 in accordance with applicable pension law.
- (b) **Non-Pension Affected Claims Class:** Each holder of a Non-Pension Affected Claim will be paid its *Pro Rata* Share of the remaining Available Cash Pool after payment or reserve for payment of the items set out in Sections 5.01(a) to 5.01(g) in accordance with Section 5.01(h) hereof and the other provisions of this CCAA Plan, in full and final satisfaction of its Non-Pension Affected Claim.

4.02 Inter-Company Claims

No Person shall receive any Distributions pursuant to the CCAA Plan in respect of any Inter-Company Claim and all Inter-Company Claims shall be released upon the Plan Implementation Date.

4.03 Equity Claims and Equity Interests

No Person shall receive any Distributions pursuant to the CCAA Plan in respect of any equity claim or equity interest (each as defined in section 2(1) of the CCAA) unless and until all Affected Claims are paid in full.

ARTICLE V

PROVISIONS GOVERNING AVAILABLE CASH POOL AND DISTRIBUTIONS

5.01 Available Cash Pool

Subject to Sections 5.02 to 5.09 and Article 6, the Available Cash Pool will be distributed by the Disbursing Agent on the following basis and in the following order of priority:

- (a) **Administration Claims (Pre-Implementation):** each holder of an Administration Claim incurred up to the Plan Implementation Date and not paid prior to such date by HCPH (if any) will be paid the full amount of such Administration Claim from the Available Cash Pool, on or as soon as practical after the Plan Implementation Date;
- (b) **Government and Other Priority Claims:** each holder of a Government and Other Priority Claim will be paid the full amount of such holder's Government and Other Priority Claim from the Available Cash Pool, on or as soon as practical

after the Plan Implementation Date but in any event within six (6) months after the Sanction Order;

- (c) **Secured Claims:** each holder of a Secured Claim will be paid the Proven Amount of such holder's Secured Claim from the Available Cash Pool, on or as soon as practical after the Plan Implementation Date;
- (d) **Post-Filing Claims:** each holder of a Post-Filing Claim that remains outstanding on the Plan Implementation Date, if any, will be paid the full amount such holder's Post-Filing Claim (in the amount agreed with the Monitor or as otherwise ordered by the Court) from the Available Cash Pool, on or as soon as practical after the Plan Implementation Date;
- (e) **Pension Plan Claims:** the trustee(s) of each Pension Plan will be paid the Proven Amount of the Pension Plan Claim in respect of such Pension Plan from the Available Cash Pool, as soon as practical after the Plan Implementation Date by way of one or more Distributions as determined by the Disbursing Agent in its sole discretion;
- (f) **Administration Claims (Post-Implementation):** each holder of an Administration Claim incurred on or after the Plan Implementation Date will be paid the full amount of such Administration Claim from the Available Cash Pool, at such time or times as agreed with the Monitor;
- (g) **Post-Implementation Claims:** each holder of a Post-Implementation Claim will be paid the full amount of such holder's Post-Implementation Claim (in the amount agreed with the Monitor or as otherwise ordered by the Court) from the Available Cash Pool, at such time or times as agreed with the Monitor;
- (h) **Non-Pension Affected Claims:** each holder of a Non-Pension Affected Claim will be paid its *Pro Rata* Share of the amount remaining in the Available Cash Pool after the satisfaction in full of the amounts referred to in clauses (a) to (g) of this Section 5.01, which may be paid by way of one or more Distributions to such holder and at such time or times as determined by the Disbursing Agent in accordance with Section 5.04.

5.02 Reserves

(1) In addition to the Disputed Claims Reserve contemplated by Section 6.02, the Disbursing Agent may establish reserves at any time from the Available Cash Pool in respect of potential Administration Claims, Post-Filing Claims, Post-Implementation Claims and any other Claims subject to payment pursuant to Section 5.01 (collectively, the "**Additional Reserves**"), and may at any time increase or decrease such Additional Reserves at its discretion having regard to payments to be made from the Available Cash Pool in accordance with Section 5.01 on account of any such Claims and the Monitor's then current estimate of the potential remaining amount of such Claims and any other factors considered appropriate by the Monitor (including a contingency factor).

(2) If the Disbursing Agent is reasonably satisfied that a particular category of Claims and all prior-ranking categories of Claims as set out in Section 5.01 have been paid in full or sufficient Additional Reserves exist to pay such Claims in full, the Disbursing Agent may in its discretion, but will not be required to, make payments from the Available Cash Pool in accordance with Section 5.01 to holders of Claims in the category with the next highest priority.

5.03 Monitor to Serve as Disbursing Agent

(1) To the extent that HCPH no longer has any officers or employees available to enable it to act as Disbursing Agent, the Monitor shall serve as the Disbursing Agent (subject to the other provisions of this Section 5.03), solely as agent and on behalf of HCPH, in connection with all payments under the CCAA Plan. The Disbursing Agent will only be required to make such Disbursements and other payments to the extent sufficient funds exist in the Available Cash Pool.

(2) In connection with its role as Disbursing Agent:

- (a) the Monitor is solely doing so as payment agent for HCPH and neither the Monitor nor E&Y has agreed to become, and neither is assuming any responsibility as a receiver, assignee, curator, liquidator, administrator, receiver-manager, agent of the Creditors or legal representative of HCPH within the meaning of any relevant tax legislation;
- (b) the Disbursing Agent will make the disbursements contemplated by the CCAA Plan from the Available Cash Pool that shall remain in the possession of HCPH;
- (c) neither the Monitor nor E&Y will have any liability for, and each is hereby released from, any claim in respect of any act or omission in respect of the Monitor as Disbursing Agent;
- (d) the Monitor will be provided with and is entitled to have access to all of the books and records of HCPH and to all documents and other information required by it from time to time, whether in the possession of HCPH or a third party, in connection with its role as Disbursing Agent;
- (e) the Monitor at any time may resign as or refuse to perform the role of Disbursing Agent;
- (f) the Monitor will not exercise discretion or control over such funds and will only make payments contemplated by the CCAA Plan and the Monitor at any time may apply to court for directions with respect to its role as Disbursing Agent or for any other relief;
- (g) the Monitor may discuss from time to time all matters relating to its role as Disbursing Agent with Representative Counsel;
- (h) the Monitor may at any time engage legal counsel, accountants and other advisers to assist it in connection with its role as Disbursing Agent; and

- (i) all fees and disbursements of the Monitor (including, without limitation, the fees and disbursements of legal counsel, accountants and other advisers) will be paid by HCPH and will constitute Administrative Claims for the purposes of the CCAA Plan.

HCPH will provide the Monitor with copies of all documents and all information requested by the Monitor from time to time and otherwise will provide to the Monitor with full access to its books and records.

(3) HCPH hereby indemnifies and holds harmless E&Y (in its capacity as Monitor and in its personal capacity), its affiliates and its and their respective directors, officers, employees, advisors, agents and other representatives (each, an "Indemnified Person") from and against any and all losses, claims, damages and liabilities to which any such Indemnified Person may become subject arising out of or in connection with its role as Disbursing Agent or any claim, litigation, investigation or proceeding relating to any of the foregoing (the "Indemnified Matters"), and to reimburse each Indemnified Person upon demand for any reasonable legal or other out-of-pocket expenses incurred in connection with Indemnified Matters or investigating or defending any of the foregoing. HCPH will not, without the prior written consent of E&Y and the relevant Indemnified Person, effect any settlement of any pending or threatened proceeding against an Indemnified Person in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such proceeding and (ii) does not include any statement as to any admission. All amounts that may be claimed by an Indemnified Person pursuant to this paragraph 5.03(3) will constitute Administration Claims for the purposes of the CCAA Plan.

5.04 Timing of Distributions from the Available Cash Pool

Distributions to Non-Pension Affected Creditors from the Available Cash Pool will be made from time to time and as soon as practicable following the issuance of the Sanction Order, as determined by the Disbursing Agent in consultation with Representative Counsel. In this regard, the Disbursing Agent will only make Distributions from the Available Cash Pool if the amount available to be distributed makes such Distribution economically practical, as determined by the Disbursing Agent acting reasonably (having regard to, among any other considerations that the Disbursing Agent considers appropriate, the amount of liquid funds then available to be distributed, any reserves considered appropriate, the number of Persons to whom the Distribution is to be made and the time at which further funds are expected to become available for Distribution), which determination will be final and non-reviewable.

5.05 Disbursing Agent Shall Not Distribute Cash Below \$10

No Distribution to an Affected Creditor will be made for an amount less than \$10. HCPH's liability to any Affected Creditor for any Distribution in an amount less than \$10 will be forever discharged and extinguished.

5.06 Remaining Assets

To the extent any proceeds are realized from the Remaining Assets (whether through sale or liquidation, release of any reserve funds, any funds arising from a non-Distribution in accordance with Section 5.05, reimbursement of any tax or other accounts, or otherwise), such funds will become part of the Available Cash Pool and distributed in accordance with Section 5.01 and the other provisions of the CCAA Plan. If the Monitor becomes aware of any Remaining Assets that have material value, the Monitor may (but will have no obligation to) assist HCPH in the realization of such Remaining Assets, including exercising any authority or power given to the Monitor pursuant to the Sanction Order or otherwise in respect thereof.

5.07 Delivery of Distributions

The Distributions to Affected Creditors in respect of Non-Pension Affected Claims pursuant to section 5.01 above shall be made by prepaid ordinary mail by the Disbursing Agent as follows:

- (a) to the addresses set forth in the Proofs of Claim filed by such Affected Creditors in accordance with the Claim Procedures Orders or, in the case of Affected Creditors with OPEB Claims, the Personal Information Statements of such Affected Creditors (as defined in the Court's Order dated April 15, 2010);
- (b) if applicable, to the addresses set forth in any written notices of address change delivered to the Monitor after the date on which any corresponding Proof of Claim was filed, provided such notice is received by the Monitor at least five (5) Business Days prior to the date on which such Distribution is made; or
- (c) absent the availability of the foregoing, to the last known address of the Affected Creditor indicated in the Applicant's books and records.

5.08 Unclaimed Distributions

(1) If an address for any Affected Creditor entitled to a Distribution from the Available Cash Pool cannot be located on the applicable Distribution date, then an amount equal to such Affected Creditor's Distribution shall be set aside or otherwise reserved by the Disbursing Agent. If an address for such Affected Creditor is located within six (6) months after such Distribution date, the Distribution for such Affected Creditor shall be distributed to it by the Disbursing Agent. If the address for such Affected Creditor cannot be located within six (6) months after such Distribution date, the Distribution for such Affected Creditor shall be added back to the Available Cash Pool and such Affected Creditor shall be deemed to have released its right to such Distribution and have no further right to any replacement or other Distribution in respect thereof. Nothing contained in the CCAA Plan shall require the Disbursing Agent to take any steps to attempt to locate any Affected Creditor or any address for one, beyond the requirements of section 5.07 of the CCAA Plan.

(2) Any cheque in payment of a Distribution that has not been cashed within 6 months after the date of the applicable Distribution may thereafter be cancelled by the Disbursing Agent, with HCPH's liability to the payee of such cheque forever discharged and extinguished, and the

amount otherwise payable pursuant to such cheque will become available for distribution from the Available Cash Pool.

5.09 Income Tax Withholding Requirements

- (a) In connection with the CCAA Plan, any Distribution made hereunder by the Disbursing Agent shall be made net of all applicable Taxes. Notwithstanding the foregoing and any other provision of the CCAA Plan, each Affected Creditor that is to receive a distribution pursuant to the CCAA Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Governmental Authority (including income, withholding and other Tax obligations on account of such distribution). The Disbursing Agent, as necessary, shall be authorized to take any and all actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditor in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Governmental Authority.
- (b) To the extent that the Disbursing Agent determines that Taxes are required to be withheld and remitted to the appropriate Governmental Authority in respect of any Non-Pension Affected Claim that is an OPEB Claim, such OPEB Claim shall be grossed up by 10% unless otherwise ordered by the Court.

ARTICLE VI DISPUTED CLAIMS

6.01 No Distributions

A Creditor holding a Disputed Claim will not be entitled to receive a Distribution under the CCAA Plan in respect thereof unless and until such Disputed Claim becomes a Proven Claim that is entitled to a Distribution under this CCAA Plan.

6.02 Disputed Claim Reserve

The Disbursing Agent shall establish, from the funds in the Available Cash Pool prior to making any Distribution in accordance with Section 5.01(h) hereof, a Disputed Claim Reserve on account of all Disputed Claims (if any) existing as at each date for a Distribution, equal to the aggregate amount of the Distribution that all the holders of such Disputed Claims would have been entitled to receive from the Distribution Pool if all such Disputed Claims had been Proven Non-Pension Affected Claims in their entire amount on such Distribution date.

6.03 Distributions from Disputed Claim Reserve

(1) If any portion of a Disputed Claim becomes a Proven Claim entitled to a Distribution under the CCAA Plan after a Disputed Claim Reserve has been established in respect thereof, such holder shall receive a Distribution from the Disputed Claim Reserve in an amount equal to the Distribution such holder would have received in respect of such Proven Claim.

(2) If a Disputed Claim is ultimately disallowed in whole or in part in accordance with the Claims Procedure Orders or other Order of the Court after a Disputed Claim Reserve has been established in respect thereof, any portion of the Disputed Claim Reserve in respect of the disallowed portion of such Disputed Claim will be released back to the Available Cash Pool and will distributed in accordance with Section 5.01.

ARTICLE VII

PENSION PLAN WIND-UPS

7.01 Pension Plan Wind-up Process

Without limitation to the terms of, and the authority given to HCPH pursuant to, the order of the Court dated October 14, 2010 or any other order of the Court or otherwise by law, HCPH may take the steps described in Schedule "B" hereto in connection with the Pension Plan Wind-ups and may cause any surplus in any Pension Plan to be distributed to or for the benefit of the applicable members and beneficiaries of such Pension Plan in the manner contemplated by such steps.

7.02 Monitor's Assistance

(1) In connection with the Pension Plan Wind-ups, HCPH may obtain the assistance of the Monitor and will, subject to approval of the Court, execute and deliver the Pension Plan Wind-up Direction to the Monitor on the Plan Implementation Date.

(2) Without limitation to the rights, powers, protections and benefits in favour of the Monitor and E&Y elsewhere in this CCAA Plan, the Monitor and E&Y will have the rights, powers, protections and benefits set out in the Pension Plan Wind-up Direction, including paragraph 3 thereof.

ARTICLE VIII

SANCTION ORDER

8.01 Application for Sanction Order

A motion shall be brought by HCPH seeking the Sanction Order that is to be heard by the Court following the approval of the CCAA Plan by the Affected Creditors Classes in accordance with the Creditors' Meeting Order and the CCAA.

8.02 Effect of Sanction Order

In addition to approving and sanctioning the CCAA Plan, and subject to the discretion of the Court, the Sanction Order shall, among other things and without limitation:

- (a) declare that (i) the CCAA Plan has been approved by the requisite majorities of the Affected Creditors Classes in conformity with the CCAA; (ii) HCPH has complied with the provisions of the CCAA and the orders made in the Applicant's CCAA Proceeding in all respects; (iii) the Court is satisfied that HCPH has not

- done nor purported to do anything that is not authorized by the CCAA; and (iv) the CCAA Plan and the transactions contemplated thereby are fair and reasonable;
- (b) direct and authorize the Applicant, the Monitor, and the Disbursing Agent to fulfill their respective obligations under the CCAA Plan, including to complete the transactions, payments and Distributions contemplated under the CCAA Plan free and clear of all Claims;
 - (c) provide the Monitor with such expanded powers, directions, protections and authorizations as may be necessary or desirable to enable the Monitor to carry out its duties or contemplated activities in respect of the Pension Plan Wind-ups and all other matters in connection with the implementation and future administration of the CCAA Plan, the CCAA Proceedings, realization on any Remaining Assets or the administration of HCPH;
 - (d) authorize and direct HCPH to execute and deliver the Pension Plan Wind-up Direction to the Monitor on the Plan Implementation Date;
 - (e) confirm the effect of the Claims Procedure Orders, including the effect of the Claims Bar Date, the Restructuring Claims Bar Date and the releases, injunctions and prohibitions provided thereunder;
 - (f) effective on the Plan Implementation Date, permanently stay all Affected Claims and declare that the compromises effected pursuant to the CCAA Plan are approved, binding and effective as herein set out upon all Creditors and other Persons affected by the CCAA Plan;
 - (g) effective on the Plan Implementation Date, declare that the compromises, releases and injunctions effected by the CCAA Plan, including the releases contemplated by Section 11.01, are approved, binding and effective as of the Plan Implementation Date upon all Affected Creditors and all other Persons affected by the CCAA Plan and shall inure to the benefit of the Applicant, the CRO, the Monitor, the Representative Counsel, and all Persons affected by the CCAA Plan;
 - (h) continue the stay of proceedings under the Initial Order until the CCAA Proceeding is terminated by order of the Court;
 - (i) subject to section 5.1(2) of the CCAA, effective on the Plan Implementation Date, stay any and all steps or proceedings, including administrative orders, declarations or assessments, commenced, taken or proceeded with against the Directors or that could have been commenced, taken or proceeded with against the Directors save for the stay of proceedings, and discharge the Directors from any liability arising as a result of their acting as a director and/or officer of the Applicant;
 - (j) effective on the Plan Implementation Date, permanently enjoin the commencement or prosecution, whether directly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgments, or other remedy or

recovery with respect to any indebtedness, liability, obligation or cause of action released, discharged or terminated pursuant to the CCAA Plan; and

- (k) confirm that the Monitor's and the Applicant's advisors, the CRO, and the Representative Counsel shall continue to have the benefit of the charges as provided in the Initial Order or other order of this Court, until such time as the CCAA Proceeding is terminated and all obligations secured thereby are paid in full.

ARTICLE IX

CONDITIONS PRECEDENT

9.01 Conditions Precedent to Implementation of CCAA Plan

The implementation of the CCAA Plan is conditional upon the fulfillment, satisfaction or waiver (except for 9.01(a) or 9.01(b)) by HCPH of the following conditions on or before the Plan Implementation Date:

- (a) the CCAA Plan being approved by the Affected Creditors in accordance with the Creditors' Meeting Order and the CCAA;
- (b) the Sanction Order being issued by the Court in form and substance acceptable to the Applicant, the Monitor and Representative Counsel;
- (c) all applicable appeal periods in respect of the Sanction Order having expired and any appeals therefrom having been finally disposed of by the applicable appellate tribunal; and
- (d) all relevant Persons having executed, delivered and filed all documents and other instruments and HCPH having obtained all consents and approvals that, in the opinion of the Applicant, acting reasonably, are necessary to implement the provisions of the CCAA Plan.

9.02 Waiver

Any waiver of the conditions in Section 9.01 hereof capable of being waived shall be in writing by HCPH as applicable.

9.03 Monitor's Certificate

Upon being advised by HCPH that the conditions set out in Section 9.01 hereof have been satisfied or waived, the Monitor shall file with the Court a certificate that states that all conditions precedent set out in Section 9.01 of the CCAA Plan have been satisfied or waived.

ARTICLE X
EFFECT OF CCAA PLAN

10.01 Effect of CCAA Plan Generally

The CCAA Plan will become effective upon the filing by the Monitor of the certificate contemplated by Section 9.03. The CCAA Plan (including the releases and injunctions contained in the CCAA Plan), upon being sanctioned and approved by the Court pursuant to the Sanction Order, shall be binding as of the Plan Implementation Date on all Persons and shall constitute:

- (a) a full, final and absolute settlement of all rights of the holders of all Affected Claims; and
- (b) an absolute release and discharge of all indebtedness, liabilities and obligations of HCPH of or in respect of the Affected Claims.

10.02 Consents, Waivers and Agreements

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

- (a) to have executed and delivered to the Monitor and HCPH all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the CCAA Plan in its entirety; and
- (b) to have waived any and all defaults then existing or previously committed by HCPH in any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto, existing between any such Affected Creditor and HCPH and any and all notices of default and demands for payment under any instrument, including, without limitation any guarantee, shall be deemed to have been rescinded.

ARTICLE XI
RELEASES AND INJUNCTIONS

11.01 Releases

For good and valuable consideration, including the compromises and distributions to be made pursuant to the CCAA Plan, every Person (including, for greater certainty, each and every member or beneficiary of each and every Pension Plan and OPEB Plan), regardless of whether or not such Person is an Affected Creditor, and save and except for Unaffected Creditors solely with respect to their Unaffected Claims, on the Person's own behalf and on behalf of the Person's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, actuaries, beneficiaries, financial advisors, legal counsel, other

professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives, and successors and assigns, as applicable: (a) hereby fully, finally, irrevocably and unconditionally releases and forever discharges the Applicant, the CRO, the Monitor, and the Representative Counsel, and all current, former, and any future administrators of the Pension Plans or members of any Pension Plan committee, together with each of their and their affiliates' respective current and former legal representatives, agents, directors, officers, predecessors, heirs, spouses, dependants, administrators, executors, subsidiaries, affiliates, related companies, member companies, partners, shareholders, employees, legal counsel, auditors, contractors, actuaries, consultants, financial or other professional advisors, and successors and assigns (collectively, the "**Released Parties**" and individually a "**Released Party**"); as applicable, of and from any and all past, present and future claims, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees, costs, compensation, or causes of action, of whatever kind or nature, whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort, contract, or other basis in law, whether statutory, at common law, civil law, or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, any act, inaction or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection with the Applicant, the Applicant's CCAA proceeding, any Pension Plan currently or formerly administered by the Applicant, or in respect of which the Released Parties had any role in their capacity as director, officer or agent of HCPH, or in their capacity as or on behalf of the administrator of or any other capacity in relation to any Pension Plan or OPEB Plan or any other employee benefit or retirement savings plan of HCPH, including without limitation any post-employment benefits or plans of HCPH (collectively, the "**Released Claims**"); and (b) hereby agrees not to make or continue, and is hereby prohibited from making or continuing any claims or proceedings whatsoever based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any Released Claims (including any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the Released Parties, including by way of contribution or indemnity, in common law, civil law, or in equity, or under the provisions of any statute or regulation, or any other basis in law, and that in the event that any of the Released Parties are added to such claim or proceeding, it will immediately discontinue any such claim or proceeding. Notwithstanding the foregoing, nothing herein shall: (x) release or discharge a Released Party from its obligations, if any, under the CCAA Plan; (y) release or discharge any Unaffected Claim against HCPH ; or (z) release or discharge any claim referred to in sections 5.1(2) or 19(2) of the CCAA.

11.02 Injunction

All Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Plan Implementation Date, with respect to the Released Claims, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever

(including any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;

- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or
- (e) taking any actions to interfere with the implementation or consummation of the CCAA Plan.

This Section 11.02 does not apply to the enforcement of any obligation under the CCAA Plan.

ARTICLE XII

PLAN AMENDMENTS OR TERMINATION

12.01 Plan Amendment

(1) Prior to and during the Creditors' Meeting, the Applicant, in consultation with the Monitor and Representative Counsel, may at any time and from time to time amend, modify and/or supplement the CCAA Plan in accordance with the Creditors' Meeting Order.

(2) Following the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), any amendment, modification or supplement to the CCAA Plan may be made by HCPH by written instrument with the consent of the Monitor and Representative Counsel or approved by the Court provided that it concerns a matter which, in the opinion of the Applicant, the Monitor and Representative Counsel, each acting reasonably, is of an administrative nature required to better give effect to the implementation of the CCAA Plan and to the Sanction Order and is not adverse or prejudicial to the financial or economic interests of the Affected Creditors. The Monitor shall post such amendment on the Website and HCPH shall file the amendment to the CCAA Plan with the Court, but no additional vote of the Affected Creditors will be necessary in order to give effect to such amendment to the CCAA Plan.

(3) Any amended, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section 12.01, approved by the Court, shall, for all purposes, be and be deemed to be a part of, and be incorporated in the CCAA Plan.

12.02 Termination of the CCAA Plan prior to Implementation

(1) At any time prior to the Plan Implementation Date, HCPH may, subject to further order of the Court, determine not to proceed with the CCAA Plan notwithstanding any prior approvals given at the Creditors' Meeting or the obtaining of the Sanction Order.

(2) If the conditions precedent to implementation of the CCAA Plan are not satisfied or waived, if HCPH determines not to proceed with the CCAA Plan subject to further order of the Court or if the Sanction Order is not issued by the Court: (a) the CCAA Plan shall be null and void in all respects; (b) any document or agreement executed pursuant to the CCAA Plan shall be deemed null and void; and (c) nothing contained in the CCAA Plan, and no act taken in preparation of the consummation of the CCAA Plan, shall constitute or be deemed to constitute a waiver or release of any claims or any defences thereto by or against HCPH or any other Person.

ARTICLE XIII **GENERAL PROVISIONS**

13.01 Severability of CCAA Plan Provisions

If, prior to the Plan Implementation Date, any term or provision of the CCAA Plan is held by the Court to be invalid, void or unenforceable, HCPH may apply to Court for an order: (a) severing such term or provision from the balance of the CCAA Plan and provide HCPH with the option to proceed with the implementation of the balance of the CCAA Plan as of and with effect from the Plan Implementation Date; or (b) altering or interpreting such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such severing, holding, alteration or interpretation, and provided HCPH proceeds with the implementation of the CCAA Plan, the remainder of the terms and provisions of the CCAA Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation. Notwithstanding the foregoing, no such severance, alteration or interpretation shall affect Unaffected Claims and the rights of Creditors with Unaffected Claims.

13.02 Advice and Directions

The Applicant, the Monitor, and the Representative Counsel shall each be entitled to apply to the Court from time to time for advice and directions concerning the implementation, operation, and administration of the CCAA Plan.

13.03 Paramountcy

From and after the Plan Implementation Date, any conflict between the CCAA Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, credit document, agreement for sale, by-laws of the Applicant, lease or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and HCPH as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the CCAA Plan and the Sanction Order, which shall take precedence and priority.

13.04 Deeming Provisions

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

13.05 Notices

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

(a) if to the Applicant:

Hollinger Canadian Publishing Holdings Co.
300 North LaSalle St
Suite 4925
Chicago IL 60654
United States of America

Attention: Dennis Byrd, CRO
Facsimile: (312) 803-0579
E-mail: dbyrd@hcphbenefits.com

with a copy to the Monitor (at the address below) and to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Raj S. Sahnir
Facsimile: 416-863-1716
Email: sahnir@bennettjones.com

(b) if to the Monitor:

Ernst & Young Inc.
Court-appointed Monitor of HCPH
222 Bay Street
P.O. Box 251
Toronto, ON M5K 1J7

Attention: Alex Morrison and Simone Carvalho
Facsimile: 416-943-3300
Emails: alex.f.morrison@ca.ey.com
simone.carvalho@ca.ey.com

with a copy to:

McCarthy Tetrault LLP
Suite 5300 TD Bank Tower
Toronto Dominion Centre
66 Wellington Street West
Toronto, ON M5K 1E6

Attention: James D. Gage and Heather L. Meredith
Facsimile: 416-868-0673
Emails: jgage@mccarthy.ca
hmeredith@mccarthy.ca

(c) if to the Representative Counsel:

Koskie Minsky LLP
Suite 900, Box 52
20 Queen Street West
Toronto, ON M5H 3R3

Attention: Andrew J. Hatnay and Andrea McKinnon
Facsimile: 416-977-3316
Emails: ahatnay@kmlaw.ca
amckinnon@kmlaw.ca

or to such other address as any party may from time to time notify the others in accordance with this Section 13.05. All such notices and communications that are hand delivered shall be deemed to have been received on the date of delivery, provided same is a Business Day. Any such notices and communications that are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing if mailed within Canada and on the ninth Business Day after the date of mailing if mailed outside of Canada. The unintentional failure by HCPH to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to the CCAA Plan.

13.06 Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the CCAA Plan shall be binding on, and shall inure to the benefit of, any heir, executor, trustee, administrator, successor or assign of such Person.

13.07 Further Assurances

Notwithstanding that the transactions and events set out in the CCAA Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby shall make, do and execute or cause to be made, done or executed all such

further acts, deeds, agreements, transfers, assurances, instruments, documents or discharges as may be reasonably required by HCPH or the Monitor in order to implement and give effect to the CCAA Plan.

13.08 Governing Law

The CCAA Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. In the event of any dispute or issue in connection with, or related to, the interpretation, application or effect of the CCAA Plan, such dispute or issue shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, Ontario this __ day of _____, 2012.

Schedule "A"

OPEB Plans

Hollinger Canadian Publishing Holdings Co.

List of OPEB Plans As of August 31, 2011
(based on HCPH's records)

OPEB Plan

Southam Executive Retirement Agreement
Divisional Allowances and Top-Up
Canadian Multi Employer Retirement Fund for the Graphic Arts Media (not an HCPH sponsored plan)
CAW Union Pension Plan (not an HCPH sponsored plan)
Death Benefit
SSQ Quebec Union Insurance Plan No. 48951
Manulife Policy No. 36933
Manulife Policy No. 36933
Manulife Policy No. 36933
Manulife Policy No. 36933
Manulife Policy No. 36934
Manulife Policy No. 36934
Manulife Policy No. 36934
Manulife Policy No. 36934
Manulife Policy No. 36934
Manulife Policy No. 36935
Manulife Policy No. 36935
Manulife Policy No. 19239
Sunlife EDB Policy No. 87993
Sunlife EDB Policy No. 87993
Sunlife EDB Policy No. 87993
Manulife Policy No. 38460
Manulife Policy No. 83173
Manulife Policy No. 83172
Manulife Policy No. 83497
Manulife Policy No. 35768
Manulife Policy No. 37623
Manulife Policy No. 38462
Manulife Policy No. 39786
Manulife Policy No. 001882
Manulife Policy No. 19240
Manulife Policy No. 2472
Manulife Policy No. 960940
Manulife Policy No. 960940
Manulife Policy No. 960940
Great West Life Policy No. 28305
Great West Life Policy No. 28305
Great West Life Policy No. 28305
Great West Life Policy No. 330034
Great West Life Policy No. 321138
Sunlife Policy No. 14227
Sunlife Policy No. 14225
Sunlife Policy No. 25288
Sunlife Policy No. 24010
Sunlife Policy No. 321519
WSIB
Pacific Blue Cross Policy No. E048387
Pacific Blue Cross Policy No. E038834
Pacific Blue Cross Policy No. E038753
Pacific Blue Cross Policy No. E038857
Pacific Blue Cross Policy No. E038857
British Columbia Medical Services Plan
Great West Life Policy 320116
Alberta Health Care
Southam LTD Plan

Plan Description

Unfunded Plan
Unfunded Plan
Employer Contribution Only
Employer Contribution Only
Life
Premium based
Life Insurance
Accidental Death and Dismemberment
Optional Dependent Life
Waiver of Premium for Life and ADD
Optional Life
Dependent Life
Spousal Life
Waiver of Premium for Optional Life
Optional Accidental Death and Dismemberment
Waiver of Premium for Optional ADD
Basic Life including waiver of premiums
Basic Life including waiver of premiums
Optional Dependent Life including waiver of premiums
Employee Optional Life including waiver of premiums
Basic Life including waiver of premiums
ASO Dental
ASO Health
ASO Retiree Health - \$10,000 lifetime max. for retiree and spouse only if applicable.
Optional Long Term Disability
Basic Long Term Disability
Basic Long Term Disability
Basic Long Term Disability
Basic Long Term Disability
Basic Long Term Disability
Basic Long Term Disability
Basic Long Term Disability
Basic Long Term Disability
Basic Employee Life
Employee Optional Life
Basic Long Term Disability/Basic Life Insurance
Basic Life
Basic Life
Basic Long Term Disability
Basic Life including waiver of premiums
Basic Long Term Disability
Basic Life including waiver of premiums
Basic Long Term Disability
Basic Life & ADD including waiver of premiums
Basic Life including waiver of premiums
No Premium
Health
Health
Dental
Health
Dental
Reimbursement of premiums paid by member to BCMSP
Paid up life
No premiums under the provincial health care plan
Long Term Disability

Schedule "B"

Pension Plan Wind-up Steps

DETAILED STEP PLAN FOR THE DISTRIBUTION OF ASSETS ON WIND-UP POST-APPROVAL OF RPP WIND-UP REPORTS

Except where otherwise indicated, any reference to an action to be taken by the Monitor shall be as agent of HCPH as administrator of the RPPs and only where HCPH is not otherwise capable of taking such action by virtue of having no CRO or other management (likely after the sanction order is issued). HCPH would remain a legal entity and the official sponsor and administrator of the RPPs throughout.

Steps

1. **Mercer to prepare, on direction of HCPH/Monitor as necessary, and HCPH/Monitor to distribute or to cause to be distributed individual wind-up statements.** Mercer prepares individual wind-up statements of entitlements and options for members/deferred members. HCPH/Monitor generally has 60 days (30 days in B.C.) following approval of the wind-up report to transmit them or have them transmitted to those individuals not already in receipt of a pension.
2. **Election of options by members.** Recipients of wind-up statements have 90 days in Ontario (60 days in B.C.) to elect option to transfer the commuted value to certain prescribed retirement savings vehicles or for the purchase of a life annuity.
3. **Processing of commuted value transfers.** Once member election forms are returned or deadline has passed, Mercer, on direction of HCPH/Monitor as necessary, will determine the amount required for commuted value transfers and which liabilities will need to be annuitized.
4. **Mercer, on direction of HCPH/Monitor as necessary, to prepare annuity purchase data.** Mercer requires approximately two weeks to prepare annuity quote packages for a number of life insurance companies based on the total annuity purchases required. HCPH/Monitor would then sign off on annuity purchase data (within 3 to 5 days). Request for annuity purchase then subject to insurers.
5. **HCPH/Monitor to determine all outstanding administration expenses payable from RPP funds.** HCPH/Monitor would put RPP fund trustees (RBC Dexia and CIBC Mellon) on notice to estimate all trustee/custodial fees up to final distribution date, as well as other fees.
6. **HCPH/Monitor decides on annuity quotes.** Once insurers bid, annuity quotes will only be valid and binding for five business days or less. Mercer will coordinate with

HCPH/Monitor to decide on which bid to accept. A settlement date for the purchase of the annuities ("**Settlement Date**") will be established. *Note:* Copies of the certified annuity quotes are also submitted to the Superintendent.

7. **HCPH/Monitor to liquidate RPP funds in preparation for pension payment for annuity purchases.** HCPH/Monitor will instruct the RPP fund trustees to convert bonds and other assets into cash in the period prior to the purchase of the annuities. RPP fund trustees may need several days of prior notice to liquidate assets. It is only once the RPP fund trustees has/have converted bonds and any other assets to cash that HCPH/Monitor will know exactly how much cash is available in the applicable RPP funds to buy the annuities.
8. **HCPH (or Monitor as agent of HCPH as sponsor of the RPPs) remits or causes to be remitted to RPP fund trustees funds equal to any deficiencies, including any annuity premium paid.** HCPH funds wind-up deficiencies, makes annuity premium payment, and files or causes to be filed with FSCO and FICOM certification that the obligations under the Ontario *Pension Benefits Act* and the British Columbia *Pension Benefits Standards Act* have been fully funded.

Note: Prior to the Settlement Date, Mercer needs to file a certificate with FSCO (under Regulation 29(8)) and FICOM (under Section 6) to certify that no further contributions are required to fully fund any of the RPPs that had a deficit (as at the wind-up date).
9. **HCPH/Monitor to cause to be filed addendums to wind up reports prepared by Mercer with respect to surplus distribution proposal for any RPP in surplus.** Mercer will file addendums to the wind up reports for any RPPs in surplus setting out the proposed formula for allocation and method of distribution of surplus assets to members and other plan beneficiaries as at the wind-up date of December 31, 2010 for regulatory approval.
10. **HCPH/Monitor to distribute individual surplus statements to members and beneficiaries of RPPs in surplus.** Once final regulatory approval is received, HCPH/Monitor distributes individual statements of surplus entitlement (and options if applicable) to members and other plan beneficiaries as at the wind-up date of December 31, 2010 for RPPs in surplus.
11. **HCPH/Monitor to direct the payment of surplus assets to members, and other plan beneficiaries as at the wind-up date of December 31, 2010 for RPPs in surplus in accordance with the approved formula for allocation.** Surplus is then paid out to the members and other plan beneficiaries as at the wind-up date of December 31, 2010 in accordance with the filed wind up report (and members' elections, if applicable).
12. **HCPH/Monitor to provide confirmation of final distribution of assets from plan to regulators.** HCPH/Monitor to notify FSCO, FICOM and the Canada Revenue Agency of the final distribution of assets from the RPPs.

Schedule "C"

[DRAFT]

Direction and Agreement HCPH Co Pension Plan Wind-up

TO: Ernst & Young Inc.

Recitals

- A. On December 10, 2009, Hollinger Canadian Publishing Holdings Co. ("HCPH") commenced proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings") pursuant to an order of the court of that date (the "Initial Order").
- B. Pursuant to the Initial Order, Ernst & Young Inc. ("E&Y") was appointed as the monitor of HCPH in connection with the CCAA Proceedings (in such capacity, the "Monitor").
- C. HCPH is the administrator (the "Administrator") of the six registered pension plans sponsored by it, as employer, set out in Schedule A (the "Pension Plans").
- D. Pursuant to the order of the court in the CCAA Proceedings dated July 27, 2010, Koskie Minsky LLP was appointed as representative counsel ("Rep Counsel") to all members and beneficiaries of the Pension Plans for the purpose of the CCAA Proceedings, and ordered that such members and beneficiaries would be bound by the actions of Rep Counsel in the proceedings.
- E. By order of the court in the CCAA Proceedings dated October 14, 2010 (the "Wind-up Order"), HCPH was authorized to wind-up the Pension Plans with an effective date of December 31, 2010 (the "Pension Plan Wind-ups") and to take all necessary actions in connection with the Pension Plan Wind-ups, including, without limitation, the preparation by HCPH's actuarial firm (currently, Mercer (Canada) Limited) (the "Actuarial Firm") of wind-up reports.
- F. HCPH has commenced the process in respect of the Pension Plan Wind-ups.
- G. Pursuant to the plan of arrangement dated • filed by HCPH in its CCAA Proceedings (as may be amended from time to time, the "CCAA Plan"), HCPH has committed to fund the resulting deficit, if any, of each Pension Plan in connection with the Pension Plan Wind-ups, in priority to distributions under the CCAA Plan to unsecured creditors.
- H. HCPH has requested the assistance of the Monitor in connection with the completion of the Pension Plan Wind-ups, and the Monitor has agreed to provide that assistance, subject to the terms hereof.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HCPH hereby irrevocably and unconditionally authorizes and directs the Monitor, and agrees in favour of E&Y and the Monitor, as follows:

Directions from HCPH

- (1) HCPH, as Administrator, irrevocably and unconditionally authorizes and directs the Monitor to take the following actions and steps for and on behalf of HCPH, in HCPH's capacity as Administrator (the "HCPH Wind-up Steps") in connection with the Pension Plan Wind-ups:
 - (a) to direct the Actuarial Firm to prepare, and to distribute or cause to be distributed wind-up statements of entitlements and options to individual members of the Pension Plans to the extent they are entitled thereto, in accordance with and within the time period required by applicable legislation;
 - (b) to direct the Actuarial Firm to determine, after receipt of member elections and the applicable deadline has passed: (i) the amount required for commuted value transfers and (ii) which Pension Plan liabilities are to be annuitized;
 - (c) to direct the Actuarial Firm to prepare annuity quote packages and solicit bids from life insurance companies, based on the total annuity purchases required as determined by the Actuarial Firm in accordance with paragraph 1(b) above;
 - (d) to direct the Actuarial Firm, after receipt of the annuity quotes and the applicable deadline has passed: (i) to advise in the selection of the insurance company or insurance companies to provide the annuities, (ii) to establish a settlement date for the purchase of annuities, and (iii) to file certified copies of the annuity quotes with the relevant pension regulator as may be required by applicable legislation or by such pension regulator;
 - (e) to select the insurance company or insurance companies to provide the annuities;
 - (f) to direct the Actuarial Firm to: (i) prepare an addenda to the wind-up reports for the Pension Plans in surplus setting out a proposed allocation method for the distribution of surplus assets, and (ii) prepare and distribute statements of entitlements to surplus and options to individual members of the Pension Plans to the extent they are entitled thereto, in accordance with and within the time period required by applicable legislation;
 - (g) to direct the Pension Plan trustees (RBC Dexia and CIBC Mellon) to (i) estimate all trustee/custodial fees up to final distribution date and (ii) to sell or otherwise liquidate bonds and all other assets into cash in the period prior to the purchase of the annuities;
 - (h) to determine what fees, other than the trustee/custodial fees, are to be paid from the Pension Plan funds;
 - (i) to direct the Actuarial Firm to file with the relevant pension regulator as may be required by applicable legislation, after any Pension Plan wind-up deficiency has been fully funded, a certification that the obligations under a particular Pension Plan has been fully funded;

- (j) to direct the Pension Plan trustees (i) to pay or release Pension Plan funds to the insurance company or insurance companies selected to provide the annuities, (ii) to transfer Pension Plan funds, as required, for commuted value transfers, and (iii) to make any other payment from the Pension Plan funds, including fees and surplus amounts, as may be required in connection with the Pension Plan Wind-ups;
 - (k) to file or cause to be filed with the Canada Revenue Agency and the relevant pension regulator as may be required by applicable legislation or by the Canada Revenue Agency or such pension regulator a notice of final distribution of assets from the Pension Plan funds;
 - (l) to do anything else that HCPH, as Administrator, may be required to do or that is otherwise necessary in connection with the Pension Plan Wind-ups.
- (2) HCPH, as sponsor and employer, irrevocably and unconditionally authorizes and directs the Monitor to take the following actions and steps for and on behalf of HCPH in connection with the Pension Plan Wind-ups:
- (a) facilitate the payment by HCPH, from one or more of HCPH's bank accounts, of any amounts necessary to fund any final deficiency or any other amount owing by HCPH to or in respect of any of the Pension Plans; and
 - (b) to do anything else that HCPH may be required to do or that is otherwise necessary in connection with the Pension Plan Wind-ups.

Agreements of HCPH

- (3) HCPH acknowledges and agrees in favour of E&Y and the Monitor that:
- (a) the Monitor, in performing HCPH Wind-up Steps, is solely doing so on behalf of HCPH and neither the Monitor nor E&Y has agreed to become, and neither is assuming any responsibility as, the Administrator of the Pension Plans;
 - (b) HCPH is and will at all times remain as the Administrator of each of the Pension Plans (unless and until replaced with a successor by the Superintendent of the Financial Services Commission of Ontario or the Superintendent of the Financial Institutions Commission of British Columbia, as the case may be (each, a "Superintendent"), pursuant to applicable legislation (a "Successor Administrator"));
 - (c) the Monitor is authorized to execute all directions, agreements and other documents of whatever nature in the name and on behalf of HCPH for any purpose in connection with the HPCCH Wind-up Steps and the Pension Plan Wind-ups;
 - (d) neither E&Y nor the Monitor will have any liability for, and each is hereby released from, any claim in respect of any act or omission in respect of HCPH Wind-up Steps or the Pension Plan Wind-ups;

- (e) the Monitor will be provided with and is entitled to have access to all of the books and records of HCPH and to all documents and other information required by it from time to time, whether in the possession of HCPH or a third party, in connection with the Pension Plans, HCPH Wind-up Steps and the Pension Plan Wind-ups;
 - (f) the Monitor at any time may refuse to perform any or all of HCPH Wind-up Steps and, without limitation to the foregoing, upon receipt by the Monitor of notice that a Successor Administrator has been appointed, the Monitor may immediately stop performing HCPH Wind-up Steps;
 - (g) the Monitor at any time may apply to court for directions with respect to HCPH Wind-up Steps or for any other relief;
 - (h) the Monitor may discuss from time to time all matters relating to the Pension Plan Wind-ups and the Pension Plans with the applicable Superintendent and Rep Counsel;
 - (i) the Monitor may at any time engage legal counsel, actuaries, accountants and other advisers to assist it in connection with HCPH Wind-up Steps;
 - (j) all fees and disbursements of the Monitor (including, without limitation, the fees and disbursements of legal counsel, actuaries, accountants and other advisers) will be paid by HCPH and will constitute Administration Claims for the purposes of the CCAA Plan; and
 - (k) HCPH hereby indemnifies and holds harmless E&Y (in its capacity as Monitor and in its personal capacity), its affiliates and its and their respective directors, officers, employees, advisors, agents and other representatives (each, an "Indemnified Person") from and against any and all losses, claims, damages and liabilities to which any such Indemnified Person may become subject arising out of or in connection with the Pension Plans, HCPH Wind-up Steps and the Pension Plan Wind-ups or any claim, litigation, investigation or proceeding relating to any of the foregoing (the "Indemnified Matters"), and to reimburse each Indemnified Person upon demand for any reasonable legal or other out-of-pocket expenses incurred in connection with Indemnified Matters or investigating or defending any of the foregoing. HCPH will not, without the prior written consent of E&Y and the relevant Indemnified Person, effect any settlement of any pending or threatened proceeding against an Indemnified Person in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such proceeding and (ii) does not include any statement as to any admission. All amounts that may be claimed by an Indemnified Person pursuant to this paragraph 3(k) will constitute Administration Claims for the purposes of the CCAA Plan.
- (4) This direction and agreement is in addition to, and does not limit, the rights, powers, protections and benefits given to E&Y and the Monitor in the Initial Order, all other orders in the CCAA Proceedings and the CCAA Plan. If there is any right, power, protection or other benefit in favour of E&Y or the Monitor set out in the Initial Order, any

other order in the CCAA Proceedings or the CCAA Plan which is not set out or provided for in this direction and agreement, such additional right, power, protection or benefit shall remain available to E&Y or the Monitor, as the case may be.

- (5) This direction and agreement contains and constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, agreements and understandings, whether written or oral, of the parties hereto.
- (6) This direction and agreement will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein and HCPH irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.
- (7) Section headings in this direction and agreement are included herein for convenience of reference only and will not constitute a part of this direction and agreement for any other purpose or be given any substantive effect.
- (8) This direction and agreement may be executed and delivered by facsimile, portable document format (".pdf") or other electronic means of transmission.
- (9) This direction and agreement will be binding upon and inures to the benefit of and is enforceable by the respective successors and permitted assigns of the parties hereto.

DATED as of ●, 2012.

Hollinger Canadian Publishing Holdings Co.

Per:

Name:

Title:

SCHEDULE B

**NOTICE TO PENSION PLAN CLAIMS CLASS
REGARDING CREDITORS' MEETING**

**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 CCAA PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF HOLLINGER
CANADIAN PUBLISHING HOLDINGS CO.**

**NOTICE TO PENSION PLAN CLAIMS CLASS
REGARDING CREDITORS' MEETINGS**

On June __, 2012, HCPH filed a plan of arrangement (the "CCAA Plan") with the Court in its CCAA proceedings.

NOTICE IS HEREBY GIVEN AS FOLLOWS:

1. The CCAA Plan contemplates the compromise of rights and claims of certain creditors of HCPH (collectively, and as more fully defined in the CCAA Plan, the "Affected Creditors").
2. Claims of Affected Creditors are separated into two (2) classes under the CCAA Plan (the "Affected Creditors Classes"): (i) the Pension Plan Claims Class; and (ii) the Non-Pension Affected Claims Class (each as defined in the Order).
3. You are receiving this notice because you have been identified as a member of the **Pension Plan Claims Class**. You may also be a member of the Non-Pension Affected Claims Class, in which case you will receive a separate notice with instructions relating to that claim.
4. Enclosed with this notice you will find a copy of the Twelfth Report of the Monitor, relating to the CCAA Plan, which has been filed with the Court.
5. The purpose of these materials is to provide you with the documents required to enable you to consider the CCAA Plan and to provide you with notice of the Creditors' Meeting in respect of the Pension Plan Claims Class that will be held at the offices of the Monitor located at **Ernst & Young Tower, 222 Bay Street, 31st Floor, Toronto Ontario, on July 20, 2012 at 11:00 a.m. (Eastern Time)**.
6. In addition to this Notice and the documents enclosed, the Creditors' Meeting Order (the "Order") should be reviewed and can be accessed through the website maintained by the Monitor, Ernst & Young Inc., at: <http://www.ey.com/ca/hcph>.

7. You are not required to attend the Creditors' Meeting or to complete or file any forms as Koskie Minsky LLP (the "Representative Counsel") is deemed the authorized proxy who will vote in respect of any and all Pension Plan Claims in favour of the CCAA Plan.
8. The quorum for the Pension Plan Claims Class Creditors' Meeting has been set by the Order as the presence at such Creditors' Meeting in person or by proxy of the Representative Counsel.
9. To become effective in respect of the Affected Creditors Classes, the CCAA Plan must be approved by the Representative Counsel at the Pension Plan Claims Class Creditors' Meeting, and by a majority in number of Affected Creditors of the Non-Pension Affected Claims Class who represent at least two-thirds in value of the voting Affected Claims of such class who actually vote on the resolution approving the CCAA Plan (in person or by proxy) at the Non-Pension Affected Claims Class Creditors' Meeting. The CCAA Plan must also be sanctioned by a final order of the Court, pursuant to the CCAA.
10. If you have any questions regarding the process discussed above, please contact the Monitor at your earliest convenience using the following contact information:

Ernst & Young Inc.
Court-appointed Monitor of HCPH
Ernst & Young Tower
222 Bay Street
Toronto, Ontario M5K 1J7
Email: hcph.monitor@ca.ey.com
Fax: (416) 943-3300
Attention: Alex Morrison and Simone Carvalho

DATED this • day of • , 2012.

SCHEDULE C

**NOTICE TO NON-PENSION AFFECTED CLAIMS CLASS REGARDING
CREDITORS' MEETINGS**

**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 CCAA PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF HOLLINGER
CANADIAN PUBLISHING HOLDINGS CO.**

**NOTICE TO NON-PENSION AFFECTED CLAIMS CLASS
REGARDING CREDITORS' MEETINGS**

On June ___, 2012, HCPH filed a plan of arrangement (the "CCAA Plan") with the Court in its CCAA proceedings.

NOTICE IS HEREBY GIVEN AS FOLLOWS:

1. The CCAA Plan contemplates the compromise of rights and claims of certain creditors of HCPH (collectively, and as more fully defined in the CCAA Plan, the "Affected Creditors").
2. Claims of Affected Creditors are separated into two (2) classes under the CCAA Plan (the "Affected Creditors Classes"): (i) the Pension Plan Claims Class; and (ii) the Non-Pension Affected Claims Class (each as defined in the Order).
3. You are receiving this notice because you have been identified as a member of the **Non-Pension Affected Claims Class**. You may also be a member of the Pension Plan Claims Class, in which case you will receive a separate notice with instructions relating to that claim.
4. Enclosed with this notice you will find a copy of (a) the Twelfth Report of the Monitor, relating to the CCAA Plan, which has been filed with the Court; and (b) a Proxy.
5. The purpose of these materials is to provide you with the documents required to enable you to consider the CCAA Plan and vote to accept or reject the CCAA Plan, and to provide you with notice of the Creditors' Meeting in respect of the Non-Pension Affected Claims Class that will be held at the offices of the Monitor located at **Ernst & Young Tower, 222 Bay Street, 31st Floor, Toronto Ontario, on July 20, 2012 at 10:00 a.m. (Eastern Time)**.

6. If you have an OPEB Claim, you are not required to attend the Creditor's Meeting or to complete or file any forms, as Koskie Minsky LLP ("Representative Counsel") has been authorized to vote in respect of any and all OPEB Claims in favour of the CCAA Plan, except in respect of OPEB Claims for which the Affected Creditor has previously opted out of representation by the Representative Counsel, appointed an alternative proxy or registers a negative vote in person or by proxy at the Creditors' Meeting. If you wish to vote against the Plan or appoint an alternative proxy, see paragraph 7 below.
7. **Voting in Person or by Proxy:** You may attend the Creditors' Meeting in respect of the Non-Pension Affected Claims Class at the time and location set out above to cast your vote in person. If you wish to vote at the Creditors' Meeting but (a) if you will not be attending the Creditors' Meeting in person, or (b) if the Affected Creditor is not an individual, you are required to complete the enclosed Proxy and provide it to the Monitor by courier, e-mail or fax so that it is received by the Monitor **PRIOR to 5:00 p.m. (Eastern Time) on July 18, 2012 or 5:00 p.m. on two Business Days in advance of any adjournment of the Creditors' Meeting.**
8. Your failure to file a Proxy will not affect your right to any distribution under the CCAA Plan.
9. In addition to this Notice and the enclosed documents, the Creditors' Meeting Order (the "Order") should be reviewed and can be accessed through the website maintained by the Monitor, Ernst & Young Inc., at: <http://www.ey.com/ca/hcph>.
10. The quorum for the Non-Pension Affected Claims Class Creditors' Meeting has been set by the Order as the presence at such Creditors' Meeting in person or by proxy of one (1) Affected Creditor holding a Non-Pension Affected Claim.
11. To become effective in respect of the Affected Creditors Classes, the CCAA Plan must be approved by the Representative Counsel at the Pension Plan Claims Class Creditors' Meeting, and by a majority in number of Affected Creditors of the Non-Pension Affected Claims Class who represent at least two-thirds in value of the voting Affected Claims of such class who actually vote on the resolution approving the CCAA Plan (in person or by proxy) at the Non-Pension Affected Claims Class Creditors' Meeting. The CCAA Plan must also be sanctioned by a final order of the Court, pursuant to the CCAA.
12. If you have any questions regarding the process discussed above or the enclosed Proxy, please contact the Monitor at your earliest convenience. The Monitor's address for the purpose of filing the Proxy is as follows:

Ernst & Young Inc.
Court-appointed Monitor of HCPH
Ernst & Young Tower
222 Bay Street
Toronto, Ontario M5K 1J7
Email: hcph.monitor@ca.ey.com

Fax: (416) 943-3300

Attention: Alex Morrison and Simone Carvalho

DATED this • day of • , 2012.

SCHEDULE D

FORM OF PROXY

PROXY

MEETING OF AFFECTED CREDITORS OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO. (“HCPH”) COMPRISING PART OF THE NON-PENSION AFFECTED CLAIMS CLASS¹

to be held pursuant to an Order of the Ontario Superior Court of Justice (Commercial List)
in connection with the HCPH’s plan of compromise and arrangement
under the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA Plan”)

on [• __, 2012] at 10:00 a.m. at:
[LOCATION]

and at any adjournment thereof.

THIS PROXY MUST BE COMPLETED AND SIGNED BY THE AFFECTED CREDITOR AND RECEIVED BY THE MONITOR, ERNST & YOUNG INC., BY 5:00 P.M. (TORONTO TIME) ON JULY 18, 2012 OR TWO BUSINESS DAYS PRIOR TO ANY ADJOURNMENT THERETO, IF THE AFFECTED CREDITOR IS UNABLE TO ATTEND THE MEETING AND VOTE ON THE CCAA PLAN IN PERSON OR IF SUCH AFFECTED CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS SUCH AFFECTED CREDITOR’S PROXY.

THE UNDERSIGNED AFFECTED CREDITOR, hereby revokes all proxies previously given and nominates, constitutes, and appoints _____ or, if no person is named, Alex Morrison of Ernst & Young Inc., in its capacity as Monitor of the HCPH, or such representative of the Monitor as the Monitor may designate, as nominee of the undersigned Affected Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Affected Creditor at the meeting of Affected Creditors of HCPH to be held in connection with the CCAA Plan and at any and all adjournments thereof, and to vote the amount of the Affected Creditor’s claim for voting purposes as determined pursuant to applicable orders of the Court, as follows (mark only one):

- VOTE FOR** approval of the CCAA Plan; or
- VOTE AGAINST** approval of the CCAA Plan

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Creditors’ Meeting Order, dated [DATE], of the Ontario Superior Court of Justice, entered in HCPH’s CCAA proceeding.

Dated at _____ this _____ day of _____, 2012.

(Print Legal Name of Affected Creditor)

(Signature of Affected Creditor or Authorized Signing Officer
of Affected Creditor)

(Print Name and Title of Authorized Signing Officer of the
Affected Creditor, if applicable)

(Mailing Address of Affected Creditor)

(Phone Number of Affected Creditor)

SCHEDULE E

NOTICE OF THE CREDITORS' MEETING

**NOTICE OF THE CREDITORS' MEETING OF
HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**

(hereinafter referred to as the "Applicant")

This notice is being published pursuant to the order of the Ontario Superior Court of Justice (the "Court") dated June 8, 2012 (the "Creditors' Meeting Order"), which established the procedures for the Applicant to call, hold and conduct meetings of its creditors (the "Creditors' Meetings") to consider and vote on a resolution for the approval of the Plan of Compromise and Arrangement of the Applicant dated _____, 2012 (as may be amended from time to time, the "Plan") and to transact such other business as may be properly brought before the Creditors' Meetings. Capitalized terms in this Notice that are not otherwise defined have the meanings ascribed in the Plan. The Creditors' Meetings will be held at the following times and location:

Date: July 20, 2012

Non-Pension Plan Claim Class: 10:00 a.m. (Eastern Daylight Time)

Pension Plan Claim Class: 11:00 a.m. (Eastern Daylight Time)

Location: Ernst & Young Tower, 222 Bay Street, 31st Floor, Toronto, Ontario, M5K 1J7

Creditors with claims in respect of or relating to the Applicant's Pension Plans are not required to attend the Creditors' Meeting as Koskie Minsky LLP (the "Representative Counsel") is deemed the authorized proxy for the Applicant in its capacity as administrator of each Pension Plan and will vote in respect of the Pension Plan Claims. In addition, creditors with claims in respect of or relating to the Applicant's OPEBs are not required to submit a proxy or attend the Creditors' Meeting unless they intend to vote against the Plan since Representative Counsel is deemed to be the authorized proxy for those creditors in respect of their OPEB Claims and will vote such claims in favour of the Plan (unless such creditors have previously opted out of representation by the Representative Counsel or if they submit a proxy appointing another proxy holder, attend the meeting in person or submit a proxy voting against the Plan).

THE FOLLOWING CREDITORS ARE ENTITLED TO VOTE AT THE NON-PENSION PLAN CLAIM CLASS CREDITORS' MEETING AND MAY VOTE BY ATTENDING THE MEETING IN PERSON AT THE TIME AND ADDRESS LISTED ABOVE OR BY SUBMITTING A PROXY PRIOR TO 5:00 P.M. (EASTERN TIME) ON JULY 18, 2012:

- **CREDITORS WITH OPEB CLAIMS (WHICH RELATE TO CLAIMS UNDER THE UNFUNDED RETIREMENT ARRANGEMENTS AND CERTAIN POST-EMPLOYMENT BENEFIT PLANS OF THE APPLICANT); AND**
- **CREDITORS WHO HAVE PROVEN THEIR CLAIM OR ARE IN THE PROCESS OF DISPUTING THEIR CLAIM IN ACCORDANCE WITH THE CLAIMS PROCESS ORDER.**

Creditors may obtain a Proxy, a copy of the Plan and more information about the Plan, any amendments that may be made to the Plan and the Creditors' Meetings on the Monitor's website (www.ey.com/ca/hcph) or by contacting the Monitor by telephone at 1-888-274-4344 or by email at hcph.monitor@ca.ey.com.

If the Plan is approved by the required majority of the Applicant's creditors voting in person or by proxy at the Creditors' Meetings in accordance with the *Companies' Creditors Arrangement Act*, the Applicant intends to bring a motion to the Court on _____, 2012 for approval of an Order sanctioning the Plan.

**IN THE MATTER OF THE *COMPANIES CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**

Court File No. 09-8503-00CL

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

Proceedings commenced in Toronto

CREDITORS' MEETING ORDER

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Raj Sahni (LSUC#42942U)
Mark Smyth (LSUC #47278L)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 1ST DAY
)
JUSTICE NEWBOULD) OF DECEMBER, 2016



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 NORTEL NETWORKS CORPORATION,
NORTEL NETWORKS LIMITED, NORTEL NETWORKS
GLOBAL CORPORATION, NORTEL NETWORKS
INTERNATIONAL CORPORATION, NORTEL NETWORKS
TECHNOLOGY CORPORATION, NORTEL
COMMUNICATIONS INC., ARCHITEL SYSTEMS
CORPORATION AND NORTHERN TELECOM CANADA
LIMITED

APPLICATION UNDER THE COMPANIES' CREDITORS
ARRANGEMENT ACT,

R.S.C. 1985, c. C-36, AS AMENDED

PLAN FILING AND MEETING ORDER

THIS MOTION, made by Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Technology Corporation, Nortel Networks Global Corporation, Nortel Networks International Corporation, Nortel Communications Inc., Architel Systems Corporation and Northern Telecom Canada Ltd. (collectively, the "**Canadian Debtors**") jointly with Ernst & Young Inc. in its capacity as monitor of the Canadian Debtors (the "**Monitor**" and together with the Canadian Debtors, the "**Moving Parties**") for an order, *inter alia*, (a) accepting the filing of the Plan, (b) authorizing the classification of creditors for purposes of voting on the Plan, (c) authorizing and directing the Monitor to call, hold and conduct a meeting of Affected Unsecured

Creditors to consider and vote on a resolution to approve the Plan, (d) authorizing and directing the mailing and distribution of the Meeting Materials, (e) approving the procedures to be followed with respect to the meeting of Affected Unsecured Creditors, and (f) setting a date for the hearing of the Moving Parties' motion for Court approval of the Plan, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the One Hundred and Thirty Third report of the Monitor dated November 23, 2016 (the "**One Hundred and Thirty Third Report**"), the responding Motion Record of the UKPI (defined below), and on hearing the submissions of counsel for the Monitor and those other parties present, no other parties appearing for the other parties served with the Motion Record, 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, the Motion Record and the One Hundred and Thirty Third Report is hereby abridged and validated such that this Motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

DEFINITIONS

2. THIS COURT ORDERS that for the purposes of this Meeting Order, in addition to the terms defined elsewhere in this Meeting Order or in the Plan, the following terms shall have the following meanings:

- (a) "**1988 Bondholder**" means a holder of one or more 1988 Bonds on the Voting Record Date including any Beneficial Bondholder holding 1988 Bonds;
- (b) "**1988 Bondholder Claim**" means a Voting Claim by a 1988 Bondholder in respect of 1988 Bonds;
- (c) "**1988 Bonds**" has the meaning given to it in subparagraph 2(bbbbb)(iii);
- (d) "**Affected Claim**" means an Affected Claim under the Plan;

- (e) **“Affected Creditor”** means an Affected Creditor under the Plan;
- (f) **“Affected Unsecured Claim”** means any Affected Claim that is not a Director/Officer Claim or an Equity Claim;
- (g) **“Affected Unsecured Creditor”** means any holder of an Affected Unsecured Claim, but only with respect to and to the extent of such Affected Unsecured Claim;
- (h) **“Affected Unsecured Creditors Class”** has the meaning given to it in paragraph 10;
- (i) **“Beneficial Bondholder”** means a beneficial owner of any Bonds as at the Voting Record Date;
- (j) **“Bondholder”** means, as at the Voting Record Date, a registered or beneficial holder of a Bond, as the context requires, in such capacity;
- (k) **“Bondholder Claim”** means a Claim held by a Bondholder in respect of the Bonds;
- (l) **“Bondholder Claim Amount”** has the meaning given to it in paragraph 44;
- (m) **“Bondholder Mailing Materials”** has the meaning given to it in paragraph 21;
- (n) **“Bondholder Meeting Materials”** has the meaning given to it in subparagraph 2(iii)(vi);
- (o) **“Bondholder Proxy”** means a proxy substantially in the form of Schedule **“C-3”**, to be completed by Beneficial Bondholders in accordance with the terms of this Meeting Order and the Instructions to Bondholders;
- (p) **“Bonds”** means the Crossover Bonds, 1988 Bonds and NNCC Bonds and any bond, notes or debenture issued in substitution or replacement thereof and **“Bond”** means any one of them;

- (q) “**Business Day**” means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in both Toronto, Ontario, Canada and New York, New York, U.S.A.;
- (r) “**Canadian Debtors**” has the meaning given to it in the preamble;
- (s) “**Canadian Pension Claims**” has the meaning given to it in the Plan;
- (t) “**Canadian Registered Pension Plans**” has the meaning given to it in the Plan;
- (u) “**CCAA Court**” means the Ontario Superior Court of Justice (Commercial List);
- (v) “**CCAA Proceedings**” means these proceedings commenced by the Canadian Debtors pursuant to the CCAA;
- (w) “**Chair**” has the meaning given to it in paragraph 31;
- (x) “**Claim**” has the meaning given to it in the applicable Claims Orders but shall not include a Director/Officer Claim;
- (y) “**Claims Orders**” means, as the context requires, any or all of the following Orders of the CCAA Court: the Claims Procedure Order, the Compensation Claims Procedure Order, the Claims Resolution Order, the Order approving the Cross-Border Claims Protocol dated September 16, 2010; the EMEA Claims Procedure Order dated January 14, 2011, the Intercompany Claims Procedure Order dated July 27, 2012, the Order dated September 29, 2016 in respect of Claims against the New Applicants; and the Post-Filing Claims Bar Date Order;
- (z) “**Claims Procedure Order**” means the Claims Procedure Order made by the CCAA Court dated July 30, 2009, as amended and restated on October 7, 2009;
- (aa) “**Claims Resolution Order**” means the Claims Resolution Order dated September 16, 2010;
- (bb) “**Compensation Claims**” has the meaning given to it in the Compensation Claims Procedure Order;

- (cc) “**Compensation Claims Procedure Order**” means the Compensation Claims Procedure Order of the CCAA Court dated October 6, 2011, including the Compensation Claims Methodology Order of the CCAA Court dated October 6, 2011;
- (dd) “**Compensation Creditor**” means a Creditor who is a holder of a Compensation Claim and who, as of the date of this Meeting Order, continues to be represented by a Representative and Representative Counsel pursuant to the Representation Orders or by Unifor;
- (ee) “**Compensation Creditor Mailing Materials**” has the meaning given to it in paragraph 15;
- (ff) “**Compensation Creditor Meeting Materials**” has the meaning given to it in subparagraph 2(iii)(vii);
- (gg) “**Crossover Bondholder Claim**” means a Voting Claim of a Crossover Bondholder in respect of Crossover Bonds, the aggregate amount of all Crossover Bondholder Claims being US\$3,940,750,260;
- (hh) “**Crossover Bondholder**” means a holder of one or more Crossover Bonds on the Voting Record Date including any Beneficial Bondholder holding Crossover Bonds;
- (ii) “**Crossover Bonds**” has the meaning given to it in subparagraph 2(bbbbb)(ii);
- (jj) “**Depository**” means The Depository Trust Company or agency of similar nature;
- (kk) “**Directors**” means all former directors (or their estates) of the Canadian Debtors, in such capacity, and “**Director**” means any one of them;
- (ll) “**Directors / Officer Claim**” means any right or claim of any Person howsoever arising against one or more of the Directors or Officers for which any Director or Officer of a Canadian Debtor is alleged to be by statute or otherwise by law liable to pay in his or her capacity as a Director or Officer, 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 claim, matter, action, cause or chose in action, whether existing at present or commenced in the future, and shall include any “Director/Officer Claim” (as such term is defined in the Claims Procedure Order without reference to the exclusion of any claims in such definition);

- (mm) “**Duplicative Voting Claim**” means a Voting Claim that, absent substantive consolidation under this Meeting Order and the Plan, would have been a Voting Claim against more than one of the Canadian Debtors based on the same underlying debt or obligation;
- (nn) “**Epiq**” means Epiq Bankruptcy Solutions, LLC;
- (oo) “**Equity Claim**” means a Claim that is in respect of an Equity Interest, including a claim for, among others: (i) a dividend or similar payment; (ii) a return of capital; (iii) a redemption or retraction obligation; (iv) a monetary loss resulting from the ownership, purchase or sale of an Equity Interest or from the rescission or, in Quebec, annulment, of a purchase or sale of an Equity Interest, or (v) contribution or indemnity in respect of a claim referred to in any of the foregoing (i) through (iv);
- (pp) “**Equity Claimant**” means any Person with an Equity Claim or holding an Equity Interest, but only in such capacity;
- (qq) “**Equity Interest**” means a share of a Canadian Debtor, or a warrant or option or another right to acquire a share in a Canadian Debtor, including the common shares of NNC and the preferred shares of NNL;
- (rr) “**Indenture Trustees**” means the indenture trustees (or their successors and assigns) under the Trust Indentures;

- (ss) “**Information Circular**” means the information circular dated November 30, 2016 in respect of the Plan, as the same may be amended, supplemented or restated from time to time;
- (tt) “**Intercompany Claims**” means a Claim by a Nortel Group entity (including by any administrator, liquidator, receiver, trustee, office holder or similar official appointed in respect thereof) against a Canadian Debtor, including those unsecured intercompany claims against the Canadian Debtors set out in Schedule “C” to the Plan;
- (uu) “**Initial Order**” means initial order dated January 14, 2009, as amended and restated from time to time;
- (vv) “**Instructions**” means the Instructions to Bondholders and Instructions to Ordinary Creditors;
- (ww) “**Instructions to Bondholders**” means, as the context requires, the Instructions to Participant Holders or Instructions to Beneficial Bondholders;
- (xx) “**Instructions to Ordinary Creditors**” means the instructions substantially in the form attached as Schedule “**B-1**” hereto;
- (yy) “**Instructions to Participant Holders**” means the instructions to Participant Holders substantially in the form attached as Schedule “**C-1**” hereto;
- (zz) “**Instructions to Beneficial Bondholders**” means the instructions to Beneficial Bondholders substantially in the form attached as Schedule “**C-2**” hereto;
- (aaa) “**Latest Known Address**” means, with respect to any Creditor, the address on file with the Canadian Debtors or the Monitor as of the date of this Meeting Order as the primary address for contact for such Creditor and shall not include any secondary or additional addresses that may have been provided by such Creditor;

- (bbb) **“Letter to Compensation Creditors”** means the form of letter to be sent to Compensation Creditors substantially in the form attached as Schedule **“A-3”** hereto;
- (ccc) **“Letter to Ordinary Creditors and Bondholders”** means the form of letter to be sent to Ordinary Creditors and Bondholders substantially in the form attached as Schedule **“A-2”** hereto;
- (ddd) **“Mailing Agent”** means Broadridge Financial Solutions, Inc. and any other mailing agent used by any Participant Holder to distribute materials to Beneficial Bondholders;
- (eee) **“Mailing Date”** means the date to be selected by the Monitor on which the Monitor shall make the mailings contemplated by paragraphs 13, 21 and 24 of this Meeting Order, which date shall be within seven (7) Business Days of the date of this Meeting Order;
- (fff) **“Master Authentication Form”** means the form of master authentication form to be submitted by Participant Holders to Epiq attaching the Beneficial Bondholder Proxies received by Participant Holders and validating the holdings of such Beneficial Bondholders, substantially in the form attached as Schedule **“C-4”** hereto;
- (ggg) **“Meeting”** means the meeting of the Affected Unsecured Creditors Class, and any extension or adjournment thereof, that is called and conducted in accordance with this Meeting Order for the purpose of considering and voting on the Plan;
- (hhh) **“Meeting Date”** means the date and time for the Meeting to be selected by the Monitor, which date shall be on or about January 17, 2017 (unless extended in accordance with the terms of this Meeting Order);
- (iii) **“Meeting Materials”** means:
- (i) the Publication Notice;

- (ii) the Plan;
 - (iii) the Information Circular;
 - (iv) the Meeting Order and any endorsement or reasons;
 - (v) as it relates to Ordinary Creditors, the Letter to Ordinary Creditors and Bondholders, a blank form of the Voting Proxy and Instructions to Ordinary Creditors (together with the documents set out in (i) through (iv) above, the “**Ordinary Creditor Meeting Materials**”);
 - (vi) as it relates to Bondholders, the Letter to Ordinary Creditors and Bondholders and (A) with respect to Beneficial Bondholders, a blank form of Bondholder Proxy and Instructions to Beneficial Bondholders, and (B) with respect to Participant Holders, a blank form of Master Authentication Form and Instructions to Participant Holders (together with the documents set out in (i) through (iv) above, the “**Bondholder Meeting Materials**”);
 - (vii) as it relates to Compensation Creditors, the Letter to Compensation Creditors (together with the documents set out in (i) through (iv) above, the “**Compensation Creditor Meeting Materials**”);
- (jjj) “**Meeting Order**” means this Meeting Order, as it may be amended by any further Order of the CCAA Court;
- (kkk) “**Monitor**” has the meaning given to it in the preamble;
- (lll) “**Monitor’s Powers Orders**” means the following orders of the CCAA Court: (i) the Initial Order; (ii) the Claims Orders; (iii) the Order dated August 14, 2009; (iv) the Order (Monitor’s Expansion of Power Order #2) dated October 3, 2014; (v) the New Applicants Order; and (vi) this Meeting Order;
- (mmm) “**Monitor’s Website**” means the website maintained by the Monitor in respect of the CCAA Proceedings at the following address: www.ey.com/ca/nortel;
- (nnn) “**Moving Parties**” has the meaning given to it in the preamble;

- (ooo) “**New Applicants**” means Nortel Communications Inc., Architel Systems Corporation and Northern Telecom Canada Ltd;
- (ppp) “**New Applicants Order**” means the Order of the CCAA Court dated March 18, 2016 in Court File No. CV-16-11312-00CL;
- (qqq) “**New Restructuring Claim**” means a Restructuring Claim (as defined in the Claim Procedure Order) arising after the Mailing Date;
- (rrr) “**NNC**” means Nortel Networks Corporation;
- (sss) “**NNCC Bondholder**” means a Registered, Unregistered or Beneficial Bondholder holding one or more NNCC Bonds;
- (ttt) “**NNCC Bondholder Claim**” means a Voting Claim of a NNCC Bondholder in respect of NNCC Bonds, the aggregate amount all NNCC Bondholder Claims being US\$150,951,562;
- (uuu) “**NNCC Bonds**” has the meaning given to it in subsection 2(bbbbb)(iv);
- (vvv) “**NNI Unsecured Claim**” means the allowed unsecured Voting Claim of Nortel Networks Inc. against Nortel Networks Limited in the amount of US\$2.0 billion pursuant to the Final Canadian Funding and Settlement Agreement dated as of December 23, 2009 and approved by an Order of the CCAA Court dated January 21, 2010;
- (www) “**NNL**” means Nortel Networks Limited;
- (xxx) “**NNUK Claim**” means the Proven NNUK Claim and, the Contingent Additional NNUK Claim (as both terms are defined in the Plan);
- (yyy) “**Notice to Affected Unsecured Creditors**” means the notice to Affected Unsecured Creditors substantially in the form attached as Schedule “**A-1**” hereto;
- (zzz) “**Officers**” means all former officers (or their estates) of the Canadian Debtors, in such capacity, and “**Officer**” means any one of them;

- (aaaa) **“One Hundred and Thirty First Report”** means the one hundred and thirty-first report of the Monitor dated November 4, 2016;
- (bbbb) **“Ordinary Creditor”** means a Creditor with an Ordinary Creditor Claim, other than Compensation Creditors;
- (cccc) **“Ordinary Creditor Claim”** means an Affected Unsecured Claim that is not a Bondholder Claim and, for greater certainty, includes the UKPI Claim, NNUK Claim, Canadian Pension Claims, Compensation Claims, Intercompany Claims and NNI Unsecured Claim;
- (dddd) **“Ordinary Creditor Mailing Materials”** has the meaning given to it in paragraph 13;
- (eeee) **“Ordinary Creditor Meeting Materials”** has the meaning given to it in subparagraph 2(iii)(v);
- (ffff) **“Participant Holder”** means a Person whose name appears on any of the Participant Holders Lists as at the Voting Record Date but who is not a Beneficial Bondholder;
- (gggg) **“Participant Holders List”** means the list of Participant Holders to be provided by the Depositories in accordance with the terms of this Meeting Order;
- (hhhh) **“Person”** means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, union, joint venture, government or any agency, officer or instrumentality thereof or any other entity;
- (iiii) **“Plan”** means the plan of compromise and arrangement dated November 30, 2016 filed by the Moving Parties, as such plan of compromise and arrangement may be amended, supplemented or restated from time to time in accordance with the terms hereof;
- (jjjj) **“Post-Filing Claims”** has the meaning given to it in the Post-Filing Claims Bar Date Order;

- (kkkk) “**Post-Filing Claims Bar Date Order**” means the Order of the CCAA Court dated December 1, 2016 calling for Post-Filing Claims;
- (llll) “**Proof of Claim**” means the “Proof of Claim” referred to in any of the Claims Orders, as applicable;
- (mmmm) “**Proven Affected Unsecured Claim**” means a Proven Affected Unsecured Claim under the Plan;
- (nnnn) “**Proxy**” means a Voting Proxy or Bondholder Proxy, as applicable;
- (oooo) “**Publication Notice**” means the notice to Affected Unsecured Creditors substantially in the form attached as Schedule “**A-1**” hereto to be published in accordance with paragraph 11;
- (pppp) “**Registered Bondholder**” means a Bondholder who is the legal owner or holder of one or more Bonds and whose name appears on a Registered Bondholder List;
- (qqqq) “**Representation Orders**” means, collectively: (i) the Order of the CCAA Court dated May 27, 2009 appointing Koskie Minsky LLP as counsel for former employees, including pensioners, of the Canadian Debtors; (ii) the Order of the CCAA Court dated July 22, 2009 appointing Nelligan O’Brien Payne, LLP and Shibley Righton LLP as counsel for all Canadian non-unionized employees of the Canadian Debtors whose employment with the Canadian Debtors continued throughout the CCAA Proceedings; (iii) the Order of the CCAA Court dated July 30, 2009 appointing Koskie Minsky LLP as counsel for LTD Beneficiaries (as defined therein) receiving or entitled to receive disability income benefits by or through the Canadian Debtors;
- (rrrr) “**Representatives**” means the Court appointed representatives appointed pursuant to the Representation Orders;
- (ssss) “**Representative Counsel**” means the Court appointed representative counsel appointed pursuant to the Representation Orders;

- (tttt) “**Required Majority**” means, with respect to the Affected Unsecured Creditors Class, a majority in number of Affected Unsecured Creditors holding Voting Claims representing at least two thirds in value of the Voting Claims of Affected Unsecured Creditors, in each case who are entitled to vote at the Meeting in accordance with the this Meeting Order and who are present and voting in Person or by proxy on the resolution approving the Plan at the Meeting;
- (uuuu) “**Sanction Hearing**” has the meaning given to it in paragraph 60;
- (vvvv) “**Sanction Hearing Date**” means the date to be selected by the Monitor for the Sanction Hearing, which is targeted to be scheduled on or about January 24, 2017 (or such other date on or after the Meeting Date as may be set by the Monitor or the CCAA Court);
- (wwww) “**Sanction Order**” has the meaning given to it in the Plan;
- (xxxx) “**Scrutineers**” has the meaning given to it in paragraph 32;
- (yyyy) “**Secretary**” has the meaning given to it in paragraph 32;
- (zzzz) “**Service List**” means the service list maintained for the CCAA Proceedings posted on the Monitor’s Website;
- (aaaa) “**Settlement and Support Agreement**” means that certain settlement and plans support agreement dated as of October 12, 2016 entered into by and among the Settlement Parties (as defined in the Plan), together with all Annexes thereto, in each case, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (bbbb) “**Trust Indentures**” means collectively:
- (i) the Indenture dated as of March 28, 2007 governing the 1.75% Convertible Senior Bonds due 2012 and the 2.125% Convertible Senior Bonds due 2014 (the “**2007 Bonds**”) issued by Nortel Networks Corporation and guaranteed by Nortel Networks Limited and Nortel Networks Inc.;

- (ii) the Indenture dated as of July 5, 2006, as supplemented by the First Supplemental Indenture dated as of July 5, 2006, the Second Supplemental Indenture dated as of May 1, 2007, and the Third Supplemental Indenture dated as of May 28, 2008, governing the Floating Rate Senior Bonds due 2011, the 10.125% Senior Bonds due 2013 and the 10.750% Senior Bonds due 2016 (together with the 2007 Bonds, the “**Crossover Bonds**”) issued by Nortel Networks Limited and guaranteed by Nortel Networks Corporation and Nortel Networks Inc.;
 - (iii) the Indenture dated as of November 30, 1988, governing the 6.875% Bonds due 2023 (the “**1988 Bonds**”) issued by Northern Telecom Limited (now Nortel Networks Limited); and
 - (iv) the Indenture dated as of February 15, 1996, governing the 7.875% Bonds due 2026 (the “**NNCC Bonds**”) issued by Northern Telecom Capital Corporation (now Nortel Networks Capital Corporation) and guaranteed by Northern Telecom Limited (now NNL);
- (ccccc) “**UKPI**” means the Nortel Networks UK Ltd Pension Trust Limited and the Board of the Pension Protection Fund;
- (dddd) “**UKPI Claim**” means UKPI’s allowed Voting Claim in the amount of £339.75 million (being US \$494,879,850 when converted in accordance with the Plan and paragraph 71 of this Meeting Order);
- (eeee) “**Unaffected Claim**” means any Unaffected Claim under the Plan;
- (ffff) “**Unresolved Claim**” means an Affected Unsecured Claim which by the date of the Meeting in whole or in part: (i) has not been finally determined to be a Voting Claim; (ii) is validly disputed in accordance with the Claims Orders; and/or (iii) remains subject to review and/or resolution in accordance with the Claims Orders, including both as to proof and/or quantum, but shall not include the Contingent Additional NNUK Claim, which is a Voting Claim;

(ggggg) “**U.S. Bankruptcy Court**” means the United States Bankruptcy Court for the District of Delaware;

(hhhhh) “**Voting Claim**” means an Affected Unsecured Claim to the extent that such Affected Unsecured Claim has been accepted by the Monitor solely for the purpose of voting on the Plan (which acceptance for the purpose of voting shall have no effect on whether such Claim is a Proven Affected Unsecured Claim for purposes of the Plan), in each case in accordance with the provisions of the Claims Orders or any other Order, as applicable;

(iiii) “**Voting Proxy**” means a proxy substantially in the form attached as Schedule “**B-2**” hereto, to be submitted to the Monitor by any Ordinary Creditor or Representative who wishes to vote by proxy at the Meeting; and

(jjjj) “**Voting Record Date**” means November 21, 2016.

3. THIS COURT ORDERS that all references 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 4:00 P.M. on such Business Day unless otherwise indicated herein.

4. THIS COURT ORDERS that all references to the word “including” or “includes” shall mean “including without limitation” or “includes without limitation”, as the case may be.

5. THIS COURT ORDERS that, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders.

THE PLAN

6. THIS COURT ORDERS that the Plan is hereby accepted for filing, and the Monitor is hereby authorized and directed to call and hold a meeting of Affected Unsecured Creditors to vote on the Plan in the manner set forth herein.

7. THIS COURT ORDERS that the Moving Parties may, at any time and from time to time prior to or at the Meeting, amend, restate, modify and/or supplement the Plan, subject to the terms of the Plan, provided that:

- (a) the Monitor or the Chair shall communicate the details of any such amendments, restatements, modifications and/or supplements to Affected Unsecured Creditors present at the Meeting prior to any vote being taken at the Meeting;
- (b) the Monitor shall provide notice to the Service List of any such amendments, restatements, modifications and/or supplements and shall forthwith file a copy thereof with the CCAA Court and in any event prior to the Sanction Hearing; and
- (c) the Monitor shall post an electronic copy of any such amendments, restatements, modifications and/or supplements on the Monitor's Website prior to the Sanction Hearing.

FORMS OF DOCUMENTS

8. THIS COURT ORDERS that the following documents be and are hereby approved:

- (a) Notices:
 - (i) Publication Notice (Schedule "**A-1**");
 - (ii) Letter to Ordinary Creditors and Bondholders (Schedule "**A-2**");
 - (iii) Letter to Compensation Creditors (Schedule "**A-3**");
- (b) Ordinary Creditors:
 - (i) Instructions to Ordinary Creditors (Schedule "**B-1**");
 - (ii) form of Voting Proxy (Schedule "**B-2**");
- (c) Bondholders:
 - (i) Instructions to Participant Holders (Schedule "**C-1**");
 - (ii) Instructions to Beneficial Bondholders (Schedule "**C-2**");
 - (iii) form of Bondholder Proxy (Schedule "**C-3**"); and

(iv) form of Master Authentication Form (Schedule "C-4").

9. THIS COURT ORDERS that the Monitor may (i) make any changes to the Meeting Materials as are necessary or desirable to conform the content thereof to the terms of the Plan or this Meeting Order, and (ii) at any time and from time to time prior to or at the Meeting, amend, restate, modify and/or supplement any of such materials, subject to the terms of the Plan, provided that:

- (a) the Monitor or the Chair shall communicate the details of any such amendments, restatements, modifications and/or supplements to Affected Unsecured Creditors present at the Meeting prior to any vote being taken at the Meeting;
- (b) the Monitor shall provide notice to the Service List of any such amendments, restatements, modifications and/or supplements and shall forthwith file a copy thereof with the CCAA Court and in any event prior to the Sanction Hearing; and
- (c) the Monitor shall post an electronic copy of any such amendments, restatements, modifications and/or supplements on the Monitor's Website prior to the Sanction Hearing.

CLASSIFICATION OF CREDITORS

10. THIS COURT ORDERS that the only class of creditors for the purposes of considering and voting on the Plan shall be the "**Affected Unsecured Creditors Class**".

PUBLICATION OF NOTICE

11. THIS COURT ORDERS that the Monitor shall, as soon as practical, cause the Notice to Affected Unsecured Creditors to be published in English in The Globe and Mail (National and Local Edition), The Wall Street Journal (Global Edition), Ottawa Citizen and Calgary Herald and in French in Le Journal de Montreal.

12. THIS COURT ORDERS that the Monitor shall, no later than three (3) Business Days following the date of this Meeting Order, post an electronic copy of the Meeting Materials in

English and in French on the Monitor's Website under the heading "Plan and Other Creditor Meeting Documents" and serve the Meeting Materials on the Service List.

NOTICE TO ORDINARY CREDITORS

13. THIS COURT ORDERS that the Monitor shall, on the Mailing Date, deliver the Publication Notice, Letter to Ordinary Creditors and Bondholders, Information Circular, Instructions to Ordinary Creditors and a blank form of Voting Proxy (the "**Ordinary Creditor Mailing Materials**") by pre-paid first class mail, courier, personal delivery or email to each Ordinary Creditor with a Voting Claim and/or an Unresolved Claim and to the Representatives at the Latest Known Address provided, however, that (i) with respect to the NNUK Claim, Canadian Pension Claims, NNI Unsecured Claim and UKPI Claim, the Monitor may deliver the Ordinary Creditor Mailing Materials to counsel appearing on the Service List for such Affected Unsecured Creditors; and (ii) with respect to any other Intercompany Claim that is a Voting Claim, the Monitor may deliver the Ordinary Creditor Mailing Materials to any last known officer, director or administrator of such Intercompany Creditor.

14. THIS COURT ORDERS that in addition to the Ordinary Creditor Mailing Materials, upon request of any Ordinary Creditor, the Monitor shall provide hard copies of any of the other Ordinary Creditor Meeting Materials to such Ordinary Creditor. The Monitor shall also provide French translations of the Ordinary Creditor Meeting Materials upon request.

NOTICE TO COMPENSATION CREDITORS

15. THIS COURT ORDERS that the Monitor shall, on the Mailing Date, deliver (a) the Publication Notice and Letter to Compensation Creditors (the "**Compensation Creditors Mailing Materials**") by pre-paid first class mail, courier, personal delivery or email to each Compensation Creditor at the Compensation Creditor's Latest Known Address; and (b) a blank form of Voting Proxy and Instructions to Ordinary Creditors to Representative Counsel and counsel for Unifor by email. Compensation Creditor Mailing Materials shall be provided in English or French depending on the language preference previously indicated by Compensation Creditors and on file with the Monitor. On request, the Monitor will provide the Compensation Creditor Meeting Materials in the other language.

16. THIS COURT ORDERS that in addition to the Compensation Creditor Mailing Materials, upon request of any Compensation Creditor, the Monitor shall provide hard copies of any of the other Compensation Creditor Meeting Materials to such Compensation Creditor. The Monitor shall also provide French translations of the Compensation Creditor Meeting Materials upon request.

17. THIS COURT ORDERS that votes by Compensation Creditors shall be effected through: (a) the Compensation Creditors' respective Representatives, who are hereby authorized and empowered to vote on behalf of each of the Compensation Creditors whom they currently represent pursuant to the Representation Orders; and (b) Unifor for the Compensation Creditors it represents. The Representatives and Unifor shall each be entitled to submit a single Voting Proxy and shall not be required to submit individual proxies or ballots in respect of individual Compensation Claims.

NOTICE TO BONDHOLDERS

18. THIS COURT ORDERS that the Monitor and the Canadian Debtors' retention of Epiq to act as the Monitor's agent in connection with the mailing and solicitation process in connection with Bondholder Claims be and is hereby approved.

19. THIS COURT ORDERS that, without limiting the generality of paragraphs 18 or 69, for the purposes of paragraphs 20 through 29, 54 and 64, references to the Monitor shall be deemed to mean "the Monitor or Epiq".

Indenture Trustees and Registered Bondholders

20. THIS COURT ORDERS that, to the extent such information has not been obtained prior to the date of this Meeting Order:

- (a) as soon as possible after the date of the Meeting Order and in any event no later than two (2) Business Days following the date of the Meeting Order each of the Indenture Trustees shall confirm to the Monitor in writing (in accordance with paragraph 65) that the only Registered Bondholders are one or more Depositories (and identify and provide contact information for the applicable Depository); and

(b) immediately thereafter, the Monitor shall request Participant Holders Lists in respect of the Bonds from the Depositories and as soon as practicable thereafter, each Depository shall provide all relevant Participant Holders Lists to the Monitor as at the Voting Record Date. In each case, any Participant Holder List so provided shall list the Participant Holders as at the Voting Record Date and their respective addresses and telephone numbers, fax numbers and email addresses, to the extent available.

21. THIS COURT ORDERS that on the Mailing Date (or such later date where the Monitor does not have requisite information) the Monitor shall deliver the Publication Notice, Letter to Ordinary Creditors and Bondholders, Information Circular, Instructions to Bondholders and blank form of Bondholder Proxy (the “**Bondholder Mailing Materials**”) by pre-paid first class mail, courier, personal delivery or email to the Depositories.

22. THIS COURT ORDERS that to the extent that an Indenture Trustee or a Depository has a standard process for providing notice of the entry of this Meeting Order to its Participant Holders, it shall post notice of the mailing to its Participant Holders.

Participant Holders and Beneficial Bondholders

23. THIS COURT ORDERS that each Participant Holder or any Mailing Agent shall advise the Monitor as to the number of hard copies of the Bondholder Mailing Materials required by each Participant Holder and such information shall be provided within two (2) Business Days of the date of the request is made.

24. THIS COURT ORDERS that on the Mailing Date (or such later date where the Monitor does not have the requisite information), the Monitor shall provide to each Participant Holder the Bondholder Mailing Materials in electronic form or, where such Participant Holder has advised it requires hard copies, the number of hard copies of the Bondholder Mailing Materials so advised by such Participant Holder and shall subsequently provide each Participant Holder with a blank form of the Master Authentication Form and Instructions to Participant Holders, all to be sent by way of pre-paid first class mail, courier or personal delivery.

25. THIS COURT ORDERS that, within five (5) Business Days of any Participant Holder's receipt of the Bondholder Mailing Materials from the Monitor pursuant to paragraph 24, such Participant Holder shall:

- (a) deliver to each Beneficial Bondholder that has an account (directly or through an agent or custodian) with such Participant Holder, the Bondholder Mailing Materials; and
- (b) request that such Beneficial Bondholders complete one or more Bondholder Proxies (one per CUSIP and per Participant Holder) and return such Bondholder Proxy or Proxies to their Participant Holder with sufficient time to allow such Participant Holder to complete and return one or more Master Authentication Forms by the deadline set out in paragraph 26 below.

26. THIS COURT ORDERS upon receipt of the Bondholder Proxies from Beneficial Bondholders, each Participant Holder shall complete and sign one or more Master Authentication Forms (one per CUSIP) in respect of all Bondholder Proxies it receives from Beneficial Bondholders and deliver such Master Authentication Form or Forms to the return address indicated in the Instructions to Participant Holders. To the extent that a Participant Holder receives further Bondholder Proxies after a Master Authentication Form is submitted, a Participant Holder may submit one or more Master Authentication Forms in respect of such further Bondholder Proxies. All Master Authentication Forms must be received at least four (4) Business Days prior to the Meeting. To the extent a Participant Holder submits multiple Master Authentication Forms in respect of the same Bondholder Proxy, the last dated, timely received, validly executed Master Authentication Form shall be deemed to supersede any previously submitted Master Authentication Forms.

27. THIS COURT ORDERS that where: (a) a Participant Holder or its Mailing Agent has a standard practice for distributing meeting materials to Beneficial Bondholders and for gathering information and proxies or voting instructions from Beneficial Bondholders; (b) the Participant Holder has discussed such standard practice in advance with the Monitor; and (c) such standard practice is acceptable to the Monitor; such Participant Holder or its agent may, in lieu of following the procedure set out in paragraphs 25 and 26 above, follow such standard practice provided that

all applicable Bondholder Proxies, Master Authentication Forms and Instructions are delivered in accordance with the terms of this Meeting Order.

28. THIS COURT ORDERS that to the extent a Beneficial Bondholder holds Bonds through multiple Participant Holders, it must submit one or more Bondholder Proxies (one per CUSIP and per Participant Holder) to each Participant Holder through which it holds Bonds.

NOTICE, SERVICE AND DELIVERY

29. THIS COURT ORDERS that the Monitor's fulfillment of the notice, delivery and Monitor's Website posting requirements set out in this Meeting Order shall constitute good and sufficient notice, service and delivery thereof on all Persons who may be entitled to receive notice, service or delivery thereof or who may wish to be present or vote (in person or by proxy) at the Meeting, and that no other form of notice, service or delivery need be given or made on such Persons and no other document or material need be served on such Persons.

CONDUCT OF MEETING AND DELIVERY OF PROXIES

30. THIS COURT ORDERS that the Monitor is hereby authorized and directed to call, hold and conduct the Meeting on the Meeting Date at The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario), (or such other venue as may be determined by the Monitor), for the purpose of seeking approval of the Plan by the Affected Unsecured Creditors with Voting Claims at the Meeting in the manner set forth herein. In the event that the Meeting Date is extended after the Mailing Date, the Monitor shall post notice of the extension of the Meeting Date on the Monitor's Website and provide notice of the extension of the Meeting Date to the Service List.

31. THIS COURT ORDERS that Murray McDonald or another representative of the Monitor, designated by the Monitor, shall preside as the chair of the Meeting (the "**Chair**") and, subject to this Meeting Order or any further Order of the Court, shall decide all matters relating to the conduct of the Meeting.

32. THIS COURT ORDERS that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum, and votes cast at the Meeting (the "**Scrutineers**"). A Person designated by the Monitor shall act as secretary of the Meeting (the "**Secretary**").

33. THIS COURT ORDERS that the quorum required at the Meeting shall be one (1) Affected Unsecured Creditor with a Voting Claim present at the Meeting (in person or by proxy).

34. THIS COURT ORDERS that the Chair shall be entitled to adjourn and further adjourn the Meeting at the Meeting or at any adjourned Meeting or change the venue for the Meeting. In the event of any adjournment or change of venue described in this paragraph, no Person shall be required to deliver any notice of the adjournment of the Meeting or adjourned Meeting or change of venue, provided that the Monitor shall: (a) announce the adjournment at the Meeting, adjourned Meeting or change of venue, as applicable; (b) post notice of any adjournment (or further adjournment), or if the venue is changed within one (1) Business Day of the Meeting Date of the Meeting, at the location where the Meeting was scheduled to be held at the time the Meeting was scheduled to start; (c) forthwith post notice of the adjournment or change of venue on the Monitor's Website; and (d) provide notice of the adjournment or change of venue to the Service List forthwith. Subject to the terms of the Plan, Proxies validly delivered in connection with the Meeting shall be accepted as Proxies in respect of any adjourned Meeting.

35. THIS COURT ORDERS that the only Persons entitled to attend and speak at the Meeting are: (a) the Affected Unsecured Creditors entitled to vote at the Meeting (or, if applicable, any Person holding a valid Proxy or on behalf of one or more such Affected Unsecured Creditors); (b) the Chair, the Scrutineers and the Secretary; (c) the Monitor; (d) the Representatives; (e) the Indenture Trustees; and (f) Canadian Debtors' legal counsel and any legal counsel or financial advisors to any of the foregoing Persons in (a) through (e) above. Any other Person may only be admitted to the Meeting on invitation of the Chair.

36. THIS COURT ORDERS that the Monitor may waive in writing the time limits imposed on Affected Unsecured Creditors as set out in this Meeting Order (including the schedules hereto), generally or in individual circumstances, if the Monitor deems it advisable to do so.

ASSIGNMENT OF AFFECTED CLAIMS PRIOR TO THE MEETING

37. THIS COURT ORDERS that, subject to any restrictions contained in Applicable Laws and subject further to the terms of the Plan, the Claims Orders and the Settlement and Support Agreement, an Ordinary Creditor or Compensation Creditor may transfer or assign the whole of

its Voting Claim prior to the Meeting (or any adjournment thereof), provided that the Monitor shall not be obliged to deal with any transferee or assignee thereof as an Affected Unsecured Creditor in respect of such Voting Claim, including allowing such transferee or assignee to attend or vote at the Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor, which receipt and acknowledgment must have occurred on or before 4 p.m. (Toronto time) on the date that is seven (7) days prior to the date of the Meeting (or any adjournment thereof), failing which the original transferor shall have all applicable rights as the “Ordinary Creditor” or “Compensation Creditor” as the case may be with respect to such Voting Claim as if no transfer of the Voting Claim had occurred. If such receipt and acknowledgment by the Monitor have occurred on or before 4 p.m. (Toronto time) on the date that is seven (7) days prior to the date of the Meeting (or any adjournment thereof): (a) the transferor of the applicable Voting Claim shall no longer constitute an Affected Unsecured Creditor in respect of such Voting Claim; and (b) the transferee or assignee of the applicable Voting Claim shall, for all purposes in accordance with this Meeting Order, constitute an Ordinary Creditor or Compensation Creditor as the case may be in respect of such Voting Claim, and shall be bound by any and all notices previously given to the transferor or assignor in respect thereof, the voting process set out in this Meeting Order applicable to such Ordinary Creditor Claim, and any Proxy duly submitted to the Monitor in accordance with this Meeting Order. For greater certainty, the Monitor shall not recognize partial transfers or assignments of Ordinary Creditor Claims.

38. THIS COURT ORDERS that only those Beneficial Bondholders that have beneficial ownership of one or more Bonds as at the Voting Record Date shall be entitled to vote at the Meeting (whether in person or by proxy). Nothing in this Meeting Order restricts the Beneficial Bondholders from transferring or assigning such Bonds prior to or after the Voting Record Date, provided that if such transfer or assignment occurs after the Voting Record Date, only the original Beneficial Bondholder of such Bonds as at the Voting Record Date (and not any transferee) shall be treated as a Beneficial Bondholder for purposes of this Meeting Order and the Meeting, provided, however, that the Settlement and Support Agreement shall continue to apply to the transferee of any Beneficial Bondholder bound thereby.

VOTING PROCEDURE

39. THIS COURT ORDERS that at the Meeting, the Chair shall direct a vote, by written Proxy, on a resolution to approve the Plan and any amendments thereto.

Persons Entitled to Vote

40. THIS COURT ORDERS that, subject to paragraphs 57 - 58, the only Persons entitled to vote at the Meeting (whether in person or by proxy) are:

- (a) Beneficial Bondholders with Voting Claims that have beneficial ownership of one or more Bonds as at the Voting Record Date (or any such Beneficial Bondholder's validly appointed holder of its Bondholder Proxy) whose holdings have been validated by such Beneficial Bondholder's Participant Holder or Participant Holders or a Master Authentication Form;
- (b) Ordinary Creditors with Voting Claims as at the Voting Record Date including, without limitation, the holders of all Intercompany Claims (including the NNI Unsecured Claim and the NNUK Claim) that are Voting Claims (or any such Ordinary Creditor's validly appointed holder of its Voting Proxy);
- (c) Representatives, on behalf of all Compensation Creditors with Voting Claims as at the Voting Record Date;
- (d) Unifor, on behalf of Compensation Creditors that it currently represents with Voting Claims as at the Voting Record Date; and
- (e) Morneau Shepell Ltd., in its capacity as administrator of the Canadian Registered Pension Plans, in respect of the Canadian Pension Claims.

41. THIS COURT ORDERS that Unaffected Creditors (in such capacity) and Equity Claimants (in such capacity) shall not, and shall have no right to, attend the Meeting or vote on the Plan.

42. THIS COURT ORDERS that each Ordinary Creditor with a Voting Claim shall be entitled to one (1) vote as a member of the Affected Unsecured Creditors Class, which vote shall have a value equal to the dollar value of such Ordinary Creditor's Voting Claim. For the avoidance of doubt, the Voting Claim amounts in respect of the NNI Unsecured Claim, NNUK Claim and the other Intercompany Claims listed in Schedule "C" to the Plan, UKPI Claim, and Canadian Pension Claims shall be the dollar amounts ascribed to them in the Plan.

43. THIS COURT ORDERS that each Beneficial Bondholder with a Voting Claim shall be entitled to one vote as a member of the Affected Unsecured Creditors Class, which vote shall have a value equal to such Beneficial Bondholder's Bondholder Claim Amount. For greater certainty, with respect to voting by Beneficial Bondholders, only the Beneficial Bondholders, and not Depositories or Participant Holders (unless any such Depository or Participant Bondholder is itself a Beneficial Bondholder or such Depository or Participant Holder is voting as proxy holder for one or more Beneficial Bondholders), shall be entitled to vote on the Plan as provided for in this Meeting Order.

44. THIS COURT ORDERS that for the purposes of this Meeting Order, a Beneficial Bondholder's "**Bondholder Claim Amount**" shall be the total of such Beneficial Bondholder's:

- (a) pro rata share of the aggregate amount of the 1988 Bondholder Claims, if any; plus
- (b) pro rata share of the aggregate amount of the Crossover Bondholder Claims, if any; plus
- (c) pro rata share of the aggregate amount of the NNCC Bondholder Claims, if any.

45. THIS COURT ORDERS that for greater certainty, the aggregate amount of the Bondholder Claims for voting purposes shall be as follows:

- (a) 1988 Bondholder Claims: US\$205,079,861;
- (b) Crossover Bondholder Claims: US\$3,940,750,260; and
- (c) NNCC Bondholder Claims: US\$150,951,562.

46. THIS COURT ORDERS that the Representatives and Unifor shall be entitled to vote on behalf of their applicable Compensation Creditors, which votes shall constitute, in number, the number of individuals that each Representative or Unifor represents as indicated on the Voting

Proxy and shall have a dollar value equal to the aggregate value of such Compensation Claims voted.

47. THIS COURT ORDERS that any Proxies or votes received from Compensation Creditors which are not submitted by a Representative or Unifor shall be disregarded by the Monitor and shall be considered a nullity with no force and effect. For greater certainty, the Monitor shall have no obligation to record or report on any such Proxies or votes.

Calculation of Votes

48. THIS COURT ORDERS that notwithstanding any other provision of this Meeting Order, an Affected Unsecured Creditor holding a Voting Claim or Voting Claims regardless of whether such Voting Claim or Voting Claims is held against more than one Canadian Debtor, whether directly, by way of guarantee or otherwise shall have only one (1) vote in respect of the Plan without duplication, and including, without limitation:

- (a) any transferee(s) of multiple Voting Claims shall have one (1) vote in an amount equal to the aggregate of all of the Voting Claims assigned to such transferee (other than any Compensation Claim which is subject to the vote of the Representatives);
- (b) regardless of the number of Bondholder Proxies that are submitted by any one Beneficial Bondholder, each Beneficial Bondholder shall have one (1) vote in an amount equal to such Beneficial Bondholders' Bondholder Claim Amount;
- (c) holders of Duplicative Voting Claims shall only be entitled to one (1) Voting Claim in an amount equal to the largest of such Duplicative Voting Claims; and
- (d) holders of Voting Claims against more than one Canadian Debtor which Voting Claims are based on separate and distinct underlying debts shall have one (1) Voting Claim equal to the aggregate amount of all such separate and distinct Voting Claims.

49. THIS COURT ORDERS that for the purpose of calculating the two-thirds majority in value of Voting Claims, the aggregate amount of Voting Claims held by all Affected Unsecured Creditors that vote in favour of the Plan (in person or by proxy) shall be divided by the aggregate

amount of all Voting Claims held by all Affected Unsecured Creditors that vote on the Plan (in person or by proxy). For greater certainty, an Affected Unsecured Creditor having Voting Claims against more than one Canadian Debtor shall only be entitled to one vote in respect of such Voting Claims at the Meeting and the Monitor shall have no obligation to tabulate or report on votes with respect to the Canadian Debtors individually.

50. THIS COURT ORDERS that, for purposes of tabulating the votes cast on any matter that may come before the Meeting, the Chair shall be entitled to rely on any vote cast by a holder of a Voting Proxy or a Bondholder Proxy that has been duly submitted to the Monitor in the manner set forth in this Meeting Order.

Submission of Proxies and Voting At the Meeting

51. THIS COURT ORDERS that regardless of whether an Affected Unsecured Creditor wishes to attend the Meeting in person or submit its Proxy in advance of the Meeting, any Affected Unsecured Creditor that is entitled to vote on the Plan, must, in accordance with applicable Instructions:

- (a) duly complete and sign the applicable Proxy;
- (b) identify himself, herself or another individual in the applicable Proxy as the Person with the power to attend and vote at the Meeting on behalf of such Affected Unsecured Creditor; and
- (c) submit its Proxy to the Monitor by:
 - (i) delivering its Proxy to the Monitor in accordance with paragraph 65, on the date set out in the applicable Instructions, which shall be the date that is three (3) Business Days prior to the scheduled Meeting; or
 - (ii) where the Affected Unsecured Creditor has not submitted its Proxy at least three (3) Business Days in advance of the Meeting, attend the Meeting in Person (or through a nominee) and submit the Proxy to the Monitor at the Meeting at the time specified by the Chair at the Meeting.

52. THIS COURT ORDERS that in order to be effective, and in addition to the criteria in paragraphs 51(a) and 51(b) above, any Bondholder Proxy must:

- (a) be in respect of single CUSIP;
- (b) state the applicable account number or numbers of the account or accounts maintained by the applicable Beneficial Bondholder with such Participant Holder;
- (c) state the principal amount of Bonds for such CUSIP number that such Beneficial Bondholder holds in each such account or accounts;
- (d) acknowledge that the Beneficial Bondholder has read the Bondholder Meeting Materials; and
- (e) authorize the Participant Holder to provide a copy of the Bondholder's Proxy to Epiq and the Monitor.

53. THIS COURT ORDERS all Master Authentication Forms must:

- (a) be in respect of a single CUSIP;
- (b) state the name and account number of the Beneficial Bondholder whose Proxies it is authenticating, and the principal amount of such Bonds for such CUSIP number (excluding any accrued interest or Post-Filing Date Interest); and
- (c) attach copies of all relevant Bondholder's Proxies for which the Participant Holder is authenticating the holdings.

54. THIS COURT ORDERS that notwithstanding paragraph 51(c), all Beneficial Bondholders wishing to vote either in person or by proxy must have submitted its Bondholder Proxy to its Participant Holder and such Participant Holder must have submitted a Master Authentication Form in respect of such Bondholder Proxy so that it is received by Epiq at least four (4) Business Days prior to the Meeting.

55. THIS COURT ORDERS that if there is any dispute as to the principal amount of Bonds held by any Beneficial Bondholder, the Monitor will request the Participant Holder, if any, who

maintains book entry records or other records evidencing such Beneficial Bondholder's ownership of Bonds, to confirm to the Monitor the information provided by such Beneficial Bondholder and such Participant Holder shall provide such requested information forthwith. If any such dispute is not resolved by such Beneficial Bondholder and the Monitor by the date of the Meeting (or any adjournment thereof), the Monitor shall tabulate the vote for or against the Plan in respect of the disputed principal amount of such Beneficial Bondholder's Bonds separately. If: (a) any such dispute remains unresolved as of the date of the Sanction Hearing; and (b) the approval or non-approval of the Plan would be affected by the vote cast in respect of such disputed principal amount of Bonds, then such result shall be reported to the Court at the Sanction Hearing and, if necessary, the Monitor may make a request to the Court for directions.

56. THIS COURT ORDERS that notwithstanding anything in paragraphs 51 - 55 or any minor error or omission in any Proxy that is submitted to the Monitor, the Chair shall have the discretion to accept for voting purposes any Proxy submitted to the Monitor in accordance with the Meeting Order.

VOTING OF UNRESOLVED CLAIMS

57. THIS COURT ORDERS that except as otherwise provided for herein or as may otherwise be ordered by the CCAA Court at the Sanction Hearing, the dollar value of any Unresolved Claims for voting purposes at the Meeting shall be as follows:

- (a) Unresolved Claims that are liquidated in whole or in part:
 - (i) for which no notice of disallowance or statement of defence has been issued: the face value of the Affected Unsecured Claim, as filed; or
 - (ii) for which a notice of disallowance or statement of defence has been issued: the greater of US\$1.00 and the amount allowed by the Monitor in the notice of disallowance or set out in the statement of defence or, where there is a decision of a Claims Officer (as defined in the Claims Resolution Order) or Order of the CCAA Court, the amount of the Affected Unsecured Claim as set out in such decision or Order; or

(b) Unresolved Claims that are unliquidated in their entirety: US\$1.00

58. THIS COURT ORDERS that the Monitor shall keep a separate record of votes cast by Affected Unsecured Creditors with Unresolved Claims and shall report to the Court with respect thereto at the Sanction Hearing. If approval or non-approval of the Plan by Affected Unsecured Creditors could be altered by the votes cast in respect of Unresolved Claims: (a) such result shall be reported to the Court as soon as reasonably practicable after the Meeting; (b) if a deferral of the Sanction Hearing is deemed to be necessary or advisable by the Monitor, the Monitor shall request an appropriate deferral of the Sanction Hearing; and (c) the Monitor may make a request to the Court for directions.

NEW RESTRUCTURING CLAIMS

59. THIS COURT ORDERS that the Monitor shall, no later than three (3) Business Days following the receipt of a Proof of Claim from any Person asserting a New Restructuring Claim, deliver the Ordinary Creditor Meeting Materials by pre-paid first class mail, courier, personal delivery or email to such Person at the Latest Known Address set out in any such Proof of Claim.

PLAN SANCTION

60. THIS COURT ORDERS that the Monitor shall report to the Court the results of any votes taken at the Meeting as soon as reasonably practicable after the Meeting (or any adjournment thereof). If the Plan is approved by the Required Majority, the Moving Parties may apply to the Court at 10 a.m. on the Sanction Hearing Date for the Sanction Order (the “**Sanction Hearing**”).

61. THIS COURT ORDERS that service of this Meeting Order by the Moving Parties to the parties on the Service List shall constitute good and sufficient service of notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the Sanction Hearing, except that any party shall also serve the Service List with any additional materials that it intends to use in support of the Sanction Hearing.

APPROVAL OF THE PLAN

62. THIS COURT ORDERS that the Plan must receive an affirmative vote from the Required Majority in order to be approved by the Affected Unsecured Creditors.

63. THIS COURT ORDERS that the result of any vote at the Meeting shall be binding on all Affected Unsecured Creditors, regardless of whether such Affected Unsecured Creditor was present at or voted at the Meeting.

SERVICE AND NOTICE

64. THIS COURT ORDERS that any delivery of any documents, packages, notices or otherwise contemplated by this Meeting Order by the Monitor shall be by way of pre-paid first class mail, courier, personal delivery, facsimile or e-mail to such Persons (or any director, officer or known representative) and that any such service or notice by courier, personal delivery, facsimile or e-mail shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by pre-paid first class mail, on the fourth Business Day after mailing.

65. THIS COURT ORDERS that any notice or other communication to be given under this Meeting Order by any Person to the Monitor shall be in writing in substantially the form, if any, provided for in this Meeting Order and will be sufficiently given only if delivered by courier, personal delivery, facsimile or e-mail addressed to:

Ernst & Young Inc.
Court Appointed Monitor of Nortel Networks Corporation & others
222 Bay Street, Suite 2400
Toronto, Ontario M5K 1J7

Attention: Nortel Monitor
Telephone: 1.866.942.7177 or 416.943.4439
Facsimile: 416.943.2808
Email: nortel.monitor@ca.ey.com

66. THIS COURT ORDERS that any such notice or other communication by any such Person shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

MONITOR'S ROLE

67. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA or any Order made in these CCAA Proceedings including the Monitor's Powers Orders and the New Applicants Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meeting Order.

68. THIS COURT ORDERS that: (i) in carrying out the terms of this Meeting Order, the Monitor shall have all the protections given to it by the CCAA, the Monitor's Powers Orders and the New Applicants Order, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Meeting Order, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Canadian Debtors and any information provided by the Canadian Debtors without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

69. THIS COURT ORDERS that the Monitor and the Canadian Debtors are hereby authorized to retain such agents as they deem to be advisable to assist them in connection with calling and conducting the Meeting, including with respect to the distribution of Meeting Materials, the identification of the applicable Affected Unsecured Creditors, and the solicitation of proxies from Persons entitled to vote at the Meeting.

MISCELLANEOUS

70. THIS COURT ORDERS that nothing in this Meeting Order (including the acceptance or determination of any Claim, or any part thereof, as a Voting Claim in accordance with this Meeting Order) has any impact on the status of Voting Claims as Proven Affected Unsecured Claims for purposes of the Plan and, for greater certainty, to the extent that any Voting Claim is also a Proven Affected Unsecured Claim pursuant to any Order of the CCAA Court, agreement (including under the Settlement and Support Agreement) or otherwise, reference to such Proven Affected Unsecured Claims as "Voting Claims" herein shall not alter the status of such Claims as Proven Affected Unsecured Claims.

71. THIS COURT ORDERS that, for the purposes of this Meeting Order (including the calculation of the Required Majority), all Voting Claims shall be deemed to be denominated in U.S. dollars using the exchange rate specified on Schedule "D" to the Plan. Any Voting Claims that are not denominated in U.S. dollars or Canadian dollars shall be deemed to be converted first to Canadian dollars at the applicable F/X rate and then converted to U.S. dollars pursuant to Schedule "D" to the Plan.

72. THIS COURT ORDERS that the Moving Parties may from time to time apply to the CCAA Court for advice and directions in the discharge of their powers and duties hereunder.

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



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

DEC 0 1 2016

PER / PAR: 

SCHEDULE "A-1" – PUBLICATION NOTICE

NOTICE TO AFFECTED UNSECURED CREDITORS

**OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED,
NORTEL NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS
INTERNATIONAL CORPORATION, NORTEL NETWORKS TECHNOLOGY
CORPORATION, NORTEL COMMUNICATIONS INC., ARCHITEL SYSTEMS
CORPORATION AND NORTHERN TELECOM CANADA LIMITED (THE
"CANADIAN DEBTORS")**

NOTICE IS HEREBY GIVEN that a Plan of Compromise and Arrangement (as amended from time to time, the "Plan") has been filed with the Ontario Superior Court of Justice (Commercial List) (the "CCAA Court") in respect of the Canadian Debtors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA").

TAKE NOTE THAT THESE MATERIALS relate to the CANADIAN CCAA PROCEEDINGS ONLY and do not apply to any other restructuring proceeding including the Chapter 11 Proceedings of Nortel Networks Inc. and the other U.S. Debtors. If you have claims in both the Canadian and U.S. proceedings, you MUST vote your claims in respect of the Canadian Debtors in this CCAA Proceeding in order for your vote to count with respect to the Canadian Plan and must comply with the applicable procedures in the U.S. Debtors' cases for your claim in respect of the U.S. Debtors. A vote in the U.S. Proceedings will not be recognized in the Canadian CCAA Proceedings and *vice versa*.

A copy of the Plan and the Information Circular (the "Information Circular") are available at www.ey.com/ca/nortel (the "Monitor's Website") under the section entitled "Plan and Other Creditor Meeting Documents". If you wish to receive a printed copy of the Plan or the Information Circular please contact the Monitor at the contact information below.

NOTICE IS ALSO HEREBY GIVEN that a meeting of Affected Unsecured Creditors (the "Meeting") will be held at **1 p.m.** on **Tuesday, January 17, 2017** (or such other date as may be set and announced in accordance with the Meeting Order) at **The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)**, for the purpose of considering and, if thought advisable, passing, with or without variation, a resolution to approve the Plan (the full text of which resolution is set out in Schedule "A" to the Information Circular) and to transact such other business as may properly come before the Meeting (or any adjournment thereof). The Meeting is being held pursuant to the Order of the Court made on December 1, 2016 (the "Meeting Order"). A copy of the Meeting Order is available on the Monitor's Website under the Section "Plan and Other Creditor Meeting Documents". Capitalized terms used but not otherwise defined in this notice have the meaning ascribed to them in the Meeting Order, Information Circular or Plan.

The Plan must receive an affirmative vote of the Required Majority in order to be approved by the Affected Unsecured Creditors. The Required Majority is a majority in number of Affected

Unsecured Creditors with Voting Claims, and two-thirds in value of the Voting Claims held by such Affected Unsecured Creditors, in each case who vote (in person or by proxy) on the Plan at the Meeting. The Plan must also be sanctioned by a final order of the CCAA Court (the “**Sanction Order**”) pursuant to the CCAA. Notice is also hereby given that, if the Plan is approved by the Required Majority at the Meeting, the Sanction Order will be sought in an application before the CCAA Court at 10:00 AM on January 24, 2017, (or such other date or time as may be set by the CCAA Court), to seek approval of the Plan. If the Plan is approved by the Required Majority and sanctioned by the CCAA Court, then, subject to the satisfaction or waiver of the conditions to effectiveness and implementation of the Plan, all Persons referred to in the Plan (including the Affected Unsecured Creditors) will receive the treatment set out in the Plan.

AMENDMENTS TO THE PLAN

The Canadian Debtors and Monitor may, at any time and from time to time prior to or at the Meeting, amend, restate, modify and/or supplement the Plan, subject to the terms of the Plan, provided that: (i) the Monitor or the Chair shall communicate the details of any such amendment, restatement and/or supplement to all Affected Unsecured Creditors present at the Meeting prior to any vote being taken at the Meeting; (ii) the Monitor shall provide notice to the Service List of any such amendment, restatement and/or supplement and shall file a copy thereof with the CCAA Court prior to the Sanction Hearing; and (iii) the Monitor shall post an electronic copy of any such amendment, restatement and/or supplement on the Monitor’s Website prior to the Sanction Hearing.

COMPLETION OF PROXIES

Any Affected Unsecured Creditor who is entitled to vote at the Meeting and that wishes to vote by proxy or in Person at the Meeting must complete, sign and return the applicable form of proxy included in its creditor package and deliver its proxy to the Monitor in accordance with applicable Instructions.

Compensation Creditors

IF YOU ARE A COMPENSATION CREDITOR COVERED BY THE REPRESENTATION ORDERS OR REPRESENTED BY UNIFOR, A REPRESENTATIVE OR UNIFOR WILL BE VOTING ON YOUR BEHALF AND WILL BE VOTING IN FAVOUR OF THE PLAN. YOU SHOULD NOT SUBMIT A SEPARATE PROXY.

Participant Holders and Beneficial Bondholders

IF YOU ARE A PARTICIPANT HOLDER OR BENEFICIAL BONDHOLDER, YOU MUST CLOSELY FOLLOW THE INSTRUCTIONS FOR THE COMPLETION AND RETURN OF BONDHOLDER PROXIES AND MASTER AUTHENTICATION FORMS.

The Monitor’s contact information is:

Ernst & Young Inc.
Court Appointed Monitor of Nortel Networks Corporation & others

Canadian CCAA Proceedings Only

222 Bay Street, Suite 2400
Toronto, Ontario M5K 1J7

Attention: Nortel Monitor
Telephone: 1.866.942.7177 or 416.943.4439
Facsimile: 416.943.2808
Email: nortel.monitor@ca.ey.com

This notice is given by the Monitor pursuant to the Meeting Order.

Si vous avez besoin d'une copie du plan ou de l'un des documents relatifs à l'assemblée des créanciers en français, veuillez consulter le site Web du contrôleur ou communiquer avec le contrôleur à l'adresse figurant ci-dessus.

SCHEDULE "A-2" LETTER TO ORDINARY CREDITORS AND BONDHOLDERS

December ____, 2016

Dear Ordinary Creditors and Bondholders:

Re: Meeting of Affected Unsecured Creditors of Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global Corporation, Nortel Networks International Corporation, Nortel Networks Technology Corporation, Nortel Communications Inc., Architel Systems Corporation and Northern Telecom Canada Limited (the "**Canadian Debtors**") to vote on the Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (the "**Plan**")

We enclose in this package the following documents for your review and consideration:

1. Publication Notice;
2. Information Circular; and
3. blank form of applicable Proxy and instructions for voting.

TAKE NOTE THAT THESE MATERIALS relate to the CANADIAN CCAA PROCEEDINGS ONLY and do not apply to any other restructuring proceeding including the Chapter 11 Proceedings of Nortel Networks Inc. and the other U.S. Debtors. If you have claims in both the Canadian and U.S. proceedings, you MUST vote your claims in respect of the Canadian Debtors in this CCAA Proceeding in order for your vote to count with respect to the Canadian Plan and must comply with the applicable procedures in the U.S. Debtors' cases for your claim in respect of the U.S. Debtors. A vote in the U.S. Proceedings will not be recognized in the Canadian CCAA Proceedings and *vice versa*.

Please take note that these materials as well as the other Meeting Materials are also available at www.ey.com/ca/nortel under the section entitled "Plan and Other Creditor Meeting Documents".

You are entitled to attend the Meeting of Affected Unsecured Creditors (the "**Meeting**") of Canadian Debtors as defined in the Meeting Order dated December 1, 2016. The Meeting will be held at **1 p.m. (Toronto time) on Tuesday, January 17, 2017 at The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)**. At the Meeting, you will be asked to consider a resolution to approve the Plan.

ORDINARY CREDITORS

Please follow the enclosed "Instructions to Ordinary Creditors" and complete the enclosed form of proxy and submit it to the Monitor as soon as possible but no later than **4:00 p.m. (Toronto time) on January 11, 2017**. Should you plan on attending the Meeting, you may also submit your proxy at that time.

BONDHOLDERS

Please follow the enclosed "Instructions to Beneficial Bondholders" and complete the enclosed form of proxy and submit to each of your Participant Holder(s) through which you hold Bonds **no later than the deadline set out by your Participant Holder(s)**. Please submit one Proxy per CUSIP, per Participant Holder.

Canadian CCAA Proceedings Only

The Participant Holder(s) will provide Epiq Bankruptcy Solutions, LLC (the Monitor's agent) with a summary of voting Proxies received from their clients and copies of your proxies.

You may attend and vote at the Meeting in person but you must have previously had holdings validated by all Participant Holders through which you hold Bonds in order for your vote to count.

Expected Recovery Range

The current estimated range of recovery per U.S. dollar is approximately 41.5 cents to 45 cents. The estimated range of recovery per Canadian dollar is CA 45 cents to 49 cents, assuming an exchange rate of approximately US \$1.00 = CA \$1.337650.

Pursuant to the Plan, holders of proven affected unsecured claims will receive distributions in U.S. dollars, unless such claim is predominantly denominated in Canadian dollars (i.e. more than 50% of a claim is in Canadian dollars), in which case creditors will be paid in Canadian dollars. The initial distribution is currently anticipated to be made during April 2017.

Plan Approval

The Plan must be approved by a majority of creditors voting representing at least two thirds in value of the votes cast by proven affected unsecured creditors, voting as a single class, present in person or represented by proxy at the Meeting. Effectiveness of the Plan is subject to the approval of the Ontario Superior Court of Justice (Commercial List), expiration or final resolution of any appeals taken and confirmation of U.S. Plans by the U.S. Bankruptcy Court.

Additional Information

For additional information with respect to the Plan, see the section in the accompanying Information Circular entitled "*Summary Information*" (pages 5 - 10). These pages contain important information relating to the distributions under the Plan.

The accompanying Information Circular contains a detailed description of the Plan, as well as certain *pro forma* information. It also includes certain risk factors relating to the implementation of the Plan.

Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors.

Si vous avez besoin d'une copie du plan ou de l'un des documents relatifs à l'assemblée des créanciers en français, veuillez consulter le site Web du contrôleur ou communiquer avec le contrôleur à l'adresse figurant ci-dessus.

Sincerely,

ERNST & YOUNG INC., solely in its capacity as Monitor in the CCAA Proceedings of the Canadian Debtors and not in its personal capacity.

SCHEDULE "A-3" – LETTER TO COMPENSATION CREDITORS

December _____, 2016

Dear Compensation Creditor,

Re: Meeting of Affected Unsecured Creditors of Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global Corporation, Nortel Networks International Corporation, Nortel Networks Technology Corporation, Nortel Communications Inc., Architel Systems Corporation and Northern Telecom Canada Limited (the "**Canadian Debtors**") to vote on the Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (the "**Plan**")

We enclose in this package the Publication Notice for your review and consideration, in the language of your choice as indicated on file with the Monitor.

Please take note that the other Meeting Materials are available at www.ey.com/ca/nortel (the "**Monitor's Website**") in both English and French under the section entitled "Plan and Other Creditor Meeting Documents".

The purpose of these materials is to provide you with information relating to the Plan and the Meeting of Affected Unsecured Creditors of the Canadian Debtors (the "**Meeting**"). **YOU ARE NOT REQUIRED TO ATTEND THE MEETING OR CAST A VOTE. AS EXPLAINED BELOW, YOUR REPRESENTATIVES OR UNION WILL VOTE ON YOUR BEHALF.**

Expected Recovery Range

Pursuant to the Plan, holders of Compensation Creditor Claims will receive distributions in U.S. dollars, unless such claim is predominantly denominated in Canadian dollars (i.e. more than 50% of a claim is in Canadian dollars), in which case creditors will be paid in Canadian dollars. The current estimated recovery range per U.S. dollar of claim is approximately 41.5 cents to 45 cents. The estimated range of recovery per Canadian dollar of claim is CA 45 cents to 49 cents, assuming an exchange rate of approximately US \$1.00 = CA \$1.337650. The initial distribution is currently anticipated to be made during April 2017.

Certain Issues Affecting Amount and Timing of Distributions

Further to previous court orders issued in the CCAA Proceedings,

- Compensation Creditor Claims will be reduced by the amount of any payments received by creditors from the Health and Welfare Trust (HWT).
- Compensation Creditor distributions will be reduced by the amount of any payments received by creditors through the employee hardship process.

Compensation Creditors with reductions for HWT payments or payments received through the employee hardship process will be provided these amounts on their distribution statement.

Distributions to Compensation Creditors will not be made until the Monitor receives a confirmation regarding employment insurance ("**EI Confirmation**") from Employment and Social Development Canada (ESDC), pursuant to the *Employment Insurance Act*. These Compensation Creditors may therefore receive their initial distributions after the target date of April 2017 and such distributions will be subject to standard source deductions and deductions on account of any employment insurance overpayment received. The amount of any employment insurance overpayment deduction will be determined by ESDC and, in any event, all deductions will be shown on a distribution statement.

Canadian CCAA Proceedings Only

If your address on file with the Monitor on the Distribution Record Date is not a Canadian address, you will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax. You will not receive a gross-up for any amounts deducted or withheld.

Voting

Pursuant to certain Representation Orders made in these CCAA Proceedings, Kent Felske, Dany Sylvain, Donald Sproule, David Archibald, Michael Campbell and Sue Kennedy (the “**Representatives**”) were appointed as representatives of all current and former non Union represented employees of the Canadian Debtors with the authority to represent you in these CCAA Proceedings. Copies of the Representation Orders can be found on the Monitor’s Website under the section entitled “Employees, Former Employee and Disabled Employee Representative Orders”.

If you are a member of Unifor (formerly CAW, the “**Union**”) or retained the Union to represent you in the CCAA Proceedings, your Union representative will be voting on your behalf at the meeting.

Your Representatives or Union representative continue to represent you in the CCAA Proceedings and will be voting on your behalf at the Meeting. **As such, you are not required to vote or submit a proxy to the Monitor or to your Representatives.**

The Representatives and Unifor are parties to the Settlement and Support Agreement dated as of October 12, 2016 and **will be voting in favour of the Plan.**

The Meeting is to be held at **1 p.m. on Tuesday, January 17, 2017** (or such other date and time as may be set and announced in accordance with the Meeting Order) at **The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)**. Although you are welcome to attend the Meeting to observe, your Representatives will vote on your behalf in favour of the Plan.

Plan Approval

The Plan must be approved by a majority of creditors voting and representing at least two thirds in value of the votes cast by proven affected unsecured creditors, voting as a single class and present in person or represented by proxy at the Meeting. Effectiveness of the Plan is subject to the approval of the Ontario Superior Court of Justice (Commercial List), expiration or final resolution of any appeals taken and confirmation of U.S. Plans by the U.S. Bankruptcy Court.

Additional Information

For additional information with respect to the Plan, see the section in the Information Circular (available on the Monitor’s Website under “Plan and Other Creditor Meeting Documents”) entitled “*Summary Information*” (pages 5 - 10). These pages contain important information relating to distributions under the Plan.

Please give this material your careful consideration and, if you require assistance, consult your Court-appointed Representative Counsel or other financial or tax advisors.

Si vous avez besoin d’une copie du plan ou de l’un des documents relatifs à l’assemblée des créanciers en français, veuillez consulter le site Web du contrôleur ou communiquer avec le contrôleur à l’adresse figurant ci-dessus.

Sincerely,

ERNST & YOUNG INC., solely in its capacity as Monitor in the CCAA Proceedings of the Canadian Debtors and not in its personal capacity

SCHEDULE "B-1" - INSTRUCTIONS TO ORDINARY CREDITORS

■, 2016

TO: ORDINARY CREDITORS OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS INTERNATIONAL CORPORATION, NORTEL NETWORKS TECHNOLOGY CORPORATION, NORTEL COMMUNICATIONS INC., ARCHITEL SYSTEMS CORPORATION AND NORTHERN TELECOM CANADA LIMITED (THE "CANADIAN DEBTORS")

Re: Meeting of Affected Unsecured Creditors of the Canadian Debtors to vote on the Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")

TAKE NOTE THAT THESE MATERIALS relate to the CANADIAN CCAA PROCEEDINGS ONLY and do not apply to any other restructuring proceeding including the Chapter 11 Proceedings of Nortel Networks Inc. and the other U.S. Debtors. If you have claims in both the Canadian and U.S. proceedings, you MUST vote your claims in respect of the Canadian Debtors in this CCAA Proceeding in order for your vote to count with respect to the Canadian Plan and must comply with the applicable procedures in the U.S. Debtors' cases for your claim in respect of the U.S. Debtors. A vote in the U.S. Proceedings will not be recognized in the Canadian CCAA Proceedings and *vice versa*.

All of the Meeting Materials, including the Meeting Order, the Plan and the Information Circular are available at www.ey.com/ca/nortel under the section entitled "Plan and Other Creditor Meeting Documents". If you require a copy of any other of the Meeting Materials please contact the Monitor at the below address and a copy will be provided to you.

The purpose of these materials is to enable you to consider the Plan and vote to accept or reject the resolution to approve the Plan at the Meeting of Affected Unsecured Creditors of the Canadian Debtors to be held at **1 p.m. on Tuesday, January 17, 2017** (or such other date as may be set and announced in accordance with the Meeting Order) at **The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)**, (the "Meeting").

PROXIES

Ordinary Creditors who wish to vote must complete the enclosed Proxy and provide it to the Monitor by (a) email; (b) courier or personal delivery; or (c) facsimile transmission all at the contact information below, so that it is received by the Monitor no later than **4:00 p.m. (Toronto time) on January 11, 2017**, or else such Person (or its nominee) must attend the Meeting and submit the completed proxy to the Monitor at the Meeting at the time specified by the Chair.

FURTHER INFORMATION

Canadian CCAA Proceedings Only

If you have any questions regarding the process or any of the enclosed forms, please contact Ernst & Young Inc. at the following address:

Ernst & Young Inc.
Court Appointed Monitor of Nortel Networks Corporation & others
222 Bay Street, Suite 2400
Toronto, Ontario M5K 1J7

Attention: Nortel Monitor
Telephone: 1.866.942.7177 or 416.943.4439
Facsimile: 416.943.2808
Email: nortel.monitor@ca.ey.com

Si vous avez besoin d'une copie du plan ou de l'un des documents relatifs à l'assemblée des créanciers en français, veuillez consulter le site Web du contrôleur ou communiquer avec le contrôleur à l'adresse figurant ci-dessus.

SCHEDULE “B-2” – ORDINARY CREDITORS’ VOTING PROXY

MEETING OF AFFECTED UNSECURED CREDITORS OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS INTERNATIONAL CORPORATION, NORTEL NETWORKS TECHNOLOGY CORPORATION, NORTEL COMMUNICATIONS INC., ARCHITEL SYSTEMS CORPORATION AND NORTHERN TELECOM CANADA LIMITED (THE “CANADIAN DEBTORS”)

to be held pursuant to an Order of the Ontario Superior Court of Justice (the “Meeting Order”) in connection with the Plan of Compromise and Arrangement (the “Plan”) under the *Companies’ Creditors Arrangement Act* (Canada) in respect of the Canadian Debtors at **1 p.m.** on **Tuesday, January 17, 2017** (or such other date as may be set and announced in accordance with the Meeting Order) at **The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)** and any adjournment thereof.

Before completing this Proxy, please read carefully the Instructions accompanying this Proxy for information respecting the proper completion and return of this Proxy.

IN ORDER TO VOTE ON THE PLAN, THIS PROXY MUST BE COMPLETED AND SIGNED BY THE ORDINARY CREDITOR AND PROVIDED TO THE MONITOR, ERNST & YOUNG INC., PRIOR TO 4:00 P.M. TORONTO TIME ON JANUARY 11, 2017 OR DELIVERED TO THE MONITOR IN PERSON OR THROUGH ITS NOMINEE AT THE MEETING AT THE TIME SPECIFIED BY THE CHAIR

THE UNDERSIGNED ORDINARY CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints _____ (must be an individual – corporations may not be appointed as proxies) or, if no Person is named, Murray McDonald, President of Ernst & Young Inc., the Canadian Monitor (or his designee), as nominee of the Ordinary Creditor, with power of substitution, to attend on behalf of and act for the Ordinary Creditor at the Meeting of Affected Unsecured Creditors of the Canadian Debtors to be held in connection with the Plan and at any and all adjournments thereof, and to vote the Ordinary Creditor's Claim as follows:

- | | | |
|--|--------------|---|
| <p>A. (mark one only)</p> <p><input type="checkbox"/> VOTE FOR approval of the Plan; or</p> <p><input type="checkbox"/> VOTE AGAINST approval of the Plan;</p> | <p>-and-</p> | <p>B. vote at the nominee’s discretion and otherwise act for and on behalf of the undersigned Ordinary Creditor with respect to any amendments or variations to the Plan and to any other matters that may come before the Meeting of the Ordinary Creditors of the Canadian Debtors or any adjournment thereof</p> |
|--|--------------|---|

If you submit a proxy but do not indicate your vote in part “A” above: (a) if Murray McDonald (or his designee) is your nominee, he will vote this proxy FOR approval of the Plan; and (b) if you have named another individual as your nominee and that person does not vote in person at the meeting, your proxy will be deemed to vote FOR approval of the Plan.

Date:	
Ordinary Creditor Name (please print legibly):	
Phone Number:	
Email Address:	
Mailing Address:	

Canadian CCAA Proceedings Only

Signature of Ordinary Creditor or, if a corporation, signature of an authorized signing officer of the corporation and such officer's name and title:	
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INSTRUCTIONS FOR COMPLETION OF VOTING PROXY

1. Each Ordinary Creditor has the right to appoint an individual (who need not be an Ordinary Creditor) to attend, act and vote on the Ordinary Creditor's behalf. Such right may be exercised by inserting in the space provided the name of the Person to be appointed. An individual Ordinary Creditor wishing to attend and vote in person at the Meeting of Affected Unsecured Creditors of the Canadian Debtors should insert his or her name in the space provided. **If no name has been inserted in the space provided, the Ordinary Creditor will be deemed to have appointed Murray McDonald, President of Ernst & Young Inc. the Canadian Monitor (or his designee) as the Ordinary Creditor's proxyholder.**
2. **If you submit a proxy but do not indicate your vote in part "A" of the Proxy: (a) if Murray McDonald (or his designee) is your nominee, he will vote this proxy FOR approval of the Plan; and (b) if you have named another individual as your nominee and that person does not vote in person at the meeting, your proxy will be deemed to vote FOR approval of the Plan.**
3. If this Proxy is not dated in the space provided, it will be deemed to bear the date on which it is received by the Monitor.
4. This Proxy must be signed by the Ordinary Creditor or by the Ordinary Creditor's attorney duly authorized in writing or, if the Ordinary Creditor is a corporation, by a duly authorized officer or attorney of the corporation specifying the title of such officer or attorney.
5. Valid proxies bearing or deemed to bear a later date will revoke this Proxy. If more than one valid proxy for the same Ordinary Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.
6. Unless you plan to vote in Person at the meeting, you must complete the Voting Proxy and provide it to the Monitor by (a) email; (b) courier or personal delivery; or (c) facsimile transmission all at the contact information below, so that it is received by the Monitor no later than 4:00 p.m. (Toronto time) on January 11, 2017:

Ernst & Young Inc.
Court Appointed Monitor of Nortel Networks Corporation & others
222 Bay Street, Suite 2400
Toronto, Ontario M5K 1J7

Attention: Nortel Monitor
Telephone: 1.866.942.7177 or 416.943.4439
Facsimile: 416.943.2808
Email: nortel.monitor@ca.ey.com

SCHEDULE "C-1" - INSTRUCTIONS TO PARTICIPANT HOLDERS

URGENT – IMMEDIATE ACTION REQUIRED

■, 2016

TO: ALL PARTICIPANT HOLDERS IN RESPECT OF THE FOLLOWING BONDS ISSUED OR GUARANTEED BY NORTEL NETWORKS CORPORATION AND NORTEL NETWORKS LIMITED:

(i) US\$1,000,000,000 LIBOR + 4.250% FLOATING RATE NOTES DUE 2011 (CUSIP NO. 656569AH3; 656569AK6) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(ii) US\$550,000,000 10.125% FIXED RATE NOTES DUE 2013 (CUSIP NO. 656569AG5) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(iii) US\$1,125,000,000 10.75% FIXED RATE NOTES DUE 2016 (CUSIP NO. 656569AD2) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(iv) US\$575,000,000 1.75% CONVERTIBLE SENIOR NOTES DUE 2012 (CUSIP NO. 656568AC6; 656568AF9) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED

(v) US\$575,000,000 2.125% CONVERTIBLE SENIOR NOTES DUE 2014 (CUSIP NO. 656568AD4; 656568AE2) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED

(vi) US\$150,000,000 7.875% NOTES DUE 2026 (CUSIP NO. 665810AB3) PURSUANT TO AN INDENTURE DATED AS OF FEBRUARY 15, 1996, AS AMENDED

(vii) US\$200,000,000 6.875% UNSECURED SENIOR NOTES DUE 2023 (CUSIP NO. 665815AH9) PURSUANT TO AN INDENTURE DATED AS OF NOVEMBER 30, 1988, AS AMENDED

(collectively, the "Bonds")

Re: Meeting of Affected Unsecured Creditors of Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global Corporation, Nortel Networks International Corporation, Nortel Networks Technology Corporation, Nortel Communications Inc., Architel Systems Corporation and Northern Telecom Canada Limited (the "Canadian Debtors") to vote on the Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")

TAKE NOTE THAT THESE MATERIALS relate to the CANADIAN CCAA PROCEEDINGS ONLY and do not apply to any other restructuring proceeding including the Chapter 11 Proceedings of Nortel Networks Inc. and the other U.S. Debtors. If you have claims in both the Canadian and U.S. proceedings, you MUST vote your claims in respect of the Canadian Debtors in this CCAA Proceeding in order for your vote to count with respect to the Canadian Plan and must comply with the applicable procedures in the U.S. Debtors' cases for your claim in respect of the U.S. Debtors. A vote in the U.S. Proceedings will not be recognized in the Canadian CCAA Proceedings and *vice versa*.

ALL MASTER AUTHENTICATION FORMS MUST BE RECEIVED BY EPIQ BANKRUPTCY SOLUTIONS, LLC ("EPIQ") PRIOR TO THE DEADLINE OF 4:00 P.M. ON JANUARY 10, 2017 (THE "DEADLINE")

PROOF OF CLAIM

THE TOTAL AMOUNT OF ALL THE BONDHOLDER CLAIMS HAS BEEN FILED BY THE INDENTURE TRUSTEES. YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

PROXY INSTRUCTIONS

According to the records of the Depository or the applicable Indenture Trustee, you are the holder or custodian (the “**Participant Holder**”) on behalf of a beneficial holder of Bonds.

We enclose Bondholder Mailing Materials to be forwarded by you or your agent to each of the Beneficial Bondholders recorded in your account records or book entry records. Shortly, we will also be providing you a form of Master Authentication Form to be used by you or your agent to validate the holdings of your Beneficial Bondholders and to be completed and returned to Epiq prior to the Deadline. Please direct any questions you may have on the mailing requirements or the Master Authentication Forms to Epiq at the contact information below.

THE BONDHOLDER MAILING MATERIALS ARE TIME SENSITIVE. PURSUANT TO THE ORDER OF THE CCAA COURT DATED DECEMBER 1, 2016, MUST BE FORWARDED TO EACH OF THE BENEFICIAL BONDHOLDERS TOGETHER WITH THE BONDHOLDER PROXY FOR THAT BENEFICIAL BONDHOLDER WITHOUT DELAY AND NO LATER THAN FIVE (5) BUSINESS DAYS FROM YOUR RECEIPT OF THE BONDHOLDER MAILING MATERIALS.

Please instruct Beneficial Bondholders to return completed Bondholders Proxies to you to allow sufficient time as may be required by you to complete and submit one or more Master Authentication Forms by the Deadline. Upon receipt of such completed Bondholder Proxies, you must complete Master Authentication Forms (one per CUSIP) validating the holdings of such Beneficial Bondholders and attaching copies of the Bondholder Proxies received by you. All Master Authentication Forms must be received by Epiq no later than **4 p.m. (Eastern Time) on January 10, 2017.**

By completing and signing the Bondholder Proxy, the Beneficial Bondholder acknowledges and agrees that it has read the Plan and other Bondholder Meeting Materials and authorizes its Participant Holder to provide a copy of the Bondholder Proxy to Epiq and the Monitor.

If you have a standard practice for distributing meeting materials to Beneficial Bondholders and for gathering information and proxies or voting instructions from Beneficial Bondholders that differs from the process described above, please contact Epiq immediately to determine whether you are able to use such standard practice as an alternative to the process described above. Epiq may be contacted via email at tabulation@epiqsystems.com with a reference “Nortel Canada” in the subject line.

All Master Authentication Forms should be returned by (a) mail; (b) courier; or (c) personal delivery to:

**Epiq Bankruptcy Solutions, LLC
Attn: Nortel Networks Corporation
Master Authentication Form Processing
777 Third Avenue, 12th Floor
New York, NY 10017**

Canadian CCAA Proceedings Only

You can also view copies of documents relating to this process on the following Monitor's Website www.ey.com/ca/nortel in the section entitled "Plan and Other Creditor Meeting Documents".

Si vous avez besoin d'une copie du plan ou de l'un des documents relatifs à l'assemblée des créanciers en français, veuillez consulter le site Web du contrôleur ou communiquer avec le contrôleur à l'adresse figurant ci-dessus.

SCHEDULE "C-2" - INSTRUCTIONS TO BENEFICIAL BONDHOLDERS

URGENT – IMMEDIATE ACTION REQUIRED

■, 2016

TO: ALL BENEFICIAL BONDHOLDERS IN RESPECT OF THE FOLLOWING BONDS ISSUED OR GUARANTEED BY NORTEL NETWORKS CORPORATION AND NORTEL NETWORKS LIMITED:

(i) US\$1,000,000,000 LIBOR + 4.25% FLOATING RATE NOTES DUE 2011 (CUSIP NO. 656569AH3; 656569AK6) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(ii) US\$550,000,000 10.125% FIXED RATE NOTES DUE 2013 (CUSIP NO. 656569AG5) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(iii) US\$1,125,000,000 10.75% FIXED RATE NOTES DUE 2016 (CUSIP NO. 656569AD2) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(iv) US\$575,000,000 1.75% CONVERTIBLE SENIOR NOTES DUE 2012 (CUSIP NO. 656568AC6; 656568AF9) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED

(v) US\$575,000,000 2.125% CONVERTIBLE SENIOR NOTES DUE 2014 (CUSIP NO. 656568AD4; 656568AE2) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED

(vi) US\$150,000,000 7.875% NOTES DUE 2026 (CUSIP NO. 665810AB3) PURSUANT TO AN INDENTURE DATED AS OF FEBRUARY 15, 1996, AS AMENDED

(vii) US\$200,000,000 6.875% UNSECURED SENIOR NOTES DUE 2023 (CUSIP NO. 665815AH9) PURSUANT TO AN INDENTURE DATED AS OF NOVEMBER 30, 1988, AS AMENDED

(collectively, the "**Bonds**")

Re: Meeting of Affected Unsecured Creditors of Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global Corporation, Nortel Networks International Corporation, Nortel Networks Technology Corporation, Nortel Communications Inc., Architel Systems Corporation and Northern Telecom Canada Limited (the "**Canadian Debtors**") to vote on the Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (the "**Plan**")

TAKE NOTE THAT THESE MATERIALS relate to the CANADIAN CCAA PROCEEDINGS ONLY and do not apply to any other restructuring proceeding including the Chapter 11 Proceedings of Nortel Networks Inc. and the other U.S. Debtors. If you have claims in both the Canadian and U.S. proceedings, you MUST vote your claims in respect of the Canadian Debtors in this CCAA Proceeding in order for your vote to count with respect to the Canadian Plan and must comply with the applicable procedures in the U.S. Debtors' cases for your claim in respect of the U.S. Debtors. A vote in the U.S. Proceedings will not be recognized in the Canadian CCAA Proceedings and *vice versa*.

Canadian CCAA Proceedings Only

Please take note that the Meeting Materials are available at www.ey.com/ca/nortel in the section entitled "Plan and Other Creditor Meeting Documents".

The purpose of these materials is to provide Beneficial Bondholders (i.e., those who own Bonds beneficially themselves and do not hold such Bonds for the benefit of another person) with the documents required to enable them to consider the Plan and to cast their vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Unsecured Creditors to be held at **1 p.m. on Tuesday, January 17, 2017** (or such other date as may be set and announced in accordance with the Meeting Order) at **The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)**, (the "Meeting").

PROOF OF CLAIM

THE TOTAL AMOUNT OF ALL THE BONDHOLDER CLAIMS HAS BEEN FILED BY THE INDENTURE TRUSTEES. THEREFORE, YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

PROXY INSTRUCTIONS

Proxies are only to be filed by Beneficial Bondholders (or their nominee). If you are a trust company, depository, broker, book entry system, agent, custodian or any other entity that holds bonds for another Person, please refer to the Instructions to Participant Holders or contact Epiq or Ernst & Young Inc. for the information applicable to you.

IF YOU ARE A BENEFICIAL BONDHOLDER AND YOU WISH TO VOTE ON THE PLAN, YOU MUST COMPLETE THE ENCLOSED BONDHOLDER PROXY IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN AND RETURN IT TO YOUR PARTICIPANT HOLDER PRIOR TO THE DEADLINE REQUIRED BY YOUR PARTICIPANT HOLDER.

IF YOU ARE A BENEFICIAL BONDHOLDER AND HAVE SIGNED A CREDITOR JOINDER TO THE SETTLEMENT AND SUPPORT AGREEMENT DATED OCTOBER 12, 2016, YOU ARE OBLIGATED TO VOTE IN FAVOUR OF THE PLAN. IF YOU APPOINT A PROXY OR OTHER NOMINEE OR REPRESENTATIVE TO VOTE ON YOUR BEHALF, YOU MUST INSTRUCT SUCH PROXYHOLDER OR NOMINEE TO VOTE IN FAVOUR OF THE PLAN.

INSTRUCTIONS FOR BENEFICIAL BONDHOLDERS

If you are a Beneficial Bondholder and you wish to vote at the Meeting, you must complete the enclosed Bondholder Proxy and return it to your Participant Holder in the manner you are instructed to by your Participant Holder. **Whether you vote in person or by proxy you must return your completed Bondholder Proxy to your Participant Holder and your Participant Holder must submit a Master Authentication Form validating your holdings and attaching a copy of your Bondholder Proxy by the deadline of 4:00 p.m. on January 10, 2017 (please note this is not the date by which you must have completed your Bondholder Proxy, but the date Master Authentication Forms must be delivered to Epiq after you send back your Bondholder Proxies to your Participant Holder).**

You must:

1. complete a separate Bondholder Proxy for each CUSIP and each Participant Holder through which you hold Bonds;
2. provide a copy of your completed Bondholder Proxy to each Participant Holder through which you hold Bonds no later than the deadline set out by your Participant Holder so that it may submit a

Canadian CCAA Proceedings Only

Master Authentication Form by 4:00 p.m. (Toronto time) on January 10, 2017 (please note this is not the date by which you must have completed your Bondholder Proxy, but the date Master Authentication Forms must be delivered to Epiq after you send back your Bondholder Proxies to your Participant Holder); and

3. authorize your Participant Holder to provide a copy of your Bondholder Proxy to Epiq or the Monitor.

If no name is indicated in your Proxy, Murray McDonald, President of Ernst & Young Inc., the Canadian Monitor (or his designee) will be named as your proxyholder. If you do not indicate your vote and Murray McDonald (or his designee) is your proxyholder, he will vote FOR approval of the Plan. If you have named another individual as your nominee and have not indicated a vote, unless your nominee votes in person at the Meeting your proxy will be voted FOR approval of the Plan.

In completing and signing your Bondholder Proxy you will be acknowledging that you have read the Canadian Plan and other Bondholder Meeting Materials.

Si vous avez besoin d'une copie du plan ou de l'un des documents relatifs à l'assemblée des créanciers en français, veuillez consulter le site Web du contrôleur ou communiquer avec le contrôleur à l'adresse figurant ci-dessus.

SCHEDULE “C-3” - BONDHOLDER PROXY

For Use by Beneficial Bondholders of the following Bonds Issued or Guaranteed by Nortel Networks Corporation or Nortel Networks Limited:

- | | |
|--|---|
| (i) US\$1,000,000,000 LIBOR + 4.250% FLOATING RATE NOTES DUE 2011 (CUSIP NO. 656569AH3; 656569AK6) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED | (v) US\$575,000,000 2.125% CONVERTIBLE SENIOR NOTES DUE 2014 (CUSIP NO. 656568AD4; 656568AE2) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED |
| (ii) US\$550,000,000 10.125% FIXED RATE NOTES DUE 2013 (CUSIP NO. 656569AG5) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED | (vi) US\$150,000,000 7.875% NOTES DUE 2026 (CUSIP NO. 665810AB3) PURSUANT TO AN INDENTURE DATED AS OF FEBRUARY 15, 1996, AS AMENDED |
| (iii) US\$1,125,000,000 10.75% FIXED RATE NOTES DUE 2016 (CUSIP NO. 656569AD2) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED | (vii) US\$200,000,000 6.875% UNSECURED SENIOR NOTES DUE 2023 (CUSIP NO. 665815AH9) PURSUANT TO AN INDENTURE DATED AS OF NOVEMBER 30, 1988, AS AMENDED |
| (iv) US\$575,000,000 1.75% CONVERTIBLE SENIOR NOTES DUE 2012 (CUSIP NO. 656568AC6; 656568AF9) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED | |

(collectively, the “Bonds”)

MEETING OF AFFECTED UNSECURED CREDITORS OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS INTERNATIONAL CORPORATION, NORTEL NETWORKS TECHNOLOGY CORPORATION, NORTEL COMMUNICATIONS INC., ARCHITEL SYSTEMS CORPORATION AND NORTHERN TELECOM CANADA LIMITED (THE “CANADIAN DEBTORS”)

to be held pursuant to an Order of the Ontario Superior Court of Justice (the “**Meeting Order**”) in connection with the Plan of Compromise and Arrangement (the “**Plan**”) under the *Companies’ Creditors Arrangement Act* (Canada) in respect of the Canadian Debtors at **1 p.m. on Tuesday, January 17, 2017** (or such other date as may be set and announced in accordance with the Meeting Order) at **The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)** and any adjournment thereof.

Before completing this Proxy, please read carefully the instructions accompanying this Proxy for information respecting the proper completion and return of this Proxy.

A BENEFICIAL BONDHOLDER MUST COMPLETE AND SIGN ONE OR MORE PROXIES (ONE FOR EACH CUSIP AND/OR PARTICIPANT HOLDER) AND RETURN SUCH PROXY TO EACH PARTICIPANT HOLDER THROUGH WHICH IT HOLDS BONDS NO LATER THAN THE DATE SPECIFIED BY EACH SUCH PARTICIPANT HOLDER.

Principal Amount Held by Beneficial Bondholder as of November 21, 2016.

\$ _____

Canadian CCAA Proceedings Only

THE UNDERSIGNED BENEFICIAL BONDHOLDER hereby revokes all proxies previously given and nominates, constitutes and appoints _____ or, if no Person is named, Murray McDonald, President of Ernst & Young, Inc., the Canadian Monitor (or his designee), as nominee of the Beneficial Bondholder, with power of substitution, to attend on behalf of and act for the Beneficial Bondholder at the Meeting of Affected Unsecured Creditors of the Canadian Debtors be held in connection with the Plan and at any and all adjournments thereof, and to vote the Beneficial Bondholder's Claims in respect of the Bonds beneficially owned by it as follows:

- | | | |
|--|--------------|---|
| <p>A. (mark one only)</p> <p><input type="checkbox"/> VOTE FOR approval of the Plan; or</p> <p><input type="checkbox"/> VOTE AGAINST approval of the Plan;</p> | <p>-and-</p> | <p>B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Beneficial Bondholder with respect to any amendments or variations to the Plan and to any other matters that may come before the Meeting of the Affected Unsecured Creditors of the Canadian Debtors or any adjournment thereof</p> |
|--|--------------|---|

If you submit a proxy but do not indicate your vote in part "A" above: (a) if Murray McDonald (or his designee) is your nominee, he will vote this proxy FOR approval of the Plan; and (b) if you have named another individual as your nominee and that person does not vote in person at the meeting, your proxy will be deemed to vote FOR approval of the Plan.

You will receive a separate Proxy for each account you hold. Please complete and return each Proxy you receive.

The Beneficial Bondholder hereby acknowledges and agrees that it has read the Plan and other Bondholder Meeting Materials and authorizes its Participant Holder to provide a copy of this Bondholder Proxy to Epiq and the Monitor.

Date:	
Beneficial Bondholder Name: (please print legibly)	
Phone Number:	
Email Address:	
Mailing Address:	
Signature of Beneficial Bondholder or, if a corporation, signature of an authorized signing officer of the corporation and such officer's name and title:	

DELIVERY

Completed Bondholder Proxies must be returned to each relevant Participant Holder as directed by such Participant Holder and by the deadline specified by the applicable Participant Holder.

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Beneficial Bondholder has the right to appoint an individual (who need not be a Bondholder) to attend, act and vote for and on the Beneficial Bondholder's behalf and such right may be exercised by inserting the name of the Person to be appointed. A Beneficial Bondholder wishing to have a representative attend and vote in Person at the Meeting of Affected Unsecured Creditors of the Canadian Debtors should insert such individual representative's name in the space provided. **If no name has been inserted in the space provided, the Beneficial Bondholder will be deemed to have appointed Murray McDonald, President of Ernst & Young Inc., the Canadian Monitor (or his designee) as the Beneficial Bondholder's proxyholder.**
2. If you submit a proxy but do not indicate your vote in part "A" of the Proxy: (a) if Murray McDonald (or his designee) is your nominee, he will vote this proxy FOR approval of the Plan; and (b) if you have named another individual as your nominee and that person does not vote in person at the meeting, your proxy will be deemed to vote FOR approval of the Plan.
3. If this Proxy is not dated in the space provided, it will be deemed to bear the date on which it is received by the Monitor.
4. This Proxy must be signed by the Beneficial Bondholder of the applicable Bonds or by his or her attorney duly authorized in writing or, if the Beneficial Bondholder is a corporation, by a duly authorized officer or attorney of the corporation specifying the title of such officer or attorney.
5. Separate Proxies must be completed for each CUSIP and for each Participant Holder through whom your Bonds are held. Completed Proxies must be returned to the applicable Participant Holder. Participant Holders will be required to submit Master Authentication Forms validating the holdings of such Beneficial Bondholders and attaching copies of all Proxies to Epiq.
6. Valid proxies bearing or deemed to bear a later date will revoke this Proxy. If more than one valid proxy for the same Beneficial Bondholder in respect of the same Bonds and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.

SCHEDULE “C-4” – MASTER AUTHENTICATION FORM

For Use by Participant Holders validating the holdings of Beneficial Bondholder holding the following Bonds Issued or Guaranteed by Nortel Networks Corporation or Nortel Networks Limited:

(i) US\$1,000,000,000 LIBOR + 4.250% FLOATING RATE NOTES DUE 2011 (CUSIP NO. 656569AH3; 656569AK6) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(ii) US\$550,000,000 10.125% FIXED RATE NOTES DUE 2013 (CUSIP NO. 656569AG5) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(iii) US\$1,125,000,000 10.75% FIXED RATE NOTES DUE 2016 (CUSIP NO. 656569AD2) PURSUANT TO AN INDENTURE DATED AS OF JULY 5, 2006, AS AMENDED

(iv) US\$575,000,000 1.75% CONVERTIBLE SENIOR NOTES DUE 2012 (CUSIP NO. 656568AC6; 656568AF9) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED

(v) US\$575,000,000 2.125% CONVERTIBLE SENIOR NOTES DUE 2014 (CUSIP NO. 656568AD4; 656568AE2) PURSUANT TO AN INDENTURE DATED AS OF MARCH 28, 2007, AS AMENDED

(vi) US\$150,000,000 7.875% NOTES DUE 2026 (CUSIP NO. 665810AB3) PURSUANT TO AN INDENTURE DATED AS OF FEBRUARY 15, 1996, AS AMENDED

(vii) US\$200,000,000 6.875% UNSECURED SENIOR NOTES DUE 2023 (CUSIP NO. 665815AH9) PURSUANT TO AN INDENTURE DATED AS OF NOVEMBER 30, 1988, AS AMENDED

(collectively, the “Bonds”)

MEETING OF AFFECTED UNSECURED CREDITORS OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS INTERNATIONAL CORPORATION, NORTEL NETWORKS TECHNOLOGY CORPORATION, NORTEL COMMUNICATIONS INC., ARCHITEL SYSTEMS CORPORATION AND NORTHERN TELECOM CANADA LIMITED (THE “CANADIAN DEBTORS”)

to be held pursuant to an Order of the Ontario Superior Court of Justice (the “**Meeting Order**”) in connection with the Plan of Compromise and Arrangement (the “**Plan**”) under the *Companies’ Creditors Arrangement Act* (Canada) in respect of the Canadian Debtors at **1 p.m.** on **Tuesday, January 17, 2017**, (or such other date as may be set and announced in accordance with the Meeting Order) at **The International Centre Conference Centre (6900 Airport Road, Mississauga, Ontario)** and any adjournment thereof.

Before completing this Master Authentication Form, please carefully read the accompanying instructions for information respecting the proper completion and return of this Master Authentication Forms.

THIS MASTER AUTHENTICATION FORM MUST BE COMPLETED AND SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS. PURSUANT TO THE ORDER OF THE CCAA COURT DATED DECEMBER 1, 2016, YOU MUST ATTACH COPIES OF ALL BONDHOLDER PROXIES RELEVANT TO THE MASTER AUTHENTICATION FORM AND IT MUST BE PROVIDED TO EPIQ BANKRUPTCY SOLUTIONS, LLC PRIOR TO **4:00 P.M. EASTERN TIME ON JANUARY 10, 2017.**

PART II: PARTICIPANT HOLDER CERTIFICATION AND INFORMATION

The undersigned certifies that as of the Voting Record Date (listed above), the principal value of the holdings of the Beneficial Bondholders listed above (or on the attached extra pages) is true and accurate.

Date Submitted: _____, 2016 Participant No. _____

Print Name of Participant Holder (**please print legibly**): _____

Signature: _____

Authorized Participant Holder Employee Contact (Print Name): _____

Title: _____

Tel. No.: _____ Fax No.: _____

E-Mail: _____

MEDALLION STAMP BELOW:

DELIVERY

Completed Master Authentication Forms should be sent to:

Epiq Bankruptcy Solutions, LLC
Attn: Nortel Networks Corporation
Master Authentication Form Processing
777 Third Avenue, 12th Floor
New York, NY 10017

Master Authentication Forms may be delivered by mail, courier or personal delivery, all at the contact information above, and must be received by Epiq **no later than 4:00 p.m. (Eastern Time) on January 10, 2017.**

**IF YOU HAVE ANY QUESTIONS REGARDING THIS FORM OR THE PROCEDURES,
PLEASE CONTACT THE MONITOR'S AGENT BY EMAIL AT
TABULATION@EPIQSYSTEMS.COM AND
REFERENCE "NORTEL CANADA" IN THE SUBJECT LINE.**

INSTRUCTIONS FOR COMPLETION OF MASTER AUTHENTICATION FORMS

1. **You must use a separate Master Authentication Form for each CUSIP.**
2. Each Participant Holder providing a Master Authentication Form must complete Parts I and II of the Master Authentication Form and provide all information requested therein. Please take notice of the following:
 - A. Part I relates to Bonds for which you have received Proxies from Beneficial Bondholders; and
 - B. Part II is your certification – you must complete this section and sign it.
3. You must attach copies of each Bondholder Proxy to the Master Authentication Form. **If you receive further Proxies after you have submitted a Master Authentication Form, you may submit one or more further Master Authentication Forms as long as all Master Authentication Forms are received by the Deadline (defined below).**
4. If this Master Authentication Form is not dated in the space provided, it will be deemed to bear the date on which it is received by Epiq.
5. The Participant Holder must complete the Master Authentication Form, sign, and certify in order for it to be valid.
6. Master Authentication Forms (including the attached Bondholder Proxies) may be delivered to Epiq at the address below, and must be received by Epiq **no later than 4:00 p.m. (Eastern Time) on January 10, 2017 (the “Deadline”).**

Epiq Bankruptcy Solutions, LLC
Attn: Nortel Networks Corporation
Master Authentication Form Processing
777 Third Avenue, 12th Floor
New York, NY 10017

**IF YOU HAVE ANY QUESTIONS REGARDING THIS FORM OR THE PROCEDURES,
PLEASE CONTACT THE MONITOR’S AGENT BY EMAIL AT
TABULATION@EPIQSYSTEMS.COM AND
REFERENCE “NORTEL CANADA” IN THE SUBJECT LINE.**

**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 NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL
NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS INTERNATIONAL CORPORATION, NORTEL NETWORKS TECHNOLOGY CORPORATION, NORTEL
COMMUNICATIONS INC., ARCHITEL SYSTEMS CORPORATION AND NORTHERN TELECOM CANADA LIMITED**

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

Proceeding commenced at Toronto, Ontario Canada

**PLAN FILING AND MEETING ORDER
(Returnable December 1, 2016)**

GOODMANS LLP
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

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Tel: 416.862.5697
Fax: 416.862.7661

Lawyers for the Canadian Debtors

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) WEDNESDAY, THE 15th
)
JUSTICE WILTON-SIEGEL) DAY OF MARCH, 2017



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

AND IN THE MATTER OF A PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
U. S. STEEL CANADA INC.

MEETINGS ORDER

THIS MOTION, made by U. S. Steel Canada Inc. (the "**Applicant**" or "**USSC**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and the *Canada Business Corporations Act*, R.S.C. 1985, c.C-44 (the "**CBCA**"), for an order among other things,

- (a) accepting the filing of the plan of compromise, arrangement and reorganization of the Applicant under the CCAA and the CBCA, dated March 15, 2017 (the "**Plan**") with the Court;
- (b) approving, pursuant to section 22 of the CCAA, the classification of creditors as set out in the Plan for the purposes of the Meetings (defined below) and voting on the Plan;
- (c) authorizing and directing the Applicant to call, hold and conduct meetings of its creditors to vote on the Plan;
- (d) authorizing and directing the mailing and distribution of certain meeting materials and other procedures to be followed to provide notice of the Meetings;

- (e) approving the procedures to be followed at the Meetings, including voting procedures; and,
- (f) setting a date for the hearing of the Applicant's motion for the Sanction Order (the "**Sanction Hearing**"),

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of William E. Aziz sworn March 10, 2017 (the "**Aziz Affidavit**") and the Thirty-Seventh Report of Ernst & Young Inc. in its capacity as the Monitor of the Applicant (the "**Monitor**") dated March 13, 2017, and the affidavit of service of Emilia Moon de Kemp dated March 13, 2017, and on hearing the submissions of counsel for the Applicant, the Monitor and any such other counsel as were present:

A. SERVICE

2. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

B. DEFINITIONS AND INTERPRETATION

3. **THIS COURT ORDERS** that capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Plan.

4. **THIS COURT ORDERS** that all reference 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" or "includes" shall mean "including without limitation" or "includes without limitation", as the case may be.

6. **THIS COURT ORDERS** that, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders.

C. MONITOR'S ROLE

7. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and the Claims Procedure Orders, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Order.

8. **THIS COURT ORDERS** that: (a) in carrying out the terms of this Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order and the Claims Procedure Orders, and as an officer of the Court, including the stay of proceedings in its favour; (b) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part; (c) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant without independent investigation; and (d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

D. CCAA PLAN FILING AND AMENDMENT

9. **THIS COURT ORDERS** that the Plan is hereby accepted for filing and the Applicant is authorized to contemporaneously file the Plan with this Order.

10. **THIS COURT ORDERS** that the Applicant may, with the consent of the Plan Sponsor at any time, and from time to time, prior to or during the Meetings, amend, restate, modify and/or supplement the Plan (which will thereafter constitute the “**Plan**” for the purposes of this Order); provided that any such amendment, restatement, modification and/or supplement shall be made in accordance with the terms of the Plan and communicated in accordance with paragraph 18.

E. CREDITOR CLASSES

11. **THIS COURT ORDERS** that, pursuant to section 22 of the CCAA, the following two classes of Affected Creditors (together, the “**Affected Creditors Classes**”) in respect of the Plan are hereby approved:

- (i) the class of General Unsecured Creditors (the “**General Unsecured Creditor Class**”); and
- (ii) the class of Non-USW Main Pension and OPEB Claim holders (the “**Non-USW Main Pension and OPEB Class**”).

F. AUTHORIZATION TO CALL AND HOLD MEETINGS

12. **THIS COURT ORDERS** that the Applicant is authorized and directed to call, hold and conduct two meetings of its creditors:

- (i) a meeting of the General Unsecured Creditor Class; and
- (ii) a meeting of the Non-USW Main Pension and OPEB Class

(collectively, the “**Meetings**” and each such meeting a “**Meeting**”) on April 27, 2017 in Toronto, Ontario, each at the time and place set out in the Notice of Meetings and Sanction Hearing (as defined below), for the purpose of considering and voting on the resolution to approve the Plan.

G. APPROVAL OF CERTAIN MEETING MATERIALS

13. **THIS COURT ORDERS** that each of the following is hereby approved:

- (a) the Applicant’s information circular substantially in the form attached to the Aziz Affidavit as Exhibit “A” (which attaches the Plan as an exhibit) (the “**Information Circular**”);
- (b) the form of notice regarding the Meetings and Sanction Hearing substantially in the form attached to the Aziz Affidavit as Exhibit “B” (the “**Notice of Meetings and Sanction Hearing**”);
- (c) the form of proxy and Election Notice for General Unsecured Creditors substantially in the form attached as **Schedule “A”** hereto (the “**General Unsecured Creditor Proxy**”); and
- (d) the form of proxy for holders of Non-USW Main Pension and OPEB Claims substantially in the form attached as **Schedule “B”** hereto (the “**Non-USW Main Pension and OPEB Proxy**”),

(collectively, the “**Meeting Materials**”).

14. **THIS COURT ORDERS** that the Applicant, in consultation with the Monitor and with the consent of the Plan Sponsor, may from time to time (a) make such changes to the documents in the Meeting Materials as the Applicant, in consultation with the Monitor and the Plan Sponsor, considers necessary or desirable, including but not limited to changes to conform the content thereof to the terms of the Plan (including any amendments, restatements, modifications or supplements thereto), this Order or any further Orders of the Court; and (b) prepare any supplements to the Information Circular as the Applicant, in consultation with the Monitor and the Plan Sponsor, considers necessary or desirable (each a “**Supplemental Information Circular**”).

H. NOTICE: POSTING, SERVICE AND PUBLICATION

15. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of the Meeting Materials and this Order to be posted on the website established by the Monitor in respect of these proceedings (the “**Monitor’s Website**”). The Monitor shall ensure that such materials remain posted on the Monitor’s Website until at least one (1) Business Day after the Plan Implementation Date.

16. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Applicant shall provide to the Monitor a list setting out the names and last known addresses according to the books and records of the Corporation, identifying all Non-USW Main Pension and OPEB Claim holders known to the Applicant as of the date of this Order and, as soon as practicable thereafter, the Monitor shall:

- (a) send the Meeting Materials to (i) Representative Counsel, (ii) all Affected Creditors with General Unsecured Claims in respect of which a Proof of Claim has been filed in a proper and timely manner or for which a notice of claim has been delivered, each in accordance with the applicable Claims Procedure Order and that is not barred pursuant to the applicable Claims Procedure Order (iii) the service list maintained by the Monitor in these CCAA Proceedings (the “**Service List**”), (iv) any Opt-Out Individual as defined in paragraph 10 of the Representative Counsel Order (an “**Opt-Out Individual**”), and (v) any Affected Creditor or D&O Claim holder who makes a

written request to the Monitor for a copy of the Meeting Materials, by regular mail, fax, courier or e-mail at the last known address (including fax number or email address) for such Creditors set out in the books and records of the Applicant or as provided in relation to a Claims Procedure Order (except that where such Creditors are represented by counsel known by the Applicant, the address, fax number, and email address of such counsel may be substituted) (collectively, the “**Meeting Materials Parties**”); and

- (b) send a letter to all Non-USW Main Pension and OPEB Claim holders identified to the Monitor by the Applicant, substantially in the form attached to the Aziz Affidavit as Exhibit “C” by regular mail, fax, courier or e-mail at the last known address (including fax number or email address) for such Creditors set out in the books and records of the Applicant or as provided in relation to a Claims Procedure Order, which letter is hereby approved.

17. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause notice of the Meetings, substantially in the form of the Notice of Meetings and Sanction Hearing, amended or abridged as the Monitor deems reasonable, in its discretion, for the purposes of publication, to be published for a period of two (2) Business Days in The Globe and Mail (National Edition) and the Hamilton Spectator.

18. **THIS COURT ORDERS** that, as soon as reasonably practicable after finalization of any Supplemental Information Circular and any amendments or supplements to the Meeting Materials in accordance with paragraph 14 hereof and any amendments, restatements, modifications and/or supplements to the Plan in accordance with paragraph 10 hereof the Monitor shall (a) cause such materials to be posted on the Monitor’s Website (where the Monitor shall ensure that such materials remain posted until at least one (1) Business Day after the Plan Implementation Date); and (b) if made prior to the Meetings, send such materials to the Meeting Materials Parties or, if made at the Meetings, provide notice to those present at the Meetings prior to the vote being taken to approve the Plan.

19. **THIS COURT ORDERS** that the posting on the Monitor’s Website, service of the Meeting Materials and/or letter, and/or publication in accordance with paragraphs 15 to 18 above, shall constitute good and sufficient service and notice of this Order, the Plan and the

Meetings on all Persons who may be entitled to receive notice thereof, or who may be entitled to be present in person or by proxy at the Meetings or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings. Service shall be effective: (a) in the case of mailing, three (3) Business Days after the date of mailing; (b) in the case of service by courier, on the day after the courier was sent; (c) in the case of any other means of transmission, recorded or electronic communication, when dispatched or delivered for dispatch and in the case of service by fax or e-mail, on the day the fax or e-mail was transmitted, unless such day is not a Business Day, or the fax or e-mail transmission was made after 5:00 p.m., in which case, on the next Business Day.

20. **THIS COURT ORDERS** that the non-receipt of a copy of the Meeting Materials beyond the reasonable control of the Monitor, or any failure or omission to provide a copy of the Meeting Materials as a result of events beyond the reasonable control of the Monitor (including, without limitation, any inability to use postal services) shall not constitute a breach of this Order, but if any such failure or omission is brought to the attention of the Monitor, then the Monitor shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

I. RECORD DATE

21. **THIS COURT ORDERS** that the record date for the purposes of determining which Affected Creditors are entitled to vote at the Meetings (the “**Record Date**”) is April 24, 2017 in respect of all General Unsecured Claims and in respect of all Non-USW Main Pension and OPEB Claims.

J. TRANSFER AND ASSIGNMENT OF CLAIMS

22. **THIS COURT ORDERS** that, subject to any restrictions contained in Applicable Laws or any contractual arrangements with the Applicant, an Affected Creditor may transfer or assign the whole of its General Unsecured Claim prior to the Meetings. If, subject to any restrictions contained in Applicable Laws or any contractual arrangement with the Applicant, an Affected Creditor transfers or assigns the whole of a General Unsecured Claim that is an

Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the applicable Meeting unless (a) the assigned General Unsecured Claim that is an Affected Claim is a Voting Claim (as defined below) or Unresolved Claim, or a combination thereof; and (b) satisfactory notice of and proof of transfer or assignment has been delivered to the Applicant and Monitor in accordance with the Claims Procedure Orders, where applicable, no later than 5 (five) days prior to the date of the applicable Meeting.

K. CONDUCT AT MEETINGS

23. **THIS COURT ORDERS** that the Meetings shall be conducted, and the Plan shall be voted upon and, if approved by the Required Majorities (defined below), ratified and given full force and effect, in accordance with the provisions of this Order, the Claims Procedure Orders, the CCAA, the CBCA, and any further order of this Court.

24. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair (the “**Chair**”) of each Meeting and, subject to this Order and any further order of this Court, shall decide all matters relating to the conduct of each Meeting.

25. **THIS COURT ORDERS** that the quorum required at each Meeting is as follows: (a) for the General Unsecured Creditor Class Meeting, the presence at such Meeting in person or by proxy of 1 (one) Affected Creditor with a Voting Claim that is a General Unsecured Claim; and (b) for the Non-USW Main Pension and OPEB Class Meeting, the presence at such Meeting in person or by proxy of 1 (one) Affected Creditor with a Voting Claim that is a Non-USW Main Pension and OPEB Claim.

26. **THIS COURT ORDERS** that the Monitor may appoint scrutineers (the “**Scrutineers**”) for the supervision and tabulation of the attendance, quorum and votes cast at each Meeting. A Person designated by the Monitor shall act as secretary at each Meeting.

27. **THIS COURT ORDERS** that if (a) the requisite quorum is not present at a Meeting, or (b) a Meeting is postponed by the vote of the majority in value of Voting Claims (as defined below) of the Affected Creditors with Voting Claims in the applicable Affected

Creditors Class present in person or by proxy; then the applicable Meeting shall be adjourned by the Chair to a date thereafter and to such time and place as may be appointed by the Chair.

28. **THIS COURT ORDERS** that a Meeting need not be convened in order to be adjourned and that the Chair shall be entitled to adjourn and further adjourn a Meeting at a Meeting or any adjourned Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the Applicant and Monitor shall not be required to deliver any notice of adjournment of a Meeting or adjourned Meeting other than announcing the adjournment at the applicable Meeting or posting notice at the originally designated time and location of the Meeting or adjourned Meeting and on the Monitor's Website. Any Proxy validly delivered in connection with the Meetings shall be accepted as a Proxy in respect of any adjourned Meeting.

29. **THIS COURT ORDERS** that the only Persons entitled to notice of or to attend the Meetings are the Monitor and its counsel; those Persons, including the holders of Proxies (defined below), entitled to vote at a Meeting pursuant to this Order and their legal counsel and advisors; the Applicant's officers, legal counsel and advisors; the Chief Restructuring Officer; the Plan Sponsor's officers, legal counsel and advisors; and the Scrutineers. Any other Person may be admitted to a Meeting on invitation of the Chair.

L. VOTING PROCEDURE

30. **THIS COURT ORDERS** that at each Meeting, the Chair shall direct a vote on a resolution to approve the Plan and any amendments thereto as the Applicant may consider appropriate, and may direct a vote with respect to any other resolutions as the Chair may consider appropriate, in consultation with the Applicant.

31. **THIS COURT ORDERS** that, in respect of the General Unsecured Creditor Class Meeting, only Affected Creditors holding General Unsecured Claims that are Proven Claims or Unresolved Claims or their proxies shall be entitled to vote at such Meeting.

32. **THIS COURT ORDERS** that, in respect of the Non-USW Main Pension and OPEB Class Meeting, only the administrator of each Non-USW Main Pension Plan and the Non-USW OPEB Affected Creditors (defined below) holding Proven Claims or their proxies shall

be entitled to vote at such Meeting and, further to the powers granted to Representative Counsel pursuant to the Representative Counsel Order and other orders of this Court,

- (a) Representative Counsel is hereby appointed as and deemed to be proxy, without any further action or need to issue any Proxy or any other document to effect same, for: the administrator of each of the Non-USW Main Pension Plans; and each Affected Creditor who is a retiree of the Applicant (or its predecessors or affiliates) not represented by the USW, and eligible spouses and beneficiaries of such retirees who have an independent entitlement to OPEBs (each a “**Non-USW OPEB Affected Creditor**”) other than,
 - (i) any Non-USW OPEB Affected Creditor who is an Opt-Out Individual; and
 - (ii) any Non-USW OPEB Affected Creditor with a Non-USW Main Pension and OPEB Claim who appoints an alternative proxy and submits their Proxy to the Monitor in accordance with this Order or attends the Non-USW Main Pension and OPEB Class Meeting in person to vote on the Plan in respect of their Non-USW Main Pension and OPEB Claim; and,
- (b) Representative Counsel is authorized to vote all Non-USW Main Pension and OPEB Claims in respect of which it acts as proxy holder in favour of the Plan except in respect of any Non-USW OPEB Affected Creditor that has indicated in its Proxy that it wishes to vote against the Plan.

33. **THIS COURT ORDERS** that Unaffected Creditors and holders of Equity Claims are not entitled, in such capacity, to attend the Meetings or vote on the Plan.

34. **THIS COURT ORDERS** that voting entitlement on the Plan shall be calculated as follows:

- (a) for the General Unsecured Creditor Class – each Affected Creditor, on the Record Date, with a General Unsecured Claim that is a Proven Claim is entitled to one vote as a member of the General Unsecured Creditor Class, which vote shall have a value equal to the dollar value of such General Unsecured Creditor’s Proven Claim in accordance with the Claims Procedure Orders, in respect of such General Unsecured Claim;

- (b) for the Non-USW Main Pension and OPEB Class – each administrator of each of the Non-USW Main Pension Plans and each Non-USW OPEB Affected Creditor with a Proven Claim, on the Record Date, is entitled to one vote as a member of the Non-USW Main Pension and OPEB Class (to be voted by Representative Counsel or as otherwise set out in paragraph 32), which vote shall have a value equal to either (i) the amount of the wind-up deficiency as set out in the last available actuarial report prepared by the plan actuary, on behalf of the plan administrator, in respect of the applicable Non-USW Main Pension Plan as filed with the Financial Services Commission of Ontario, in respect of a vote by the Non-USW Main Pension Plan administrator, as determined in accordance with the Claims Procedure Orders; or (ii) the amount of such Non-USW OPEB Affected Creditor’s Proven Claim as determined in the Claims Procedure Orders in respect of a vote by a Non-USW OPEB Affected Creditor.

(collectively, the “**Voting Claims**”).

35. **THIS COURT ORDERS** that the vote on the resolution to approve the Plan shall be decided by approval of the Plan by a majority in number of the Affected Creditors of each of the Affected Creditors Classes holding Voting Claims representing a two-thirds majority in value of such class that is present and voting at the Meeting in person or by proxy (the “**Required Majorities**”).

36. **THIS COURT ORDERS** that Affected Creditors with Unresolved Claims (or their proxies) may attend and vote at the Meetings and will have their voting intentions with respect to the Unresolved Claims separately recorded by the Monitor and reported to this Court. For purposes of such a vote each Affected Creditor with an Unresolved Claim is entitled to one vote in the General Unsecured Creditor Class, which vote shall have the value accepted by the Monitor, if any, for voting purposes only, in respect of an Unresolved Claim. The voting of such a claim in the Meeting and valuation of the Unresolved Claim for voting purposes is without prejudice to the rights of the Applicant and Monitor or the holder of the Unresolved Claim with respect to the resolution of the Claim for distribution purposes. Votes by Affected Creditors with Unresolved Claims in respect of such Unresolved Claims will not be considered in the calculation of the Required Majorities; however, if approval or

non-approval of the Plan by any of the Affected Creditors Classes proves to be determined by the votes cast in respect of Unresolved Claims, the Applicant and the Monitor, in consultation with the Plan Sponsor, on notice to the Service List, will request this Court's directions and, if necessary, appropriate deferral of the Sanction Hearing (as defined below) and any other applicable dates or an expedited determination of any material Unresolved Claims, as appropriate.

37. **THIS COURT ORDERS** that, following the vote at each Meeting, the Monitor will tally the votes in the manner set out herein and determine whether the Plan has been accepted by the Required Majorities.

38. **THIS COURT ORDERS** that the result of any vote at the Meetings shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present at the Meeting or voted on the resolution to approve the Plan.

39. **THIS COURT ORDERS** that every question submitted to be decided at a Meeting, except to approve the resolution to approve the Plan, will be decided by a vote of a majority in value of the Affected Creditors with Voting Claims present in person or by proxy at such Meeting.

M. VOTING BY PROXY

40. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicant, is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any proxy is completed and executed and is hereby authorized to accept and rely upon proxies substantially in the form attached hereto as the Non-USW General Unsecured Creditor Proxy or Non-USW Main Pension and OPEB Proxy, or such other form as is acceptable to the Monitor, in consultation with the Applicant (collectively, a "**Proxy**").

41. **THIS COURT ORDERS** that any Proxy must be received by the Monitor by no later than 5:00 p.m. on April 24, 2017, 2017 or 3 (three) Business Days prior to any adjournment of the relevant Meeting provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Applicant.

42. **THIS COURT ORDERS** that, for purposes of tabulating the votes cast on any matter voted upon at a Meeting, the Chair is entitled to rely on any vote cast by a holder of a Proxy that has been duly submitted to the Monitor in accordance with this Order, without independent investigation.

43. **THIS COURT ORDERS** that, if a duly signed and returned Proxy does not provide an instruction to vote for or against the approval of the resolution on the Plan, the Proxy will be deemed to include an instruction to vote for the approval of the resolution and the Plan, provided that the Proxy holder does not otherwise exercise its right to vote at the applicable Meeting.

44. **THIS COURT ORDERS** that a Creditor with a Voting Claim who is not an individual may only attend and vote at a Meeting if it has appointed a proxyholder to attend and act on its behalf at such Meeting.

N. CONVENIENCE CREDITORS

45. **THIS COURT ORDERS** that, in respect of Convenience Creditors who will receive payment in an amount equal to the lesser of \$7,500 and the actual amount of their Proven Claims subject to the terms and implementation of the Plan,

- (a) in order for a General Unsecured Creditor with Proven Claims exceeding \$7,500 (other than the Province) to elect to receive \$7,500 as a Convenience Creditor in full satisfaction of such Proven Claims subject to the terms and implementation of the Plan, such General Unsecured Creditor is required to indicate such election in the Election Notice section of its General Unsecured Creditor Proxy, which Proxy must be submitted pursuant to the terms of this Order; and
- (b) a General Unsecured Creditor with Proven Claims not exceeding \$7,500 shall not be permitted or required to make an election in the Election Notice section of its General Unsecured Creditor Proxy and shall receive an amount equal to the actual amount of such Proven Claim as a Convenience Creditor in full satisfaction of such Proven Claims subject to the terms and implementation of the Plan, and any election in the Election Notice section of the General Unsecured Creditor Proxy submitted by such Convenience Creditors shall be deemed null and void.

46. **THIS COURT ORDERS** that each Convenience Creditor with a Voting Claim shall be deemed to vote in favour of the Plan unless such Convenience Creditor has notified the Monitor in writing of its intention to vote against the Plan prior to the Meeting of the General Unsecured Creditor Class and does vote against the Plan at such Meeting either in person or by Proxy. The value of a Convenience Creditor's General Unsecured Claim for voting purposes is the actual amount of such Proven Claim.

O. MONITOR'S REPORT AND SANCTION HEARING

47. **THIS COURT ORDERS** that the Monitor shall provide a report to this Court no later than three (3) Business Days following the Meetings (the "**Monitor's Report Regarding the Meetings**"), which shall be served on the Service List and posted on the Monitor's Website as soon as practicable after it is filed with this Court, with respect to:

- (a) the results of the voting at each Meeting on the resolution to approve the Plan;
- (b) whether the Required Majorities have approved the Plan;
- (c) whether the votes cast in respect Unresolved Claims, if any, would affect the result of that vote; and
- (d) any other matter which the Monitor considers relevant.

48. **THIS COURT ORDERS** that in the event that the Plan has been approved by the Required Majorities, the Applicant shall bring a motion before this Court on May 9, 2017, or such later date as is set by this Court upon motion by the Applicant, for the Sanction Hearing, seeking an order sanctioning the Plan.

49. **THIS COURT ORDERS** that the posting on the Monitor's Website, service of the Meeting Materials and/or letters, and/or publication in accordance with paragraphs 15 to 18 above, shall constitute good and sufficient service and notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the Sanction Hearing, except that the Applicant shall serve the Service List with the motion materials relating to the Sanction Hearing and any additional materials to be used in support thereof and the Monitor shall post

and serve the Monitor's Report Regarding the Meetings in accordance with paragraph 47 above.

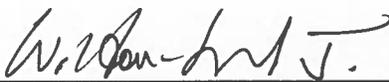
50. **THIS COURT ORDERS** that any party who wishes to oppose the entry of the Sanction Order shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the granting of the Sanction Order at least four (4) Business Days before the date set for the Sanction Hearing, or such shorter time as this Court, by order, may allow.

51. **THIS COURT ORDERS** that in the event that the Sanction Hearing is adjourned, only those Persons who have filed and served a Notice of Appearance in the Applicant's CCAA proceeding shall be served with notice of the adjourned date.

52. **THIS COURT ORDERS** that subject to any further order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

P. ASSISTANCE OF OTHER COURTS

53. **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 Order.



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

MAR 15 2017

REGISTRAR 

Schedule "A" – General Unsecured Creditor Proxy

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

**AND IN THE MATTER OF A PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
U. S. STEEL CANADA INC. ("USSC")**

GENERAL UNSECURED CREDITORS' PROXY AND ELECTION FORM

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of USSC (as may be amended, restated or supplemented from time to time, the "**Plan**") filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") and the *Canada Business Corporations Act*, R.S.C. 1985, c.C-44 (the "**CBCA**") with the Ontario Superior Court of Justice (Commercial List) (the "**Court**") or the Order of the Court dated March 15, 2017 in respect of the meetings of USSC's Creditors (the "**Meetings Order**").

VOTING BY PROXY

This proxy may only be filed by Affected Creditors with General Unsecured Claims (which, for greater certainty, includes Affected Creditors with Non-USW Supplemental Pension Claims and Non-USW Restructuring Claims) (each, an "Eligible Voting Creditor"). Any such Affected Creditor who is not an individual may only attend and vote at the Meeting if a proxyholder has been appointed to act on its behalf at such meeting.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Alex Morrison of Ernst & Young Inc., in its capacity as
Monitor, or a person appointed by him

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Meeting of the General Unsecured Creditor Class to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of such Meeting, and to vote the amount of the Eligible Voting Creditor's claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order, Claims Procedure Orders and set out in the Plan as follows:

To be completed by an Eligible Voting Creditor:

1. (mark one only):

Vote **FOR** approval of the Plan; or

Vote **AGAINST** approval of the Plan.

If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the Plan unless the Eligible Voting Creditor or their Proxy holder (provided the Proxy holder is a Person other than a representative of the Monitor) otherwise exercises their right to vote at the Meeting.

- and -

2. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Meeting of the General Unsecured Creditor Class or any adjournment, postponement or other rescheduling of such Meeting.

GENERAL UNSECURED CREDITOR ELECTIONS

This Election may be completed by Affected Creditors with General Unsecured Claims exceeding an aggregate of \$7,500:

Election to receive \$7,500 in respect of such General Unsecured Claim

Pursuant to the Plan and Meetings Order, General Unsecured Creditors with Proven Claims not exceeding an aggregate of \$7,500 will receive the actual amount of such Proven Claims pursuant to the Plan and are not entitled to make the election above (such Creditors, together with Affected Creditors with General Unsecured Claims exceeding an aggregate of \$7,500 who duly make the above Election in accordance with the Plan and Meetings Order, a "**Convenience Creditor**").

Pursuant to the Meetings Order, any Convenience Creditor with a Voting Claim shall be deemed to vote in favour of the Plan unless such Convenience Creditor has notified the Monitor in writing of its intention to vote against the Plan prior to the Meeting of the General Unsecured Creditor Class and does vote against the Plan at such Meeting either in person or by Proxy.

If this Proxy is submitted by a General Unsecured Creditor whose General Unsecured Claims that are Proven Claims exceed an aggregate of \$7,500 and the above box is not marked, such General Unsecured Creditor will be deemed to have not filed an Election Notice.

Notwithstanding any elections made pursuant to this Proxy, any and all distributions in respect of Affected Claims that are General Unsecured Claims shall be made subject to the terms (including, without limitation, any adjustments required pursuant to the Plan) and implementation of the Plan.

Any Proxy must be received by the Monitor by no later than 5:00 p.m. on April 24, 2017, 2017 or 3 (three) Business Days prior to any adjournment of the relevant Meeting provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Applicant. Proxies may be sent to the Monitor by email, fax, or mail at the following email address/fax number/address:

Ernst & Young Inc.
Monitor of USSC
222 Bay St., P.O. Box 251
Toronto-Dominion Centre
Toronto, ON M5K 1J7
Attention: USSC Monitor
Fax: 1-416-943-2887
Tel: 1-844-941-7764
e-mail: ussc.monitor@ca.ey.com

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2017.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

Schedule "B" - Non-USW Main Pension and OPEB Proxy

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

**AND IN THE MATTER OF A PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
U. S. STEEL CANADA INC. ("USSC")**

NON-USW MAIN PENSION AND OPEB CLAIM HOLDER PROXY

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of USSC (as may be amended, restated or supplemented from time to time, the "**Plan**") filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") and the *Canada Business Corporations Act*, R.S.C. 1985, c.C-44 (the "**CBCA**") with the Ontario Superior Court of Justice (Commercial List) (the "**Court**") or the Order of the Court dated March 15, 2017 in respect of the meetings of USSC's Creditors (the "**Meetings Order**").

Pursuant to the Meetings Order, this Proxy applies only to Opt-Out Individuals and Non-USW OPEB Affected Creditors who wish to appoint a proxy holder other than Koskie Minsky LLP ("Representative Counsel") or to vote against the Plan.

Representative Counsel is deemed to be the proxy for all other Non-USW Pension and OPEB Affected Creditors and is authorized to vote in favour of the Plan with respect to such Non-USW Pension and OPEB Claims.

VOTING BY PROXY

This proxy may only be filed by a Non-USW OPEB Affected Creditor (an "**Eligible Voting Creditor**"). For greater certainty, this Proxy does not apply to Creditors with Non-USW Supplemental Pension Claims or Non-USW Employee Restructuring Claims, which Claims are General Unsecured Claims voting in the General Unsecured Creditor Class.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Andrew Hatnay of Koskie Minsky, LLP, in its capacity as representative counsel,
or a person appointed by him

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Meeting of the Non-USW Main Pension and OPEB Class, to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of such

Meeting, and to vote the amount of the Eligible Voting Creditor's claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order, Claims Procedure Orders, and set out in the Plan as follows:

1. (mark one only):

Vote **FOR** approval of the Plan; or

Vote **AGAINST** approval of the Plan.

If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the Plan unless the Eligible Voting Creditor or their Proxy holder (provided the Proxy holder is a Person other than a representative of Koskie Minsky, LLP or the Monitor) otherwise exercises their right to vote at the Meeting.

- and -

2. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Non-USW Main Pension and OPEB Creditors' Meeting or any adjournment, postponement or other rescheduling of such meeting.

Any Proxy must be received by the Monitor by no later than 5:00 p.m. on April 24, 2017, 2017 or 3 (three) Business Days prior to any adjournment of the relevant Meeting provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Applicant. Proxies may be sent to the Monitor by email, fax, or mail at the following email address/fax number/address:

Ernst & Young Inc.
Monitor of USSC
222 Bay St., P.O. Box 251
Toronto-Dominion Centre
Toronto, ON M5K 1J7
Attention: USSC Monitor
Fax: 1-416-943-2887
Tel: 1-844-941-7764
e-mail: ussc.monitor@ca.ey.com

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2017.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT
WITH RESPECT TO U. S. STEEL CANADA INC.

Court File No. CV-14-10695-00CL

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

Proceeding Commenced at Toronto

MEETINGS ORDER

McCarthy Tétrault LLP

Toronto Dominion Bank Tower
Toronto, ON M5K 1E6
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James Gage LSUC#: 346761

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Email: skour@mccarthy.ca

Lawyers for U. S. Steel Canada Inc.
16266392

TAB 4

CITATION: U.S. Steel Canada Inc. (Re), 2017 ONSC 1967
COURT FILE NO.: CV-14-10695-00CL
DATE: 20170419

SUPERIOR COURT OF JUSTICE - ONTARIO

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO U.S. STEEL CANADA INC.

BEFORE: Mr. Justice H. Wilton-Siegel

COUNSEL: *Heather Meredith and Sharon Kour*, for the Applicant, U.S. Steel Canada Inc.

Robert Staley and Kevin J. Zych, for the Monitor, Ernst & Young Inc.

Gale Rubenstein and Melaney Wagner, for the Superintendent of Financial Institutions and the Province of Ontario

Lily Harmer, for the United Steelworkers International Union and the United Steelworkers International Union, Local 8782

Sharon L.C. White, for the United Steelworkers International Union, Local 1005

James Harnum, Representative Counsel for the non-unionized active employees and retirees

Michael Barrack, Mitch Grossell and Leanne Williams, for United States Steel Corporation

Michael Kovacevic, for the City of Hamilton

Lou Brzezinski, for Robert and Sharon Milbourne

Patrick Riesterer, for Brookfield Capital Partners Ltd.

Mario Forte, for Bedrock Industries Canada LLC and Bedrock Industries L.P.

Vlad Calina, for USSCF, the Plan Advisor

HEARD: March 15, 2017

ENDORSEMENT

[1] The applicant, U.S. Steel Canada Inc. (“USSC”), sought a number of orders in respect of a proposed plan of arrangement and compromise (the “Plan”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “CCAA”). The Plan contemplates the acquisition of substantially all of USSC’s operating business and assets on a going-concern basis by Bedrock Industries Canada LLC (“Bedrock”) through the acquisition of all of USSC’s outstanding shares. At the conclusion of the hearing of the motions, I advised the parties that the motions were granted for written reasons to follow. This Endorsement sets out the reasons for such relief.

[2] As a preliminary matter, it should be noted that the motions were supported by Her Majesty the Queen in Right of the Province of Ontario (“Ontario”) and the United States Steel Corporation (“USS”) and were not opposed by Representative Counsel for the current and former non-unionized employees of USSC or by the United Steelworkers International Union (the “USW”), USW Local 8782 or USW Local 1005. In addition, in its thirty-seventh report, dated March 13, 2017 (the “Monitor’s Report”), the Monitor recommended approval of each of the motions for the reasons set out therein. Such level of support constituted an important consideration in the Court’s approval of each of the motions, in addition to the specific considerations set out below.

The Supplementary Claims Process Order

[3] USSC seeks approval of an order providing for a process to identify and determine claims not previously determined pursuant to the order dated November 13, 2014 (the “General Claims Process Order”). The General Claims Process Order excluded claims of current and former employees respecting outstanding wages, salaries and benefits, claims relating to USSC’s retirement plans, claims relating to non-pension post-employment benefits (“OPEB”s), and claims against the directors and officers of USSC.

[4] The purpose of the order sought is to crystallize the pool of claims that will be affected under the Plan. The proposed supplementary claims process would pertain to a subset of the creditors whose claims were excluded from the General Claims Process Order, being: (1) current and former non-unionized employees with pension claims, OPEB claims and supplemental pension claims; (2) former non-unionized employees with claims pertaining to the termination of their employment; (3) persons with claims against the directors and officers of USSC; and (4) persons who filed a claim after December 22, 2014 but before March 1, 2017.

[5] The Court has the authority under s. 11 of the CCAA to make orders it considers appropriate in the circumstances, subject to restrictions set out in the CCAA. It is not disputed that such authority includes the authority to approve a process to solicit and determine claims against a debtor company and its directors and officers.

[6] In this case, the claims process sought is necessary for the approval and implementation of the Plan, both for voting purposes and in order to determine the universe of claims subject to the releases contemplated by the Plan. There is no suggestion from the stakeholders appearing on this motion that the proposed claims process is not fair to the potential claimants in terms of notice or process. The timeline provided for the determination of the relevant claims is also expedient in as much as it is consistent with the timing of the proposed meetings of creditors dealt with below. In this regard, the Monitor has advised in the Monitor’s Report that it believes

the proposed claims process provides sufficient and timely notification to allow creditors to submit proofs of claim or dispute notices, as applicable, prior to the claims bar date under the proposed order, being April 20, 2017, particularly in view of the fact that non-unionized employees and retirees will not need to file individual proofs of claim in most circumstances. Further, the Monitor will have a supervisory role to ensure that claimants are dealt with reasonably and fairly. In respect of the late-filed claims in item (4) above, the Monitor does not believe their inclusion in the claims process will materially prejudice the other creditors in view of the *de minimus* amount of these claims and the current status of the Plan.

[7] Based on the foregoing, including the support for the motion and the absence of any objections thereto as set out above, I am satisfied that the proposed supplementary claims process order should be approved.

The Meetings Order

[8] USSC seeks an order accepting the filing of the Plan; authorizing USSC to convene creditors meetings to vote on the Plan; approving the classification of creditors as set out in the Plan for the purposes of the meetings and voting on the Plan; approving the distribution of the notice of meeting and materials pertaining to the Plan; approving the procedures to be followed at the meetings; and setting May 9, 2017 as the date for the hearing of USSC's motion for an order of the Court sanctioning the Plan.

[9] The Plan is the outcome of an initial sales and restructuring/recapitalization process and a subsequent sale and investment solicitation process. These activities have been addressed fully in other endorsements of the Court, and are summarized in the affidavit of the chief restructuring officer of USSC, William Aziz, sworn March 10, 2017, and therefore need not be repeated here.

[10] There are two classes of "affected creditors" pursuant to the Plan:

- (1) General unsecured creditors, which for this purpose do not include Ontario and USS, who would receive a cash distribution in respect of their claims which would be released, discharged and barred; and
- (2) Creditors having claims for non-unionized pension benefits and OPEBs, which would be replaced by new non-unionized pension benefits and OPEBs, with these creditors' existing claims to be released, discharged and barred.

[11] USSC proposes that the meetings of these two classes of creditors be held on April 27, 2017.

[12] In determining whether the Court should approve the filing of the Plan under paragraph 3 of the initial order in these proceedings under the CCAA (the "Initial Order") and order the convening of a meeting of creditors to vote upon the Plan, the Court must be satisfied that the Plan is not doomed to failure. This standard is amply satisfied in the present circumstances, given the level of support for the motion and the absence of any objections as described above. The Court is not to determine the fairness and reasonableness of the Plan at this stage, such issues being reserved for the sanction hearing after the creditors meetings.

[13] Section 22 of the CCAA requires approval by the Court of the division of creditors into the classes contemplated by the Plan. The two classes of creditors contemplated by the Plan have been described above. For clarity, the Plan leaves the treatment of the claims of other creditors to be addressed pursuant to contractual arrangements to be negotiated between those creditors and USSC.

[14] I am satisfied that the creditors in each of the classes contemplated have the necessary commonality of interest required by s. 22(2) of the CCAA. The creditors in class (1) will receive a cash distribution in respect of their claims. The creditors in class (2) will not receive a cash distribution but will instead receive replacement benefits. Accordingly, the two classes of creditors receive different treatment under the Plan while each of the creditors within each class is an unsecured creditor who receives similar treatment under the Plan and would have similar remedies if the Plan is not accepted. I note as well that the Monitor supports the proposed classification of creditors as being appropriate based on the fact that the two classes have different interests and are treated differently under the Plan.

[15] Further, I am satisfied that it is appropriate that Representative Counsel act as the deemed proxy for the administrator for the non-unionized pension plans and for the current and former non-unionized employees having OPEB claims, given the active involvement of Representative Counsel in these proceedings to date on behalf of, and the commonality of interest of, the current and former non-unionized employees. I note as well that a procedure exists for individuals who have opted to represent themselves, and for individuals who have been represented by Representative Counsel but who choose to participate directly at the creditors meetings, to appoint an alternative proxy or to attend and vote in person at the creditors meetings.

[16] The other terms of the proposed meetings order regarding the notice of the meetings, the conduct of the meetings, and voting at the meetings do not otherwise raise any substantive issues of fairness and reasonableness.

[17] Based on the foregoing, the proposed meetings order is approved.

Amendment of the Plan Support Agreement

[18] USSC also seeks an order authorizing USSC to enter into:

- (1) An agreement (the “PSA Amending Agreement”) amending the “CCAA Acquisition and Plan Sponsor Agreement” dated December 9, 2016 between USSC, Bedrock and Bedrock Industries L.P. (the “PSA”); and
- (2) An agreement (the “Support Amending Agreement”) amending the “Support Agreement” made December 9, 2016 between USSC and Ontario.

[19] The Court has the authority under ss. 11 and 11.02(2) to approve a debtor company entering into an agreement to facilitate a restructuring. The Court has previously authorized the PSA and the Support Agreement pursuant to such powers.

[20] The PSA Amending Agreement and the Support Amending Agreement, among other things, amend the timetable for various milestones to reflect the timetable contemplated by the meetings order. They also amend the existing agreements to reflect the term sheets as finalized to date respecting various aspects of the Plan arrangements.

[21] I am satisfied that the PSA Amending Agreement and the Support Amending Agreement should be approved as necessary for, and as furthering the purposes of, the proposed restructuring of USSC pursuant to the Plan.

Extension of the Stay Period

[22] Lastly, USSC seeks an order extending the stay of proceedings under the Initial Order in these proceedings to May 31, 2017.

[23] Section 11.02(2) of the CCAA gives the Court the discretion to extend the stay of proceedings if the requirements of s. 11.02(3) are satisfied.

[24] In this case, USSC has established that it has acted, and is acting, in good faith and with due diligence to implement a plan of restructuring and compromise. The proposed stay extension provides USSC with the time required to allow the creditors to vote on the Plan at the creditors meetings and, if approved, to seek the Court's approval at the sanction hearing. It also grants USSC sufficient time to negotiate the necessary agreements and to finalize the necessary arrangements that are conditions to implementation of the Plan. The Monitor advises in the Monitor's Report that the revised cash flow forecast of USSC contemplates that USSC will have sufficient liquidity to continue to operate throughout the proposed stay extension period.

[25] Accordingly, I am satisfied that it is appropriate to approve the extension of the stay of proceedings under the Initial Order to May 31, 2017.

Wilton-Siegel, J.

Date: April 19, 2017

N° / No. C.S.: 500-11-048114-157

**SUPERIOR COURT OF DISTRICT OF MONTREAL
(Commercial Division)**

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

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

**BLOOM LAKE GENERAL PARTNER LIMITED, QUINTO MINING CORPORATION, 8568391 CANADA LIMITED,
CLIFFS QUÉBEC IRON MINING ULC, WABUSH IRON CO. LIMITED, WABUSH RESOURCES INC.**

Petitioners

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP, BLOOM LAKE RAILWAY COMPANY LIMITED,
WABUSH MINES, ARNAUD RAILWAY COMPANY, WABUSH LAKE RAILWAY COMPANY LIMITED**

Mises-en-cause

FTI CONSULTING CANADA INC.

Monitor

**MICHAEL KEEPER, TERENCE WATT, DAMIEN LABEL AND NEIL JOHNSON as Representatives of the Salaried/Non-
Union Employees and Retirees)**

PETITIONERS - Mises-en-cause

FTI CONSULTING CANADA INC.

Monitor

UNITED STEELWORKERS, LOCAL 6254, UNITED STEELWORKERS, LOCAL 6285

Mises-en-cause

MORNEAU SHEPELL

Mise-en-cause

**BOOK OF AUTHORITIES AND PRECEDENTS in support of the
the response of Representative Counsel to the Motion by the CCAA Parties for the Issuance of a Plan Filing and Meetings Order**

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