

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

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

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

MOTION RECORD
of the CanWest Salaried Employees and Retirees (CSER) Group

Date: January 31, 2010

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TAB 1

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

**NOTICE OF MOTION
(returnable February 8, 2010)**

Russell Mills, Blair MacKenzie, Rejean Saumure and Les Bale (collectively, the
“Representatives”) on behalf of the Former Salaried Employees and Retirees of Canwest
Publishing Inc./Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) and
Canwest Limited Partnership and the Canwest Global Canadian newspaper entities
(collectively “Canwest” or the “LP Entities”) or any person claiming an interest under or
on behalf of such Salaried Employee, Retiree including beneficiaries and surviving
spouses will make a motion to a judge of the Commercial List at the courthouse at 330
University Avenue, Toronto, Ontario on a date to be set by judge of the Commercial List
at a chambers appointment on February 8, 2010 at 10:00 a.m. or as soon thereafter as the
motion can be heard.

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

THE MOTION IS FOR:

1. An Order abridging the time for service of this Notice of Motion and dispensing with service on any person other than those served;

2. An Order appointing Russell Mills, Blair MacKenzie, Rejean Saumure and Les Bales as Representatives (the "Representatives") of the former Salaried Employees and Retirees (including surviving spouses of Retirees and employees) of Canwest Publishing Inc., Canwest Books Inc., Canwest (Canada) Inc. and Canwest Limited Partnership (collectively referred to as "Canwest") in this proceeding under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA"), any proceeding under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or in any other proceeding which has been or may be brought before this Honourable Court (the "Proceedings").

3. An Order that Representatives may determine, advance and compromise any and all Salaried Employees and Retirees' (including claims of surviving spouses of retirees and employees) claims which now have arisen or may arise at law or equity or under federal or provincial legislation, including but not limited to actual or deemed trust claims, secured or unsecured claims under the BIA, contractual claims, and any claims arising under pension legislation which may be made against Canwest or its estate, as the case may be, relating to or arising out of the Salaried Employees and Retirees' entitlements including to the Pension Plan or other retirement related benefits (the "Claims").

4. An Order that Nelligan O'Brien Payne LLP and Shibley Righton LLP be appointed in these proceedings to represent the Canwest' Salaried Employees and Retirees for all matters relating to the Claims and any issues affecting the Salaried Employees and Retirees in the Proceedings.

5. An Order that Canwest shall forthwith provide to the Representatives and their counsel, without charge:

- a. the names, last known addresses and last known phone numbers and email addresses (if any) of all the Salaried Employees and Retirees, whom they represent, as well as applicable data regarding their entitlements, subject to a confidentiality agreement and the information to only be used for the purposes of the Proceedings;
- b. all documents and data, including generally those pertaining to the various employment, pension, retiree benefits and supplementary pension including up-to-date financial information regarding the funding and investments of any of these arrangements and any associated actuarial valuation and reports; and
- c. any other documents relevant to the Claims.

6. An Order that all reasonable legal, actuarial and financial expert and advisory fees and all other incidental fees and disbursements, as may have been or shall be incurred by the Representatives and their counsel, shall be paid by Canwest on a bi-weekly basis, forthwith upon the rendering of accounts to the Monitor.

7. An Order that notice of the granting of this Order be provided to the Salaried Employees and Retirees by advertisement in local newspapers in such form and under such terms and conditions to be set by this Honourable Court.

8. An Order that the Representatives, or their counsel on their behalf, are authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.

9. An Order that any individual Salaried Employee or Retiree who does not wish to be bound by this Order and all other Orders which may subsequently be made in these proceedings shall, within 30 days of receiving notice of this Order, notify the Monitor, Canwest and Nelligan O'Brien Payne LLP in writing, and shall thereafter represent themselves as an independent individual party to these proceedings.

10. An Order that Salaried Employees and Retirees bound by this order excludes any unionized and former unionized employees who are being represented by their union and that the Representatives have no obligation to represent such persons to the extent that their former union chooses and does represent their interests.

11. An Order that the Representatives and Nelligan O'Brien Payne LLP and Shibley Righton LLP shall have no liability as a result of their respective appointment or the fulfillment of their duties in carrying out the provisions of this Order save and except for any gross negligence or unlawful misconduct on their part.

12. An Order that the Representatives shall be at liberty and are authorized at any time to apply to this Honourable Court for advice and directions in the discharge or variation of their powers and duties.

13. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Canwest has unpaid and underfunded obligations to Retirees and Employees

(a) On January 8, 2010, Canwest obtained an order for protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1986, c. C-36, as amended (the "CCAA") staying all proceedings and claims against them (the "Stay Order");

(b) Canwest is insolvent, and suffers from severe financial difficulties;

(c) Canwest's cashflow projections do not contemplate the continued payment of certain post employment and post retirement benefits to former employees of Canwest who are not represented by a union;

(d) Canwest has ceased making payments under all of the following programs which has seriously effected salaried Employees and Retirees:

- i. All pensions which were paid from sources other than a registered Pension Plan, including but not limited to payments in respect of the Canwest Southam Executive Retirement Arrangements (SERA), which is a supplemental pension plan and Retirement Compensation Arrangement (RCA).
- ii. Employees who were terminated by Canwest prior to the CCAA filing have had their severance packages terminated.

iii. such other unsecured claims against Canwest which any Salaried Employees and Retiree may have.

(e) In addition, the loss of SERA payments for some Salaried Retirees has meant a substantial reduction of their monthly income, drastically impacting their quality of life. These retirees planned their retirement based on the knowledge that they would be receiving a certain fixed income. They are therefore, particularly vulnerable in these proceedings;

(f) Former employees have had their severance entitlements abruptly terminated, therefore have no income and are vulnerable creditors who on their own will not be able to pursue claims against Canwest;

(g) There are approximately 7 Salaried Retirees from across Canada and approximately over 45 former non-unionized employees, all of whom are particularly vulnerable to any changes to their fixed income, that have so far been negatively impacted by the Canwest seeking CCAA protection;

(h) Nelligan O'Brien Payne LLP and Shibley Righton LLP currently represent more than 10 former employees and 7 retirees of Canwest;

(i) Salaried Employees and Retirees should be represented as a group as they are all affected by Canwest' insolvency proceedings. This vulnerable group's interests are not being protected and their input in these proceedings is crucial. To the extent that the Unionized Employees and Retirees are being represented by their unions, their interests are already being protected. However, should their union elect not to speak on their behalf, the group could include Unionized Employees and Retirees;

(j) In addition, the proposed credit acquisition involves an acquisition by an entity capitalized by the Secured Creditors and described as AcquireCo. AcquireCo. may acquire substantially all of the assets of the LP Entities (including the shares in National Post Inc.) and assume certain of the liabilities of the LP Entities. While it is contemplated that AcquireCo. would offer employment to substantially all of the employees of the LP Entities and would assume most of the LP Entities' existing pension plans and existing post-retirement and post-employment benefit plans, not all employee and retiree benefits are being assumed and the contemplated agreement includes a right by AcquireCo. to exclude liabilities. As consequence, it is not entirely clear to what additional extent salaried employees and retirees may be adversely affected by the CCAA and representation is required to represent their interests and assist them through the process;

(k) Salaried employees and retirees will also have significant claims against the Directors of Canwest that will be pursued through the CCAA process.

The Representatives

(l) The Representatives are the Steering Committee of the Canwest' Salaried Employees and Retirees Group ("CSER"), a volunteer group created in response to the CCAA filing and the Stay Order with a mandate to defend and protect the severance entitlements, pensions, retirement payments and other benefits and interests of Salaried Employees and Retirees;

(m) CSER currently has members 18 members all of whom have retained Nelligan O'Brien Payne LLP and Shibley Righton LLP;

(n) Included in the Steering Committee are Salaried Employees and Retirees with the full range of specific claims outlined in subparagraph (d) above;

(o) The appointment of Nelligan O'Brien Payne LLP and Shibley Righton LLP will benefit the salaried employees and retirees by, *inter alia*, providing expert representation in a cost effective and timely, manner;

(p) It is desirable that the rights of the Salaried Employees and Retirees are dealt with in a fair, independent, cost-effective and orderly way, and that they be represented by counsel.

(q) Claims of Salaried Employees and Retirees in particular are complex and varied, requiring legal, actuarial and accounting advice in order to be properly ascertained and filed;

(r) Representative counsel have been appointed to act on behalf of former employees of Canwest in the CMI CCAA proceedings;

(s) The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

(t) Rules 3 and 10 of the Rules of Civil Procedure;

(u) Section 131(1) of the Courts of Justice Act;

(v) Section 197(1) of the BIA;

(w) Section 11(1) of the CCAA; and

(x) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be read in support of this motion:

- (a) The Affidavit of Russell Mills, sworn January 28, 2010
- (b) The Affidavit of Rejean Saumure sworn January 28, 2010
- (c) The Affidavit of Blair MacKenzie sworn January 28, 2010
- (d) The Affidavit of Steven Levitt sworn January 28, 2010
- (e) Such further and other material as counsel may advise and this Honourable Court permit

Date: January 28, 2010

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Employees and Retirees (CSER) Group

TO: THE ATTACHED SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN:

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

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

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

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

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

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

Proceeding commenced at Toronto

NOTICE OF MOTION

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TAB 2

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
CANWEST PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST
BOOKS INC. AND CANWEST (CANADA)

**AFFIDAVIT OF RUSSELL MILLS
(Sworn January 28, 2010)**

I, Russell Mills, of the City of OTTAWA , in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:

1. I am the former publisher of the Ottawa Citizen and employee of Canwest Publishing Inc. ("CPI"). In my affidavit, Canwest Publishing Inc./Publications Canwest Inc., Canwest Books inc., Canwest (Canada) and Canwest Limited Partnership and the Canwest Global Canadian newspaper entities are collectively referred to as "Canwest" or the "LP entities". I swear this affidavit in support of the motion by myself, Blair Mackenzie, Rejean Saumure and Les Bale for a representative and funding order on behalf former salaried employees and retirees of Canwest and for the appointment of Nelligan O'Brien Payne LLP and Shibley Righton LLP as representative counsel.

2. As a former employee and retiree of Canwest, I have knowledge of the matters to which I hereinafter depose except where stated to be based upon information and belief. Where I rely on information and belief, I verily believe it to be true.

Background

3. While in university, I began working for the London Free Press. I subsequently joined the Oshawa Times as a reporter in 1970 and shortly thereafter became City Editor. In 1971, I joined the Ottawa Citizen as a Copy Editor. After a series of promotions in 1977, I became the Editor of the newspaper. In 1984, I was appointed the General Manager. In 1986, I became the Publisher of the Ottawa Citizen.
4. Subsequently, in 1989 I became the President of the Southam Newspaper Group and at that time was responsible for all of Southam's daily and weekly newspapers. After my tenure as President, I returned to my position as Publisher of the Ottawa Citizen in 1992. I remained in that position until June of 2002 when my employment at Canwest was terminated. After a 30 months salary continuance period, I proceeded to retire on December 16, 2004 and began receiving my accrued pension and supplementary pension entitlements at that time.

Corporate History

5. During my employment, the corporate ownership structure of the Ottawa Citizen and the other newspapers now owned by Canwest went through a number of

changes. In 1992, Southam Inc., which owned the Ottawa Citizen and other daily and weekly newspapers across Canada, was acquired by Hollinger Inc.

6. In 2000, Hollinger Inc. agreed to sell the Southam Newspaper business to Canwest. As part of the transaction, the newspaper assets were transferred to a company called Southam Publishing Inc., which assumed liability for employees and post-employment and post-retirement benefits and entitlements.
7. Subsequently, Southam Publishing Inc. changed its name to Canwest Publishing Inc., which was a wholly owned subsidiary of Canwest Global Communications Corp. In 2005, Canwest Publishing Inc. transferred some of its community newspapers to Canwest Limited Partnership.

Pension and SERA Entitlements

8. As a former employee and retiree of Canwest and its predecessor companies, I am entitled to and receive a pension benefit from the Southam Retirement Pension Plan, specifically the Canwest Southam Publications Inc. Retirement Plan. Attached as Exhibit "A" is a copy of the Pension Plan.
9. I am also entitled to pension payments from the Southam Executive Retirement Arrangements (SERA). The SERA is a non-registered plan used to provide supplemental pension benefits to former executives of Canwest and its predecessors in excess of those earned under the Pension Plan and in excess of those permitted

under the *Income Tax Act*. The SERA payments I received on a monthly basis post-retirement represent a significant portion of the retirement benefits that I am entitled to be paid by Canwest. Attached as Exhibit "B" is a copy of the SERA Agreement I signed on July 13, 1990.

Canwest's CCAA Protection and Impact

- 10. On January 8, 2010, Canwest obtained an order pursuant to the CCAA staying all proceedings and claims against them (the "Initial Order"). Pursuant to the Initial Order, Canwest is entitled but not required to make payments to the employee and retiree benefits plans. In addition, the Initial Order specifically excluded SERA from the authorization to Canwest to continue employee and retiree payments.
- 11. On January 8, 2010, I received a phone call from Grace Palombo, Senior Vice President of Human Resources advising me that my SERA payments would cease effective immediately. She also advised that the registered pension plan was not affected and that I would receive two letters, one from Leonard Asper describing what had happened and a second outlining the CCAA process.
- 12. On January 11, 2010, I received a letter from Leonard Asper, President and CEO of Canwest Global Communications Corporation, advising that certain the Canwest LP entities had filed for and were granted protection under the CCAA and that in

conjunction with the filing the SERA had been terminated. Attached as Exhibit "C" is a copy of the January 11, 2010 letter.

13. As a consequence of the CCAA filing, I no longer receive payment of my SERA benefits. This loss has had a significant impact on my income and I cannot replace it. Furthermore, the loss of my SERA payments has severely impacted my retirement, which I had planned for based on the receipt of the SERA payments. I understand from the pre-filing report of the Monitor, that in total seven (7) retirees and two (2) current employees have seen their entitlements under the SERA unilaterally terminated.
14. When I elected to commence receiving my pension and SERA entitlements, I chose a 100% joint survivorship option that reduced my immediate SERA and pension entitlements to ensure that should I predecease my spouse, she would receive a lifetime pension. I am concerned that my wife will no longer receive this benefit as a result of the CCAA filing.
15. I also understand from the materials filed by Canwest and from discussions with former employees that Canwest has ceased making payments to former employees who were terminated prior to the Initial Order being granted.

16. As a retiree of Canwest, I am entitled to certain retiree benefits, which are funded by Canwest. Given the CCAA filing, I am concerned that Canwest or any successor company will not be able to pay these benefits in the future.

17. As a retiree now drawing a pension from the Pension Plan, entitled to SERA payments and accessing the Health Plan, I have a direct interest in the outcome of Canwest' CCAA restructuring, particularly since my income has been significantly reduced by the termination of the SERA and since my Pension entitlements as well as my retiree medical benefits are all at risk.

Development of CSER and Concerns

18. In the fall of 2009, after hearing media reports, I became concerned with Canwest's financial situation and its continued ability to pay for my SERA and pension entitlements. As a consequence, I along with other retirees entitled to SERA payments formed a group in order to allow us to better understand and share information regarding our rights and entitlements.

19. Since shortly after January 8, 2009 and the CCAA filing, I have been engaged in efforts to advance and protect the interests of salaried employees and retirees through the formation of the Canwest Salaried Employees and Retirees ("CSER") group and my involvement with its Steering Committee. CSER consists of both former employees who have had their severance packages terminated and retirees who have had their SERA entitlements terminated. CSER has been formed to

protect the interests of former employees of Canwest and to ensure that former employees are kept informed of developments. To that effect, we have been making efforts to try and locate former employees and retirees across Canada that have been affected by Canwest's CCAA filing.

20. We have also recently formed a Steering Committee consisting of Blair Mackenzie, Rejean Saumure, Les Bale and myself. The Steering Committee is diverse and includes retirees and former employees. As a member of the Steering Committee of CSER, I am able to say that we plan to continue the protection of such interests throughout Canwest's CCAA proceedings.
21. This past few months have been very difficult for me on many levels. I provided Canwest and its predecessors with over 30 years of service in various positions of responsibility. Moreover, many of the former employees have had a career spanning decades of dedicated service. I am extremely disturbed by the precarious financial situation of Canwest and am very concerned with the effects of such financial distress on its former employees. I am not confident in the solvency of the Pension Plan and the payment of other benefits to which I am entitled and for which I, as well as many others, have contributed significant portions of our salaries during our working career.
22. I am very concerned that my SERA payments have ceased to be paid since they account for most of my retirement income from Canwest. I trusted that Canwest,

would continue to pay my SERA entitlements for the rest of my life and took such funds into consideration when planning my retirement. I rely on these payments to continue my retirement as planned and am upset that I no longer receive the full retirements payments promised to me. I am further concerned about the underfunded status of the Pension Plan which could cause an additional reduction to my retirement income in the future.

23. As a retiree, I depend upon the medical supplemental benefits provided by Canwest. I am concerned that my supplemental medical benefits could be discontinued and I will be forced to try to obtain personal medical coverage or to try to cover my medical expenses on my own. Either way, the possible reduction or elimination of supplemental medical benefits would create significant additional expenses for me. Retirees rely on supplemental medical benefits to cover their increasing medical costs. Any reduction or elimination would severely impact their incomes and quality of life.
24. I understand from Canwest's filings that there is a proposed credit acquisition that involves an acquisition by an entity capitalized by the Secured Creditors ("Acquire Co"). AcquireCo may acquire substantially all of the assets of the LP Entities (including the shares in National Post Inc.) and assume certain of the liabilities of the LP Entities. It is contemplated that AcquireCo would offer employment to substantially all of the employees of the LP Entities and would assume most of the LP Entities' existing pension plans and existing post-retirement and post-

employment benefit plans. Not all employee and retiree benefits are being assumed however and the contemplated agreement includes a right by AcquireCo to exclude liabilities. As consequence, it is not clear to what additional extent employees and retirees may be adversely affected by these proceedings and representation is required to assist them through the process.

- 25. Furthermore, both retirees and former employees may have claims against the Directors of Canwest that needed to be explored and ultimately pursued in the CCAA proceedings. Without the assistance of counsel, retirees and former employees will not be able to identify and pursue such claims.

Benefits of Appointing the Representatives

- 26. Having the Steering Committee members and Nelligan O'Brien Payne LLP along with Shibley Righton LLP (NOP/SR) appointed as counsel for the Salaried Retirees provides a reliable source for information about the process. We can speak on behalf of the Salaried Employees and Retirees to Canwest and other stakeholders and report back through our contacts or the Nelligan O'Brien Payne website to the affected salaried retirees and employees. CSER and NOP/SR can advocate on behalf of the Salaried Employees and Retirees in the negotiation of a Plan under the CCAA and can address with the Court issues that may affect their interests.
- 27. Employees and Retirees are a vulnerable group of creditors in an insolvency matter because they have little means to pursue claims or representation in complex CCAA

proceedings or other related insolvency proceedings. Former employees and retirees of Canwest would therefore benefit from an order appointing representative counsel in this proceeding. This order would not only assist former employees and retirees to advance their claims but would also allow us to have a reliable source for information about the process through our representative counsel. The appointment of representative counsel would have the benefit of streamlining our concerns and our claims and would introduce efficiency to the process for all the parties involved in the proceedings.

28. I am advised by Steven Levitt of Nelligan O'Brien Payne and verily believe that the firm has set up a website link and dedicated email address on their firm website to provide detailed information to the former employees and retirees of Canwest about the CCAA proceedings.

29. I am advised by Steven Levitt of Nelligan O'Brien Payne and verily believe that if there are claims to be filed on behalf of the Salaried Employees and Retirees in the CCAA or in a bankruptcy, the Monitor or Trustee will not necessarily prepare and calculate their claims but will simply wait for us to calculate and submit claims on our own. Many Retirees and former employees may not submit claims because they do not understand the process and what needs to be done to advance their claims. Further, claims pertaining to the calculation of unpaid future SERA entitlements requires the assistance of an actuary with access to relevant data in order to provide an accurate calculation. This is not available to individual retirees. This can result in

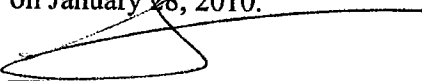
such salaried employees and retirees not receiving any dividends whatsoever in respect of their unpaid benefits.


30. I am concerned that many former employees will have difficulties with the claims process without the assistance of a lawyer. Both the services of a lawyer and of an actuary are not available without great expense and would be out of reach for individual retirees and for former employees whose income has been substantially reduced. Without assistance, many retirees and former employees may be reluctant to make claims or to further participate in the process due to its onerous and confusing nature.
31. In addition, the Court has ordered in Canwest's CMI proceedings that former employees and retirees be provided with representation funded by Canwest. It would only be fair that former employees of the LP entities be similarly provided with paid representation.
32. As a retiree, I continue to be concerned about the impact that the Canwest' CCAA restructuring will have on my pension and other retiree benefits, and ultimately on my way of life as a retiree. It is due to these concerns, and the interests of all of the non-unionized former employees, that the Steering Committee seeks an order appointing Nelligan O'Brien Payne LLP and Shibley Righton LLP to ensure that former employees' interests are represented. In addition, should we be advised that any Unions are not representing the interests of their former employees in these

proceedings, the Steering Committee is willing and able to represent their interests as well. Additional members would be added to the Steering Committee to reflect the full diversity of former employees and to be responsive to their concerns.

33. I make this affidavit in good faith and in support of this motion to appoint the CSER Steering Committee as representatives to all salaried former employees and retirees of Canwest and Nelligan O'Brien Payne and Shibley Righton as representative counsel for this group and for no improper purpose.


SWORN BEFORE ME at
the City of Ottawa
in the Province of Ontario,
on January 28, 2010.


Commissioner of Oaths, etc.


Russell Mills

TAB A

**This is Exhibit A referred to in the affidavit of
Russell Mills
sworn before me,
this 28th day of January, 2010.**

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

A Commissioner, etc.

**CanWest Southern
Publications Inc.
Retirement Plan**

Effective
November 16, 2000

Restated
as at June 30, 2002

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| Introduction |
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1. The CanWest Southam Publications Inc. Retirement Plan (the "Plan") is maintained by Southam Publications Inc. for certain eligible employees.
2. This Plan is a spin-off from the Southam Retirement Plan maintained by Southam Inc. under Registration Number 0526947 (the "Prior Plan").

Effective November 16, 2000, the Company offered employment to certain employees of Southam Inc., as contemplated under an Asset Purchase Agreement between Southam Inc. and CanWest Global Communications Corporation. These employees are:

- (a) active employees of Employers who participate in this Plan; and
 - (b) employees on temporary leave of absence, including lay-off, who return to active employment with an Employer in this Plan not later than November 15, 2001.
3. Assets and liabilities in respect of benefits accrued under the Prior Plan by Employees transferring to this Plan will be transferred from the Prior Plan to this Plan in accordance with Section 3.2.
 4. Employees who have benefit entitlements under the Sterling Newspapers Limited and Associated Companies Pension Plan (the "Sterling Plan") who became Participants on the Effective Date shall have their benefit entitlements under this Plan reduced by the benefits payable under the Sterling Plan. No assets and liabilities shall be transferred from the Sterling Plan to the Plan.
 5. Unless stated otherwise, the terms of the Plan as established shall apply to Participants who retire, terminate employment or membership, or die on or after the Effective Date.

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| I DEFINITIONS |
|---------------------------|

Masculine or feminine pronouns used herein shall refer to men or women or both and nouns and pronouns when stated in the singular shall include the plural and when stated in the plural shall include the singular, whenever appropriate.

- 1.1 **"Actuarial Equivalent"** means an actuarial equal value computed at the rate of interest and using actuarial tables which do not discriminate on the basis of sex adopted by the Company on the recommendation of the Actuary for purposes of the Plan, subject to any requirements of the Pension Benefits Act and the Income Tax Act.
- 1.2 **"Actuary"** means an independent actuary, selected by the Company, who is a Fellow of the Canadian Institute of Actuaries, or a firm of independent actuaries selected by the Company at least one of whose actuaries is a Fellow of the Canadian Institute of Actuaries.
- 1.3 **"Affiliated Company"** means a company that is affiliated with the Company because one of the companies is a subsidiary, an associated company, a division or an affiliate of the other or both are subsidiaries, associated companies, divisions or an affiliate of another company, or each of them is controlled by the same person all as defined in the *Ontario Business Corporations Act, R.S.O., 1990, c. B.16*, as amended.
- 1.4 **"Audit/Pension Committee"** means the committee which is appointed in accordance with Section 13.3. The Audit/Pension Committee shall be comprised of such members as may be appointed by the Board of Directors of the Company to carry out such administrative duties as the Company may direct in accordance with Section 13.3 herein.
- 1.5 **"Average YMPE"**, for the purposes of calculating a retirement income under the Plan as of a date at which a determination is required, means the average of the YMPE applicable during the 5 calendar years ending on December 31 of the immediately preceding calendar year in which the determination is required. For a Participant accruing Credited Service while suffering Total Disability, the Average YMPE shall be determined at the Participant's date of disability and the Average YMPE during the 5 calendar years prior to the date of disability must remain constant throughout the period of Total Disability.
- 1.6 **"Beneficiary"** shall automatically mean the Participant's Spouse unless (i) the Employer receives evidence in writing that the Participant and his Spouse are

living separate and apart on the date on which a determination is required or (ii) where permitted by the Pension Benefits Act, the Spouse has waived all rights to pre-retirement or post-retirement benefits subject to the requirements of the Pension Benefits Act and in such manner as may be prescribed by the Pension Benefits Act. In that event or in the event that the Participant has no Spouse, the Beneficiary shall be the person or persons designated by a Participant in accordance with Article IX. Notwithstanding clause (i) above, if the Pension Benefits Act applicable to the Participant treats a person who is living separate and apart to be a "Spouse", then paragraph (i) shall not apply.

- 1.7 **"Commuted Value"** means the lump sum actuarial present value determined on a basis as established by the Company, and as of a fixed date, of a pension, a deferred pension, a pension benefit or an ancillary benefit, subject to the provisions of the Pension Benefits Act, and the Income Tax Act.
- 1.8 **"Company"** means Southam Publications Inc., a company incorporated under the laws of Canada or any successor thereof. Reference in the Plan to any action to be taken, consent, approval or opinion to be given or decision to be made, shall refer to Southam Publications Inc. acting through its Board of Directors or any person or persons authorized by the Board of Directors for purposes of the Plan. Any reference herein to the Board of Directors shall mean the Board of Directors of Southam Publications Inc.
- 1.9 **"Continuous Employment"** means service with an Employer prior to retirement or to termination as defined in Section 3.8 hereof, without regard to periods of temporary suspension of employment, membership or service and without regard to periods of lay-off from employment and any period that was treated as a period of Continuous Employment under the Prior Plan as of November 15, 2000.
- 1.10 **"Credited Interest"** means:
- (a) For employee contributions made under a Predecessor Plan, such amount for interest as is provided for by such Predecessor Plan up to December 31, 1965 together with interest thereon at the applicable rate herein specified compounded annually from January 1, 1966 to the beginning of the calendar month, the first day of which coincides with or next precedes the date of commencement of the retirement income, death before retirement, termination of service, or withdrawal of employee contributions, as may be applicable in the individual case.

- (b) For employee contributions made in respect of service after December 31, 1965 and prior to December 31, 1978, interest at the applicable rate herein specified shall be compounded annually from the December 31 next succeeding or coinciding with the day when the contribution is made to the beginning of the calendar month, the first day of which coincides with or next precedes the date of commencement of the retirement income, death before retirement, termination of service, or withdrawal of employee contributions, as may be applicable in the individual case.

For employee contributions made in respect of service after December 31, 1978, interest shall be credited from the actual day each contribution is made, on the assumption that such contributions are made continuously and evenly throughout the complete months of the calendar year during which the participant made contributions, to the beginning of the calendar month, the first day of which coincides with or next precedes the date of commencement of the retirement income, termination of service, or withdrawal of employee contributions, as may be applicable in the individual case. Credited Interest shall be calculated each year or part thereof as the average yield on 5-year personal fixed term chartered bank deposit rates as published in the Bank of Canada Banking and Financial Statistics as CANSIM Series B14045 for the immediately preceding calendar year.

- (c) The rate, if any, at which interest shall be compounded in respect of any period of time prior to January 1, 1966 shall be as specified in the applicable Predecessor Plan and the rate at which interest shall be compounded in respect of any period of time after January 1, 1966 shall not be less than 3-1/2% per annum with respect to regular employee contributions and with respect to voluntary employee contributions shall be the fund rate of return as is declared by the Company for such year. However, in no event shall interest as to employee contributions be less than the rate of interest and allocated in a manner as may be prescribed from time to time by the Pension Benefits Act.
- (d) Effective January 1, 2001, the rate of return of the Retirement Fund with respect to all employee contributions made by Quebec Participants. This subsection applies to employee contributions accumulated with interest on December 31, 2000 and to the same contributions made on and after January 1, 2001.
- (e) For the payment of a Commuted Value out of the Retirement Fund, interest shall be credited at the same rate that was used to determine the

Commuted Value from the date at which the Commuted Value was determined to the beginning of the calendar month in which the payment is made.

For Quebec Participants

Notwithstanding the foregoing paragraphs of this Section, Credited Interest shall be calculated to the date of payment.

- 1.11 "Credited Service" is determined in Article III herein.
- 1.12 "Earnings" means basic salaries and wages of a Participant, including if and to the extent that in the judgement of the Employer such payment should be included, overtime, commissions and bonuses, all as determined by the Employer under its normal practices.

For a Participant who is employed on a less than full-time basis or for less than a complete calendar year, the Participant's earnings for the year (excluding bonus) are multiplied by the ratio of the hours regularly scheduled to be worked by full-time Employees in the Plan Year to the Employee's actual hours worked (other than overtime hours) during the Plan Year.

Earnings shall include, where applicable, an amount determined by the Company such that a Participant's Earnings for a Plan Year under Section 3.3 are not less than his Earnings for the preceding Plan Year, subject to rules on prescribed compensation in the Income Tax Act.

For the purpose of the accrual of Credited Service and benefits during periods of disability, the Participant's Earnings are deemed to be equal to the rate of Earnings (excluding payments for overtime or bonuses on and after January 1, 1997) received by the Participant immediately before the commencement of his disability.

- 1.13 "Effective Date" means, for purposes of the date at which this Plan was established, November 16, 2000. Where the context so requires with respect to a Participant and his particular Employer, references to "Effective Date" shall be the date specified in Schedule A at which the Employer joined the Plan.
- 1.14 "Eligible Employee" means an Employee of an Employer, but excluding an Employee for whose benefit, or in respect of whom the said Employer makes contributions to any non-government pension or retirement plan other than this Plan, as determined by such Employer under its normal practices.

1.15 "Employee" means, subject to Article II, any person who is an employee or officer or salesperson paid on a commission basis by an Employer, or an employee of an Employer who is represented by a collective bargaining agent which does not sponsor a pension plan for its membership.

The term Employee shall include an inactive Employee, otherwise eligible, whose service shall not have terminated as defined in Section 3.8 hereof.

1.16 "Employer" means the Company or an Affiliated Company or an operating division of the Company, or an Affiliated Company that has been designated by the Company as an Employer for Plan purposes and which Employer has agreed to participate in the Plan. Employers and divisions of Employers are listed in Schedule A of this Plan.

1.17 "Excess Contributions" means an amount determined under Section 7.4.

1.18 "Final-Average Earnings" means the highest annual amount determined as follows:

- (a) The average Earnings of the Participant during those 5 full calendar years chosen from the last 10 consecutive complete calendar years, prior to his normal, postponed or early retirement date or date of termination of his employment or date of disability, whichever shall occur first, for which the highest average is attained; or
- (b) The average Earnings less overtime earnings of the Participant during those 5 full calendar years chosen from the last 10 consecutive complete calendar years, prior to his normal, postponed or early retirement date or date of termination of his employment or date of disability, whichever shall occur first, for which the highest average is attained, plus the average overtime earnings of the Participant for the years after 1975 during which he was a member of the Plan and the Prior Plan; or
- (c) The average Earnings of the Participant during the 60 months immediately preceding his normal, postponed or early retirement date or the date of termination of his employment or date of disability, whichever shall occur first.

For Participants who participated in the Prior Plan, the determination of Final Average Earnings shall take into account any "Earnings" as defined under the terms of the Prior Plan immediately prior to the date the Participant joined this Plan.

In any case where the rate of Earnings of a Participant is permanently reduced prior to or during the final 60 months of Credited Service, the Employer may authorize the previous higher rate or an intermediate rate of Earnings to be deemed to have been paid to the Participant subsequent to such reduction for the purpose of determining his Final-Average Earnings, subject to the rules on prescribed compensation in the Income Tax Act.

- 1.19 **"Funding Agent"** means an insurance company authorized to carry on a life insurance business in Canada, a trust company, or a group of at least three individuals resident in Canada, at least one of whom is independent of the Company and includes any combination or successors thereof appointed by the Company to hold, administer and invest the Retirement Fund.
- 1.20 **"Income Tax Act"** means the *Income Tax Act*, Revised Statutes of Canada, 1985, Chapter 1 and the Regulations thereunder, both as amended or replaced from time to time or such other similar income tax legislation of a Province of Canada which is applicable to the Plan.
- 1.21 **"Latest Pensionable Year"** means the calendar year in which the Participant attains age 69.
- 1.22 **"Normal Retirement Date"** means the first day of the month coincident with or next following the Participant's 65th birthday.
- 1.23 **"Participant"** means an Employee, retired Employee, or former Employee, who is or was an Eligible Employee and who has met all of the requirements of the Plan, has become included in the Plan as provided in Article II hereof, and who continues to have rights or contingent rights to benefits payable under the Plan.

A Participant's province of employment shall be determined on the basis of the location of the establishment to which he reports to work and if he is not required to report to work at an establishment, on the basis of the location of the establishment from which he receives his pay. Throughout the Plan, the province of employment shall be included in identifying the Participant where the requirements of the applicable Pension Benefits Act are specified. For a Participant who is a retired Employee or a former Employee, the province of employment shall be the province of employment determined at the last date of employment.

- 1.24 **"Pension Benefits Act"** means the *Pension Benefits Act*, R.S.O., 1990 as amended from time to time and the regulations issued thereunder, and such

other similar legislation and the regulations thereunder as may have been or may be enacted by a Province of Canada, which is applicable to the Plan.

- 1.25 "Plan" means the CanWest Southam Publications Inc. Retirement Plan, as herein set forth, as amended from time to time, which is herein sometimes referred to as "the Plan" or as "this Plan".
- 1.26 "Plan Year" means the 12 month period extending from January 1 through December 31.
- 1.27 "Predecessor Plan" means the Southam Press Limited Basic Contributory Retirement Plan or the Southam Press Limited Supplementary Contributory Retirement Plan, each as in effect immediately before January 1, 1966.
- 1.28 "Prior Plan" means the Southam Retirement Plan in effect as at November 16, 2000.
- 1.29 "Prior Plan of an Acquired Company" means any of the following plans which had been designated as such by Southam Inc. under the Prior Plan effective on the date indicated in brackets:
 - (a) The Brantford Expositor Retirement Plan (July 1, 1972)
 - (b) Pension Plan for Employees of Gazette Printing Company (Limited) (January 1, 1973)
 - (c) The Pension Plan for Employees of Sault Daily Star Limited (January 1, 1976)
 - (d) Windsor Star, Division of Southam Inc., Employees Pension Plan (January 1, 1976)
- 1.30 "Retirement Fund" means the fund established and maintained in order to provide for the payment of the benefits described in the Plan, as provided in Article XII. The Retirement Fund shall have a plan year that is the calendar year.
- 1.31 "Spouse" means:
 - (a) Whether a Participant has a Spouse will be determined in accordance with the following definitions which apply with respect to the province in which the Participant is employed. A Spouse as determined must also qualify as a Spouse as defined by the Income Tax Act for purposes of registered pension plans.

(b) Alberta Participants

"Spouse" shall mean, in relation to an Alberta Participant, at the date on which a determination of marital status is required,

- (i) a person who is married to the Alberta Participant and who, if living separate and apart from the Alberta Participant, has not been living separate and apart from the Alberta Participant for 3 or more consecutive years in the immediately preceding period, or
- (ii) if there is no person to whom paragraph (i) applies, a person of the opposite sex who has been living with the Alberta Participant in a conjugal relationship for the immediately preceding 3-year period, or
- (iii) if there is no person to whom paragraph (i) or (ii) applies, a person of the same sex who has been living with the Alberta Participant in a conjugal relationship for the immediately preceding 3-year period.

(c) British Columbia Participants

"Spouse" shall mean, in relation to a British Columbia Participant, at the date on which a determination of marital status is required,

- (i) a person who is married to the British Columbia Participant and who, if living separate and apart from the British Columbia Participant, has not been living separate and apart from the British Columbia Participant for longer than 2 years in the immediately preceding period, or
- (ii) if there is no person to whom paragraph (i) above applies, a person of the opposite sex or of the same sex, who has been living with the British Columbia Participant in a marriage like relationship for the immediately preceding 2-year period.

(d) Ontario Participants

"Spouse" shall mean, in relation to an Ontario Participant, at the date on which a determination of marital status is required,

- (i) a person who is married to the Ontario Participant and who is not living separate and apart from him or her, or

- (ii) a person of the same or opposite sex who is not legally married to the Ontario Participant but has been cohabiting continuously with him or her in a conjugal relationship for at least 3 years, or
- (iii) a person of the same or opposite sex to whom the Ontario Participant is not legally married, but who has been cohabiting with him or her in a conjugal relationship of some permanence and they are jointly the natural or adoptive parents of a child, both as defined in the Family Law Act of Ontario.

(e) Quebec Participants

"Spouse" shall mean, in relation to a Quebec Participant, at the date on which a determination of marital status is required,

- (i) a person who is married to the Quebec Participant, or
- (ii) a person of the opposite sex or of the same sex, who has been living in a conjugal relationship with an unmarried Quebec Participant for a period of not less than 3 years, or
- (iii) a person of the opposite sex or of the same sex who has been living in a conjugal relationship with an unmarried Quebec Participant for a period of not less than one year if:
 - (A) at least one child is born, or to be born, of their union,
 - (B) they have adopted, jointly, at least one child while living together in a conjugal relationship, or
 - (C) one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

1.32 **"Total Disability"** means a disability throughout which the Participant is physically or mentally impaired so that he is prevented from performing the duties of employment in which he was engaged prior to the impairment and throughout which the Participant is in receipt of benefits payable under worker's compensation legislation or the Company sponsored long term disability plan. Such disability must be certified by a medical doctor licensed in Canada or where the Participant resides.

1.33 **"Vested Participant"** means a Participant who has reached his Vesting Date.

Notwithstanding the preceding paragraph, a Quebec Participant who ceases active participation in the Plan (whether by retirement, termination of employment or death) on or after January 1, 2001, shall automatically be a Vested Participant. In addition, an Alberta Participant or a British Columbia Participant shall automatically be a Vested Participant on the Participant's Normal Retirement Date.

- 1.34 "Vesting Date" means, with respect to each Participant, the earlier of completion of 5 years of Continuous Employment and completion of 2 years as a Participant in the Plan and the Prior Plan.
- 1.35 "YMPE" means the Year's Maximum Pensionable Earnings under the Canada or Quebec Pension Plan (as applicable to the Participant).

II ELIGIBILITY FOR PARTICIPATION IN THE PLAN

2.1 Entry into Plan

(a) Each Eligible Employee who was a member of the Prior Plan as of the day before the Effective Date and who commenced employment with his Employer on the Effective Date shall be a Participant in the Plan as of the Effective Date.

(b) Each Eligible Employee who was not a member of the Prior Plan and whose normal retirement date is after the Effective Date of the Plan shall be eligible for enrolment in the Plan as follows:

(i) A permanent full-time Employee (as determined under the normal practice of the Employer employing such person) may join the Plan on the later of the Effective Date or the first day of the month coincident with or following the completion of 3 months of Continuous Employment,

(ii) An Employee other than that described in subparagraph (i) above may join the Plan on the first day of January after having:

(A) worked for 700 hours, or

(B) having earned not less than 35% of the YMPE, or in the case of Manitoba Employees, 25% of the YMPE,

in each of any 2 preceding calendar years within the 5-year period immediately prior to the point at which a determination is required.

(c) **Quebec Participants**

Notwithstanding subsection 2.1(b) above, each Eligible Employee in the employment of the Employer in the province of Quebec who was not a member of the Prior Plan and whose normal retirement date is after the Effective Date of the Plan is eligible for enrolment in the Plan on the first day of January following the completion of one calendar year of Continuous Employment in which the person has:

(A) worked 700 hours, or

(B) earned not less than 35% of the YMPE,

as determined under the normal practices of the Employer.

- (d) A Participant's membership in the Plan shall not cease merely because he earns less than 35% of the YMPE or worked less than 700 hours in a calendar year.

2.2 Transfers In from an Affiliated Company

In respect of each Eligible Employee who has been transferred from employment with an Affiliated Company, Continuous Employment shall include employment with the Affiliated Company for the purposes of determining eligibility for enrolment in the Plan in accordance with Section 2.1. An Eligible Employee who, immediately prior to transfer from an Affiliated Company, was a member of the pension plan of that company may, notwithstanding the above, become a Participant on the date of his transfer.

2.3 Application for Membership

Participation in the Plan by an Eligible Employee who was not a member of the Prior Plan immediately prior to the Effective Date, shall be contingent upon receipt by the Employer of a properly completed form of application for enrolment in the Plan, authorization of payroll deductions of regular employee contributions, and voluntary employee contributions, if applicable, Beneficiary designation, or redesignation, if applicable, and such further information as shall be required by the Employer for its records, including proof of age of the Participant and, where applicable, proof of age of any contingent annuitant designated by the Participant (collectively the "Application Documents").

Any Eligible Employee who does not provide to the Employer the Application Documents may at any time thereafter become a Participant if otherwise eligible by providing to the Employer the Application Documents, but without credit for service rendered prior to the time he becomes a Participant. Any such Eligible Employee shall become a Participant as of the first of the month coincident with or next following the date he provides the Application Documents to the Employer.

2.4 Re-employment

- (a) A former Employee who is re-hired by an Employer within 6 months of the date on which he previously terminated employment shall have the option to rejoin the Plan immediately upon his rehire. Such Employee shall repay into the Retirement Fund the full amount of any payment he may have

received from the Plan pursuant to Article X as a result of his previous termination of employment, with interest (as determined by the Employer) to the date of repayment, provided that, in respect of service prior to 1990, such repayment shall be made only by way of transfer of funds from another registered pension plan, a registered retirement savings plan or a deferred profit sharing plan. Such repayment may be made within the time limits prescribed for this purpose by the Company and in such manner as may be agreed to between the Employee and the Company. There will be no recognition of any period between the previous termination date and the Member's re-entry into the Plan.

- (b) If a former Employee is rehired by an Employer after 6 months has passed since his original termination date, the Employee shall be treated as a new Employee for purposes of eligibility for membership and benefits under the Plan, except with respect to any vested benefits which he may have to his credit in the Plan for his previous service. Any benefit earned after the date of re-hire shall be calculated based on Continuous Employment and Credited Service after that date.
- (c) Notwithstanding subsection 2.4(b), a Quebec Participant who is re-employed shall have his prior period of employment recognized when determining his eligibility for membership in the Plan.
- (d) If a former Employee who has commenced to receive a pension from the Plan is re-employed by an Employer prior to attaining age 69, the Employee may elect either:
 - (i) to rejoin the Plan immediately upon re-employment in which case:
 - (A) his pension shall cease immediately,
 - (B) the amount of accrued pension will not be altered and will recommence on his subsequent termination of employment, and
 - (C) subject to the terms of the Pension Benefits Act and the Income Tax Act, any benefit earned after the date of re-employment shall be calculated based on Continuous Employment and Credited Service after that date, or
 - ~~(ii) to continue to receive his pension and not accrue further benefits during the period of re-employment.~~

2.5 Waiver of Eligibility Requirements

The Company reserves the right, in its sole discretion, subject to applicable legislation, to waive the above eligibility requirements for a specific Employee or group of Employees when it is deemed to be in the best interests of the Company. No such waiver will be based on the age, sex or marital status of the Employee concerned.

III CREDITED SERVICE

3.1 Periods of Continuous Employment

Subject to the remaining provisions of this Article, Credited Service shall be the number of full years and completed months of Continuous Employment, after the Effective Date and after the Employee has become a Participant in the Plan, during which regular employee contributions are made. For a Participant who is employed in any calendar year on a less than regular full-time basis, or for less than a full calendar year, "Credited Service" for each calendar year is calculated as the proportion of a full year of credit that the Participant's actual hours worked bear to the hours regularly scheduled to be worked by full-time Employees in the calendar year, as determined under the normal practices of the Employer employing such person.

3.2 Credited Service Transferred from Prior Plan

Notwithstanding Section 3.1, a Participant who accrued benefits in the Prior Plan immediately prior to the Effective Date and whose Employer became a participating Employer on the Effective Date as per Schedule A, shall have his Credited Service from the Prior Plan recognized under the Plan only if and when the appropriate regulatory approval has been received and the related assets have been transferred from the Prior Plan to the Plan. Credited Service for a Participant who accrued benefits under the Sterling Plan immediately prior to the Effective Date shall be recognized under the Plan but the Participant's retirement income under the Plan shall be reduced by the amount of retirement income payable under the Sterling Plan.

3.3 Leaves of Absence without Pay

During a leave of absence without pay authorized by the Employer or prescribed by law and during employment in a class of employment with the Employer which is not included in the definition of an Eligible Employee in Article I hereof, required contributions by a Participant will cease and time on such leave or while so employed shall not be deemed to be Credited Service for the purposes of the Plan, provided that a full month of credit shall be given for any fractional part of a month worked before or after a leave of absence. However, with the approval of the Company, the Participant may elect to continue making required contributions to the Plan in accordance with the Company's direction on condition ~~that they return to active employment immediately thereafter, in which case the~~ Participant shall accrue Credited Service during such leave of absence.

Notwithstanding the foregoing, a Participant who is absent due to pregnancy or parental leave and who continues to make required contributions during the period of the leave is not required to return to active employment with the Employer in order to accrue Credited Service during the period of the leave that is required by law to be granted.

3.4 Salary Deferral Leave Plans

A Participant may with the approval of the Company, participate in a salary deferral leave plan.

- (a) During the first 4 years of the salary deferral leave plan the Participant shall defer receipt of a portion of his compensation, but shall, subject to Section 3.6 below, receive Credited Service and be deemed to have received Earnings as if he had worked on his regularly scheduled basis and received Earnings at his regular rate. The Participant shall continue to contribute to the Plan pursuant to Article V based upon the rate of Earnings which he would have received had he not participated in the salary deferral leave plan.
- (b) During the 5th year of the salary deferral leave plan, the Participant shall take a leave of absence and receive the salary previously deferred. The Participant may elect to continue to contribute to the Plan pursuant to Article V, based upon the rate of Earnings which he would have received had he not participated in the salary deferral leave plan. If the Participant elects to continue to contribute to the Plan, he shall, subject to Section 3.6 below, accrue Credited Service under the Plan as if he had worked on his regularly scheduled basis and received Earnings at his regular rate. If the Participant elects to suspend his contributions during the year, he shall not accrue any further Credited Service under the Plan until he returns to active employment.

3.5 Disability

- (a) Any period of absence on or after the Effective Date in respect of which the Participant suffers from Total Disability shall be deemed to be Credited Service during the period of Total Disability, until the earlier of Normal Retirement Date, termination of employment or death. A Participant who suffers from Total Disability and undertakes employment otherwise than ~~for an Employer shall not be entitled after the date when he shall have commenced such employment to future Credited Service under this Plan~~ but shall be deemed to have terminated service and the provisions of

Article X shall apply. The Participant shall not be required to make regular contributions while he suffers from a Total Disability.

- (b) All other periods of disability, as determined by the Employer, shall, subject to the provisions of Section 3.3 and Section 8.2, be deemed to be authorized leaves of absence expiring upon recovery from the disability.

3.6 Prescribed Compensation

For the purpose of Sections 3.3 to 3.5, Earnings shall be as calculated at the same annual rate as was in effect immediately prior to the start of a period described in those Sections and shall not exceed the amount of compensation prescribed by the Income Tax Act. In addition, in no event shall Credited Service include leaves of absence without pay of more than one year, and, in no event, shall the total of Credited Service granted in respect of leaves of absence without pay after December 31, 1990, that are not periods of disability as described in Section 3.5 and in respect of the periods during the salary deferral leave plan that are not paid by the Employer, exceed a maximum of 5 full-time equivalent years plus an additional 3 full-time equivalent years that may be credited only in respect of periods of absence that occur within the 12-month period following the birth or adoption of a child of the Participant. The full-time equivalent years of Credited Service shall be determined as the sum of the ratio of A to B, for each calendar year after 1990, where A and B are defined as follows:

- (a) The amount that it is reasonable to consider would have been the Participant's remuneration for all periods of unpaid absence granted under Sections 3.3 to 3.5 above during the calendar year if he had rendered services to the Employer throughout each such period of absence or period of reduced pay:
- (i) on a regular basis,
 - (ii) at the same full-time or part-time basis that applied before the absence or period of reduced pay, and
 - (iii) at a rate of remuneration that is commensurate with the Participant's rate of remuneration before the period of absence or reduced pay.
- (b) The amount in A plus the amount of remuneration actually received by the Participant from the Employer in the calendar year, provided that for a

part-time Participant this denominator is annualized to a full-time rate of remuneration.

3.7 Strike, Lay-Off or Employee Lock-Out

During periods of absence resulting from a strike, lay-off or lock-out from the service of the Employer, the Participant shall cease to accrue Credited Service under the Plan. On his or her return to active employment, the Participant may enter into a written agreement with the Employer to purchase, on such terms and conditions as are stipulated by the Employer, all or a portion of the Credited Service the Participant would have accrued under the Plan during the period of strike, lay-off or lock out. Such Credited Service accruals shall not become effective until the past service pension adjustment generated by such accruals has been certified by Canada Customs and Revenue Agency.

3.8 Termination of Continuous Employment

Interruptions in service in case of lay-off or authorized leave of absence will not be considered termination of service for purposes of the Plan. For the purposes of the Plan, Continuous Employment of an Employee shall be deemed to terminate in the event of:

- (a) resignation or voluntary cessation of service by the Employee;
- (b) retirement;
- (c) dismissal;
- (d) death;
- (e) his failure to return to work (i) on expiration of approved leave of absence unless due to circumstances beyond his control and approved after the fact by the Employer, or (ii) on or before expiration of any re-employment rights required by law;
- (f) the election by an Ontario Participant who is employed on a part-time basis or who is on lay-off to terminate his membership in the Plan in the event that no contributions are paid or required to be paid to the Retirement Fund by or on behalf of the Participant for 24 consecutive months.

3.9 Foreign Service

Notwithstanding any other provision of this Plan, a Participant's Continuous Employment outside Canada with Southam Publications Inc. or an affiliate of Southam Publications Inc. may, at the discretion of Southam Publications Inc. constitute Continuous Employment and Credited Service for the purposes of this Plan.

Where a Participant is employed outside of Canada by a resident Employer, all or any portion of such period of employment may, at the discretion of Southam Publications Inc. constitute Continuous Employment and Credited Service for purposes of the Plan, provided that prior to the period, the Participant is or has been a resident of Canada. The Participant's Earnings during such period shall be the Earnings received from the Employer.

Where a Participant is employed outside of Canada by a non-resident Employer or by a non-participating employer who is either an Affiliated Company or a company with whom an Employer has an arrangement concerning the Participant's employment outside of Canada, Southam Publications Inc., may, at its discretion, credit the Participant with up to 5 years of Credited Service on a current service basis, provided that the Participant is or has been resident in Canada and has previously been employed by a resident Employer. If the Participant returns to Canada and subsequently becomes employed outside of Canada by a non-resident Employer or non-participating employer as defined above, the Participant may, at the discretion of Southam Publications Inc. be credited with up to another 5 years of Credited Service provided the Participant has been employed by an Employer in Canada for at least 12 months prior to the subsequent employment outside of Canada. The Participant's Earnings for such period or periods shall be the Earnings received from the non-resident employer or the non-participating employer.

Notwithstanding the foregoing, any period of foreign service shall comply with the provisions of the Income Tax Act.

IV TRANSFERS

4.1 Transfers to an Affiliated Company

- (a) In the event that an Employee included in the Plan shall be transferred to employment with an Affiliated Company, and the Employee becomes eligible to participate in a registered pension plan sponsored by that Affiliated Company, such Employee shall, during the period of such employment, continue to be covered by this Plan with respect to retirement income and other benefits already accrued for Credited Service up to the date of transfer.

If the Affiliated Company is also an Employer under the Plan, Section 4.3 applies. If the Affiliated Company is not an Employer, the Participant's entitlement under the Plan shall be determined based on the Participant's Final Average Earnings in effect at the date of the transfer.

While employed with the Affiliated Company, service for purposes of calculating Credited Service in accordance with Section 3.1 shall be suspended and shall not accrue after the date of transfer to the Affiliated Company.

- (b) Notwithstanding (a) above, where a Participant ceases to be an eligible Employee under the Plan and becomes a participant in a registered pension plan sponsored by an Affiliated Company, the Company may enter into an agreement with the Affiliated Company to transfer from the Retirement Fund to the pension fund under the other plan, as at the date of transfer of participation, an amount equal to the Actuarial Equivalent of the benefits accrued by the Participant to the date of transfer of participation, as certified by the Actuary, in lieu of any benefits accrued under the Plan. The Participant's benefits accrued under the Plan shall thereafter become payable from the other plan.

4.2 Transfers from an Affiliated Company

Where a participant in a registered pension plan sponsored by an Affiliated Company ceases to be an eligible employee under that plan and becomes a Participant in this Plan, the Company may enter into an agreement with the Affiliated Company to permit the Retirement Fund to receive a transfer from the pension fund under the other plan, as at the date of transfer of participation, of an amount equal to the actuarial equivalent of the benefits accrued by the

participant to the date of transfer of participation, as certified by the actuary of the other plan. The Participant's credited service and earnings under the other plan shall, for the purposes of calculating his Final Average Earnings in accordance with Article I and his retirement income under Article VII, become Credited Service and Earnings under the Plan.

4.3 Transfers to Another Pension Plan

In the event that a Participant becomes a member of another non-government pension or retirement plan to which the Employer makes contributions in respect of such Participant's continued employment with the Employer, then such Participant shall continue to be covered by this Plan with respect to retirement income and other benefits already accrued to the date of transfer to such other plan calculated on the retirement income benefit formula in effect as of the date of transfer to such other plan. Earnings while a member of such other plan shall be considered Earnings for the purposes of calculating Final-Average Earnings in accordance with Article I, but service for the purposes of calculating Credited Service in accordance with Section 4.1 shall not accrue after the date of transfer to such other plan. The determination of Earnings and Final Average Earnings in Article I shall be read as if Credited Service continued to accrue during those periods following suspension of contributions for which the Participant received Earnings.

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| V CONTRIBUTIONS |
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5.1 Regular Employee Contributions

- (a) Eligibility to participate in the benefits provided under the Plan shall be conditional upon payment of regular employee contributions by payroll deduction as herein provided, subject to the further provisions of this Article and Article III.
- (b) The amount of such regular employee contributions shall be equal to 2-1/2% of that portion of Earnings not in excess of the YMPE plus 5% of that portion of Earnings in excess of the YMPE, except that the aggregate of such contributions in any calendar year shall not exceed the maximum amount permitted under the Income Tax Act for that Plan Year.
- (c) Regular employee contributions made under the Prior Plan or a Predecessor Plan shall be considered regular employee contributions hereunder.
- (d) Required employee contributions shall cease on the earliest of:
 - (i) the date on which the Participant ceases to be an Eligible Employee,
 - (ii) the Participant's retirement date,
 - (iii) the last day of November in the Participant's Latest Pensionable Year,
 - (iv) the date on which the Participant begins to receive benefits under the Employer's long term disability income program or workers' compensation,
 - (v) the date upon which the Participant goes on unpaid leave of absence and such Participant elects not to contribute for that period,
 - (vi) the date upon which the Participant commences the 5th year of a salary deferral leave plan and the Participant elects not to contribute for that period,

- (vii) the date upon which the Participant is employed in a category of employment with an Employer which is not included in the definition of Eligible Employee in Article I,
 - (viii) the date determined in accordance with Section 5.5, and
 - (ix) the date upon which the Participant withdraws from the Plan in accordance with Section 10.3.
- (e) Required employee contributions shall recommence immediately upon the Participant's return to active employment after the events described in (1)(d)(iv), (1)(d)(v) or (1)(d)(vi) above.

5.2 Voluntary Employee Contributions

- (a) Subject to the provisions of Section 5.3 and of Section 7.7, a Participant may, at his option and on a form provided by the Employer, elect to make voluntary employee contributions for current service as provided in this Section to provide extra retirement income based on such contributions, as hereinafter provided. Voluntary employee contributions may continue to be made until the earlier of the Participant's actual retirement date and the last day of November in the Participant's Latest Pensionable Year.
- (b) A Participant who shall not have elected to make such voluntary contributions upon first becoming eligible to do so may elect to commence such contributions as of the first day of any subsequent month.
- (c) Voluntary employee contributions and Credited Interest transferred to this Plan from the Prior Plan or a Predecessor Plan shall continue to be regarded as voluntary employee contributions hereunder.
- (d) Voluntary employee contributions shall be allocated to an individual account on behalf of the Member.

5.3 General Provisions for Employee Contributions

- (a) The contributions of each Participant shall be deducted from his pay and shall be paid into the Retirement Fund within one month from the date such contributions were deducted.
- ~~(b) Subject to the provisions of Section 10.3, no employee contributions, regular or voluntary, may be withdrawn during active service with the Employer.~~

5.4 Employer Contributions

At least once in every 3 years the Company shall cause the liabilities of the Plan to be evaluated by the Actuary and shall provide him with sufficient information relating to assets of the Retirement Fund to enable him to report to the Company as to:

- (a) the actuarial soundness and solvency of the Retirement Fund in relation to the aforesaid liabilities and the requirements of the Pension Benefits Act and the Income Tax Act;
- (b) the amount of the contributions required to be made by each Employer in each year. Each employer shall contribute the amount certified by the Actuary and the aggregate of such amounts shall be the amount certified by the Actuary, as necessary to provide the benefits accruing to Participants during the relevant period after taking into account the assets of the Retirement Fund, the Participant's contributions and any other relevant facts and the amount, if any, necessary to make proper provision for the amortization of any unfunded liability or solvency deficiency. However, in no event shall an Employer be required to make a contribution which is not an "eligible contribution" for purposes of section 147.2 of the Income Tax Act.

5.5 Discontinuance of Contributions

Subject to any Pension Benefits Act, where a Participant has made regular employee contributions in accordance with the provisions of the Plan and has:

- (a) attained 35 years of Credited Service; or
- (b) has not attained 35 years of Credited Service but has the consent of the Audit/Pension Committee, such consent being granted at the discretion of the Audit/Pension Committee in circumstances of the extreme hardship of the Participant;

the Participant may discontinue further contributions pursuant to the Plan, but, while he continues to be actively employed by an Employer may not withdraw contributions previously made to the Plan.

Such Participant may at any time thereafter recommence his regular contributions under the provisions of Article V and accrue further pension benefits but in such case shall not be entitled subsequently, except as required

by Section 3.3, to suspend or discontinue his regular employee contributions after he has recommenced such contributions pursuant to the provisions of this Section 5.5.

Such Participant shall continue to be covered by this Plan with respect to retirement income and other benefits already accrued to the date of suspension calculated on the benefit formula in effect as of the date of such Participant's death, termination or retirement. Credited Service, in accordance with Section 3.1, shall not accrue after the suspension of contributions. For the purpose of calculating Final Average Earnings during suspension of contributions, "Earnings" shall be as defined in Article I.

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| VI RETIREMENT |
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6.1 Normal Retirement

- (a) Subject to Section 6.2, each Participant shall retire on his Normal Retirement Date except for a Participant whose retirement is postponed under the terms of Section 6.3.
- (b) Each Participant who retires in accordance with this Section 6.1 at Normal Retirement Date shall thereupon become entitled to receive a retirement income payable in an amount and in a manner as calculated under Section 7.1.

6.2 Early Retirement

Subject to the provisions of Appendix B, an Employee who is a Vested Participant who has attained at least age 55 or a Vested Participant who terminated employment after reaching age 55, may make a written application to retire before his Normal Retirement Date and shall be entitled to receive either:

- (a) a deferred retirement income commencing at Normal Retirement Date in an amount equal to the Participant's retirement income as calculated under Section 7.1 for Credited Service to the actual Participant's retirement date; or
- (b) an immediate retirement income commencing at any time prior to his Normal Retirement Date in an amount equal to the Participant's retirement income as calculated under Section 7.1 for Credited Service to the Participant's actual retirement date, reduced by a factor of one-third of 1% for each complete month by which the early retirement date precedes the date on which the Participant is first eligible for an unreduced early retirement pension in accordance with the following paragraph.

A Participant who retires is eligible for unreduced early retirement on the first day of the month following attainment of both age 62 and 10 years of Continuous Employment.

Participants retiring after attaining age 55 but before age 62 with 10 or more years of Continuous Employment may elect to receive an unreduced deferred retirement income payable at age 62.

If the Participant retires on or after the date on which he is first eligible for an unreduced early retirement pension in accordance with this provision, the Participant shall receive an immediate retirement income commencing on such date in an amount equal to his accrued regular retirement income without reduction.

The Commuted Value of the Participant's early retirement benefits under this subsection 6.2(b) shall not be less than the Commuted Value of the deferred pension benefit to which the Participant would have been entitled had he elected a deferred pension under this subsection 6.2(b).

The Participant's early retirement pension benefits under this subsection 6.2(b) shall not exceed the retirement pension payable at normal retirement date reduced in accordance with the requirements of the Income Tax Act.

Notwithstanding any other provision in the Plan, a Vested Participant who terminates employment under Article X (prior to attaining age 55) and who elects to receive a deferred pension under Article X commencing at his early retirement date shall receive an amount equal to the Participant's retirement income as calculated under Section 7.1 for Credited Service to the Participant's actual retirement date, actuarially reduced in a manner to be determined by the Company and subject to the provisions of the Income Tax Act. In no event will such Participant be entitled to an unreduced early retirement benefit payable at age 62.

6.3 Postponed Retirement

(a) For Non-Quebec Participants

A non-Quebec Participant may, with the consent of the Employer and where permitted by law, at the request of the Participant, continue employment after Normal Retirement Date on a year to year basis. Such requests shall be made at least 60 days prior to Normal Retirement Date or to any postponed retirement date.

A non-Quebec Participant who continues in active service after Normal Retirement Date may elect

- (i) to continue making required contributions to the Plan in accordance with Section 5.1 and continue to accrue benefits in accordance with Article VII until actual retirement or death, or

- (ii) to cease making required contributions to the Plan and to receive an immediate payment of his accrued pension payable at Normal Retirement Date, provided that the non-Quebec Participant can never again make contributions or accrue further benefits under the Plan, or
- (iii) to cease making required contributions to the Plan and to receive a payment at a later date to be deemed the non-Quebec Participant's late retirement date, the Actuarial Equivalent of the pension payable at Normal Retirement Date.

However, in no event shall such contributions or accrual continue or payment of his pension be deferred beyond the last day of the non-Quebec Participant's Latest Pensionable Year nor shall pension be deferred beyond the first day of the month following such non-Quebec Participant's cessation of Continuous Service.

In addition, the non-Quebec Participant shall receive any benefit to which the non-Quebec Participant may be entitled under Section 7.4.

(b) For Quebec Participants

If a Quebec Participant continues in the active employment of the Employer in the province of Quebec after the Quebec Participant's Normal Retirement Date, he may elect:

- (i) to continue making required contributions and accruing further benefits as under subsection 6.3(a)(i), or
- (ii) to cease making required contributions to the Plan and to receive an immediate payment of his pension under subsection 6.3(a)(ii), or
- (iii) to cease making required contributions to the Plan and to receive a payment at a later date to be deemed the Quebec Participant's late retirement date.

In the event option (i) or (iii) is selected, the regular pension otherwise accrued to Normal Retirement Date, as determined in accordance with the provisions of Section 7.1, shall be revalorized in accordance with the provisions of this Section to reflect its delayed commencement date. In addition to this pension, the Quebec Participant who elects option (i)

above shall also receive any benefit to which the Quebec Participant may be entitled under Section 7.4, plus the greater of:

- (iv) the amount of pension accrued with respect to the Quebec Participant's Credited Service after Normal Retirement Date to his actual date of retirement calculated in accordance with Section 7.1, and
- (v) the amount of pension that can be purchased with the Quebec Participant's required contributions made after his Normal Retirement Date, with Credited Interest thereon, calculated in a manner prescribed by the Pension Benefits Act. The pension so purchased shall be determined as if payable in the normal form, as provided under Section 8.1.

Such Quebec Participant may, on or after his Normal Retirement Date, request that pension payments, in an amount up to the amount of his unpaid revalorized retirement income at the date of the Quebec Participant's request, be paid to compensate for any reduction effected during the delay period of salary or wages below the level being paid to the Quebec Participant at Normal Retirement Date. Applications in this regard shall not be accepted more frequently than once in any 12-month period.

A Quebec Participant who continues in employment with the Employer after Normal Retirement Date and who is in receipt of retirement income from the Plan shall cease to make contributions or accrue benefits under the Plan.

For all purposes of the Plan, the delay period shall commence on the Quebec Participant's Normal Retirement Date and shall be deemed to have terminated on the earlier of:

- (vi) the Quebec Participant's actual retirement date,
- (vii) the date on which the amount of the revalorized retirement income equals the maximum retirement income described in Section 7.5,
- (viii) the first day of December in the Quebec Participant's Latest Pensionable Year, and

- (ix) the date on which the amount being paid under the salary reduction provision equals the full amount of the revalorized retirement income.

If, at any time prior to the earliest of the aforementioned dates, the amount of the revalorized retirement income equals or exceeds the maximum retirement income described in subsection 7.5(a), the Quebec Participant may elect commencement of his retirement income in the amount of such maximum. Once he has commenced to receive his retirement income from the Plan, he can never again make further contributions or accrue additional benefits.

The amount of the revalorized retirement income at any specified date during the delay period shall be equal in value to:

- (A) the then present value of all future payments that would have been made after that specified date had the Quebec Participant retired on his Normal Retirement Date, plus
- (B) the accumulated value to the specified date of the payments that would have been made from Normal Retirement Date to the specified date had the Quebec Participant retired on his Normal Retirement Date, these payments being reduced by any payments already made under the salary reduction provision.

The present values and the accumulated values shall be calculated on the assumptions and basis prescribed under the Pension Benefits Act.

6.4 Temporary Pension for Quebec Participants

- (a) A Quebec Participant who terminates Continuous Employment or the Spouse of the Quebec Participant who has become entitled to a pension, and who has attained age 55 but not age 65, is entitled, under conditions prescribed by the Quebec Supplemental Pension Plans Act, to replace his pension, in whole or in part, before payment begins, by a temporary pension, the amount and duration of which are fixed by him and which meets the following requirements:

- ~~(i) the annual amount of pension does not exceed 40% of the YMPE for the year in which payment of the pension begins, that limit being~~

reduced, where applicable, by the annual amount of any other temporary benefit to which the Quebec Participant or the Spouse is entitled under the Plan,

- (ii) payment of the temporary pension ceases at the latest in the case of a Quebec Participant with the payment immediately preceding the Quebec Participant's Normal Retirement Date or in the case of a Spouse, the date of the Spouse's attainment of age 65,
 - (iii) the temporary pension is the Actuarial Equivalent of the pension or of the part of the pension it replaces, determined on the date of the replacement.
- (b) The Spouse of a Quebec Participant who elected to replace his pension by a temporary pension is entitled to a pension, payable from the death of the Quebec Participant to the end of the period of replacement, in monthly instalments equal to 60% of the amount of temporary pension the Quebec Participant was receiving immediately before his death. The Spouse may waive the right to such pension, according to the same conditions as those applicable under subsection 8.1(c).
 - (c) The normal form of pension provided under Section 8.1 shall not apply in respect of any part of the Quebec Participant's pension that is replaced by a temporary pension.
 - (d) The lifetime pension of the Quebec Participant or the Spouse of the Quebec Participant who has elected a temporary pension under subsection 6.4(a) will be reduced by the Actuarial Equivalent of the temporary pension.

6.5 Replacement of Pension by a Lump Sum

A Quebec Participant who terminates Continuous Employment or the Spouse of the Quebec Participant who has become entitled to a pension, who has attained age 55 but not age 65, is entitled, under conditions prescribed by the Quebec Supplemental Pension Plans Act, to partially replace his pension before payment begins, by a lump sum payment, the amount of which is fixed by him and which meets the following requirements:

- (a) the amount does not exceed 40% of the YMPE for the year in which the application is made;

- (b) the limit in subparagraph (a) above must be reduced by the total temporary income and other bridge benefits that the Quebec Participant or the Spouse of the Quebec Participant has received or must receive during the year from any of the following sources:
 - (i) a supplemental pension plan,
 - (ii) a life income fund, or
 - (iii) an annuity contract which is funded by supplemental pension plan assets;
- (c) the application can only be made once per calendar year and must include a completed declaration in the form prescribed under the Quebec Supplemental Pension Plans Act.
- (d) the lifetime pension of the Quebec Participant or of the Spouse of the Quebec Participant who has elected a lump sum replacement benefit under this Section 6.5 will be reduced on an Actuarial Equivalent basis to take into account the aggregate of the lump sum replacement benefits paid.

6.6 Phased Retirement – Quebec Participant

A Quebec Participant who has attained age 55 and who has entered into an agreement with his Employer to reduce his working time, may make a written application, in any year covered by the agreement, to receive a lump sum payment for that year equal to the lesser of:

- (a) 70% of the reduction in his Earnings resulting from the reduction in his working time;
- (b) 40% of the YMPE for the year in which the application is made; or
- (c) the Commuted Value of his accrued pension under the Plan established on the basis that the Quebec Participant ceased Continuous Employment on the date on which he applies for payment of the lump sum payment.

A Quebec Participant may not receive a payment under this Section 6.6 and under Section 6.3 in the same calendar year. The lifetime pension of the Quebec Participant who has elected a lump sum replacement benefit under this Section 6.6 will be reduced on an Actuarial Equivalent basis to take into account the aggregate of the lump sum benefits paid.

6.7 Phased Retirement – Alberta Participant

An Alberta Participant who has attained age 55 and who has entered into an agreement with his Employer to reduce his working time, may make a written application, in any year covered by the agreement, to receive a lump sum payment for that year equal to the lesser of:

- (a) 70% of the reduction in his Earnings resulting from the reduction in his working time;
- (b) 40% of the YMPE for the year in which the application is made (prorated accordingly where the agreement does not cover a full year); or
- (c) the Commuted Value of his accrued pension under the Plan established on the basis that the Alberta Participant ceased Continuous Employment on the date on which he applies for payment of the lump sum payment.

An Alberta Participant may not receive a payment under this Section 6.7 and under Section 6.3 in the same calendar year. The lifetime pension of the Alberta Participant who has elected a lump sum replacement benefit under this Section 6.7 will be reduced on an Actuarial Equivalent basis to take into account the aggregate of the lump sum benefits paid. If the Alberta Participant has a Spouse, no lump sum payment shall be made pursuant to this Section 6.7 unless the Spouse consents in writing to the payment.

VII AMOUNT OF RETIREMENT INCOME

7.1 Regular Retirement Income

A Participant who retires on Normal Retirement Date or late retirement date and who shall not have elected an optional form of retirement income shall be entitled to receive an annual regular retirement income payable monthly for life equal to the sum of the amounts determined as set forth in (a) and (b) below:

(a) In Respect of Continuous Employment Prior to January 1, 1966

In respect of Continuous Employment, if any, prior to January 1, 1966, of a Participant who on January 1, 1969, was a participant and an eligible employee as defined in the Prior Plan, the sum of the following two amounts:

- (i) the annual retirement income, if any, granted under a Predecessor Plan in respect of service prior to the effective date of such Predecessor Plan, and
- (ii) The greater of the following two amounts:
 - (A) the annual retirement income, if any, earned under a Predecessor Plan in respect of service on and after the effective date of such Predecessor Plan, and
 - (B) the annual retirement income which would have been earned in respect to the period of continuous employment between the date the participant joined a Predecessor Plan and January 1, 1966 had the formula set forth in (b) below with respect to "Final-Average Earnings over Average YMPE" been applicable to all Final-Average Earnings in respect of such period.

In respect to continuous employment, if any, prior to January 1, 1966 of a participant who on January 1, 1969 was not an eligible employee as defined in the Prior Plan, the annual income, if any, already earned under a Predecessor Plan.

(b) In Respect to Service On and After January 1, 1966

In respect to service on and after January 1, 1966, the annual retirement income shall be equal to 1.25% of the Participant's Final-Average Earnings up to the Average YMPE multiplied by Credited Service plus 1.75% of the Participant's Final-Average Earnings over the Average YMPE multiplied by Credited Service.

(c) Minimum as to Members of Prior Plan

In no event will a Participant who was a member of a Predecessor Plan receive smaller total retirement income under subsections (a) and (b) above than he would have received under the terms of such Predecessor Plan if it had continued in effect without change after December 31, 1965.

(d) Minimum as to Members of a Prior Plan of an Acquired Company

Notwithstanding any other Section of this Plan, a Vested Participant who terminates, retires or dies and who was a member of a Prior Plan of an Acquired Company shall receive an annual retirement income in respect of credited service on and after January 1, 1947 that is the greatest of:

- (i) the annual retirement income that he would have received under the terms of such prior plan, if the said plan had continued in effect without change after the date such acquired company was designated as an employer for the purposes of the Prior Plan, or
- (ii) the annual retirement income that he would have received in respect of credited service prior to the date such acquired company was designated as an Employer for the purposes of the Prior Plan PLUS the annual retirement income payable in respect of Credited Service after that date calculated under subsection 7.1(b) above, or
- (iii) 75% of the annual retirement income that would have been earned in respect of pensionable service to the date such acquired company was designated as an employer for Prior Plan purposes had the formula set forth in subsections 7.1(a)(ii)(B) and 7.1(b) above been applicable in respect of such period, PLUS, the annual retirement income payable in respect of Credited Service after that date calculated under subsection 7.1(b) above.

The annual retirement income payable under this subsection 7.1(d) shall be reduced by any benefits payable under a Prior Plan of an Acquired Company.

7.2 Reduce by Benefits Payable from Sterling Plan

Any "credited service" which a Participant accrued under the Sterling Plan will be recognized as Credited Service under this Plan, but the Participant's retirement income determined under the Plan will be reduced by the amount of retirement income payable under the Sterling Plan. If the Participant had transferred his entitlement to benefits under the Sterling Plan to a registered savings vehicle, the amount of the reduction will be based on the amount of retirement income that the Participant would have been entitled to were it not for such transfer.

7.3 Additional Benefit From Voluntary Employee Contributions

A Participant who shall retire hereunder at any time after having made voluntary employee contributions, as referred to in Section 5.2, may elect:

- (a) to receive a lump sum payment at retirement up to the accumulated balance of such voluntary employee contributions together with Credited Interest thereon; or
- (b) to have the accumulated balance of such voluntary contributions with Credited Interest thereon transferred to another tax-exempt trust or plan for pension purposes designated by the Participant, provided such transfer is permitted by the Pension Benefits Act or to an insurer licensed to transact annuity business in Canada for the purchase of a deferred or immediate life annuity.

7.4 Additional Benefit From Excess Employee Contributions

- (a) The Participant's Excess Contributions is the amount, if any, by which (A) exceeds (B), where:
 - (A) is the Participant's regular employee contributions to this Plan and the Prior Plan, with Credited Interest; and
 - (B) is 50% of the Commuted Value of the Participant's retirement income, as determined in accordance with Articles V and VI (but excluding any benefit derived from voluntary employee contributions).

- (b) The Participant's Excess Contributions shall, at the Participant's option:
- (i) be paid to the Participant in cash,
 - (ii) be used to provide an additional amount of retirement income,
 - (iii) be transferred to a registered retirement savings plan, a registered retirement income fund as prescribed under the Pension Benefits Act or a registered pension plan of which the Participant is a member, provided that the transfer to such a registered savings vehicle is in accordance with the requirements of the Income Tax Act,
 - (iv) be transferred to an insurer to purchase an annuity which shall be payable in accordance with the requirements of the Pension Benefits Act.
- (c) For Quebec Participants

Notwithstanding subsection 7.4(b) above and notwithstanding Article X, any Excess Contributions for post 1990 Credited Service of a Quebec Participant must be applied towards the provision of an additional pension, being the Actuarial Equivalent of the Excess Contributions and Credited Interest thereon, commencing at the same date as the Participant's regular pension entitlement under the Plan. Alternatively, Excess Contributions may be combined with a transfer made in accordance with Section 10.2, or may be applied to purchase a deferred annuity in accordance with Section 10.4.

7.5 Maximum Retirement Income

- (a) Notwithstanding the above, the retirement income payable under this Plan to a Participant, including a pension payable to a Participant's Spouse or former Spouse as a result of the breakdown of a spousal relationship, determined for the year in which payments commence, shall not exceed an amount that is at an annual rate that is the lesser of:
- (i) \$1,722, or such greater amount permitted under the Income Tax Act, times the number of years of Credited Service, and
 - (ii) an amount that is the product of:
 - (A) 2% per year of Credited Service, and

- (B) the Participant's highest average indexed compensation (as defined in the Income Tax Act) in any 3 calendar years,

provided that Credited Service, for the purpose of this Section 7.5, does not exceed 35 years in respect of service before January 1, 1992.

- (b) The amount determined in (a) above shall be reduced by $\frac{1}{4}$ of 1% for each month by which the date of commencement of payments precedes the earlier of the day on which:
- (i) the Participant will attain age 60,
 - (ii) the Participant's age plus early retirement eligibility service as defined under the Income Tax Act would have equalled 80, and
 - (iii) the Participant would have completed 30 years of early retirement eligibility service, as defined under the Income Tax Act.
- (c) The maximum annual amount of retirement income payable to a Participant for any particular year subsequent to the commencement year shall not exceed the amount determined in accordance with subsections 7.5(a) and 7.5(b) above, multiplied by ratio of the "average Consumer Price Index" (as defined in the Income Tax Act) for the particular year over the average Consumer Price Index for the commencement year.
- (d) This Section 7.5 shall not apply to additional benefits payable as a result of any Actuarial Equivalent increase due to deferral of pension commencement after age 65 nor shall it apply to that portion, if any, of the pension derived from a Participant's Excess Contributions or additional voluntary contributions.

7.6 Supplementary Adjustments

The Company reserves the right in its absolute and unfettered discretion to grant Supplementary Adjustments to retired Participants.

"Supplementary Adjustments" means additional pension payments designated as such, and granted from time to time by the Company, and payable to retired Participants and other eligible annuitants. Such adjustments shall not, in the aggregate for any annuitant, exceed the increases in the Consumer Price Index, published by Statistics Canada under the authority of the Statistics Act, since the commencement of the pension with respect to which the adjustments are

payable, subject to the maximum pension amount determined under subsection 7.5(c).

7.7 Pension Adjustment

In no event shall the benefit accrued by a Participant in a Plan Year under Section 7.1 plus the contributions made under Section 5.2, result in a pension adjustment for the Participant as defined under the Income Tax Act in excess of the limit prescribed for the year by the Income Tax Act.

VIII NORMAL AND OPTIONAL FORMS OF RETIREMENT INCOME

8.1 Normal Form of Retirement Income

- (a) The normal form of retirement income payable under this Plan for a Participant with no Spouse at the date on which pension payments commence shall be an income of which the first payment shall be payable on retirement date and the remaining payments shall be payable on the first day of each month thereafter for life, in an amount determined as provided in Article VII hereof, and guaranteed to continue to the retired Participant or to the Beneficiary, for at least 5 years after the retirement of the Participant, regardless of whether the Participant survives such 5-year period. Any benefit payable hereunder to the estate of any person shall be commuted and paid in one sum.
- (b) If a Participant has a Spouse at the date on which lifetime pension payments commence, the benefit shall be paid as a joint and survivor pension. The amount payable to the surviving Spouse on the death of the Participant shall be 60% of the amount paid to the Participant. The Commuted Value of the pension benefit payable under this subsection 8.1(b) shall be equal to the Commuted Value of the pension benefit payable under subsection 8.1(a) above.
- (c) The Participant's Spouse may waive the requirements of subsection 8.1(b) above by completing and filing with the Company a written witnessed declaration to that effect in the manner and form prescribed by the Pension Benefits Act no earlier than such period as is prescribed by the Pension Benefits Act before the pension is to commence. Where prescribed by the Pension Benefits Act, such waiver must be completed by the Participant's Spouse and the Participant. Benefits shall then be paid in accordance with subsection 8.1(a) or such other optional form as may be selected under Section 8.2 below. Any such optional form shall be the Actuarial Equivalent of the pension payable under subsection 8.1(a) above. The Participant's Spouse and the Participant where required by the Pension Benefits Act, may revoke such waiver provided that the Company is notified in writing before the first payment of the Participant's pension.

~~In the event that the Participant and/or the Participant's Spouse jointly waive the requirements of subsection 8.1(b) above, the Spouse~~

automatically waives his or her right to be the automatic Beneficiary under the terms of the Plan.

(d) For Quebec Participants

Notwithstanding subsections 8.1(b) and (c), the right of a Quebec Participant's Spouse to a benefit under subsection 8.1(b) is terminated by separation from bed and board, divorce or annulment of marriage or cessation of conjugal relationship, except where the Participant notified the Company in writing to make payment of the pension to the Spouse despite such dissolution of marriage or separation.

8.2 Optional Forms of Retirement Income

Subject to compliance with subsection 8.1(c) where applicable and to the conditions hereinafter set forth, a Participant or former Participant may elect to convert the normal form of pension provided in Section 8.1 above into a retirement benefit of Actuarial Equivalent value in accordance with one of the optional forms which may be offered by the Company from time to time, provided however that no election will be permitted which would result in a guaranteed period exceeding 15 years and further provided that any such optional forms shall conform to the requirements of the Income Tax Act.

A Quebec Participant who has become entitled to a pension under the Plan is entitled to elect, before payment of the pension begins, to replace it by a pension the payment of which is guaranteed for ten years. Such guaranteed pension must be a 60% joint and survivor pension if the Quebec Participant has a Spouse on his pension commencement date, provided that the Spouse has not waived his or her entitlement to such pension in accordance with subsection 8.1(c). The value of such guaranteed pension must be at least equal to the value of the replaced pension, commuted to the date of replacement.

8.3 Further Provisions Relative to Options

The optional forms of retirement income available to Members shall be subject to the following conditions:

- (a) To become effective, an election of an optional form of retirement income must be made at any time before the actual retirement of the Participant.
- (b) In order to elect a joint and survivor retirement income (or to change the contingent annuitant), a Participant shall designate his contingent

annuitant which may only be his Spouse or former Spouse on a form provided for the purpose by the Employer and shall furnish to the Employer within 90 days thereafter, but not later than the date on which he shall retire, proof satisfactory to the Employer of the age of the contingent annuitant.

- (c) The election of an optional form of retirement income shall be effective at the Participant's actual retirement date, and shall remain in full force and effect thereafter notwithstanding the subsequent re-employment of the Participant. A Participant may, with the consent of the Employer, revoke his election of an optional form of retirement income at any time prior to 30 days before it shall have become effective on such forms as the Employer may require.
- (d) If any optional form of retirement income is elected, it shall apply to all benefits provided for by the Plan except as otherwise specified in the Plan or as permitted by the Employer.

IX BENEFITS ON DEATH

9.1 Death Before Retirement

- (a) Subject to subsections 9.1(c) and (e), in the event of the death of Participant prior to retirement and prior to the Vesting Date, a single sum shall be payable to the designated Beneficiary equal to the aggregate of the Participant's regular employee contributions and voluntary employee contributions to this Plan, the Prior Plan and the Predecessor Plan, together with Credited Interest thereon.
- (b) Subject to subsections 9.1(c), (d), (e) and (f), in the event a Vested Participant dies while in the service of an Employer and after the Vesting Date, or if a Vested Participant dies following termination of employment having become entitled to benefits under Article X which the Participant has not received, a single sum shall be payable to the Participant's surviving Spouse, or if none, to the Participant's designated Beneficiary equal to the aggregate of:
 - (i) The Participant's voluntary employee contributions, if any, to the Prior Plan, a Predecessor Plan and this Plan, together with Credited Interest thereon, and
 - (ii) If the Participant dies while in the service of an Employer, the Commuted Value of the deferred retirement income to which the Participant would have been entitled under Article X had he terminated service on the day of his death and if the Participant dies after terminating employment, the Commuted Value of the deferred retirement income to which the Participant was entitled under Article X as a result of such termination of employment, and
 - (iii) The Participant's Excess Contributions as determined in accordance with Section 7.4 herein.

If the designated Beneficiary is the Participant's Spouse, the Spouse may elect, that, in lieu of such lump sum, the benefit be paid in the form of an immediate or deferred life annuity, within the time period prescribed by the Pension Benefits Act. Such annuity may be without guarantee or with a guarantee period that does not exceed 5 years. If the Spouse of an Ontario Participant fails to make an election within the time period

prescribed by the Pension Benefits Act, the Spouse shall be deemed to have elected to receive an immediate pension.

If any of the above provisions are not in compliance with applicable legislation as to the recipient of the benefit or the form of payment, the provisions of the applicable legislation will apply.

If any of the above provisions are not in compliance with the Pension Benefits Act as to the amount or value of the benefit, the amount or value payable shall be equal to the greater of the amount described above and the amount or value required by the Pension Benefits Act.

Where permitted by the Pension Benefit Act, the Participant's Spouse, as prescribed by the Pension Benefits Act, may waive entitlement to the pre-retirement death benefit set out in this Section 9.1 by completing a written declaration to that effect in the manner and form and within the time period prescribed by the Pension Benefits Act. The Spouse may revoke such waiver provided the Company is notified in writing before the Participant's death.

In the event that the Participant's Spouse waives entitlement as set out in this Section 9.1, the Spouse shall cease to automatically be the Beneficiary under the terms of the Plan.

(c) For British Columbia Participants

In the event of the death of a British Columbia Participant while in the service of an Employer and after the Vesting Date pursuant to Section 10.2(a), or if a British Columbia Vested Participant dies following termination of employment having become entitled to benefits under Article X which the British Columbia Participant has not received, the death benefit payable under subsection 9.1(b) to a surviving Spouse shall be paid to the Spouse in the form of a life annuity (subject to a transfer under Section 9.4) and the Spouse has the same options for payment of Excess Contributions that the British Columbia Participant would have had. The annuity may be without guarantee or with a guarantee period that does not exceed 5 years.

(d) For Alberta Participants

(i) Notwithstanding the definition of "Beneficiary" in Article I and notwithstanding subsection 9.1(a) and Section 9.3, in the event of

the death of an Alberta Participant prior to retirement and prior to the Vesting Date, pursuant to subsection 10.1(a), the death benefit payable under this Section shall be paid first to the Alberta Participant's surviving Spouse, and if none, to his designated Beneficiary in a single lump sum.

- (ii) In the event of the death of an Alberta Participant while in the service of an Employer and after the Vesting Date, pursuant to subsection 10.1(a), or if an Alberta Vested Participant dies following termination of employment having become entitled to benefits under Article X which the Alberta Participant has not received, the death benefit payable under subsection 9.1(b) to a surviving Spouse shall be paid to the Spouse in the form of a life annuity (subject to a transfer under Section 9.4) and the Spouse has the same options for payment of Excess Contributions that the Alberta Participant would have had. The annuity may be without guarantee or with a guarantee period that does not exceed 5 years.
- (iii) A Spouse of an Alberta Participant may not waive entitlement to the death benefit payable under subsection 9.1(b).
- (iv) If a Spouse of an Alberta Participant is entitled to a death benefit payable under subsection 9.1(b) and the Spouse dies prior to commencing the pension or transferring entitlement, the benefit shall be payable to the Spouse's designated beneficiary or if there is none, to the Spouse's estate.

(e) For Quebec Participants

Notwithstanding subsections 9.1(a) and (b), if a Quebec Participant dies following the postponement of his pension in whole or in part, the Quebec Participant's Spouse will be entitled to receive a pension, the Commuted Value of which is equal to the greater of:

- (i) the death benefit under subsection 9.1(b); and
- (ii) the Commuted Value of the pension to which the Spouse would have been entitled if payment of the postponed pension had begun on the day preceding the death of the Quebec Participant in the form described in subsection 8.1(b).

9.2 Death After Retirement

- (a) Where the retirement income is payable in any form, except the joint and survivor option described in Article VIII, upon the death of a retired Participant before the guaranteed number of monthly instalments of retirement income have been paid, the Beneficiary will receive a lump sum settlement which is the Actuarial Equivalent value of the value of the monthly instalments of retirement income remaining in the guaranteed period.
- (b) Where the retirement income is payable in a joint and survivor form as described in Article VIII, upon the death of a retired Participant, payments will continue to the survivor in accordance with the joint and survivor form of pension.
- (c) If, after the retirement income payable under the Plan in any form other than the life only option in respect of a Participant shall have ceased, the aggregate amount of retirement income paid to or on account of the Participant during his lifetime and to his designated Beneficiary after his death is less than his regular employee contributions with Credited Interest, calculated as at the date the Participant ceased to be an Employee, whether by retirement or termination of employment, then the difference shall be paid to his designated Beneficiary.

9.3 Beneficiary

- (a) Subject to Section 1.6 and subsection 9.1(b), each Participant shall have the right to designate a Beneficiary or Beneficiaries for the purpose of receiving any refund on death payable to a Beneficiary under this Article, and at any time to change such Beneficiary or one or more Beneficiaries, subject to the provisions of any annuity, insurance or other contract or law governing the designation of beneficiaries as may be in force from time to time, by completing and delivering to the Employer a form provided for that purpose. If there is no such designated Beneficiary surviving at the death of the Participant or in applicable cases, the last designated Beneficiary shall not be living at the time death benefits become payable, payment of any refund on death shall be made to the Participant's estate in a lump sum.
- (b) Each Participant who shall have been included in the Prior Plan shall have the right to redesignate his Beneficiary or Beneficiaries for the purpose of receiving any amounts payable on death. If no such redesignation shall

be made, the last designation, if any, made under the Prior Plan shall apply. The Participant shall be notified as to the Beneficiary or Beneficiaries of record as soon as practicable after the Effective Date of this Plan.

9.4 Portability of Spousal Benefits

The surviving Spouse of a Participant who becomes entitled to a benefit under Article IX is entitled to transfer the commuted value of any benefits owing to:

- (a) a prescribed registered savings arrangement, subject to the requirements of the Income Tax Act; or
- (b) a registered pension plan in which the Spouse is a member or former member, provided that plan permits such a transfer; or
- (c) an insurance company licensed to transact business in Canada to purchase an immediate or deferred life annuity;

in such manner as prescribed by the Pension Benefits Act and subject to the regulations limiting such transfer when the solvency of the Plan may be impaired.

9.5 Termination of Spouse's Rights to Death Benefits (Quebec Participants)

The right of a Quebec Participant's Spouse to a death benefit under Article VIII is terminated by separation from bed and board, divorce or annulment of marriage or cessation of conjugal relationship, except if on the day of the Quebec Participant's death, the Quebec Participant's Spouse is also his Beneficiary pursuant to a written designation made by the Quebec Participant pursuant to Section 9.3 and not by virtue of Section 1.6.

X TERMINATION OF EMPLOYMENT

10.1 Non-Vested Termination

- (a) A Participant who terminates service for reasons other than death or retirement and before he has reached his Vesting Date, shall receive a refund of his accrued regular and voluntary employee contributions made to the Plan or Prior Plan or Predecessor Plan, with Credited Interest thereon, accumulated to the date of payment.
- (b) In lieu of receiving a cash refund under subsection 10.1(a), a non-vested Participant who terminates service before retirement may elect with respect to any amounts payable under subsection 10.1(a) to:
 - (i) transfer such amounts to another registered pension plan of which the Participant is a member, providing the terms of the other pension plan permit such transfer, or
 - (ii) transfer such amounts to the Participant's eligible registered savings arrangement, or
 - (iii) use such amounts to purchase a life annuity issued by an insurance company licensed to transact business in Canada, that will not commence before the Participant attains age 55,

on a non-locked-in basis, in accordance with the Pension Benefits Act and the Income Tax Act.

10.2 Vested Termination

- (a) Subject to the provisions of subsections 10.2(c), 10.2(d) and Section 10.4, and subject to Section 10.5 in respect of a Quebec Participant, a Vested Participant, whose service shall terminate after the Effective Date for any reason other than death or retirement, shall be entitled to receive, commencing as of his Normal Retirement Date or early retirement date, a normal form of retirement income (herein referred to as "deferred retirement income") in an amount equal to his accrued regular retirement income determined as at the date of termination of employment, reduced as may be necessary for early retirement in accordance with Section 6.2.

The Participant shall also be entitled to Excess Contributions, if any, in an amount and in the manner determined in accordance with Section 7.4.

- (b) A Participant referred to in subsection 10.2(a) shall also be entitled to a refund of his voluntary employee contributions under a Prior Plan, a Predecessor Plan and this Plan, together with Credited Interest thereon, or in lieu thereof may elect to transfer such refund or purchase an annuity in accordance with the provisions of subsection 10.1(b).

(c) Rollover of Locked-In Benefits

On termination of service before retirement, and subject to subsection 10.2(e), a Vested Participant who has not attained age 55 may elect to receive the Commuted Value of the deferred retirement income under subsection 10.2(a) above with respect to pension benefits accrued after December 31, 1986 and if age 45 with 10 years of service with respect to pension benefits accrued to January 1, 1987 under the Plan and the Prior Plan, as determined by the Employer. At the Participant's option, the Commuted Value may, subject to the maximum transfer limits prescribed under Section 8517 of the regulations made under the Income Tax Act, be:

- (i) transferred to another registered pension plan of which the Participant is a member, providing the terms of the other pension plan permits such transfer,
- (ii) transferred to the Participant's eligible registered savings arrangement prescribed by the Pension Benefits Act such as:
- (A) locked-in retirement account (LIRA),
 - (B) life income fund (LIF),
 - (C) locked-in retirement income fund (LRIF),
 - (D) locked-in registered retirement savings plans, or
- (iii) transferred to an insurer to purchase an annuity which shall be payable in accordance with the requirements of the Pension Benefits Act.

Such transfer shall not be made until the financial institution receiving the monies agrees to administer the transferred monies on a locked-in basis,

in accordance with the Pension Benefits Act and subject to any limitations on such transfers when the solvency of the Plan may be impaired.

In addition, the Participant who has not attained age 55 and who has opted to transfer the Commuted Value of this benefit pursuant to subsection 10.2(c)(ii) may also transfer any Excess Contributions, as determined under Section 7.4, to a registered retirement savings plan or registered retirement income fund or to a registered pension plan of which the Participant is a member.

If the Participant's Commuted Value exceeds the maximum transfer limit prescribed under Section 8517 of the regulations made under the Income Tax Act, the excess portion shall be paid to the Participant as a cash lump sum.

For British Columbia Participants

Notwithstanding any other Section of this Plan, a Vested British Columbia Participant who (i) terminates service in the province of British Columbia; (ii) has been a non-resident of Canada for two or more years and (iii) has not transferred the Commuted Value under this Section 10.2 may apply in the manner prescribed by the Pension Benefits Act to receive a lump sum cash payment (less required withholdings) of the Commuted Value of the Vested British Columbia Participant's entitlement under the Plan or to transfer the amount to a registered retirement savings plan.

For Quebec Participants

Notwithstanding any other Section of this Plan, a Vested Quebec Participant who (i) terminates service in the province of Quebec on or after January 1, 2001; (ii) has been a non-resident of Canada for two or more years and (iii) has not transferred the Commuted Value under this Section 10.2 may apply in the manner prescribed by the Pension Benefits Act to receive a lump sum cash payment (less required withholdings) of the Commuted Value of the Vested Quebec Participant's entitlement under the Plan or to transfer the amount to a registered retirement savings plan.

Notwithstanding any other Section of this Plan, a Vested Quebec Participant who terminates service in the Province of Quebec and who has attained age 55 may elect a portability option pursuant to subsection 10.2(c) every five years from the date the Vested Quebec Participant ceased Continuous Employment.

(d) Rollover of Non-Locked-In Benefits

On termination of service before retirement, and subject to subsection 10.2(e) of this Plan, a Vested Participant who terminates employment and has not attained age 45 and completion of 10 years of service, with respect to pension benefits accrued to January 1, 1987, may elect to receive, instead of amounts payable under subsection 10.2(a) above, the aggregate of his regular employee contributions made to the Plan or the Prior Plan with Credited Interest thereon as a lump sum payment, or alternatively:

- (i) transfer such lump sum refund to another registered pension plan of which the Participant is a member, providing the terms of the other pension plan permit such transfer, or
- (ii) transfer, subject to the Income Tax Act, such lump sum refund to the Participant's eligible registered savings arrangement.

- (e) Amounts transferred to a defined contribution pension plan in accordance with subsection 10.2(a) or in accordance with subsection 10.2(b) on and after January 1, 1989 shall not exceed the maximum amount prescribed by the Income Tax Act, and the excess of the Commuted Value, plus Credited Interest, if any, over the amount transferred shall, be paid to the Participant in cash. This restriction shall not apply to the transfer of voluntary contributions.

10.3 Withdrawal from the Plan

Subject to the requirements or prohibitions of any Pension Benefits Act, a Participant may in special cases, and only with the consent of the Company, withdraw from the Plan.

Such a withdrawal shall have the same effect insofar as the Participant is concerned as if his employment had been terminated on the date of such withdrawal, and accordingly all resulting rights shall be governed by the provisions of the Plan respecting termination of employment and the Participant shall be considered as a new employee, as of the date of withdrawal, for all purposes of the Plan.

10.4 Purchases of Deferred Annuities

A Participant who becomes entitled to a deferred retirement income by virtue of the provisions of this Article X, may receive an insured deferred life annuity purchased from a company authorized to carry on a life insurance business in Canada with moneys withdrawn from the Retirement Fund and such deferred annuity shall be provided in full satisfaction of the obligation to pay such deferred retirement income out of the Retirement Fund. Such annuity shall not commence before the Participant attains age 55. The provisions of the Plan will govern the amount of the deferred annuity and the terms of its payment. In lieu of a deferred annuity, the Participant may request a transfer of benefits in accordance with subsection 10.2(c) or (d), subject to subsection 10.2(e), as applicable. The purchase of a life annuity shall serve as full discharge of all rights and entitlements under the Plan.

10.5 Minimum Termination Benefit for Quebec Participants

In respect of Credited Service accrued after December 31, 2000, a Quebec Participant is entitled to an additional benefit on termination of employment calculated in accordance with the Pension Benefits Act. This additional benefit shall be determined at the date on which a Quebec Participant terminates service and shall be payable in the form of a life annuity the amount of which may not exceed the maximum amount that may be set without resulting in the determination of a past service pension adjustment within the meaning of the Income Tax Act. The portion of the value of the additional benefit that exceeds such maximum amount shall be payable to the Quebec Participant in a lump sum, as of the date on which he terminates service with Credited Interest.

10.6 Temporary Pension and Lump Sum Replacement for Quebec Participants

A Quebec Participant who terminates Continuous Employment or the Spouse of the Quebec Participant who has become entitled to a pension, and who has attained age 55 but not age 65 may be entitled to the options available under Sections 6.4 and 6.5.

XI PAYMENT OF AMOUNTS DUE UNDER THIS PLAN

11.1 Only Authorized Net Amount Payable

- (a) All amounts payable under the Plan shall be paid in accordance with the provisions of this Article XI.
- (b) Only the net amount, after making adjustments which are applicable, shall be payable from the Retirement Fund.
- (c) No payment shall be made under the Plan unless it shall have been authorized by the Employer.

11.2 Limitations Regarding Small Payments

Any lump sum payment made to a Participant in accordance with this Section 11.2 shall operate as a full discharge of all rights and entitlements of the Participant under the Plan.

For Alberta Participants

If the Commuted Value of the Alberta Participant's deferred vested pension is less than 20% of the YMPE in the year that the Alberta Participant's Continuous Employment terminates, or the total annual pension payable is less than 4% of the YMPE in such year, or such other amount as may be permitted by the Pension Benefits Act from time to time, the Commuted Value of the Member's accrued benefit may be paid, at the Alberta Participant's option as a lump sum payment or transferred to a registered retirement savings plan in lieu of any other benefits under this Plan.

For British Columbia Participants

If the annual retirement income provided under the Plan to the British Columbia Participant is in or could otherwise be payable in an amount that is less than 10% of the YMPE, or if the Commuted Value of the pension benefit payable under the Plan does not exceed 20% of the YMPE in the year that British Columbia Participant terminated employment, or such other amount as may be permitted under the Pension Benefits Act, a lump sum settlement of Commuted Value shall be paid at the option of the British Columbia Participant in full discharge of all liability in respect of such benefit.

Notwithstanding any other Section of the Plan, if the Commuted Value of this benefit owing to a British Columbia Participant is less than 20% of the YMPE in the year the British Columbia Participant becomes entitled to such payment, the Commuted Value may be transferred by the Employer in accordance with the provisions of Article X.

For Ontario Participants

In the event that any annual retirement income provided under the Plan would otherwise be payable in an amount less than 2% of the YMPE in the year that the Ontario Participant terminated employment, or such other amount as permitted under the Pension Benefits Act, a lump sum settlement of Commuted Value shall be paid in full discharge of all liability in respect of such benefit.

For Quebec Participants

Effective January 1, 2001, if the Commuted Value of the benefits of a Quebec Participant who ceases active membership is less than 20% of the YMPE of the year in which the Quebec Participant ceases active membership, the Quebec Participant may elect to receive a lump sum payment equal to the Commuted Value of his benefits in full discharge of all obligations under the Plan. This right of the Quebec Participant may be exercised, before his benefits commence to be paid, by applying within 90 days from receipt of his statement of benefits and, subsequently, within 90 days after the expiry of each fifth anniversary of the date on which the Quebec Participant ceases active membership.

When the requirements set out in the preceding paragraph are met, the Company may refund the Commuted Value of the benefits in satisfaction of the Participant's rights under the Plan. The Company must send a notice to the Quebec Participant requesting instructions as to the refund formula; when no reply is received within 30 days of the sending of this notice, the Company may make the refund, which possibility shall be mentioned in the notice.

11.3 Payments to Minors and Incompetents

If the Employer shall receive evidence satisfactory to it that a Participant, contingent annuitant or Beneficiary entitled to receive any benefit under the Plan is at the time when such benefit becomes payable to a person who is a minor or mentally incompetent to give a valid release for such benefit, the Employer may subject to the Pension Benefits Act, authorize payment of such benefit otherwise payable to such Participant, contingent annuitant or Beneficiary to an individual or institution appointed by a court of competent jurisdiction, and a receipt for such

payment by such person or institution shall be a valid and complete discharge for the payment of such benefit.

XII RETIREMENT FUND

12.1 Retirement Fund

- (a) The Company shall establish with a Funding Agent and maintain for the purposes of the Plan a Retirement Fund which shall include the assets transferred from the Prior Plan and into which shall be paid the contributions made under the Plan. Subject to Section 12.2, the contributions of each Employer shall be paid at such time as prescribed by the Pension Benefits Act and in such amounts as shall be determined by the Audit/Pension Committee, based on the advice of the Actuary.
- (b) Subject to subsection 12.1(c), at no time shall any part of the corpus or income of the Retirement Fund be used for, or diverted to, any purposes other than for the exclusive benefit of Participants, their contingent annuitants and Beneficiaries. No person shall have any interest in or right to the Retirement Fund or any part thereof, except as expressly provided in the Plan.
- (c) Notwithstanding this or any other Section of this Plan, if at any time, in the opinion of the Actuary, the assets of the Retirement Fund exceed the actuarial liabilities under the Plan in respect of pension benefits accrued and an actuarial surplus thereby exists under the Plan, and subject to the prior approval and conditions of the regulatory authorities responsible for the Pension Benefits Act governing this Plan, all or part of such assets may be refunded to the Company or used to reduce any required Employer contributions to the Plan.
- (d) Each Participant or retired Participant or other person who shall claim the right to any payment under the Plan shall be entitled to look only to the Retirement Fund for such payment. The payment of benefits under the Plan shall be a liability of the Retirement Fund, and not of the Employer, the Audit/Pension Committee, or of the officers, directors or shareholders of the Employer.
- (e) Subject to the prior notice to the Superintendent of Financial Services of Ontario, any overpayment by an Employer in the Plan Year in excess of the amount required to be contributed under the Plan may be returned to the Employer out of the Retirement Fund, where and to the extent such refund is required to avoid revocation of the Plan's registration under the Income Tax Act.

12.2 Funding of Plan

Anything herein contained to the contrary notwithstanding, payments to the Retirement Fund shall be made each month for not less than such amounts as are adequate in accordance with the tests for solvency prescribed by the regulations under the Pension Benefits Act to provide for payment of all pension benefits, deferred life annuities and other benefits required to be paid under the terms of the Plan.

12.3 Investments

The Retirement Fund shall be invested only in investments prescribed by the regulations under the Pension Benefits Act and other applicable legislation.

12.4 Payment of Expenses

All normal and reasonable expenses incurred in the administration of the Plan and expenses incurred to maintain the Retirement Fund shall be paid from the Retirement Fund. Fees and expenses of the Employer are not payable out of the Retirement Fund except as permitted by the Pension Benefits Act.

XIII ADMINISTRATION

13.1 Administration by Company

The Plan shall be administered by the Company.

13.2 Administrative Powers of Company

The Company shall have full power to administer the Plan, such power to include, but not to be limited to, the following:

- (a) to make and enforce such rules and regulations as it shall deem necessary or proper for the efficient administration of the Plan;
- (b) to interpret the Plan, its interpretation thereof in good faith to be final and conclusive;
- (c) to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
- (d) to compute the amount of benefits or other payments which shall be payable to any Participant, retired Participant, contingent annuitant, or Beneficiary, in accordance with the provisions of the Plan, and to determine the person or persons to whom such amounts shall be paid;
- (e) to authorize all payments to be made for such purposes;
- (f) to prepare accounts and records showing the detailed operation of the Plan;
- (g) to arrange for the audit of such records and accounts by independent auditors who may be the auditors of the Company.

13.3 Audit/Pension Committee

The Company may, at its discretion, appoint an Audit/Pension Committee to carry out all or some of the duties of administering the Plan and the Audit/Pension Committee's terms of reference shall be as determined by the Company. The Audit/Pension Committee may make such recommendation to the Board of Directors regarding the administration of the Plan and the Retirement Fund as it deems appropriate and in accordance with the terms of reference established by the Company.

13.4 Uniform Administration

Whenever, in the administration of the Plan, any action by an Employer is required, such action shall be uniform in nature as applied to all persons similarly situated.

13.5 Liability Limited

In administering the Plan neither the Company nor any Employer, nor the Board of Directors or any member thereof, nor any officer or employee of the Company or any Employer nor the Audit/Pension Committee shall be liable for any acts of omission or commission, except for his or its own individual, wilful and intentional malfeasance or misfeasance. The Company and each Employer, and the officers and directors of each of them shall be entitled to rely conclusively on all tables, valuations, certificates, opinions and reports which shall be furnished by any actuary, accountant, trustee, counsel or other expert who shall be employed or engaged by the Company or any Employer.

13.6 Explanation of Plan to Employees

A written explanation of the Plan shall be supplied to each Eligible Employee within the time period prescribed by the Pension Benefits Act concerning the terms and conditions of the Plan and any amendments thereto applicable to him, together with an explanation of the rights and duties of the Eligible Employee with reference to the benefits available to him under the terms of the Plan, and any additional information which shall be required from time to time by federal or provincial legislation for disclosure to an Eligible Employee, Participant, Spouse or agent or any other person prescribed by the Pension Benefits Act as applicable.

13.7 Information to be Provided Before Company Pays Benefits

Payment of benefits shall not be made until the person entitled to payment of the benefit delivers to the Company:

- (a) satisfactory proof of age of the person or persons who may become entitled to payment of the benefit and such other information as may be required to calculate and pay the benefit; and
- (b) if the benefit is payable to a Participant, a declaration signed by the Participant as to whether or not the Participant has a Spouse.

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| XIV MISCELLANEOUS PROVISIONS |
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14.1 Non-Alienation of Benefits

Except as permitted or required by applicable legislation or as specified elsewhere in this Plan, no benefit payable under the provisions of the Plan shall be capable in any manner of being anticipated, pledged, assigned, charged, encumbered, surrendered, given as security, commuted, alienated, sold, surrendered or transferred. Any attempt or agreement to do so shall be void. No benefit shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person entitled to such benefit.

14.2 Plan Not a Contract of Employment

The Plan shall not be deemed to constitute a contract between the Company or any Employer and any Employee for the employment of any Employee. Nothing in the Plan shall give any Employee the right to be retained in the employ of the Employer; all Employees shall remain subject to discharge, discipline or lay-off to the same extent as if the Plan had not been put into effect.

14.3 Modification or Discontinuation of the Plan

The Company reserves the right to amend, modify or discontinue the Plan in whole or in part which shall include, but not be limited to, the right to merge the Plan and the Retirement Fund with any other pension plan(s) and related pension fund(s) registered under the Income Tax Act and to change the level or type of benefits provided under the Plan (including the right to convert the Plan to a defined contribution type pension plan), at any time without the consent of any Participant, Spouse or other Beneficiary, provided, however, that the Company will have no power to make any change that would cause or permit any portion of the contributions made to the Plan to be diverted to purposes other than for the exclusive benefit of the Participants and other Beneficiaries or as otherwise permitted by the Plan. The Company may not reduce any Participant's accrued regular retirement income or any accrued Supplementary Adjustments already granted under the provisions of Section 7.6, except on termination of the Plan when, due to insufficient funds, proportionate reductions of accrued benefits are effected under the provisions of Section 14.4. Except as provided in subsection 12.1(e), the Company may not withdraw any contributions made to the Plan. An Employer will not be obligated to make any contributions after the termination date of the Plan, except to the extent required by the Pension Benefits Act.

Where an amendment to the Plan results in a certifiable past service event (as defined under the Income Tax Act) in respect of a Participant, the amendment shall not apply to such Participant prior to certification of the past service pension adjustment (as defined under the Income Tax Act) in accordance with the Income Tax Act.

14.4 Distribution of Assets of Retirement Fund on Termination of the Plan

- (a) In the event that the Plan shall be terminated by the Company, the assets then remaining in the Retirement Fund attributable to each Employer shall be applied in the following order, unless contrary to the terms of the Pension Benefits Act, or other applicable legislation, all persons in each class being entitled to their respective proportionate shares:
 - (i) Provision to all Participants, terminated Participants having rights under the Plan, retired Participants, and their contingent annuitants and Beneficiaries, of benefits based on employee contributions, regular and voluntary, to the extent that such benefits are based on such contributions, subject to the provision contained in Section 7.3.
 - (ii) Provision to retired Participants and their contingent annuitants and Beneficiaries of the remainder of the benefits to which they shall be entitled under the Plan.
 - (iii) Provision to Participants who shall at that time be entitled to retire normally, and to their contingent annuitants and Beneficiaries, of the remainder of the benefits to which they shall be entitled under the Plan.
 - (iv) Provision to Participants who shall at that time be entitled to retire early, and to vested Participants, and to their contingent annuitants and Beneficiaries, of the remainder of the benefits to which they shall be entitled under the Plan.
 - (v) Provision to all other Participants and their contingent annuitants and Beneficiaries of the remainder of the benefits to which they shall be contingently entitled under the Plan.
- (b) Any surplus in the Retirement Fund, after satisfaction of all benefit rights accrued under the Plan, shall be paid to the Company or used as the

Company may direct, subject to the required approval of applicable regulatory authorities, if any.

- (c) Notwithstanding Sections 14.4(a) and (b), in the event that the Plan is partially terminated, the Company shall be entitled to any surplus relating to such partial termination, and it may, but is not required to, distribute such surplus.

14.5 On Wind-Up or Bankruptcy of Company

- (a) In the event that the Company is wound up or becomes bankrupt, the assets held in the Retirement Fund pursuant to or for the purposes of the Plan will be allocated first for the provision of benefits accrued to the date of wind-up or bankruptcy pursuant to the foregoing Articles I through XIII of the Plan to which the Participants, their Spouses, contingent annuitants and Beneficiaries are entitled in such equitable manner as may be determined by the liquidator or trustee in bankruptcy of the Company, in consultation with the Actuary.
- (b) No liability shall attach to the Company or the Board of Directors, or to the liquidator or trustee in bankruptcy in connection with an application of the Retirement Fund pursuant to this Article XIV, provided such application was made in good faith and in accordance with the requirements of the Income Tax Act and the provisions of the Pension Benefits Act and the trust agreement.

14.6 Provision of Benefits on Plan Termination or Wind-Up

Benefits under Sections 14.4 and 14.5 may be provided at the discretion of the Company in one or more of the following ways:

- (a) by the purchase of deferred or immediate annuity contracts from an insurer;
- (b) by the continuation of the Retirement Fund or the establishment of a new retirement fund for the provision of pension benefits;
- (c) by the transfer of assets to provide pension benefits to which the respective Participants are entitled to the pension plans of subsequent employers or to eligible prescribed registered savings arrangements; or
- (d) by lump sum cash payments,

subject to any restriction by the Pension Benefits Act and the Income Tax Act.

14.7 Transfer of Funds

Funds may be transferred to or from the Retirement Fund from or to another approved plan, if such transfer is in accordance with all applicable income tax rules.

14.8 Alienation of Benefits on Marriage Breakdown

In the event that a Participant and the former spouse of the Participant divide assets on marriage breakdown, the retirement income in respect of the Participant shall be divided in accordance with the Pension Benefits Act and other applicable laws.

14.9 Shortened Life Expectancy

Where an Ontario Participant whose employment with an Employer has ceased due to retirement or termination of employment and the Ontario Participant is entitled to a deferred pension or is in receipt of a pension and establishes, by a statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada, that, in the opinion of the physician, the Ontario Participant has an illness or physical disability that is likely to shorten the Ontario Participant's life expectancy to less than two years, the Commuted Value of the Ontario Participant's pension may be paid to the Ontario Participant in a lump sum payment subject to the Ontario Participant providing the Company with such documents as may be required under the Pension Benefits Act. For the purpose of this Section 14.9, when determining the Commuted Value of the Ontario Participant's pension, the Company may adopt, on the recommendation of the Actuary, mortality assumptions which reflect the shortened life expectancy of the Ontario Participant.

14.10 Lump Sum Payments

Where a lump sum payment is to be paid to a Participant or to the Participant's Spouse, and the payment is not required by the Plan or the Pension Benefits Act to be locked-in, the Participant or the Participant's Spouse, as applicable, may, subject to the provisions of the Income Tax Act, request that the payment be transferred to a registered retirement savings plan.

14.11 Redetermination of a Quebec Participant's Pension

Where a Quebec Participant's Spouse is entitled to joint and survivor benefit upon the death of the Quebec Participant and such right is terminated by reason of separation from bed and board, divorce or annulment of marriage or cessation of conjugal relationship, and the effective date of such event is on or after January 1, 2001, the Quebec Participant may make a request to the Company for the calculation of his pension as of the effective date of the judgment granting the separation from bed and board, the divorce or the annulment of marriage, or the date of the cessation of conjugal relationship. The recalculated pension shall be in the same amount and have the same characteristics as the pension that would have been payable to the Quebec Participant at the date of recalculation had the Quebec Participant not had a Spouse on the date the payment of a pension began.

Unless the Company has received the notice from the Quebec Participant notifying it in writing to pay the pension to his Spouse notwithstanding the separation from bed and board, divorce, annulment of marriage or cessation of conjugal relationship, the Company shall recalculate the Quebec Participant's pension if the benefits accrued to him under the Plan are partitioned, subsequent to the first payment of joint and survivor pension to the Quebec Participant.

In no event shall the recalculation of the pension under this Section operate alone to reduce the amount of pension paid to the Quebec Participant.

Whether or not benefits have been partitioned, a Quebec Participant may make a request under this Section if his separation from bed and board, divorce, annulment of marriage or cessation of conjugal relationship was effective before January 1, 2001. In such a case, the Quebec Participant's pension will be recalculated as of the date of the request and in the manner prescribed under the Pension Benefits Act.

XV COMPLIANCE WITH APPLICABLE LEGISLATION

The administration and certain provisions of the Plan are governed by the rules of Income Tax Act applicable to registered pension plans, by the Pension Benefits Act and the corresponding Regulations, and by similar pension benefits Acts and Regulations of other provinces in which Participants are employed. If any provisions of the Plan are inconsistent with the requirements of any valid Acts and Regulations, then the latter shall govern to the extent applicable. The administration of the Plan shall similarly comply with all such legislation to the extent the legislation is applicable.

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| Schedule A Employers |
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| <u>Participating Employer</u> | <u>"Effective Date" Applicable to Employees of that Employer</u> |
|---|--|
| Ottawa Citizen Group Inc. | November 16, 2000 |
| Montreal Gazette Group Inc. | November 16, 2000 |
| Edmonton Journal Group Inc. | November 16, 2000 |
| Calgary Herald Group Inc. | November 16, 2000 |
| Pacific Newspaper Group Inc. | November 16, 2000 |
| Hamilton Printing Group Inc. | November 16, 2000 |
| Southern Ontario Community Newspaper Group Inc. | November 16, 2000 |
| Southam Publications Inc. | November 16, 2000 |
| canada.com News Media Inc. | November 16, 2000 |
| Windsor Star Group Inc. | January 1, 2001 |
| Brantford Expositor Group Inc. | January 1, 2001 |
| St. Catharines Standard Group Inc. | January 1, 2001 |
| Port Alberni Times Group Inc. | January 1, 2001 |

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| Appendix A Provisions for Employees of Pacific Press Limited |
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1. Eligibility

The provisions of this Appendix A apply to Participants who were members of the Prior Plan and who had also been members of the Pension Plan for Employees of Pacific Press Limited who are not covered by union certification ("Plan B") as at December 30, 1987.

2. Minimum Benefit for Service Before 1988

In no event shall any such members of Plan B receive benefits in respect of service prior to December 31, 1987 less than what their entitlement would have been under Plan B on that date.

**Appendix B Provisions of the Plan for Employees of the
Kingston Whig-Standard Division of Southam Inc.**

1. Eligibility

Subject to a transfer of assets from the Prior Plan to the Plan, participants who were members of the Prior Plan and who were also members of the Pension Plan for Employees of the Kingston Whig-Standard division of Southam Inc. on October 31, 1991 shall have their benefits in respect of service prior to November 1, 1991 determined under the provisions of the Pension Plan of Kingston Whig-Standard as outlined in this Appendix B as it may be amended.

2. Pensions

The annual amount of pension payable at normal retirement date for service prior to November 1, 1991 is:

- (a) or Service up to and including April 30, 1988:
40% of total required contributions made by the Participant; plus
- (b) For Service commencing on and after May 1, 1988:
1.4% of salary up to the YMPE in the year, plus
2.0% of salary in excess of the YMPE in the year.

For the purposes of this Section 2, "salary" shall mean the aggregate of all amounts paid to the Participant by the Company for services rendered, including commissions, but excluding expense allowances, overtime, and/or amounts paid for an extended work week or bonuses or any other special remuneration.

3. Early Retirement

A Vested Participant who retires from active employment on or after the Effective Date will be entitled to receive an unreduced immediate pension if the Participant is both age 62 and has 10 years of Continuous Employment at retirement. Where a Vested Participant has not met these qualifications but has attained age 55, he may retire and receive an immediate pension calculated under Section 2 of this Appendix B and Section 7.1 of the Plan for Credited Service to the

Participant's actual retirement date, reduced by a factor of one-third of 1% for each complete month by which the early retirement date precedes the date on which the Participant is first eligible for an unreduced early retirement pension in accordance with this paragraph.

Participants retiring before age 62 with 10 or more years of Continuous Employment may elect to receive an unreduced deferred retirement income payable at age 62.

Notwithstanding any other provision of this Appendix B, a Vested Participant who terminates employment on or after the Effective Date and who elects to receive a deferred pension commencing at his early retirement date shall receive an amount equal to the Participant's retirement income as calculated under Section 2 of this Appendix B and under Section 7.1 for Credited Service to the Participant's actual retirement date, actuarially reduced in a manner to be determined by the Company; provided that the benefit payable hereunder shall not exceed maximum early retirement pension limits applicable under the Income Tax Act. In no event will such Participant be entitled to an unreduced early retirement benefit payable at age 62 unless the Participant is retiring in accordance with this Section 3 of this Appendix B.

4. Death Benefits

(a) For Service Prior to January 1, 1987:

If a Participant dies prior to retirement, his beneficiary is entitled to a lump sum refund of his required contributions made prior to January 1, 1987 with credited interest.

(b) For Service On and After January 1, 1987:

If a Participant dies prior to retirement and has less than 2 years of membership in the Plan, his beneficiary is entitled to a lump sum refund of his required contributions made on and after January 1, 1987 with credited interest.

If a Participant dies prior to retirement and has completed at least 2 years of membership in the Plan, his beneficiary is entitled to a lump sum payment of the commuted value of the benefit earned on and after January 1, 1987. The beneficiary is also entitled to a lump sum refund of the member's contributions made on and after January 1, 1987 with credited interest which are in excess of 50% of the commuted value of the

benefit earned on and after January 1, 1987. This lump sum refund is called "Excess Contributions".

5. Termination Benefits

(a) For Service Prior to January 1, 1987:

If a Participant terminates employment, he is entitled to either Option A or B below:

- Option A:
 - 1. A paid-up deferred pension payable at Normal Retirement Date purchased by the Participant's contributions and by the vested percentage of the Company's contributions made on the Participant's behalf in respect of benefits underwritten by the Canadian Government Annuities Branch, plus
 - 2. A cash return of all the Participant's contributions made prior to July 1, 1974 with interest, plus the vested percentage of the value of the Company's contributions made on the Participant's behalf prior to July 1, 1960, in respect of benefits underwritten by the North American Life Assurance Company, plus
 - 3. A cash return of all the Participant's required contributions, made on and after July 1, 1974 but prior to January 1, 1987, with interest.
- Option B:
 - 1. A paid-up deferred pension payable at normal retirement date purchased by all the Participant's contributions and by the vested percentage of the value of all the Company's contributions made on the Participant's behalf prior to January 1, 1987.

The vested percentage referred to above is 20% after one completed year of service increased by 20% each year to 100% after 5 such years.

Notwithstanding the above, a terminated Participant who has attained age 45 and completed at least 10 years of service shall not withdraw any of his required contributions made to the Plan. In that event, the

Participant shall receive a deferred pension payable from normal retirement date in the amount accrued prior to January 1, 1987.

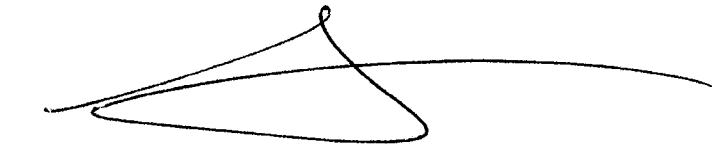
2. For Service On and After January 1, 1987:

If a Participant terminates employment and has completed less than 2 years of membership in the Plan, he is entitled to a lump sum refund of his contributions made on and after January 1, 1987 with credited interest.

If a Participant terminates employment and has completed at least 2 years of membership in the Plan, he is entitled to a deferred pension, payable at normal retirement date, with respect to service on and after January 1, 1987. The Participant is also entitled to a lump sum refund of his Excess Contributions.

TAB B

**This is Exhibit B referred to in the affidavit of
Russell Mills
sworn before me,
this 28th day of January, 2010.**

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

A Commissioner, etc.

MEMORANDUM OF AGREEMENT made as of the 13 day of July, 1990.

BETWEEN:

SOUTHAM INC.
(hereinafter called "the Company"),
OF THE FIRST PART

AND

RUSSELL A. MILLS
of the City of Toronto in the Province of Ontario,
(hereinafter called the "Executive")
OF THE SECOND PART

In the Southam Executive Retirement Plan Agreement (hereinafter called the "Agreement");

WHEREAS the Executive is in the employ of the Company and renders valuable service;

AND WHEREAS the Company wishes to recognize the value of the Executive's service and to secure his continued employment;

NOW THEREFORE, in consideration of the services to be performed by the Executive and of the execution of this Agreement by the Executive and the Company, this Agreement witnesses and it is mutually covenanted and agreed by and between the parties hereto as follows:

1. **PURPOSE**

The purpose of this Agreement is to provide a means whereby the Company may provide retirement income to the Executive in recognition of long service and valuable contributions to the Company.

The Executive's employment compensation or any portion thereof will not in any way be reduced, postponed or deferred as a result of or in connection with this Agreement.

This Agreement and any retirement income payable hereunder is not intended to be a pension plan as defined under provincial or federal pension benefits legislation nor is the Agreement intended to be a salary deferral arrangement or a retirement compensation arrangement as defined under the Income Tax Act of Canada.

2. DEFINITIONS

Unless the context otherwise specifies or requires, all terms contained in this Agreement which are defined in the Plan shall for all purposes hereof have the meanings given to such terms in the Plan. Words importing the singular number shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender.

"Agreement" means the signed document enrolling the Executive in the Southam Executive Retirement Agreement.

"Change of Control" has the meaning given to that event where the employment of the Executive is terminated other than for reasons of death, retirement, or cause.

"Company" means Southam Inc.

"Credited Service" includes all full years and completed months of Continuous Employment after the Executive became a Participant in the Plan and during which regular employee contributions were made and including all periods of disability recognized as periods of Credited Service under the Plan.

"Early Retirement Date" means the date of commencement of the Executive's pension after the Executive's retirement from Continuous Service with an Employing Company, prior to the attainment of age sixty-five (65) but after he (i) attains age fifty-five (55), and (ii) completes five (5) years of Continuous Employment.

"Employing Company" means Southam Inc., Southam Graphics Group; Southam Newspaper Group; Coles Book Stores Limited; Southam Business Information and Communications Group Inc.; and such other associated or subsidiary companies which the Company may designate from time to time.

"Final Average Earnings" means the total Earnings of the Executive during those sixty consecutive months of active Continuous Employment immediately preceding his normal or early retirement date or date of termination of employment, whichever shall occur first; divided by the number of months during such sixty month period in respect of which he shall have been entitled to Earnings, multiplied by twelve.

"Plan" means the Southam Retirement Plan which is available to all eligible employees of Southam Inc. and its' associated/subsidiary companies.

3. AGREEMENT DOES NOT AFFECT PLAN PARTICIPATION

The Executive will continue to be a Participant under the Plan and will continue to make contributions under the Plan as required.

4. CALCULATION OF BENEFITS

The Company will determine all relevant factors necessary to determine the Executive's benefits, if any, under this Agreement, including assumptions as to Credited Service, and Continuous Employment.

5. RETIREMENT BENEFITS

(A) Retirement On Or After Age 65

If the Executive retires from active employment with an Employing Company on or after attainment of age 65, he will receive an estimated annual amount of retiring allowance under this Agreement that is the difference between (1) and (2) as follows:

(1) the greater of either (a), (b), or (c) as follows:

- (a) the annual amount of pension to which the Executive would be entitled under the Plan and payable in the normal form under the Plan (exclusive of any benefits arising from voluntary contributions to the Plan), if the Plan were read to exclude all references to maximum retirement benefits imposed by any governmental authority having jurisdiction over the Plan and as if Credited Service for Plan purposes were as defined under this Agreement to a maximum of 35 years; or
- (b) 60% of the Executive's Final Average Earnings, less the maximum annual amount of Pension Payable under the Canada or Quebec Pension Plan in the year in which the Executive retires; or
- (c) 2% of the Executive's Final Average Earnings multiplied by his Credited Service to a maximum of 35 years, less, the maximum pension payable under the Canada or Quebec Pension Plan in the year in which the Executive retires.

Less

(2) the annual pension in the normal form which the Executive is entitled to receive on retirement under the Plan.

(B) Early Retirement Date

The Executive may retire under this Agreement upon attainment of age 55 and completion of 5 or more years of Continuous Employment. He will be eligible to receive a retiring allowance commencing at age 65 calculated under paragraph 5 (A) and based on Credited Service to actual retirement date or an immediate payment of the retiring allowance, provided that if the Executive retires after reaching age 62 with 10 or more years of Continuous Employment and elects to receive a payment immediately, he will receive the retiring allowance calculated under paragraph 5 (A) without reduction; and further provided that if the Executive retires prior to attainment of age 62 with 10 or more years of Continuous Employment and elects to receive payment immediately upon early retirement, he will receive the annual amount calculated under paragraph 5 (A), where the amount calculated under sub-paragraph 5(A)1 will be reduced by 1/3 of 1% for each month by which his Early Retirement Date precedes the date on which he is first eligible for an unreduced early retirement benefit in accordance with the Plan.

(C) Form of Payment

The retiring allowance payable under this Agreement shall be paid in equal monthly installments for the lifetime of the Executive with a guarantee that at least 60 payments in total will be made.

The Executive may elect a form of payment under this Agreement that is different from the form of payment elected under the Plan; provided that in no event shall the commuted value of the retiring allowance payable exceed the actuarial equivalent of the retiring allowance payable in the form described in the preceding paragraph.

The retiring allowance payable under this Agreement may, at the Executive's option, be commuted in whole or in part and paid in a lump sum provided that such lump sum does not exceed the maximum amount that can be transferred to a Registered Retirement Savings Plan by the Executive. The value of retiring allowance payable under this Agreement shall be reduced by the amount of retiring allowance paid to the Executive as a lump sum and the monthly payments reduced accordingly.

(D) Disability

No disability benefits are payable under this Agreement.

6. TERMINATION BENEFITS

- (A) If the Executive terminates employment prior to the age of 55 with 5 or more years of Continuous Employment no benefits will be payable under this Agreement.
- (B) If the Executive terminates employment after age 55 and with 5 or more years of Continuous Employment, the Executive is deemed to have retired and shall receive a pension payable as calculated under paragraph 5 (B) based on Final Average Earnings and Credited Service at the time of termination of employment.

7. DEATH IN SERVICE BENEFITS

- (A) If the Executive dies prior to eligibility for receipt of a retirement pension (age 55 with 5 years of Continuous Employment) no benefits shall be paid under this Agreement.
- (B) If the Executive dies after attainment of age 55 with 5 years Continuous Employment the Executive shall be deemed to have retired immediately prior to death and elected a Joint and Survivor annuity with a 60% survivor benefit.

8. FUNDING

The Company shall not contribute to any advance or current funding arrangement of any kind to provide for payments under this Agreement. Payments shall be made by the Company directly to the Executive or his beneficiaries, as applicable.

9. EXECUTIVE'S UNDERTAKING

The Executive covenants that as long as he is employed by an Employing Company he shall faithfully, honestly and diligently serve the Employing Company and that he shall not, without the consent of the Company, engage in any business or practice or employment in any position in competition with an Employing Company in the province in which the Executive was last employed by the Employing Company. In the event that the Executive ceases to fulfill and carry out covenants, all rights of the Executive under this Agreement shall immediately terminate.

10. CHANGE OF CONTROL

As used herein, the term "change of control" shall mean a change in the legal or effective control of the Company or the creation of a control block whether as a result of , or in connection with a cash takeover bid or a share exchange offer, or contested election of Directors, or any combination of the foregoing transactions or otherwise; and shall conclusively be deemed to have occurred if:

- (i) Incumbent Directors (as hereinafter defined) cease to constitute a majority of the Board of Directors of the Company; or
- (ii) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Agreement, a change in control of the Company has occurred or that such a change of control is imminent.

As used herein, the term "merger or liquidation event" shall be deemed to have occurred if the shareholders of the Company approve an amalgamation or merger of the Company with any other corporation (other than a direct or indirect subsidiary), or any other business combination, sale of assets or consolidation; or a plan for the liquidation of the Company or an agreement for the sale or disposition of all or substantially all of the assets of the Company.

As used herein, "Incumbent Director" shall mean any member of the Board of Directors of the Company who was a member of the the Board of Directors of the Company immediately prior to the occurrence of a transaction, transactions or elections giving rise to a change in control, and includes any successor to an Incumbent Director who is recommended or elected or appointed to succeed an Incumbent Director by the affirmative vote of a majority of the incumbent Directors then on the board of directors of the Company.

Notwithstanding any other provisions of the Agreement, in the event of a Change of Control where the employment of the Executive is terminated other than for reasons of death, retirement or cause and;

- A) after the Executive attains age 55 and completes 5 years of Continuous employment, the Executive shall become fully vested in all benefits accrued under the Agreement; or
- B) before the Executive attains age 55 and completes 5 years of Continuous Employment, the Executive shall, in lieu of the retiring allowance described under paragraphs 5 and 6, receive an immediate lump sum payment the value of which is equivalent to a retiring allowance payable in the form described under the first sentence of paragraph 5 (C) commencing payment at age 65 calculated under paragraph 5(A) and based on Credited Service to the date of termination.

11. GENERAL PROVISIONS

- (A) Nothing herein contained shall prevent or prohibit the Employing Company from terminating at any time the Executive's employment.
- (B) The Executive acknowledges that questions requiring interpretation of this Agreement may arise from time to time, and the Executive agrees that the Company shall have the right to interpret and perform this Agreement in a manner consistent with the efficient administration of this and similar agreements in effect from time to time with Executives of the Employing Company, and such interpretation or performance, fairly and reasonably done, shall be final and conclusive as between the Executive and the Company.
- (C) The Company retains the right to make provisions for the payment of benefits under this Agreement directly from Company funds or by payment on any other basis as the Company may deem appropriate.
- (D) This Agreement may be terminated or amended in whole or in part by the Company at any time. Notice of any such amendment shall be given in writing to the Executive or beneficiary of the deceased Executive. No termination or amendment of this agreement shall reduce any entitlement accrued to the date of termination or amendment. No amendment shall be made to the Agreement that would result in the Agreement constituting a salary deferral arrangement in respect of the Executive or a retirement compensation arrangement as such terms are defined in the Income Tax Act of Canada.
- (E) This Agreement supersedes and replaces any existing agreement whether written or oral between the Parties hereto and contains the entire agreement of the Parties hereto, and no modification thereof shall be binding on the Parties unless the same is in writing signed by the respective Parties hereto.
- (F) Neither the Executive nor any other person shall acquire by reason of this Agreement any right in or title to any assets, funds or property of the Company or Employing Company whatsoever. Nothing contained in the Agreement constitutes a guarantee by the Company that the assets of the Company shall be sufficient to pay any benefit to any person.

- (G) If at the time payments are to be made hereunder, the Executive or his beneficiary or both are indebted or obligated to the Company, then the payments remaining to be made to the Executive or his beneficiary or both may, at the discretion of the Company, be reduced by the amount of such indebtedness or obligation, provided, however, that an election by the Company not to reduce any such payment shall not constitute a waiver of its claims for such indebtedness or obligation.
- (H) Subject to paragraph 12 (G) neither the Executive nor any other person shall have any voluntary or involuntary right to commute, sell, assign, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are expressly declared to be unassignable and non-transferable. No part of the amounts payable shall be, prior to actual payment, subject to seizure or sequestration for the payment of any debts, judgements, alimony or separate maintenance owed by the Executive or any other person, or be transferable by operation of law in the event of the Executive's or any other person's bankruptcy or insolvency.
- (I) This Agreement shall enure to the benefit of and be binding upon the respective successors of the Parties hereto, and the heirs, administrators and legal representatives of the Executive.
- (J) This Agreement is an Ontario contract, and it shall be constructed and enforced, and all its terms and provisions administered, in accordance with the laws of Ontario.
- (K) All payments made under this Agreement shall be subject to such withholding tax or other levy required to be made or deducted from such payment.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

Signed in the presence of:

[Handwritten signature])

SOUTHAM INC.

per:

[Handwritten signature]

Signed in the presence of:


[Handwritten signature])

THE EXECUTIVE

[Handwritten signature]

TAB C

**This is Exhibit C referred to in the affidavit of
Russell Mills
sworn before me,
this 28th day of January, 2010.**



A Commissioner, etc.



Russell Mills
325 Fairmont Avenue
Ottawa, ON
K1Y 1Y6

January 11, 2010

Dear Mr. Mills,

I write to you today with some very difficult news. As you are aware by now, on January 8, 2010, the Company and certain Canwest entities (the "LP Entities") filed for and were granted creditor protection under the Companies' Creditors Arrangement Act ("CCAA"). The Company has a significant amount of debt, which we have been unable to address in light of weakness in the economy and turmoil in the financial markets over the past year. This CCAA process will provide us with the time and stability for an orderly restructuring and sale of the business while continuing with our day-to-day operations.

It has been determined that, in conjunction with the filing, the individual Southam Executive Retirement Arrangements ("SERA") assumed by Canwest when the Publishing business was acquired from Hollinger have been terminated.

Please be assured that the status of the Company's various registered pension and benefit plans have not changed. Your current entitlements from these plans are therefore not affected by the CCAA filing. However, your SERA is being terminated and any further payments to you by the Company in relation to the SERA will stop.

We understand the significance of this change for you, but it has been determined that this decision is a necessary one. Although no claims procedure has been established, you will be personally notified of any applicable claims procedures at the appropriate time.

For additional questions please call Michelle Hall, SVP People at 416-442-3790 or Margaret Proven, Director HR Corporate Office, Executive Compensation and Pension at 204-953-7752. As this process continues to unfold we will keep you informed as to how the restructuring or any transfer of the business may further impact you and any benefits to which you may be entitled. You can also visit the Monitor's website at: <http://cfcanada.fticonsulting.com/clp> or contact them via email at canwestlp@fticonsulting.com or phone at 1-888-310-7627.

Please know that this is in no way a reflection of how highly your years of service to this company and this industry are regarded. Tremendously challenging times have forced some extremely difficult decisions and we truly regret these very personal impacts.

Sincerely,

Leonard Asper
President & CEO
Canwest Global Communications Corp.

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

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

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

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

Proceeding commenced at Toronto

AFFIDAVIT OF RUSSELL MILLS
sworn January 28, 2010

SHIBLEY RIGHTON LLP
Barristers & Solicitors
700-250 University Avenue
Toronto, Ontario
M5H 3E5

Thomas McRae
LSUC No. 32375U
Tel: 416-214-5206
Fax: 416-214-5400

Lawyers for the Canwest Salaried
Employees and Retirees Group

TAB 3

Court File No. CV-09-8241-00CL

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

**AFFIDAVIT OF REJEAN SAUMURE
(Sworn January 28, 2010)**

I, Rejean Saumure, of the City of OTTAWA , in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:

1. I am a former employee of the Ottawa Citizen and Canwest Publishing Inc. In my affidavit, Canwest Publishing Inc./Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) and Canwest Limited Partnership and the Canwest Global Canadian newspaper entities are collectively referred to as "Canwest" or the "LP entities". I swear this affidavit in support of the motion by myself, Blair Mackenzie, Russell Mills and Les Bale for a representative and funding order on behalf former salaried employees and retirees of Canwest and for the appointment of Nelligan O'Brien Payne LLP and Shibley Righton LLP as representative counsel.
2. As a former employee of Canwest, I have knowledge of the matters to which I hereinafter depose except where stated to be based upon information and belief. Where I rely on information and belief, I verily believe it to be true.

Background

3. I began working at the Ottawa Citizen in 1973 when I joined the advertising department as a production artist. Over the years, I rose through the ranks to layout artist, graphic designer, advertising production supervisor and was eventually promoted to the position of Advertising Service Manager. In my role as Advertising Service Manager, I steered the department into the digital age and was instrumental in developing and installing new production methods.

Voluntary Staff Reduction Program

4. In November of 2008, the Ottawa Citizen offered full time employees the opportunity to apply for a voluntary staff reduction program. Under the program, employees were offered a severance package consisting of three weeks per year of service up to a maximum of 78 weeks. Employees who were over 55 years old as at December 31, 2008 were also offered the option of taking early retirement at the end of the severance period.
5. After careful thought including an assessment of my financial situation and that of my family, I opted to participate in the voluntary staff reduction program. As a consequence, I accepted a package from Canwest consisting of salary continuance period of 78 weeks (paid at a reduced salary level) and a lump sum payment of \$58,000.00 to be paid into my RRSP account at end of the salary continuance period. The package also included pensionable service accrual and the continuation of my employee benefits package during the salary continuance period. At the end

of the salary continuance period in July of 2010, I was to then take early retirement from Canwest and receive at that time my full pension and retiree benefits.

Canwest's CCAA Protection and Impact

6. On January 8, 2010, Canwest obtained an order pursuant to the CCAA staying all proceedings and claims against them (the "Initial Order"). Pursuant to the Initial Order, Canwest is entitled but not required to make payments to the employee and retiree benefits plans.

7. On January 8, 2010, I also received a letter from Michelle Hall, Vice President of Canwest Publishing Inc., advising that certain Canwest entities had filed for and were granted protection under the CCAA. I was told that in conjunction with the CCAA filing all further payments owed to me by Canwest would stop effective immediately and that my employee benefits coverage would cease as of February 28th, 2010. I was also advised effective immediately I would no longer be accruing pensionable service. Attached as Exhibit "A" is a copy of the January 8, 2010 letter.

8. On January 13, 2010, I received a letter from FTI Consulting advising of their appointment as Monitor. The letter also stated that a stay was in place that prohibited me from commencing a claim against Canwest. I found the letter to be confusing and unclear as to what if any steps I could take as result of Canwest's CCAA filing. Attached as Exhibit "B" is a copy of the January 13, 2010 letter.

9. On January 18, 2010, I met with Linda Ruhl, Human Resources Manager at the Ottawa Citizen to discuss Canwest's CCAA filing. During our meeting, Ms. Ruhl advised that as part of the CCAA process, it was normal practice for the Court to appoint a law firm to represent former employees as a group. She advised me that the representation would happen at a later date and we would be advised by the Monitor once counsel had been appointed. She also advised that it was possible that the secured creditors could agree to assume the commitments made by Canwest to former employees but that was not certain as the secured creditors had left themselves the option of not assuming the commitments owed to us.

10. As a consequence of the CCAA filing, I have currently lost over 6 months of my remaining salary continuance period, the lump sum severance payment of \$58,000.00 that was to be transferred to my RRSP account, over 6 months of pensionable service and my employee benefits coverage as of February 28, 2010. As such, Canwest's actions have had a significant impact on my income and will significantly impact my retirement should the purchaser of Canwest not accept those liabilities.

Development of the CSER and Concerns

11. Since shortly after the CCAA filing, I have been engaged in efforts to advance the interests of former employees. I sought out and located other former employees who had their severance packages abruptly terminated. Together with 10 other former employees, I formed a group in order to allow us to better understand and share information regarding our rights and entitlements. To that effect, we also

created a facebook page, open to the public, inviting former employees of Canwest to join our group.

12. On January 19, 2010, I was contacted by Russell Mills, who advised me that he had formed a group of retirees who had been impacted by Canwest seeking CCAA protection. Recognizing that both former employees and retirees had been affected, we formed the Canwest Salaried Employees and Retirees group ("CSER"). CSER consists of former employees who have had their severance packages terminated and retirees who have had their SERA entitlements terminated.
13. CSER has been formed to protect the interests of former employees of Canwest and to ensure that former employees are kept informed of developments. To that effect, we have been making efforts to try and locate former employees and retirees across Canada that have been affected by Canwest's CCAA filing.
14. We have also recently formed a Steering Committee consisting of Russell Mills, Blair Mackenzie, Les Bale and myself. The Steering Committee is diverse and includes retirees and former employees. As a member of the Steering Committee of CSER, I am able to say that we plan to continue the protection of such interests throughout Canwest's CCAA proceedings.
15. I and the rest of the Steering Committee have retained Nelligan O'Brien Payne LLP and Shibley Righton to represent CSER in the CCAA process, and to seek an order

that the four members of the Steering Committee be named the representatives of all former employees of Canwest.

16. I have reviewed the affidavit of Russell Mills concerning the nature of former employee and retiree claims against Canwest that will have to be addressed during the CCAA process and the necessity of the appointment of counsel, and I agree with and adopt what is set out in his affidavit.

17. As a former employee and soon to be retiree of Canwest, I have a direct interest in the outcome of Canwest' CCAA restructuring, particularly since my income and pension entitlements have now been significantly reduced. I remain concerned that our pension entitlements as well as my retiree medical benefits are all at risk, particularly since it remains unclear to what extent any new entity purchasing the LP Entities will assume existing pension plans and existing post-retirement and post-employment benefits.

18. Former employees and retirees are a vulnerable group of creditors. The members of our group have little means to pursue claims or representation in complex CCAA proceedings. As such former employees and retirees of Canwest would greatly benefit from an order appointing representative counsel by allowing former employees and retirees to advance their claims and by having a reliable source for information about the process and its impact. The appointment of representative counsel would have the benefit of streamlining our concerns and our claims and

would introduce efficiency to the process for all the parties involved in the proceedings.

19. I am particularly concerned that without the appointment of paid representative counsel, most former employees, who have had their incomes abruptly cut, will not have the resources to participate in the claim process due to its costly and confusing nature.
20. I make this affidavit in good faith and in support of this motion to appoint the CSER Steering Committee as representatives to all salaried former employees and retirees of Canwest and Nelligan O'Brien Payne and Shibley Righton as representative counsel for this group and for no improper purpose.

SWORN BEFORE ME at
the City of Ottawa
in the Province of Ontario,
on January 28, 2010.


Commissioner of Oaths, etc.


Rejean Sauraire

TAB A

This is Exhibit A referred to in the affidavit of
Rejean Saumure
sworn before me,
this 28th day of January, 2010.



A handwritten signature in black ink, consisting of a large loop and a horizontal stroke, is written over a solid horizontal line.

A Commissioner, etc.



Rejean Saumure
1851 Saunderson Drive
Ottawa ON K1G 2C1

January 8th, 2010

Dear Rejean,

As a former employee of Canwest Publishing Inc. (the "Company"), we wanted to share with you today some immediate and important news about the Company.

On January 8th, 2010, the Company and certain other Canwest entities (the "LP Entities") filed for and have been granted creditor protection under the Companies' Creditors Arrangement Act ("CCAA"). The Company has a significant amount of debt, which we have been unable to address in light of weakness in the economy and turmoil in the financial markets over the past year. This CCAA process will provide us with the time and stability for an orderly restructuring or sale of the business while continuing with our day-to-day operations, uninterrupted and supported by court-approved financing.

As a result of the filing effective today, any further payments owed to you by the Company will stop. Your group benefits coverage will also stop effective February 28th, 2010, or on the date indicated in your severance arrangements, whichever is sooner (the "Benefit Cessation Date"). As a result, all benefit claims incurred prior to the Benefit Cessation Date will continue to be processed and paid in accordance with the terms of the applicable plan but those benefit claims incurred after the Benefit Cessation Date will not be processed or paid. You should make your own arrangements for such replacement benefits coverage as you see fit. Should you wish to purchase individual insurance, without having to submit to a medical, you must contact Manulife within 60 days of discontinuance of your group benefits. Manulife can be contacted directly at 1-877-268-3763 or visit www.coverme.com.

Please also note that a Group Life Insurance conversion option may exist that will allow you to obtain individual life insurance within 31 days from your Benefit Cessation Date on receipt of a written application together with the required premium deposit. This premium is based on the insurer's individual policy rates. To obtain further information on whether conversion is available to you, please contact Manulife at 1-800-268-6195.

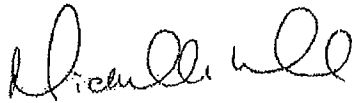
We understand the significance of these changes for you, but it has been determined that these decisions are necessary at this time. At this time, no claims procedure has been established. You will be personally notified of any applicable claims procedure at the appropriate time.

We note that the status of the Company's various registered pension plans has not changed as a result of the CCAA filing and the Company intends to continue to make all required current contributions under such plans throughout the CCAA process. However, if your arrangements with the Company included earning pension credits for any part of the salary continuance period, these future pension accruals will cease effective immediately.

You will receive a separate communication regarding your options in respect of your pension benefits. A Record of Employment which you would use when applying for Employment Insurance benefits will be sent to you shortly.

As this process continues to unfold we will keep you informed as to how the restructuring or any transfer of the business may further impact you and any benefits to which you may be entitled. You can also visit the Monitor's website at: <http://cfcanada.fticonsulting.com/clp> or contact them via email at canwestlp@fticonsulting.com or phone at 1-888-310-7627.

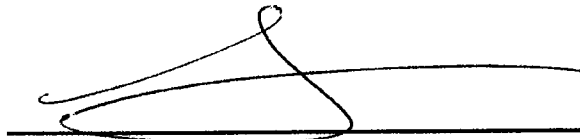
Regards,



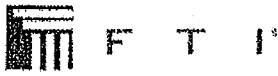
Michelle Hall
SVP, People
Canwest Publishing Inc.

TAB B

**This is Exhibit B referred to in the affidavit of
Rejean Saumure
sworn before me,
this 28th day of January, 2010.**

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

A Commissioner, etc.



13)

FTI Consulting
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K 1G8
Fax 416.649.8101
fticonsulting.com

January 13, 2010

To: Whom It May Concern

Re: Canwest Publishing Inc./Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc. (collectively, the "Applicants"), and Canwest Limited Partnership/Canwest Société en Commandite (the "Limited Partnership" and together with the Applicants, the "LP Entities")

On January 8, 2010, the Applicants sought and obtained an initial order (the "Initial Order") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). Although not an Applicant, the protections provided by the Initial Order were extended to the Limited Partnership. The Initial Order provides, among other things, a stay of proceedings until February 5, 2010 (the "Stay Period") and may be extended by the Court from time to time. FTI Consulting Canada Inc. was appointed as monitor (the "Monitor") of the LP Entities. A copy of the Initial Order and copies of the materials filed in the CCAA proceedings may be obtained at <http://cfcanada.fticonsulting.com/clp> or on request from the Monitor at 1-888-310-7627 or CanwestLP@fticonsulting.com. The LP Entities are continuing to operate in the normal course pursuant to the terms of the Initial Order.

Pursuant to the Initial Order, all persons having oral or written agreements with an LP Entity or statutory or regulatory mandates for the supply of goods and/or services are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the LP Entities, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by the LP Entities in accordance with normal payment practices of the LP Entities or such other practices as may be agreed upon by the supplier or service provider and each of the LP Entities and the Monitor, or as may be ordered by this Court. The Initial Order prohibits the LP Entities from making payment of amounts relating to the supply of goods or services prior to January 8, 2010, other than payments to certain critical suppliers specified in the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal action against the LP Entities and all rights and remedies of any party against or in respect of the LP Entities or their assets are stayed and suspended except with the written consent of, *inter alia*, the applicable LP Entity and the Monitor, or leave of the Court.

To date, the Court has approved a claims procedure only with respect to the Senior Secured Creditors (as defined in the Initial Order) and only the Senior Secured Creditors are required to file a proof of claim at this time. All other creditors are not required to file a proof of claim at this time.

If you have any questions regarding the foregoing or require further information, please consult the Monitor's website at <http://cfcanada.fticonsulting.com/clp>, or you can call the Monitor's Hot-line at 1-888-310-7627 or send an email to: CanwestLP@fticonsulting.com.

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

Proceeding commenced at Toronto

AFFIDAVIT OF REJEAN SAUMURE
sworn January 28, 2010

SHIBLEY RIGHTON LLP
Barristers & Solicitors
700-250 University Avenue
Toronto, Ontario
M5H 3E5

Thomas McRae
LSUC No. 32375U
Tel: 416-214-5206
Fax: 416-214-5400

Lawyers for the Canwest Salaried
Employees and Retirees Group

TAB 4

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

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

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

**AFFIDAVIT OF BLAIR MACKENZIE
(Sworn January 28, 2010)**

I, Blair Mackenzie, of the City of TORONTO, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:

1. I am a former employee of predecessors to Canwest Publishing Inc. In my affidavit, Canwest Publishing Inc./Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) and Canwest Limited Partnership and the Canwest Global Canadian newspaper entities are collectively referred to as "Canwest" or the "LP entities". I swear this affidavit in support of the motion by myself, Russell Mills, Rejean Saumure and Les Bale for a representative and funding order on behalf former salaried employees and retirees of Canwest and for the appointment of Nelligan O'Brien Payne LLP and Shibley Righton LLP as representative counsel.

2. As a former employee and retiree of the LP entities, I have knowledge of the matters to which I hereinafter depose except where stated to be based upon information and belief. Where I rely on information and belief, I verily believe it to be true.

Background

3. I began working with Canwest's predecessor, Southam Inc. in 1992 as its Vice President, General Counsel and Secretary. I remained employed by Southam Inc. and later its subsidiary Southam Publications Inc. until December 31, 2001 when I resigned voluntarily and returned to the private practice of law.

Pension and SERA Entitlements

4. I am entitled to pension payments from the Southam Executive Retirement Arrangements (SERA). The SERA is a non-registered plan used to provide supplemental pension benefits to former executives of Canwest and its predecessors in excess of those earned under the Pension Plan and in excess of those permitted under the *Income Tax Act*. The SERA payments I received on a monthly basis post-retirement represent the entirety of the retirement benefits that I am entitled to be paid by Canwest.

Canwest's CCAA Protection and Impact

5. On January 8, 2010, Canwest obtained an order pursuant to the CCAA staying all proceedings and claims against them (the "Initial Order"). Pursuant to the Initial Order, Canwest is entitled but not required to make payments to the employee and retiree benefits plans. In addition, the Initial Order specifically excluded SERA payments from the authorization to Canwest to continue employee and retiree payments.
6. On January 8, 2010, I received a phone call from a Canwest Human Resources employee advising me that my SERA payments would cease effective immediately.
7. On January 11, 2010, I received a letter from Leonard Asper, President and CEO of Canwest Global Communications Corporation, advising that certain the Canwest LP entities had filed for and were granted protection under the CCAA and that in conjunction with the filing the SERA had been terminated.
8. On January 27, 2010 I received a letter from Michelle Hall, Senior Vice President, People, Canwest Limited Partnership informing me that the Credit Bid (as defined in the letter) did not provide for the assumption of the SERA obligations owing to me. A copy of this letter is attached as Exhibit "A" hereto.
9. As a consequence of the CCAA filing, I no longer receive payment of my SERA benefits. This loss has had a material impact on my income in retirement.

10. When I elected to commence receiving my pension and SERA entitlements, I chose a joint survivorship option that reduced my immediate SERA entitlements to ensure that should I predecease my spouse, she would receive a lifetime pension. I am concerned that my wife will no longer receive this benefit as a result of the CCAA filing.

Development of CSER and Concerns

11. In the fall of 2009, I along with other retirees entitled to SERA payments formed a group in order to allow us to better understand and share information regarding our rights and entitlements.

12. Since shortly after January 8, 2009 and the CCAA filing, I have been engaged in efforts to advance and protect the interests of salaried employees and retirees through formation of the Canwest Salaried Employees and Retirees ("CSER") group and my involvement with its Steering Committee. CSER consists of former employees who have had their severance packages terminated and retirees who have had their SERA entitlements terminated.

13. CSER has been formed to protect the interests of former employees of Canwest and to ensure that former employees are kept informed of developments. To that effect, we have been making efforts to try and locate former employees and retirees across Canada that have been affected by Canwest's CCAA filing.

14. We have also recently formed a Steering Committee consisting of Russell Mills, Rejean Saumure, Les Bale and myself. The Steering Committee is diverse and includes retirees and former employees who have had their severance entitlements terminated. As a member of the Steering Committee of CSER, I am able to say that we plan to continue the protection of such interests throughout Canwest's CCAA proceedings.
15. I and the rest of the Steering Committee have retained Nelligan O'Brien Payne LLP and Shibley Righton to represent the CSER in the CCAA process, and to seek an order that the five members of the Steering Committee be named the representatives of all former employees of Canwest.
16. I have reviewed the affidavits of Russell Mills and Rejean Saumure concerning the nature of former employee claims against Canwest that will have to be addressed during the CCAA process and the necessity of the appointment of counsel. I agree with and adopt what is set out in their affidavits.
17. I make this affidavit in good faith and in support of this motion to appoint the CSER Steering Committee as representatives to all salaried former employees and retirees of Canwest and Nelligan O'Brien Payne and Shibley Righton as representative counsel for this group and for no improper purpose.

SWORN BEFORE ME at the)
City of Toronto in the province of)
Ontario this 28th day of January, 2010)




Thomas McRae
A Commissioner, etc.


Blair Mackenzie

TAB A

This is Exhibit "A" to the affidavit
of Blair Mackenzie sworn before me
this 28th day of January, 2010



Thomas McRae
A Commissioner, etc.



January 25, 2010

Blair Mackenzie
38 Bonacres Avenue
Scarborough, ON
M1C 3H9

Dear Mr. Mackenzie

You will have received a letter from Canwest Global Communications Corp., parent company of Canwest Limited Partnership (the "LP"), advising you that on January 8, 2010, the LP, Canwest (Canada) Inc. and their subsidiaries Canwest Publishing Inc. ("CPI"), and Canwest Books Inc. (together, the "LP Entities") filed for and were granted creditor protection under the *Companies' Creditors Arrangement Act* ("CCAA") according to an Initial Order of the Ontario Superior Court of Justice.

The purpose of this letter is to explain and clarify the impact of the LP Entities' CCAA proceedings, and the related 'sale and investor solicitation process', on your individual Southam Executive Retirement Arrangement (your "SERA").

The LP Entities and their senior secured lenders have entered into a Support Agreement and have negotiated the terms of an Acquisition and Assumption Agreement in respect of monies owed to the senior secured lenders (the "Credit Bid"). Copies of the Credit Bid documents have been filed with the Court.

In accordance with the terms of the Initial Order, a sale and investor solicitation process (the "SISP") was initiated on January 12, 2010. The purpose of the SISP is to solicit expressions of interest relating to the potential sale of all of the property, assets and businesses of, or an equity investment in and recapitalization of, the LP Entities that is superior to the offer already contained in the Credit Bid.

If the SISP fails to generate superior offers for the publishing business than the one put forth in the Credit Bid, it is expected that the property, assets and businesses of the LP Entities would be sold to a new company to be established by the senior secured lenders.

Your SERA obligations were assumed by CPI at the time that the publishing business was acquired from Hollinger Inc. in 2000. Those SERA obligations remain obligations of CPI today. As a consequence of the CCAA filing, CPI is no longer in a position to make continued payments in respect of your SERA and the Initial Order specifically precludes CPI from doing so. As a result, throughout the duration of the CCAA proceedings, all SERA payments that would have otherwise been made to you will be discontinued and stayed, pending the outcome of the SISP and the completion of the LP Entities' CCAA proceedings.

While no decision has been made to formally terminate your SERA, you should be aware that the terms of the current Credit Bid do not provide for the assumption of your SERA obligations. While the ultimate purchaser may be different from that provided for in the Credit Bid, there can be no certainty as to the long-term continuity of your SERA.

We recognize that the outcome of the SISP is still unknown and this will create continued uncertainty for you over the coming months. We regret this. As we move through this process, we remain committed to keeping you informed.

For additional questions please call me at 416-442-3790 or Margaret Proven at 204-953-7752. You can also visit the Monitor's website at: <http://cfcanada.fticonsulting.com/clp> or contact them via email at canwestlp@fticonsulting.com or phone at 1-888-310-7627.

Sincerely



Michelle Hall
Senior Vice President, People
Canwest Limited Partnership

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

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

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

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

Proceeding commenced at Toronto

AFFIDAVIT OF BLAIR MACKENZIE
sworn January 28, 2010

SHIBLEY RIGHTON LLP
Barristers & Solicitors
700-250 University Avenue
Toronto, Ontario
M5H 3E5

Thomas McRae
LSUC No. 32375U
Tel: 416-214-5206
Fax: 416-214-5400

Lawyers for the Canwest Salaried
Employees and Retirees Group

TAB 5

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

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

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

**AFFIDAVIT OF STEVEN LEVITT
(Sworn January 28, 2010)**

I, Steven Levitt, of the City of Ottawa in the Province of Ontario, MAKE OATH

AND SAY AS FOLLOWS:

1. I am a partner with the law firm of Nelligan O'Brien Payne LLP and member of the firm's employment practice group. As such, I have knowledge of the matters contained in this affidavit.

Nelligan O'Brien Payne LLP

2. Nelligan O'Brien Payne, LLP has extensive experience in employment law generally. In addition, Nelligan O'Brien Payne, LLP has experience with *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA") Proceedings. It, together with Shibley Righton, was recently appointed by the Ontario Superior Court of Justice (Commercial List) as Court Appointed Representatives for continuing employees of *Nortel Networks Limited*.

Shibley Righton LLP

3. Arthur Jacques and Thomas McRae, partners at Shibley Righton, have seasoned professional experience in restructuring. Both recently acted as court appointed co-counsel for the Ad Hoc Retail Creditors Committee (Brian Hunter et al.) in the matter sometimes known as the *Asset Backed Commercial Paper Program (Metcalf & Mansfield Alternative Investments II Corp et al. (ABCP)* (Court File No 08-CL-7440), and represented approximately 1800 retail investors in the successful *ABCP* restructuring. Furthermore, Shibley Righton LLP was named jointly with Nelligan O'Brien Payne LLP as Court Appointed Representatives for continuing employees in the proceedings commenced in the Ontario Superior Court of Justice (Commercial List) under the *Companies' Creditors Arrangement Act* by *Nortel Networks Corporation* (Court File No. 09-CL-7950).

4. Shibley Righton LLP and Nelligan O'Brien Payne LLP have had a close non-exclusive professional relationship for over 20 years. Both of our firms are members of Lexmark International (formerly known as Great Lakes Law), an affiliation of law firms located in Canada, United States of America, Europe and Asia.

Canwest seeks CCAA Protection

5. On January 8, 2010, Canwest Publishing Inc (CPI), Canwest Books Inc., Canwest Inc. and the Canwest Limited Partnership (collectively "Canwest" or the "LP Entities") obtained an order pursuant to the CCAA staying all proceedings and claims

against them (the "Initial Order"). Pursuant to the Initial Order, Canwest is entitled but not required to make payments to the employee and retiree benefits plans.

6. In support of its application, Canwest filed an affidavit of Thomas C. Strike. At paragraphs 17, 121-126, 192-193, Mr. Strike described the situation of Canwest's employees and retirees generally. For ease of reference, his affidavit stated:
 - a. The LP Entities employ 5,300 FTE employees.
 - b. 45% of the LP Entities' employees are employed under collective agreements.
 - c. The LP Entities offer benefits to employees through a group insurance programs
 - d. The LP Entities maintain three defined benefit pension plans, two registered in Ontario and one plan registered in British Columbia.
 - e. The defined benefit pension plans in the aggregate had approximately 2,210 active members and 685 pensioners.
 - f. The LP Entities also maintain three defined contribution pension plans and contribute to seven multi-employer pension plans.
 - g. The three defined benefit pension plans had a solvency deficit of \$10,295,196 and a windup deficiency of \$106,349,581 as at the last completed valuation.
 - h. The LP entities intend to continue making special payments and current service contributions during the CCAA proceedings.
 - i. The limited partnership maintained a Retirement Compensation Arrangement (RCA) that was secured under a letter of credit. The RCA has been terminated.

- j. CPI provides some current and former executives with top up pension payments known as the Southam Executive Retirement Arrangements (SERAs).
 - k. As at December 1, 2009 the aggregate benefit obligation related to the SERAs was approximately \$14.4 million.
 - l. The SERAs are unfunded and not secured by any letter of credit.
 - m. The LP Entities also provide post-employment and post-retirement benefits. The aggregate accrued benefit obligation is approximately \$64.8 million.
 - n. The Acquisition and Assumption Agreement ("the AA Agreement") is at Tab X of Mr. Strike's Affidavit.
 - o. The assumption of employee related obligations by AcquireCo is subject to a right of AcquireCo to exclude certain specified liabilities.
 - p. AcquireCO is expressly not assuming any liabilities for supplemental pensions owed to Retirees including the SERA or RCA.
 - q. The AA Agreement at section 5.5 allows AcquireCo, after consultation, to elect not to assume CPI pension plans, CPI benefit plans, LP Entities' liabilities for post-retirement and post-employment benefits, LP Entities' liabilities to employees and former employees for severance obligations and any other liabilities of the LP Entities to employees and former employees.
7. In addition, in the Pre-filing Report of the Monitor, the Monitor advised at paragraphs 96 and 97 that the LP Entities do not intend to continue making termination and severance related payments after the commencement of the CCAA proceedings, that the discontinuance of severance payments will impact approximately 66 employees,

and that the termination of the SERA will impact 9 current and former senior management employees.

Situation of former employees and retirees

8. As consequence of the CCAA proceedings, approximately 45 non-unionized former salaried employees have had their severance packages abruptly terminated causing them significant financial distress. In addition, salaried retirees entitled to SERA payments have seen their retirements significantly impacted.

9. In addition, given the uncertainty surrounding the acquisition of the LP Entities and what liabilities may or may not be assumed in any acquisition, it is not clear to what additional extent employees and retirees may be adversely affected by the CCAA proceedings. As consequence, representation is required to assist employees and retirees through the process and to ensure their interests are advanced.

10. Furthermore, both retirees and former employees may have claims against the Directors of Canwest that must be explored and ultimately pursued in the CCAA proceedings. Without the assistance of counsel, retirees and former employees will not be able to identify and pursue possible claims against Directors.

Instructions received

11. We have been instructed to seek an order declaring Rejean Saumure, Blair Mackenzie, Russell Mills and Les Bale (on behalf of the CSER) as representatives

("the Representatives") of all salaried former employees and retirees and to seek funding on behalf former salaried employees and retirees of Canwest for the appointment of Nelligan O'Brien Payne LLP and Shibley Righton LLP to act as representative counsel.

Rational for representation order

12. Former employees or retirees individually or collectively do not have the financial resources to fully support and fund the representative services that are required to bring this matter to a successful resolution. These former employees and retirees have either had their income abruptly terminated or significantly reduced as a result of the cessation of payments. In addition a number of the retirees are faced with the reduction of their monthly payments, as they are no longer receiving any SERA payments. Facing the very real possibility that their income will be further reduced and their necessary benefits will be lost, these salaried former employees and retirees are unable to afford proper legal representation in this matter.

Former unionized employees

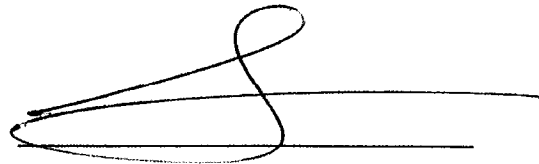
13. Our current understanding is that former unionized employees and retirees will be represented by their respective Unions. Should that not be the case, the Representatives are prepared to act for both former unionized employees and retirees in this proceeding and to include them in CSER group. Additional members would also be added to the Steering Committee to reflect the full diversity of former employees and to be responsive to their concerns.

14. I make this affidavit in good faith and in support of this motion to appoint the Representatives as representatives of the former employees and retirees and for Nelligan O'Brien Payne LLP and Shibley Righton LLP to be appointed as representative counsel for this group and for no improper purpose.

Sworn before me
At the City of Ottawa
In the Province of Ontario
This 28th day of January 2010



A commissioner of Oaths, etc.



Steven Levitt

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

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

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

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

Proceeding commenced at Toronto

AFFIDAVIT OF STEVEN LEVITT
sworn January 28, 2010

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

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

Proceeding commenced at Toronto

MOTION RECORD

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