



This is Exhibit "F" to the  
Affidavit of Douglas E.J. Lamb  
sworn before me this 14th day of June, 2010.

  
Commissioner for Taking Affidavits  


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

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

**APPLICANTS**

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**AMENDED CONSOLIDATED PLAN OF COMPROMISE**

**concerning, affecting and involving**

**CANWEST (CANADA) INC., CANWEST PUBLISHING INC./PUBLICATIONS  
CANWEST INC., CANWEST BOOKS INC., and CANWEST LIMITED PARTNERSHIP/  
CANWEST SOCIÉTÉ EN COMMANDITE**

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**May 20, 2010**

**AMENDED PLAN OF COMPROMISE**

**WHEREAS** Canwest Publishing Inc./Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), Canwest (Canada) Inc. (“**CCI**”) and Canwest Limited Partnership/Canwest Société en Commandite (the “**Limited Partnership**”, and together with CPI, CBI and CCI, the “**LP Entities**”) are insolvent;

**AND WHEREAS** the LP Entities filed for protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”);

**AND WHEREAS** the LP Entities obtained an order made by the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the CCAA dated January 8, 2010 (the “**Filing Date**”), as amended pursuant to further orders of the Court made February 2, 2010, March 26, 2010, April 12, 2010 and April 28, 2010 (and as same may be further amended, restated or varied from time to time, the “**Initial Order**”);

**AND WHEREAS** the LP Entities have entered into an asset purchase agreement with 7535538 Canada Inc. and CW Acquisition Limited Partnership dated as of May 10, 2010, in the form attached hereto as Schedule “A” (excluding schedules thereto), as same may be amended, restated and varied from time to time in accordance with the terms thereof (the “**Asset Purchase Agreement**”) to purchase substantially all of the assets of the LP Entities;

**AND WHEREAS** CW Acquisition Limited Partnership assigned the Asset Purchase Agreement to 7536321 Canada Inc.;

**AND WHEREAS** the Asset Purchase Agreement contemplates a plan of compromise under the CCAA, which plan will provide, among other things, certain recoveries to stakeholders and safeguard substantial employment;

**AND WHEREAS** the LP Entities hereby propose and present this plan of compromise to the Affected Creditors (as defined below) under and pursuant to the CCAA:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In the Plan of Compromise, unless otherwise stated or unless the subject matter or context otherwise requires:

“**Acquired Assets**” shall have the meaning ascribed thereto in the Asset Purchase Agreement;

“**Acquisition**” means the acquisition by the Purchaser of the Acquired Assets as contemplated by the Asset Purchase Agreement and the Plan;

“**Acquisition Date**” shall have the meaning ascribed thereto in the Asset Purchase Agreement;

**“Ad Hoc Committee”** means the *ad hoc* committee of LP Noteholders and LP Subordinated Lenders;

**“Administrative Agent”** means The Bank of Nova Scotia or any successor in its capacity as administrative agent under the Senior Credit Agreement;

**“Administrative Reserve”** means a cash reserve in an amount to be agreed by the Monitor, the LP Entities and the Purchaser, not exceeding \$25,000,000, and approved by the Court pursuant to the Administrative Reserve Order, which reserve shall be established out of the Cash and Equivalents and to be deposited by the Monitor into the Administrative Reserve Account in accordance with the terms hereof for the purpose of paying the Administrative Reserve Costs in accordance with the Asset Purchase Agreement, the Administrative Reserve Order and the Plan;

**“Administrative Reserve Account”** means a segregated account established by the Monitor in escrow for the benefit of Persons entitled to be paid the Administrative Reserve Costs and the Purchaser in accordance with the Asset Purchase Agreement, the Administrative Reserve Order and the Plan;

**“Administrative Reserve Costs”** means administrative claims and costs outstanding on the Plan Implementation Date (or to the extent provided below arising thereafter) falling within one or more of the following categories (i) amounts secured by the administration charge, the LP MIP charge or financial advisor charge granted by the Court in the Initial Order including, in the case of the Monitor, the reasonable fees and costs of the Monitor with respect to the performance of its duties and obligations whether arising before or after the Plan Implementation Date, (ii) amounts secured by the directors’ and officers’ charge (including for greater certainty claims for wages indirectly secured by the directors’ and officers’ charge) granted by the Court in the Initial Order, (iii) Government Priority Claims, (iv) any portion of pre-filing vacation pay that is not part of Employee Priority Claims, (v) Pension Priority Claims, (vi) Trustee Fees and Costs, and (vii) Post-Filing Trade Payables, in each case to the extent not paid by the LP Entities or, in the case of (ii), (iii), (iv), (v), (vi) and (vii) above, assumed by Purchaser on or before the Plan Implementation Date;

**“Administrative Reserve Order”** means an Order of the Court, in form and substance satisfactory to the Purchaser and the LP Entities, acting reasonably, to be made in connection with the CCAA Case on or before the Plan Implementation Date that will set out the amount of the Administrative Reserve and the process for the administration of the Administrative Reserve by the Monitor, as same may be amended, restated or varied from time to time with the consent of the Purchaser and LP Entities;

**“Affected Claim”** means all Claims other than Unaffected Claims and includes the Claims of holders of Secured Claims (other than Senior Secured Creditors’ Claims) to the extent such Claims exceed the realizable value of the property subject to such security;

**“Affected Creditor”** means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim, including, without duplication, those LP Noteholders and LP Subordinated Lenders who have beneficial ownership of a Claim;

**“Amended Claims Procedure Order”** means the Order of the Honourable Madam Justice Pepall made April 12, 2010, as amended by further Order of the Court made May 17, 2010, and as same may be further amended, restated or varied from time to time;

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

**“Asset Purchase Agreement”** shall have the meaning ascribed thereto in the recitals;

**“Assumed Liabilities”** shall have the meaning ascribed thereto in the Asset Purchase Agreement;

**“Business”** means, collectively, the English language newspaper, digital and online business carried on by CPI and the respective business carried on by CBI, CCI and Limited Partnership;

**“Business Day”** means a day on which banks are open for business in Toronto and Winnipeg, but does not include a Saturday, Sunday or a statutory holiday in either the Province of Ontario or the Province of Manitoba;

**“Canadian Creditor”** means an Affected Creditor who is not, and is not controlled by, a citizen or subject of a country other than Canada;

**“Canadian Creditor Declaration”** means a declaration as to whether the applicable Affected Creditor is a Canadian Creditor, substantially in the form attached to the Meeting Order;

**“Cash Amount”** shall have the meaning ascribed thereto in section 7.3(b) of the Plan;

**“Cash and Equivalents”** means all cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents of, and all of the cheques and cheque books of, the LP Entities;

**“Cash Elected Amount”** means, in respect of any Proven Claim and Disputed Claim of an Affected Creditor for which a valid Cash Election has been made or has been deemed to have been made in accordance with the Plan, a cash amount equal to the lesser of \$1,000 and the amount of such Proven Claim or Disputed Claim;

**“Cash Election”** means an election:

- (a) made by an Affected Creditor with a Proven Claim or a Disputed Claim greater than \$1,000 by delivering a duly completed and executed Cash Election form, substantially in the form attached to the Meeting Order, to the Monitor by no later

- 5 -

than 5:00 p.m. (Toronto time) on June 7, 2010 or three (3) Business Days prior to the Creditors' Meeting; and

- (b) deemed to have been made by all Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000;

pursuant to which such Affected Creditor has elected to receive the Cash Elected Amount and be deemed to vote in favour of the Plan in respect of its Proven Claim or Disputed Claim, as applicable;

**"Cash Management Claims"** means the Claims of The Bank of Nova Scotia arising under or pursuant to any agreement or other arrangements relating to the provision of cash management services to any of the LP Entities (including ordinary course spot foreign exchange transactions);

**"CBI"** shall have the meaning ascribed thereto in the recitals;

**"CCAA"** shall have the meaning ascribed thereto in the recitals;

**"CCAA Case"** means the proceedings commenced by way of an application for the Initial Order pursuant to the CCAA filed by CBI, CCI and CPI on the Filing Date;

**"CCI"** shall have the meaning ascribed thereto in the recitals;

**"Charges"** means the LP Administration Charge, the LP DIP Lenders' Charge, the FA Charge, the LP Directors' Charge and the LP MIP Charge, each as defined in the Initial Order;

**"Claim"** shall have the meaning ascribed thereto in the Amended Claims Procedure Order;

**"Claims Bar Date"** means 5:00 p.m. (Toronto time) on June 3, 2010 in respect of a Restructuring Period Claim, an Employee Claim and a Director/Officer Claim (as each capitalized term is defined in the Amended Claims Procedure Order) or May 7, 2010 in respect of all other Claims, as the case may be;

**"CMI Entities"** means Canwest Global Communications Corp., Canwest Media Inc. and all direct and indirect subsidiaries of Canwest Media Inc. other than the LP Entities, National Post and Echo Publications Partnership;

**"Collateral Agency Agreement"** shall have the meaning ascribed thereto in the Initial Order;

**"Computershare"** means Computershare Investor Services Inc.;

**"Court"** shall have the meaning ascribed thereto in the recitals;

**"CPI"** shall have the meaning ascribed thereto in the recitals;

**“Creditor”** means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a personal representative, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

**“Creditors’ Meeting”** means the meeting of Affected Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment of such meeting;

**“Deposit”** means the sum of (i) \$10 million paid by or on behalf of the Purchaser to the Monitor on or before the date hereof; plus (ii) interest earned on the amount set out in (i);

**“Designated Purchaser”** shall have the meaning ascribed thereto in the Asset Purchase Agreement;

**“DIP Administrative Agent”** means The Bank of Nova Scotia or any successor in its capacity as administrative agent under the DIP Credit Agreement;

**“DIP Claims Amount”** means, at any time, the aggregate amount of all Claims of the lenders and the DIP Administrative Agent arising under or in connection with the DIP Credit Agreement;

**“DIP Credit Agreement”** means the senior-secured super priority debtor-in-possession credit agreement made as of February 5, 2010 between Limited Partnership, as borrower, the guarantors party thereto, The Bank of Nova Scotia, as administrative agent and arranger, The Bank of Nova Scotia, as an issuing bank, and the initial lenders and other lenders party thereto;

**“DIP Lender Distribution Amount”** means the payment to be made by the Purchaser to the DIP Administrative Agent, for and on behalf of the lenders party to the DIP Credit Agreement, under the Plan in respect of the DIP Claims Amount;

**“Disputed Claim”** means an Affected Claim that has not been finally determined as a Proven Claim in accordance with the Amended Claims Procedure Order and the Meeting Order;

**“Disputed Claims Reserve”** means the reserve, if any, to be established from the Unsecured Creditors’ Pool and maintained by the Monitor, on behalf of the LP Entities, which shall be initially comprised of the following:

- (a) the aggregate of all Cash Elected Amounts that would have been distributed on the Initial Distribution Date to Affected Creditors holding Disputed Claims equal to or less than \$1,000 and greater than \$1,000 who have made or are deemed to have made a valid Cash Election in accordance with the Plan if such Disputed Claims had been Proven Claims as of such date; and
- (b) the Shares that would have been distributed on the Initial Distribution Date to Affected Creditors holding Disputed Claims greater than \$1,000 who have not

made a valid Cash Election in accordance with the Plan if such Disputed Claims had been Proven Claims as of such date;

which shall be held by the Monitor in escrow for distribution in accordance with the Plan;

**“Distribution Date”** means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Proven Claims, including the Final Distribution Date but excluding the Initial Distribution Date;

**“Distribution Materials Record Date”** means a date to be determined by the LP Entities, which date shall be posted on the Website and shall be not less than seven (7) days prior to the Plan Sanction Date;

**“DRS Account”** means the account administered by Computershare in its Direct Registration System in which those Affected Creditors entitled to receive Shares pursuant to and in accordance with the Plan hold such Shares in book-entry form;

**“DRS Transaction Advice”** means a statement delivered by Holdco or its agent or Computershare, as applicable, (at the expense of Holdco) on the Initial Distribution Date and each subsequent Distribution Date, as applicable, to or as directed by an Affected Creditor indicating the number of Shares registered in the name of or as directed by such Affected Creditor in book-entry form in a DRS Account;

**“Effective Time”** means 12:00 p.m. on the Plan Implementation Date or such other time on such date as the parties to the Asset Purchase Agreement may agree;

**“Employee Priority Claims”** means the following Claims of Employees and former or inactive employees of the LP Entities:

- (a) Claims equal to the amounts that such Employees and former or inactive employees would have been qualified to receive under paragraph 136(1)(d) of the *Bankruptcy and Insolvency Act* (Canada) if the LP Entities had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

**“Employees”** means any and all (i) employees who are actively at work (including full-time, part-time or temporary employees) of the LP Entities, including Misaligned CMI Employees; and (ii) employees of the LP Entities who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers' compensation and other statutory leaves);

**“Encumbrance”** means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the law applicable to such property,



interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario;

**“Filing Date”** shall have the meaning ascribed thereto in the recitals;

**“Final Distribution Date”** means the earlier of (i) December 31, 2010; and (ii) the date which is ten (10) Business Days following the resolution of all Disputed Claims;

**“Government Priority Claims”** means all Claims of Governmental Authorities in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Final Distribution Date under:

- (a) subsections 224(1.2) and 224(1.3) of the ITA;
- (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

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

**“Grievances”** shall have the meaning ascribed thereto in the Amended Claims Procedure Order;

**“Guarantee”** of a Person means any absolute or contingent liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in

respect of any Indebtedness of any other Person and including any absolute or contingent obligation to:

- (a) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Indebtedness or to assure the holder of the Indebtedness against loss; or
- (c) indemnify or hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect creditors against loss in respect of the Indebtedness;

**"Hedging Agreements"** means the interest rate, currency and commodity hedging agreements entered into between an LP Entity and one or more Senior Lenders, in respect of which such LP Entity's obligations are secured *pari passu* with the obligations under the Senior Credit Agreement;

**"Holdco"** means 7535538 Canada Inc., a corporation incorporated under the laws of Canada;

**"Indebtedness"** of a Person means, without duplication:

- (a) all debts and liabilities of that Person for borrowed money;
- (b) all debts and liabilities of that Person representing the deferred acquisition cost of property and services; and
- (c) all Guarantees given by that Person;

**"Information Circular"** means the circular prepared by the LP Entities, together with any other documents required by the Court in connection with the calling and holding of the Creditors' Meeting to consider and approve the Plan;

**"Initial Distribution Date"** means a date not more than seven (7) days after the Plan Implementation Date or such other date specified in the Sanction and Vesting Orders;

**"Initial Order"** shall have the meaning ascribed thereto in the recitals;

**"Insured Claims"** shall have the meaning ascribed thereto in the Amended Claims Procedure Order;

**"Intercompany Claims"** shall have the meaning ascribed thereto in the Amended Claims Procedure Order and for greater certainty shall include Claims arising under or in connection with the Shared Services Agreement and the Omnibus Transition and Reorganization Agreement;

“**ITA**” means the *Income Tax Act* (Canada), as amended;

“**Letter of Instruction**” means a form, to be completed by Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have not provided a valid Cash Election form to the Monitor in accordance with the Plan, and that is to be delivered by such Affected Creditors to the Monitor in accordance with the Plan, which form shall set out (i) the registration details for the Shares for such Affected Creditors; and (ii) the address to which such Affected Creditors’ DRS Transaction Advice are to be delivered;

“**Liabilities**” of a Person means all Indebtedness, obligations and other liabilities of that Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

“**Limited Partnership**” shall have the meaning ascribed thereto in the recitals;

“**LP CRA**” means CRS Inc. in its capacity as Court-appointed Chief Restructuring Advisor of the LP Entities;

“**LP Entities**” shall have the meaning ascribed thereto in the recitals;

“**LP MIP**” shall have the meaning ascribed thereto in the Initial Order;

“**LP Noteholders**” means the holders of the LP Notes;

“**LP Notes**” means the US\$400 million of senior subordinated notes that bear interest at 9.25% that were issued pursuant to the LP Notes Indenture;

“**LP Notes Canadian Trustee**” means BNY Trust Company of Canada as Canadian Trustee under the LP Notes Indenture;

“**LP Notes Indenture**” means the note indenture dated July 13, 2007, as amended and supplemented, by and among CanWest MediaWorks Limited Partnership as issuer, certain guarantors thereto including CanWest MediaWorks Publications Inc. and CBI, The Bank of New York as U.S. Trustee, and BNY Trust Company of Canada as Canadian Trustee;

“**LP Notes Trustee**” means The Bank of New York Mellon, as successor to The Bank of New York as U.S. Trustee under the LP Notes Indenture;

“**LP Pension Plans**” means each of the defined benefit and defined contribution pension plans that are sponsored, maintained, and administered by any LP Entity and that are required to be, and are, registered and regulated under the ITA and under applicable provincial minimum standards legislation, but excluding any Multi-Employer Plan;

“**LP Senior Subordinated Credit Agreement**” means the senior subordinated credit agreement dated as of July 10, 2007 between CanWest MediaWorks Limited Partnership, the Subordinated Agent, the LP Subordinated Lenders, and CanWest MediaWorks (Canada) Inc., CanWest MediaWorks Publications Inc. and CBI, as guarantors;

- 11 -

**“LP Subordinated Lenders”** means the syndicate of lenders that are parties to the LP Senior Subordinated Credit Agreement;

**“Meeting Order”** means the Order under the CCAA dated May 17, 2010 that, among other things, sets the date for the Creditors’ Meeting, as same may be amended, restated or varied from time to time;

**“Misaligned CMI Employees”** means the employees of the CMI Entities who devote a majority of their working time to the Business as identified in the letter dated May 10, 2010 from Osler, Hoskin & Harcourt LLP, counsel to the LP Entities, to Davies Ward Phillips & Vineberg LLP, counsel to the Purchaser;

**“Monitor”** means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the LP Entities pursuant to the Initial Order;

**“Multi-Employer Plan”** means plans, arrangements, agreements, programs, policies, practices or undertakings, whether funded or unfunded, insured or uninsured, registered or unregistered to which the LP Entities or National Post are a party or bound or in which the Employees or former or inactive employees of the LP Entities or National Post participate or under which the LP Entities or National Post have, or will have, any liability or contingent liability, or pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any of its Employees or former or inactive employees (or any spouses, dependants, survivors or beneficiaries of any such persons) and which are not, sponsored, maintained or administered by the LP Entities or National Post or any of their affiliates, but for the avoidance of doubt including the Pacific Press Retirement Plan;

**“National Post”** means National Post Inc., a corporation incorporated under the laws of Canada;

**“Omnibus Transition and Reorganization Agreement”** means the Omnibus Transition and Reorganization Agreement to be entered into between Limited Partnership, CPI and certain CMI Entities, to address, *inter alia*, the matters described in section 9.12 of the Asset Purchase Agreement that is in form and substance satisfactory to the Purchaser and the LP Entities, acting reasonably, as such agreement may be amended from time to time;

**“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

**“Ordinary Course of Business”** means the ordinary and usual course of the routine daily affairs of the Business and the business of National Post consistent with past practice, but having regard to the fact that the LP Entities are subject to the CCAA Case and the Shared Services Agreement;

**“Pension Priority Claims”** means all Claims for the payment of any of the following amounts that, in respect of the period up to the Plan Implementation Date are due and remain unpaid to the funds established in respect of CCAA prescribed pension plans of the LP Entities:

- (a) an amount equal to the sum of all amounts that were deducted from the employees' remuneration for payment to such funds;
- (b) if any of the CCAA prescribed pension plans is regulated by an Act of Parliament:
  - (i) an amount equal to the normal cost, within the meaning of subsection 2(1) of the *Pension Benefits Standards Regulations, 1985*, that was required to be paid by the employer to the fund; and
  - (ii) an amount equal to the sum of all amounts that were required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the *Pension Benefits Standards Act, 1985*; and
- (c) in the case of any other CCAA prescribed pension plan:
  - (i) an amount equal to the amount that would be the normal cost, within the meaning of subsection 2(1) of the *Pension Benefits Standards Regulations, 1985*, that the employer would be required to pay to the fund if the prescribed plan were regulated by an Act of Parliament; and
  - (ii) an amount equal to the sum of all amounts that would have been required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the *Pension Benefits Standards Act, 1985*, if the prescribed plan were regulated by an Act of Parliament;

**"Permitted Encumbrances"** means the Encumbrances described in Schedule 1.1(110) of the Asset Purchase Agreement;

**"Person"** is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other representatives of an individual in such capacity;

**"Personal Property Leases"** means the leases of personal property used by the LP Entities in connection with the Business, including all purchase options, prepaid rents, security deposits, warranties, licences and permits relating thereto and all leasehold improvements thereon;

**"Plan"** means this Plan of Compromise filed by the LP Entities under the CCAA, as such Plan may be amended, varied or supplemented by the LP Entities from time to time in accordance with the terms hereof;

**"Plan Implementation Date"** means the date on which all of the conditions precedent to the implementation of the Plan have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Asset Purchase Agreement and the Plan, waived, as evidenced by a certificate to that effect delivered to the Purchaser and subsequently filed

with the Court by the Monitor, with the consent of the Purchaser, provided that the Plan Implementation Date shall not occur prior to the Acquisition Date;

**“Plan Sanction Date”** means the date that the Sanction and Vesting Orders are made by the Court;

**“Post-Filing Trade Payables”** means trade payables that were incurred by the LP Entities (i) after the Filing Date and before the Plan Implementation Date, (ii) in the Ordinary Course of Business, and (iii) in compliance with the Initial Order and other Orders issued in connection with the CCAA Case;

**“Prior Ranking Secured Claims”** means Claims existing on both the Filing Date and the Plan Implementation Date, other than Government Priority Claims, Employee Priority Claims, Pension Priority Claims and Claims secured by the Charges, that (i) have the benefit of a valid and enforceable security interest in, mortgage or charge over, lien against or other similar interest in, any of the assets that the LP Entities own or to which the LP Entities are entitled, but only to the extent of the realizable value of the property subject to such security, and (ii) would have ranked senior in priority to the Claims under the Senior Credit Agreement or a Hedging Agreement (other than any Cash Management Claims) if the LP Entities had become bankrupt on the Filing Date;

**“Pro Rata Share”** means, on the Initial Distribution Date and any Distribution Date, as applicable, that number of Shares equal to the product of: (i) the amount of the Affected Creditor’s Proven Claim divided by the sum of: (A) the aggregate amount of all Proven Claims greater than \$1,000 held by Affected Creditors who have not made a valid Cash Election in accordance with the Plan; and (B) the aggregate amount of all Disputed Claims greater than \$1,000 held by Affected Creditors who have not made a valid Cash Election in accordance with the Plan; and (ii) the total number of Shares in the Unsecured Creditors’ Equity Pool;

**“Proof of Claim”** means the form to be completed and filed by a Creditor by the applicable Claims Bar Date setting forth its applicable Claim;

**“Proven Claim”** means a Claim by an Affected Creditor proven in accordance with the Amended Claims Procedure Order and the Meeting Order;

**“Purchase Price”** shall have the meaning ascribed thereto in the Asset Purchase Agreement;

**“Purchaser”** means 7536321 Canada Inc. and/or a Designated Purchaser, as applicable;

**“RBC”** means RBC Dominion Securities Inc., a member company of RBC Capital Markets;

**“Record Date”** means May 18, 2010;

**“Released Party”** shall have the meaning ascribed thereto in section 8.1;

**“Required Majority”** means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually

vote on the resolution approving the Plan (in person, by proxy or by ballot) at the Creditors' Meeting or were deemed to vote on such resolution;

**"Sanction and Vesting Orders"** means the Order or Orders to be granted by the Court as contemplated under the Plan and the Asset Purchase Agreement approving and sanctioning the Plan and the transactions contemplated under the Plan and the Asset Purchase Agreement, and vesting in the Purchaser title to and in all of the Acquired Assets free and clear of all Encumbrances, other than Permitted Encumbrances, each in form and substance satisfactory to the Purchaser and the LP Entities, acting reasonably;

**"Secured Claim"** means a Claim that has the benefit of a valid and enforceable security interest in, mortgage or charge over (including the Charges), lien against or other similar interest in, any of the assets that the LP Entities own or to which the LP Entities are entitled, to the extent of the realizable value of the property subject to such security, but for greater certainty does not include Government Priority Claims, Employee Priority Claims or Pension Priority Claims;

**"Senior Credit Agreement"** means the Credit Agreement dated as of July 10, 2007 between CanWest MediaWorks Limited Partnership (now Limited Partnership), as Borrower, the guarantors party thereto from time to time, as guarantors, the lenders party thereto from time to time, as Senior Lenders, and the Administrative Agent on behalf of the Senior Lenders, as amended from time to time;

**"Senior Lender Distribution Amount"** means the payments to be made by the Purchaser to the Administrative Agent, for and on behalf of the Administrative Agent and the Senior Lenders, under the Plan in respect of the Senior Secured Claims Amount;

**"Senior Lenders"** means the lenders party to the Senior Credit Agreement from time to time;

**"Senior Secured Claims Amount"** means an amount sufficient to be distributed to the Senior Lenders in indefeasible repayment in full of all amounts owing under the Senior Credit Agreement, the Hedging Agreements and the Collateral Agency Agreement;

**"Senior Secured Creditors"** means the Administrative Agent, the Senior Lenders, the DIP Administrative Agent and the lenders party to the DIP Credit Agreement;

**"Senior Secured Creditors' Claims"** means all Claims and Encumbrances in respect of or securing the Liabilities of the LP Entities under or pursuant to the Senior Credit Agreement, the Hedging Agreements, the DIP Credit Agreement and the Collateral Agency Agreement (including, for greater certainty, all further Claims or entitlements to receive any other payment, distribution or other amount under the Plan or through the CCAA Case);

**"Share Amount"** shall have the meaning ascribed thereto in section 7.3(a) of the Plan;

**"Share Consideration"** means that number of Voting Shares, rounded down to the nearest whole number, which is equal to the difference between (i) 13,000,000 and (ii) the aggregate of the Cash Elected Amount in respect of Affected Creditors with Proven

Claims and Disputed Claims equal to or less than \$1000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1000 who have made or are deemed to have made a valid Cash Election in accordance with the Plan divided by \$11.54;

**“Shared Services Agreement”** means the Agreement on Shared Services and Employees dated October 26, 2009 among Canwest Global Communications Corp., Limited Partnership, Canwest Media Inc., CPI, Canwest Television Limited Partnership and National Post Holdings Ltd. and The National Post Company/La Publication National Post (as subsequently assigned to National Post), as amended from time to time;

**“Shares”** means, collectively, the Voting Shares and the Variable Voting Shares;

**“Special Committee”** shall have the meaning ascribed thereto in the Initial Order;

**“Subordinated Agent”** means The Bank of Nova Scotia, as Administrative Agent under the LP Senior Subordinated Credit Agreement or any successor thereof;

**“Taxing Authorities”** means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities;

**“Trustee Fees and Costs”** means the fees and costs of any trustee in bankruptcy that may be appointed in respect of any of the LP Entities upon or following the completion of the Acquisition;

**“Unaffected Claims”** means:

- (a) Claims of the Purchaser arising from or relating to the Administrative Reserve Order with respect to its residual claim, if any, in the Administrative Reserve that is not used to satisfy the payment in full of the Administrative Reserve Costs;
- (b) Secured Claims, including the Senior Secured Creditors' Claims but not the Prior Ranking Secured Claims referred to in paragraph (c) below;
- (c) Prior Ranking Secured Claims in respect of lessors under Personal Property Leases and Permitted Encumbrances;
- (d) Employee Priority Claims;
- (e) Government Priority Claims;
- (f) Pension Priority Claims;
- (g) Intercompany Claims;



- 16 -

- (h) Insured Claims;
- (i) all Grievances or claims that can only be advanced in the form of a Grievance pursuant to the terms of a collective bargaining agreement;
- (j) Cash Management Claims; and
- (k) any other Claim excluded under the Amended Claims Procedure Order;

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

**“Unsecured Creditors’ Cash Pool”** means the cash pool, which shall be in an amount equal to the aggregate of the Cash Elected Amount in respect of Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan, from which distributions to such Affected Creditors are to be made pursuant to and in accordance with the Plan;

**“Unsecured Creditors’ Class”** means the class of Affected Creditors entitled to vote on the Plan at the Creditors’ Meeting;

**“Unsecured Creditors’ Equity Pool”** means the equity pool, which shall be comprised of the Share Consideration issued to CPI on the Plan Implementation Date pursuant to and in accordance with the Plan and the Asset Purchase Agreement, from which distributions to Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan are to be made pursuant to and in accordance with the Plan;

**“Unsecured Creditors’ Pool”** shall be comprised of the Unsecured Creditors’ Cash Pool and the Unsecured Creditors’ Equity Pool;

**“Variable Voting Shares”** means the Class NC variable voting shares in the capital of Holdco;

**“Voting Claim”** means the amount of the Affected Claim of an Affected Creditor as determined for voting purposes at the Creditors’ Meeting in accordance with the provisions of the Amended Claims Procedure Order, the Meeting Order, the Plan and the CCAA;

**“Voting Shares”** means the Class C voting shares in the capital of Holdco;

**“Website”** means <http://cfcanada.fticonsulting.com/clp/>; and

**“Withholding Obligation”** shall have the meaning ascribed thereto in section 5.9 of the Plan.

## 1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references to currency are to Canadian dollars;
- (d) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

- 18 -

- (j) references to a specified "article" or "section" shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified Article or Section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto; and
- (k) the word "or" is not exclusive.

### 1.3 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person or party named or referred to in the Plan.

### 1.4 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the Court.

### 1.5 Schedule

The following is the Schedule to the Plan, which is incorporated by reference into the Plan and forms a part of it:

Schedule "A"	Asset Purchase Agreement (without schedules) and the form of assignment and amending agreement in respect thereof
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## ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

### 2.1 Purpose:

The purpose of the Plan is:

- (a) to effect a compromise, settlement and payment of all Affected Claims as finally determined for distribution purposes by the Amended Claims Procedure Order, the Meeting Order and the Plan;
- (b) to implement the closing of the Asset Purchase Agreement;
- (c) to enable the Purchaser to continue the Business and the operation of National Post as a going concern from and after the Plan Implementation Date; and
- (d) to safeguard substantial employment;

in the expectation that all Persons with an economic interest in the LP Entities will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the LP Entities.

## **2.2 Persons Affected**

The Plan provides for a compromise of the Affected Claims and a restructuring of the Business. The Plan will become effective at the Effective Time on the Plan Implementation Date and shall be binding on and enure to the benefit of the LP Entities, the Affected Creditors, past and present directors or officers of the LP Entities and all other Persons named or referred to in, or subject to, the Plan.

## **2.3 Persons Not Affected**

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the LP Entities' rights and defences, both legal and equitable, with respect to any Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

### **ARTICLE 3**

#### **CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS**

### **3.1 Classification of Creditors**

For the purposes of considering and voting on the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

### **3.2 Claims of Affected Creditors**

- (a) Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 shall:
  - (i) be deemed to have made a Cash Election and have elected to receive the Cash Elected Amount in respect of their Proven Claim or Disputed Claim in accordance with the Plan; and
  - (ii) be deemed to vote in favour of the Plan;
- (b) Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 shall:
  - (i) be entitled to make a Cash Election in accordance with the Plan;
  - (ii) be entitled to vote their Voting Claims at the Creditors' Meeting in respect of the Plan if a valid Cash Election is not made in accordance with the Plan;
  - (iii) be deemed to vote in favour of the Plan if a valid Cash Election is made in accordance with the Plan; and
  - (iv) receive the rights and distributions provided for under and pursuant to the Plan.

### **3.3 Unaffected Claims**

No holder of an Unaffected Claim shall:

- (a) be entitled to vote on the Plan at the Creditors' Meeting; or
- (b) receive distributions in respect of such Unaffected Claims, unless specifically provided for under and pursuant to the Plan.

### **3.4 Claims of the Senior Secured Creditors**

The Senior Secured Creditors shall be entitled to receive payment in full of the Senior Lender Distribution Amount and the DIP Lender Distribution Amount pursuant to and in accordance with the Order approving the Asset Purchase Agreement.

### **3.5 Priority Claims**

The Prior Ranking Secured Claims in respect of lessors under Personal Property Leases and Permitted Encumbrances, the Employee Priority Claims, the Government Priority Claims (except to the extent such Government Priority Claims are funded out of cash reserves or Shares pursuant to and in accordance with the Administrative Reserve Order) and the Pension Priority Claims shall be assumed by the Purchaser on the Plan Implementation Date pursuant to and in accordance with the Plan.

### **3.6 Creditors' Meeting**

The Creditors' Meeting shall be held in accordance with the Plan, the Amended Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Creditors' Meeting are the Monitor and its legal counsel; those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting and their legal counsel and advisors; representatives of the LP Entities and their respective legal counsel and advisors; Holdco, the Purchaser and their respective legal counsel and advisors; and representatives of the Ad Hoc Committee and their legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting.

### **3.7 Voting**

Each Creditor of the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Meeting Order, shall be entitled to one vote equal to the dollar value of its Claim determined as a Voting Claim. For greater certainty, only those LP Noteholders and LP Subordinated Lenders who have beneficial ownership of a Claim as at the Record Date shall be entitled to vote at the Creditors' Meeting pursuant to and in accordance with the Meeting Order.

### **3.8 Procedure for Valuing Voting Claims**

The procedure for valuing Voting Claims and resolving disputes and entitlement to voting is set forth in the Amended Claims Procedure Order, the Meeting Order and the Plan. The LP Entities and the Monitor shall have the right to seek the assistance of the Court in valuing

any Voting Claim in accordance with the Amended Claims Procedure Order, the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

### **3.9 Approval by Creditors**

In order to be approved, the Plan must receive the affirmative vote in the Required Majority of the Unsecured Creditors' Class.

### **3.10 Guarantees and Similar Covenants**

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under the Plan shall be entitled to any greater rights as against the LP Entities than the Person whose Claim is compromised under the Plan.

### **3.11 Set-Off**

The law of set-off applies to all Affected Claims.

## **ARTICLE 4 UNSECURED CREDITORS' POOL AND THE ADMINISTRATIVE RESERVE**

### **4.1 Composition of the Unsecured Creditors' Cash Pool**

On the Plan Implementation Date, the Purchaser shall pay the aggregate of all Cash Elected Amounts to the Monitor pursuant to section 7.3(g) of the Plan, which shall be held by the Monitor as the Unsecured Creditors' Cash Pool. The Monitor shall hold the Unsecured Creditors' Cash Pool in escrow in a separate interest-bearing account for distribution to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) greater than \$1,000 who have made a valid Cash Election in accordance with the Plan, pursuant to and in accordance with the Plan.

### **4.2 Composition of the Unsecured Creditors' Equity Pool**

On the Plan Implementation Date, CPI shall be issued the Share Consideration pursuant to section 7.3(h) of the Plan, which shall comprise the Unsecured Creditors' Equity Pool. The Unsecured Creditors' Equity Pool shall be administered by the Monitor to effect distributions to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan, pursuant to and in accordance with the Plan.

### **4.3 The Administrative Reserve**

On the Plan Implementation Date, the Administrative Reserve shall be established out of the Cash and Equivalents, which is to be held by the Monitor in a separate Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with

the Administrative Reserve Order and the Plan, with any remaining balance to be distributed to the Purchaser in accordance with the Administrative Reserve Order.

## **ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS AND PAYMENTS**

The Affected Creditors shall receive the distributions provided herein on account of their Affected Claims, and on the Plan Implementation Date, the Affected Claims will be affected and compromised in accordance with the terms of the Plan.

### **5.1 Distribution Mechanics**

In order to give effect to a distribution of Shares to Affected Creditors under the Plan, the following steps will be taken:

- (a) on or before the Distribution Materials Record Date the LP Entities shall send by prepaid first class mail, courier, email or facsimile to Affected Creditors to the address for such Affected Creditor as of the Distribution Materials Record Date specified in the Proof of Claim, or as evidenced by any assignment or transfer in accordance with section 5.8(b) of the Plan, a blank Letter of Instruction and a blank Canadian Creditor Declaration provided however, that for Affected Creditors that are LP Noteholders, the LP Entities shall send by email, facsimile, and/or courier a blank Letter of Instruction to the LP Notes Trustee;
- (b) each Affected Creditor, including the LP Notes Trustee on behalf of the LP Noteholders, shall deliver to the Monitor a duly completed and executed Letter of Instruction and, if the Affected Creditor is a Canadian Creditor, a duly completed and executed Canadian Creditor Declaration that must be received by the Monitor on or before the Plan Sanction Date or such other date as the Monitor may agree;
- (c) to effect distributions on the Initial Distribution Date and each subsequent Distribution Date the Monitor shall deliver an omnibus direction to Holdco or its agent, as applicable, directing Holdco or its agent, as applicable, to transfer Shares from CPI to Affected Creditors in accordance with such omnibus direction. Subject to section 5.1(i) of the Plan, the omnibus direction delivered by the Monitor shall be based on information set forth in section 5.1(b) of the Plan that it has received and the amount of such Affected Creditor's Proven Claim. The omnibus direction shall include the following information:
  - (i) registration and delivery details of each Affected Creditor entitled to receive Shares on such distribution date; and
  - (ii) the number and class of Shares to be transferred from CPI to each Affected Creditor on such distribution date;
- (d) Holdco, or its agent, as applicable, (at the expense of Holdco) shall cause Computershare to record in each of the Affected Creditors' DRS Accounts the number of Voting Shares or Variable Voting Shares, as applicable, that are to be distributed to each Affected Creditor pursuant to and in accordance with the Plan,

and shall send to such Affected Creditor a DRS Transaction Advice to the address for such Affected Creditor specified in the Proof of Claim or Letter of Instruction delivered by such Affected Creditor to the Monitor in accordance with section 5.1(b) of the Plan;

- (e) Holdco, or its agent, as applicable, shall deliver to the Monitor a DRS Transaction Advice indicating the number of Voting Shares held in the DRS Account established for CPI following the transfer of Shares to Affected Creditors from CPI on the Initial Distribution Date and each subsequent Distribution Date;
- (f) Holdco, or its agent, as applicable, shall use reasonable efforts to qualify the Shares as eligible for deposit into depositories;
- (g) with respect to the distributions to be made to Affected Creditors pursuant to the Plan, no fractional Shares of Holdco will be issued. Recipients of Shares will have their share entitlements adjusted downwards to the nearest whole number of Shares to eliminate any such fractions and no compensation will be given for the fractional interest. On the Final Distribution Date, to the extent any Shares remain as a result of the downward adjustments to eliminate fractions made in connection with the distribution on such day, those remaining Shares shall be donated to Holdco for immediate cancellation;
- (h) the Monitor shall be authorized and directed to execute and deliver on behalf of CPI or on its own behalf all such stock transfers, omnibus directions, and other instruments and instructions which are necessary or advisable in the reasonable business judgment of the Monitor to effect the distributions in accordance with the Plan, and Holdco or its agent, as applicable, shall be authorized and directed to accept all such stock transfers, omnibus directions, and other instruments and instructions when received; and
- (i) an Affected Creditor that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(b) of the Plan shall be deemed to direct the Monitor to cause such Affected Creditor's Shares to be registered in its DRS Account in accordance with the information set out in such Affected Creditor's Proof of Claim.

## **5.2 Distributions from the Unsecured Creditors' Pool**

Subject to the Disputed Claims Reserve to be held by the Monitor in escrow, the Unsecured Creditors' Pool shall be distributed by the Monitor, on behalf and for the account of CPI, on the Initial Distribution Date and each subsequent Distribution Date as follows:

- (a) each Affected Creditor:
  - (i) with a Proven Claim equal to or less than \$1,000; and
  - (ii) with a Proven Claim greater than \$1,000 and who has made a valid Cash Election in accordance with the Plan;



shall receive a distribution from the Unsecured Creditors' Cash Pool in such Affected Creditor's Cash Elected Amount by way of cheque sent by prepaid ordinary mail to the address for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor; and

- (b) each Affected Creditor with a Proven Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan, shall receive a distribution of Shares such that after giving effect to that distribution and any prior distributions, each Affected Creditor shall have received its Pro Rata Share. Each such Affected Creditor (other than the LP Noteholders) who is a Canadian Creditor who has completed a Canadian Creditor Declaration that has been received by the Monitor on or before the Plan Sanction Date, or such other date as the Monitor may agree, shall receive Voting Shares and each Affected Creditor who has not completed a Canadian Creditor Declaration and the LP Noteholders shall receive Variable Voting Shares.

### **5.3 Payment to the Senior Secured Creditors**

On the Plan Implementation Date and in accordance with section 7.3 hereof, the Purchaser, on behalf and for the account of the LP Entities, shall:

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

### **5.4 Payment of Administrative Reserve Costs**

On the Plan Implementation Date, the Administrative Reserve Account will be funded in accordance with section 4.3 of the Plan and the Administrative Reserve Order.

### **5.5 Currency**

Unless specifically provided for in the Plan or the Sanction and Vesting Orders, for the purposes of voting or distribution, a Claim (other than Senior Secured Creditors' Claims) shall be denominated in Canadian dollars and all payments and distributions to the Creditors on account of their Claims shall be made in Canadian dollars. Any Claim (other than Senior Secured Creditors' Claims) in a currency other than Canadian dollars must be converted to Canadian dollars, and such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date, which rate is CDN\$1.0344:US\$1.0000.

## 5.6 Interest

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

## 5.7 Treatment of Undeliverable Distributions

If any Affected Creditor's distribution by way of cheque is returned as undeliverable or is not cashed, no further distributions to such Affected Creditor shall be made unless and until the LP Entities and the Monitor are notified by such Affected Creditor of such Affected Creditor's current address, at which time all such distributions shall be made to such Affected Creditor without interest, if applicable. All claims for undeliverable or uncashed distributions in respect of Proven Claims must be made on or before June 30, 2011, after which date the Proven Claims of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed or uncashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal or provincial laws to the contrary, at which time the cash amount held by the Monitor in relation to the Proven Claim shall be returned to the Purchaser. Nothing contained in the Plan shall require the LP Entities or the Monitor to attempt to locate any holder of a Proven Claim.

## 5.8 Assignment of Claims for Voting and Distribution Purposes

### (a) *Assignment of Claims Prior to the Creditors' Meeting*

Subject to any restrictions contained in Applicable Laws, an Affected Creditor of the LP Entities (other than an LP Noteholder or an LP Subordinated Lender) may transfer or assign the whole of its Claim prior to the Creditors' Meeting provided that the LP Entities shall not be obliged to deal with any such transferee or assignee as an Affected Creditor in respect thereof, including allowing such transferee or assignee to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the LP Entities and the Monitor on or before May 27, 2010. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Amended Claims Procedure Order constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, the LP Entities shall not recognize partial transfers or assignments of Claims.

### (b) *Assignment of Claims Subsequent to the Creditors' Meeting*

Subject to any restrictions contained in Applicable Laws:

- (i) an Affected Creditor of the LP Entities with a Proven Claim or a Disputed Claim equal to or less than \$1,000 and an Affected Creditor with a Proven Claim or a Disputed Claim greater than \$1,000 who has made a valid Cash Election in accordance with the Plan may transfer or assign the whole of its Claim after the Creditors' Meeting provided that the LP Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the LP Entities and the Monitor

on or before on the Plan Sanction Date, or such other date as the Monitor may agree; and

- (ii) an Affected Creditor of the LP Entities (other than an LP Noteholder or an LP Subordinated Lender) with a Proven Claim or a Disputed Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan may transfer or assign the whole of its Claim after the Creditors' Meeting provided that the LP Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and a duly completed and executed Letter of Instruction has been received by the LP Entities and the Monitor on or before the Plan Sanction Date, or such other date as the Monitor may agree, provided further that if such transferee or assignee wishes to receive distributions of Voting Shares, such transferee or assignee must also provide the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before Plan Sanction Date, or such other date as the Monitor may agree. For greater certainty, a transferee or assignee of an Affected Creditor of the LP Entities with a Proven Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan shall only be entitled to receive Variable Voting Shares unless such transferee or assignee provides the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before the Plan Sanction Date, or such other date as the Monitor may agree.

Thereafter, such transferee or assignee shall, for all purposes in accordance with the Amended Claims Procedure Order constitute an Affected Creditor and shall be bound by notices given and steps taken in respect of such Claim. For greater certainty, the LP Entities shall not recognize partial transfers or assignments of Claims.

(c) *Assignment of LP Noteholder Claims and LP Subordinated Lender Claims*

Notwithstanding anything to the contrary herein, those LP Noteholders and LP Subordinated Lenders who have a beneficial ownership of a Claim shall not be restricted from transferring or assigning, in whole or in part, their respective Claims at any time provided that the LP Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the LP Entities and the Monitor together with a Letter of Instruction on or before the Plan Sanction Date, or such other date as the Monitor may agree, and provided further that if such transferee or assignee wishes to receive distributions of Voting Shares, such transferee or assignee must also provide the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before the Plan Sanction Date, or at such other date as the Monitor may agree. For greater certainty, a transferee or assignee of an Affected Creditor of the LP Entities with a Proven Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan shall only be entitled to receive Variable Voting Shares unless such transferee or assignee provides the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before the Plan Sanction Date, or such other date as the Monitor may agree. Notwithstanding anything to the contrary set forth above, in the event the Variable Voting Shares are distributed to the LP Noteholders through the book-entry

system of The Depository Trust Company or such other recognized book-entry depository, the rights of the LP Noteholders shall be exercised only through such depository and shall be limited to those established by law and agreement between the LP Noteholders and such depository and/or direct participants of such depository and such depository will make book-entry transfers among the direct participants of such depository, in all cases, without any further actions on behalf of such LP Noteholders as contemplated above.

### **5.9 Withholding and Reporting Requirements**

The LP Entities and the Monitor shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Affected Creditor or to any Person on behalf of any Affected Creditor such amounts (a "**Withholding Obligation**") as the LP Entities or the Monitor is required to deduct and withhold with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded.

To the extent that amounts are so withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a holder of a Proven Claim pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Monitor for the payment and satisfaction of any Withholding Obligations imposed on the Monitor or the LP Entities by any Taxing Authority.

## **ARTICLE 6**

### **PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED CLAIMS**

#### **6.1 No Distribution Pending Allowance**

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim, in whole or in part.

#### **6.2 Distributions After Disputed Claims Resolved**

- (a) On the last Business Day of every month (or more frequently as the Monitor may determine in its sole and unfettered discretion), the Monitor, on behalf of the LP Entities, shall distribute in accordance with sections 5.1 and 5.2 of the Plan from the Disputed Claims Reserve to:
  - (i) each holder of a Disputed Claim, who has not made or been deemed to have made a valid Cash Election in accordance with the Plan, that has become a Proven Claim on or before the third Business Day prior to a Distribution Date (other than the Final Distribution Date), the appropriate portion of Shares in the Disputed Claims Reserve in respect of such Proven Claim such that after giving effect to that distribution and any prior distributions, such Affected Creditor shall have received its Pro Rata Share; and

- 28 -

- (ii) each other holder of a Proven Claim, who has not made or been deemed to have made a valid Cash Election in accordance with the Plan, the appropriate portion of Shares in the Disputed Claims Reserve in respect of such Proven Claim such that after giving effect to that distribution and any prior distributions each such Affected Creditor on such Distribution Date shall have received its Pro Rata Share.
- (b) On the last Business Day of every month (or more frequently as the Monitor may determine in its sole and unfettered discretion), the Monitor, on behalf of the LP Entities, shall distribute in accordance with section 5.1 and 5.2 of the Plan from the Disputed Claims Reserve to each holder of a Disputed Claim that has become a Proven Claim on or before the third Business Day prior to such Distribution Date who has made or been deemed to have made a valid Cash Election in accordance with the Plan and who has not yet received a cash distribution, the appropriate portion of cash in the Disputed Claims Reserve in respect of such Affected Claim that would have been distributed on the Initial Distribution Date had such Disputed Claim been a Proven Claim.
- (c) On the Final Distribution Date, any balance that remains in the Disputed Claims Reserve shall be distributed by the Monitor as follows:
  - (i) any remaining portion of the Cash Elected Amounts that remain in the Disputed Claims Reserve shall be paid to the Purchaser; and
  - (ii) any Shares that remain in the Disputed Claims Reserve shall be distributed in accordance with section 5.1 and 5.2 of the Plan such that after giving effect to that distribution and any prior distributions each Affected Creditor with Proven Claims on the Final Distribution Date shall have received its Pro Rata Share.

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

## ARTICLE 7 COMPANY REORGANIZATION

### 7.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of the LP Entities will occur and be effective as of the Plan Implementation Date, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction and Vesting Orders, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the LP Entities. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the LP Entities, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the

steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect.

## 7.2 Pre-Plan Implementation Date Transactions

The following steps shall occur, and be deemed to have occurred and be effected, sequentially in the following order without any further act or formality prior to the implementation of the Plan:

- (a) the LP Entities shall prepare the Information Circular and shall cause the Information Circular to be sent or otherwise made available to the Affected Creditors in accordance with the Meeting Order and any other Persons as may be required by the Court or under Applicable Law; and
- (b) based solely on the information provided by the Affected Creditors to the Monitor, the Monitor shall advise the Purchaser of the aggregate Cash Elected Amount not less than three (3) Business Days prior to the Plan Implementation Date.

## 7.3 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected in the implementation of the Plan shall occur, and be deemed to have occurred sequentially in the following order except that steps (e) through (k) shall occur simultaneously, without any further act or formality on the Plan Implementation Date beginning at the Effective Time:

- (a) if, and to the extent that, any of the Affected Creditors entitled to receive Shares are Affected Creditors solely of the Limited Partnership, CCI or CBI, CPI shall assume the liability to pay the amount ultimately determined to be payable to such Affected Creditors (the "**Share Amount**") in accordance with the Plan;
- (b) if, and to the extent that, any of the Affected Creditors that have made or are deemed to have made a valid Cash Election in accordance with the Plan are Affected Creditors solely of the Limited Partnership, CCI or CBI, CPI shall assume the liability to pay the amount ultimately determined to be payable to such Affected Creditors (the "**Cash Amount**") in accordance with the Plan;
- (c) in consideration for the assumption by CPI of the liability to pay the Share Amount and the Cash Amount, each of the Limited Partnership, CCI and CBI shall assign to CPI its entitlement to receive such portion of the Purchase Price allocable to it pursuant to section 4.1 of the Asset Purchase Agreement as is equal to the aggregate of the Share Amount and the Cash Amount applicable to the Affected Creditors of the Limited Partnership, CCI and CBI, respectively;
- (d) the LP Entities shall pay from the Cash and Equivalents:
  - (i) all fees and disbursements owing as at the Plan Implementation Date to the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel

- 30 -

and financial advisor to the Special Committee, the LP CRA and counsel to the LP CRA;

- (ii) all fees and disbursements owing as at the Plan Implementation Date to RBC pursuant to the engagement letter dated October 1, 2009 between CPI, the Limited Partnership and RBC, including the Sale/Restructuring Fee contemplated therein, which engagement letter was approved by the Court pursuant to the terms of the Initial Order; and
  - (iii) any amounts then due and payable under the LP MIP;
- (e) the Senior Lender Distribution Amount shall be paid to the Administrative Agent as follows:
- (i) Monitor shall release from escrow to the Administrative Agent, on behalf and for the account of CPI, in its capacity as guarantor under the Senior Credit Agreement, the Deposit; and
  - (ii) the remainder of the Senior Secured Claims Amount as at the Plan Implementation Date shall be paid by the Purchaser to the Administrative Agent:
    - (A) on behalf and for the account of CCI, in its capacity as guarantor, CBI, in its capacity as guarantor, and the Limited Partnership, in its capacity as borrower or counterparty, to the extent of the portion of the Purchase Price allocable to CCI, CBI and the Limited Partnership, respectively, pursuant to section 4.1 of the Asset Purchase Agreement less the amount, if any, of such portion of the Purchase Price, the entitlement to which has been assigned to CPI pursuant to paragraph (c) above; and
    - (B) on behalf of CPI, in its capacity as guarantor, as to the remainder;
- (f) Purchaser shall pay to the DIP Administrative Agent, on behalf and for the account of CPI, in its capacity as guarantor under the DIP Credit Agreement, the DIP Lender Distribution Amount, if any;
- (g) Purchaser shall pay to the Monitor, on behalf and for the account of CPI, the aggregate of all Cash Elected Amounts in respect of Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan;
- (h) at the direction of the Purchaser, Holdco shall issue to CPI the Share Consideration and CPI shall, in its capacity as guarantor to the extent Shares are to be distributed to Affected Creditors whose Claim consists of a debt guaranteed by CPI, cause such Share Consideration to be administered by the Monitor pursuant to sections 5.1 and 5.2 of the Plan;

- 31 -

- (i) Purchaser shall assume the Assumed Liabilities;
- (j) Purchaser shall assume the Prior Ranking Secured Claims in respect of lessors under Personal Property Leases and Permitted Encumbrances, the Employee Priority Claims, the Government Priority Claims (except to the extent such Government Priority Claims are funded out of cash reserves or Shares pursuant to and in accordance with the Administrative Reserve Order) and the Pension Priority Claims;
- (k) pursuant to and in accordance with the Sanction and Vesting Orders, all right, title and interest of the LP Entities in and to the Acquired Assets shall vest in the Purchaser, free and clear of all Encumbrances (other than the Permitted Encumbrances);
- (l) [intentionally deleted];
- (m) the Unsecured Creditors' Pool shall be deemed to be held and administered by the Monitor in escrow for distribution in accordance with the Plan;
- (n) Monitor shall:
  - (i) administer the Unsecured Creditors' Cash Pool, which shall be held by the Monitor in escrow for the benefit of the Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan, and shall be distributed by the Monitor in accordance with the Plan;
  - (ii) administer the Unsecured Creditors' Equity Pool with the Shares issued to CPI pursuant to section 7.3(h), which shall be administered by the Monitor for the benefit of the Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan, and shall be distributed by the Monitor in accordance with the Plan; and
  - (iii) maintain and administer the Disputed Claims Reserve in accordance with the Plan;
- (o) the Administrative Reserve shall be established and the Monitor shall deposit such Administrative Reserve into the Administrative Reserve Account, which shall be held and distributed by the Monitor in accordance with the Plan and the Administrative Reserve Order;
- (p) [intentionally deleted];
- (q) Purchaser shall make a payment to Holdco in the amount equal to the aggregate of all costs incurred by Holdco in connection with the Acquisition and the Plan, including all financial advisory fees and expenses, legal fees and expenses and fees and expenses paid to rating agencies;



- 32 -

- (r) each of the Charges shall be terminated, discharged and released as against the Acquired Assets, the Unsecured Creditors' Pool and, except as may otherwise be provided in the Administrative Reserve Order, the Administrative Reserve; and
- (s) the compromises with the Affected Creditors and the Release referred to in section 8.1 shall become effective in accordance with the Plan.

## ARTICLE 8 RELEASES

### 8.1 Plan Releases

On the Plan Implementation Date, the LP Entities, the Monitor, FTI Consulting Canada Inc., the LP CRA, the Special Committee, the LP Notes Trustee, the LP Notes Canadian Trustee, the Senior Secured Creditors, the Ad Hoc Committee and each and every present and former shareholder, director, officer, member (including members of any committee or governance council), employee, auditor, financial advisor, legal counsel and agent thereof and any Person claiming to be liable derivatively through any or all of the foregoing Persons (being herein referred to individually as a "**Released Party**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor or other Person (other than the Senior Secured Creditors) may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds and statutory liabilities of present and former directors, officers, members and employees of the LP Entities and any alleged fiduciary or other duty (whether acting as a director, officer, member, employee or acting in any other capacity in connection with the administration or management of the LP Pension Plans or otherwise), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the business and affairs of the LP Entities whenever or however conducted, the administration and/or management of the LP Pension Plans, the Plan, the CCAA Case, any Claim that has been barred or extinguished by the Amended Claims Procedure Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the LP Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Released Party for criminal or other wilful misconduct or present or former directors of the LP Entities with respect to matters set out in section 5.1(2) of the CCAA.

## ARTICLE 9 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

### 9.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approves the Plan, the LP Entities shall apply for the Sanction and Vesting Orders on or before the date set for the hearing of the

Sanction and Vesting Orders or such later date as the Court may set. The Sanction and Vesting Orders shall not become effective until the Plan Implementation Date.

## 9.2 Sanction and Vesting Orders

The Sanction and Vesting Orders will have effect from and after the Effective Time and shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority of Affected Creditors in conformity with the CCAA; (ii) the LP Entities have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all respects; (iii) the Court is satisfied that the LP Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon the LP Entities, all Affected Creditors and all other Persons and Parties affected by the Plan as of the Effective Time;
- (c) declare that the steps to be taken prior to the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 7.2 of the Plan;
- (d) declare that the steps to be taken and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 7.3 of the Plan on the Plan Implementation Date, beginning at the Effective Time;
- (e) declare that each of the Charges shall be terminated, discharged and released as against the Acquired Assets, the Unsecured Creditors' Pool and, except as may otherwise be provided in the Administrative Reserve Order, the Administrative Reserve;
- (f) compromise, discharge and release the LP Entities from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the LP Entities in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (g) declare that all right, title and interest of the LP Entities in and to the Acquired Assets shall vest in the Purchaser, free and clear of all Encumbrances (other than the Permitted Encumbrances);

- 34 -

- (h) discharge and extinguish all Encumbrances (other than Permitted Encumbrances), including all security registrations against the LP Entities in favour of any Affected Creditor;
- (i) discharge, bar and extinguish the Senior Secured Creditors' Claims and all Encumbrances in respect thereof as against the Acquired Assets, the Unsecured Creditors' Pool and the Administrative Reserve;
- (j) declare that any Claims for which a Proof of Claim has not been filed by the Claims Bar Date shall be forever barred and extinguished;
- (k) seek that the stay of proceedings under the Initial Order be extended to, and including, the Final Distribution Date;
- (l) declare that, subject to performance by the LP Entities of their obligations under the Plan, all obligations, agreements or leases to which any of the LP Entities is a party shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, unless disclaimed or resiliated or deemed to be disclaimed or resiliated by the LP Entities pursuant to the Initial Order, and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:
  - (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
  - (ii) that the LP Entities have sought or obtained relief or have taken steps as part of the Plan or under the CCAA;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the LP Entities;
  - (iv) of the effect upon the LP Entities of the completion of any of the transactions contemplated under the Plan;
  - (v) of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan; or
  - (vi) of the assignment of any obligations, agreements, leases or other arrangements pursuant to the Asset Purchase Agreement;
- (m) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that

may be commenced, taken or proceed with against any Released Party in respect of all Claims and any matter which is released pursuant to section 8.1 herein;

- (n) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (o) authorize and direct the Monitor to execute and deliver on behalf of CPI or on its own behalf all such stock transfers, omnibus directions, and other instruments and instructions which are necessary or advisable in the reasonable business judgment of the Monitor to effect the distributions in accordance with the Plan, and authorize and direct Holdco or its agent, as applicable, to accept all such stock transfers, omnibus directions, and other instruments and instructions when received;
- (p) declare that all distributions and payments by or at the direction of the Monitor, in each case on behalf of the LP Entities, to the Affected Creditors under the Plan are for the account of the LP Entities and the fulfilment of their obligations under the Plan;
- (q) declare that upon completion by the Monitor of its duties in respect of the LP Entities pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Amended Claims Procedure Order and distributions made by or at the direction of the Monitor in accordance with the Plan, the Monitor may file with the Court a certificate of Plan termination stating that all of its duties in respect of the LP Entities pursuant to the CCAA and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor of the LP Entities and the Charges shall be released; and
- (r) declare that the LP Entities and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan.

### **9.3 Conditions Precedent to Implementation of a Plan**

The implementation of the Plan shall be conditional upon (a) the satisfaction or waiver of all conditions precedent under the Asset Purchase Agreement in accordance with the terms of the Asset Purchase Agreement, and the Asset Purchase Agreement not having been terminated; and (b) the receipt by the Administrative Agent of, or escrow arrangements satisfactory to the Administrative Agent being made to ensure that the Administrative Agent receives, from or on behalf of the LP Entities in immediately available funds, an amount sufficient to be distributed to the Senior Lenders in indefeasible repayment in full of the Senior Lender Distribution Amount and the DIP Lender Distribution Amount.

### **9.4 Monitor's Certificate**

Upon delivery of written notice from the Purchaser and the LP Entities of the satisfaction of the conditions set out in section 9.3 of the Plan, the Monitor shall deliver to the Purchaser and the LP Entities a certificate stating that the Plan Implementation Date has occurred and that all of the LP Entities' right, title and interest in and to the Acquired Assets have vested absolutely in

the Purchaser, free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Sanction and Vesting Orders. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

## **ARTICLE 10 GENERAL**

### **10.1 Binding Effect**

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time;
- (b) the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the LP Entities, all Affected Creditors, the past and present directors or officers of the LP Entities, the Purchaser and all other Persons and Parties named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan;
- (d) each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Affected Creditor shall be deemed to have executed and delivered to the LP Entities all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

### **10.2 Waiver of Defaults**

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the LP Entities then existing or previously committed by the LP Entities, or caused by the LP Entities, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the LP Entities and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the LP Entities from performing its obligations under the Plan or be a waiver of defaults by the LP Entities under the Plan and the related documents. This section does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor (other than the LP Entities) and any security granted by such guarantor.

### 10.3 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Amended Claims Procedure Order.

### 10.4 Deeming Provisions

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

### 10.5 Non-Consummation

The LP Entities reserve the right to revoke or withdraw the Plan at any time prior to the Plan Sanction Date. If the LP Entities revoke or withdraw the Plan, or if the Sanction and Vesting Orders are not issued, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan including the fixing or limiting to an amount certain any Claim, any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the LP Entities or any other Person; (ii) prejudice in any manner the rights of the LP Entities or any other Person in any further proceedings involving the LP Entities; or (iii) constitute an admission of any sort by the LP Entities or any other Person.

### 10.6 Modification of the Plan

- (a) The LP Entities reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the consent of the Purchaser, acting reasonably, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to the Creditors' Meeting, communicated to the Affected Creditors in the manner required by the Court (if so required); and (ii) if made following the Creditors' Meeting, approved by the Court following notice to the Affected Creditors.
- (b) Notwithstanding section 10.6(a), any amendment, restatement, modification or supplement may be made by the LP Entities with the consent of the Monitor and the Purchaser, acting reasonably, or pursuant to an Order following the Plan Sanction Date, provided that it concerns a matter which, in the opinion of the LP Entities, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Orders or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

### **10.7 Paramountcy**

Except with respect to the Unaffected Claims, from and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of the LP Entities, lease or other agreement, written or oral and any and all amendments or supplements thereto (other than the Asset Purchase Agreement) existing between one or more of the Affected Creditors and the LP Entities as at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction and Vesting Orders, which shall take precedence and priority.

### **10.8 Severability of Plan Provisions**

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the LP Entities and with the consent of the Purchaser, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the LP Entities with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alternation or interpretation, and provided that the LP Entities proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **10.9 Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA Case and the Plan with respect to the LP Entities and will not be responsible or liable for any obligations of the LP Entities.

### **10.10 Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

**10.11 Notices**

Any notice of other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective Parties as follows:

If to the LP Entities:

c/o Canwest Limited Partnership  
1450 Don Mills Road  
Don Mills, Ontario M3B 2X7  
Attention: Doug Lamb  
Fax: (416) 442-2135  
Email: dlamb@canwest.com

with a copy to:

Osler, Hoskin & Harcourt LLP  
100 King Street West  
1 First Canadian Place, Suite 6100  
Toronto, Ontario M5X 1B8  
Attention: Edward A. Sellers / Marc S. Wasserman  
Fax: (416) 862-6666  
Email: esellers@osler.com / mwasserman@osler.com

If to a Creditor:

to the address or facsimile number or email address for such Creditor specified in the Proof of Claim filed by such Creditor;

If to the Monitor:

FTI Consulting Canada Inc.  
79 Wellington Street West, Suite 2010  
Toronto, Ontario M5K 1G8  
Attention: Paul Bishop  
Fax: (416) 649-8101  
Email: paul.bishop@fticonsulting.com

with a copy to:

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9  
Attention: Daphne MacKenzie  
Fax: (416) 947-0866  
Email: dmackenzie@stikeman.com



If to the Purchaser:

CW Acquisition Limited Partnership  
c/o Davies Ward Phillips & Vineberg LLP  
1 First Canadian Place, Suite 4400  
Toronto, Ontario  
M5X 1B1  
Attention: Jay A. Swartz and Cameron M. Rusaw  
Fax: (416) 863-0871  
Email: jswartz@dwpv.com/crusaw@dwpv.com

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

#### 10.12 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

**DATED** as of the 20<sup>th</sup> day of May, 2010.

**SCHEDULE "A"**

**ASSET PURCHASE AGREEMENT (without schedules) and the form of ASSIGNMENT  
AND AMENDING AGREEMENT in respect thereof**



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

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

**APPLICANTS**

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**AMENDED CONSOLIDATED PLAN OF COMPROMISE**

**concerning, affecting and involving**

**CANWEST (CANADA) INC., CANWEST PUBLISHING INC./PUBLICATIONS  
CANWEST INC., CANWEST BOOKS INC., and CANWEST LIMITED PARTNERSHIP/  
CANWEST SOCIÉTÉ EN COMMANDITE**

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**May 20, 2010**

**AMENDED PLAN OF COMPROMISE**

**WHEREAS** Canwest Publishing Inc./Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), Canwest (Canada) Inc. (“**CCI**”) and Canwest Limited Partnership/Canwest Société en Commandite (the “**Limited Partnership**”, and together with CPI, CBI and CCI, the “**LP Entities**”) are insolvent;

**AND WHEREAS** the LP Entities filed for protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”);

**AND WHEREAS** the LP Entities obtained an order made by the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the CCAA dated January 8, 2010 (the “**Filing Date**”), as amended pursuant to further orders of the Court made February 2, 2010, March 26, 2010, April 12, 2010 and April 28, 2010 (and as same may be further amended, restated or varied from time to time, the “**Initial Order**”);

**AND WHEREAS** the LP Entities have entered into an asset purchase agreement with 7535538 Canada Inc. and CW Acquisition Limited Partnership dated as of May 10, 2010, in the form attached hereto as Schedule “A” (excluding schedules thereto), as same may be amended, restated and varied from time to time in accordance with the terms thereof (the “**Asset Purchase Agreement**”) to purchase substantially all of the assets of the LP Entities;

**AND WHEREAS** \*CW Acquisition Limited Partnership\* assigned the Asset Purchase Agreement to 7536321 Canada Inc.;

**AND WHEREAS** the Asset Purchase Agreement contemplates a plan of compromise under the CCAA, which plan will provide, among other things, certain recoveries to stakeholders and safeguard substantial employment;

**AND WHEREAS** the LP Entities hereby propose and present this plan of compromise to the Affected Creditors (as defined below) under and pursuant to the CCAA:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In the Plan of Compromise, unless otherwise stated or unless the subject matter or context otherwise requires:

“**Acquired Assets**” shall have the meaning ascribed thereto in the Asset Purchase Agreement;

“**Acquisition**” means the acquisition by the Purchaser of the Acquired Assets as contemplated by the Asset Purchase Agreement and the Plan;

“**Acquisition Date**” shall have the meaning ascribed thereto in the Asset Purchase Agreement;

- 3 -

**“Ad Hoc Committee”** means the *ad hoc* committee of LP Noteholders and LP Subordinated Lenders;

**“Administrative Agent”** means The Bank of Nova Scotia or any successor in its capacity as administrative agent under the Senior Credit Agreement;

**“Administrative Reserve”** means a cash reserve in an amount to be agreed by the Monitor, the LP Entities and the Purchaser, not exceeding \$25,000,000, and approved by the Court pursuant to the Administrative Reserve Order, which reserve shall be established out of the Cash and Equivalents and to be deposited by the Monitor into the Administrative Reserve Account in accordance with the terms hereof for the purpose of paying the Administrative Reserve Costs in accordance with the Asset Purchase Agreement, the Administrative Reserve Order and the Plan;

**“Administrative Reserve Account”** means a segregated account established by the Monitor in escrow for the benefit of Persons entitled to be paid the Administrative Reserve Costs and the Purchaser in accordance with the Asset Purchase Agreement, the Administrative Reserve Order and the Plan;

**“Administrative Reserve Costs”** means administrative claims and costs outstanding on the Plan Implementation Date (or to the extent provided below arising thereafter) falling within one or more of the following categories (i) amounts secured by the administration charge, the LP MIP charge or financial advisor charge granted by the Court in the Initial Order including, in the case of the Monitor, the reasonable fees and costs of the Monitor with respect to the performance of its duties and obligations whether arising before or after the Plan Implementation Date, (ii) amounts secured by the directors’ and officers’ charge (including for greater certainty claims for wages indirectly secured by the directors’ and officers’ charge) granted by the Court in the Initial Order, (iii) Government Priority Claims, (iv) any portion of pre-filing vacation pay that is not part of Employee Priority Claims, (v) Pension Priority Claims, (vi) Trustee Fees and Costs, and (vii) Post-Filing Trade Payables, in each case to the extent not paid by the LP Entities or, in the case of (ii), (iii), (iv), (v), (vi) and (vii) above, assumed by Purchaser on or before the Plan Implementation Date;

**“Administrative Reserve Order”** means an Order of the Court, in form and substance satisfactory to the Purchaser and the LP Entities, acting reasonably, to be made in connection with the CCAA Case on or before the Plan Implementation Date that will set out the amount of the Administrative Reserve and the process for the administration of the Administrative Reserve by the Monitor, as same may be amended, restated or varied from time to time with the consent of the Purchaser and LP Entities;

**“Affected Claim”** means all Claims other than Unaffected Claims and includes the Claims of holders of Secured Claims (other than Senior Secured Creditors’ Claims) to the extent such Claims exceed the realizable value of the property subject to such security;

**“Affected Creditor”** means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim, including, without duplication, those LP Noteholders and LP Subordinated Lenders who have beneficial ownership of a Claim;

**“Amended Claims Procedure Order”** means the Order of the Honourable Madam Justice Pepall made April 12, 2010, as amended by further Order of the Court made May 17, 2010, and as same may be further amended, restated or varied from time to time;

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

**“Asset Purchase Agreement”** shall have the meaning ascribed thereto in the recitals;

**“Assumed Liabilities”** shall have the meaning ascribed thereto in the Asset Purchase Agreement;

**“Business”** means, collectively, the English language newspaper, digital and online business carried on by CPI and the respective business carried on by CBI, CCI and Limited Partnership;

**“Business Day”** means a day on which banks are open for business in Toronto and Winnipeg, but does not include a Saturday, Sunday or a statutory holiday in either the Province of Ontario or the Province of Manitoba;

**“Canadian Creditor”** means an Affected Creditor who is not, and is not controlled by, a citizen or subject of a country other than Canada;

**“Canadian Creditor Declaration”** means a declaration as to whether the applicable Affected Creditor is a Canadian Creditor, substantially in the form attached to the Meeting Order;

**“Cash Amount”** shall have the meaning ascribed thereto in section 7.3(b) of the Plan;

**“Cash and Equivalents”** means all cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents of, and all of the cheques and cheque books of, the LP Entities;

**“Cash Elected Amount”** means, in respect of any Proven Claim and Disputed Claim of an Affected Creditor for which a valid Cash Election has been made or has been deemed to have been made in accordance with the Plan, a cash amount equal to the lesser of \$1,000 and the amount of such Proven Claim or Disputed Claim;

**“Cash Election”** means an election:

- (a) made by an Affected Creditor with a Proven Claim or a Disputed Claim greater than \$1,000 by delivering a duly completed and executed Cash Election form, substantially in the form attached to the Meeting Order, to the Monitor by no later

- 5 -

than 5:00 p.m. (Toronto time) on June 7, 2010 or three (3) Business Days prior to the Creditors' Meeting; and

- (b) deemed to have been made by all Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000;

pursuant to which such Affected Creditor has elected to receive the Cash Elected Amount and be deemed to vote in favour of the Plan in respect of its Proven Claim or Disputed Claim, as applicable;

**"Cash Management Claims"** means the Claims of The Bank of Nova Scotia arising under or pursuant to any agreement or other arrangements relating to the provision of cash management services to any of the LP Entities (including ordinary course spot foreign exchange transactions);

**"CBI"** shall have the meaning ascribed thereto in the recitals;

**"CCAA"** shall have the meaning ascribed thereto in the recitals;

**"CCAA Case"** means the proceedings commenced by way of an application for the Initial Order pursuant to the CCAA filed by CBI, CCI and CPI on the Filing Date;

**"CCI"** shall have the meaning ascribed thereto in the recitals;

**"Charges"** means the LP Administration Charge, the LP DIP Lenders' Charge, the FA Charge, the LP Directors' Charge and the LP MIP Charge, each as defined in the Initial Order;

**"Claim"** shall have the meaning ascribed thereto in the Amended Claims Procedure Order;

**"Claims Bar Date"** means 5:00 p.m. (Toronto time) on June 3, 2010 in respect of a Restructuring Period Claim, an Employee Claim and a Director/Officer Claim (as each capitalized term is defined in the Amended Claims Procedure Order) or May 7, 2010 in respect of all other Claims, as the case may be;

**"CMI Entities"** means Canwest Global Communications Corp., Canwest Media Inc. and all direct and indirect subsidiaries of Canwest Media Inc. other than the LP Entities, National Post and Echo Publications Partnership;

**"Collateral Agency Agreement"** shall have the meaning ascribed thereto in the Initial Order;

**"Computershare"** means Computershare Investor Services Inc.;

**"Court"** shall have the meaning ascribed thereto in the recitals;

**"CPI"** shall have the meaning ascribed thereto in the recitals;



- 6 -

**“Creditor”** means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a personal representative, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

**“Creditors’ Meeting”** means the meeting of Affected Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment of such meeting;

**“Deposit”** means the sum of (i) \$10 million paid by or on behalf of the Purchaser to the Monitor on or before the date hereof; plus (ii) interest earned on the amount set out in (i);

**“Designated Purchaser”** shall have the meaning ascribed thereto in the Asset Purchase Agreement;

**“DIP Administrative Agent”** means The Bank of Nova Scotia or any successor in its capacity as administrative agent under the DIP Credit Agreement;

**“DIP Claims Amount”** means, at any time, the aggregate amount of all Claims of the lenders and the DIP Administrative Agent arising under or in connection with the DIP Credit Agreement;

**“DIP Credit Agreement”** means the senior-secured super priority debtor-in-possession credit agreement made as of February 5, 2010 between Limited Partnership, as borrower, the guarantors party thereto, The Bank of Nova Scotia, as administrative agent and arranger, The Bank of Nova Scotia, as an issuing bank, and the initial lenders and other lenders party thereto;

**“DIP Lender Distribution Amount”** means the payment to be made by the Purchaser to the DIP Administrative Agent, for and on behalf of the lenders party to the DIP Credit Agreement, under the Plan in respect of the DIP Claims Amount;

**“Disputed Claim”** means an Affected Claim that has not been finally determined as a Proven Claim in accordance with the Amended Claims Procedure Order and the Meeting Order;

**“Disputed Claims Reserve”** means the reserve, if any, to be established from the Unsecured Creditors’ Pool and maintained by the Monitor, on behalf of the LP Entities, which shall be initially comprised of the following:

- (a) the aggregate of all Cash Elected Amounts that would have been distributed on the Initial Distribution Date to Affected Creditors holding Disputed Claims equal to or less than \$1,000 and greater than \$1,000 who have made or are deemed to have made a valid Cash Election in accordance with the Plan if such Disputed Claims had been Proven Claims as of such date; and
- (b) the Shares that would have been distributed on the Initial Distribution Date to Affected Creditors holding Disputed Claims greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan if such Disputed Claims had been Proven Claims as of such date;

which shall be held by the Monitor in escrow for distribution in accordance with the Plan;

**“Distribution Date”** means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Proven Claims, including the Final Distribution Date but excluding the Initial Distribution Date;

**“Distribution Materials Record Date”** means a date to be determined by the LP Entities, which date shall be posted on the Website and shall be not less than ~~tenseven~~ (+07) days prior to the Plan Sanction Date;

**“DRS Account”** means the account administered by Computershare in its Direct Registration System in which those Affected Creditors entitled to receive Shares pursuant to and in accordance with the Plan hold such Shares in book-entry form;

**“DRS Transaction Advice”** means a statement delivered by Holdco or its agent or Computershare, as applicable, (at the expense of Holdco) on the Initial Distribution Date and each subsequent Distribution Date, as applicable, to or as directed by an Affected Creditor indicating the number of Shares registered in the name of or as directed by such Affected Creditor in book-entry form in a DRS Account;

**“Effective Time”** means 12:00 p.m. on the Plan Implementation Date or such other time on such date as the parties to the Asset Purchase Agreement may agree;

**“Employee Priority Claims”** means the following Claims of Employees and former or inactive employees of the LP Entities:

- (a) Claims equal to the amounts that such Employees and former or inactive employees would have been qualified to receive under paragraph 136(1)(d) of the *Bankruptcy and Insolvency Act* (Canada) if the LP Entities had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

**“Employees”** means any and all (i) employees who are actively at work (including full-time, part-time or temporary employees) of the LP Entities, including Misaligned CMI Employees; and (ii) employees of the LP Entities who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers’ compensation and other statutory leaves);

**“Encumbrance”** means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario;

**“Filing Date”** shall have the meaning ascribed thereto in the recitals;

**“Final Distribution Date”** means the earlier of (i) December 31, 2010; and (ii) the date which is ten (10) Business Days following the resolution of all Disputed Claims;

**“Government Priority Claims”** means all Claims of Governmental Authorities ~~that are in~~ respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Final Distribution Date under:

- (a) ~~Claims by Her Majesty in Right of Canada pursuant to subsections 224(1.2) and 224(1.3) of the ITA;~~
- (b) ~~Claims pursuant to any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; and/or~~
- (c) ~~Claims pursuant to any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:~~
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

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

**“Grievances”** shall have the meaning ascribed thereto in the Amended Claims Procedure Order;

**“Guarantee”** of a Person means any absolute or contingent liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business of that Person), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person and including any absolute or contingent obligation to:

- 9 -

- (a) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Indebtedness or to assure the holder of the Indebtedness against loss; or
- (c) indemnify or hold harmless any Person from or against any losses, liabilities or damages, in circumstances intended to enable the Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect creditors against loss in respect of the Indebtedness;

**“Hedging Agreements”** means the interest rate, currency and commodity hedging agreements entered into between an LP Entity and one or more Senior Lenders, in respect of which such LP Entity’s obligations are secured *pari passu* with the obligations under the Senior Credit Agreement;

**“Holdco”** means 7535538 Canada Inc., a corporation incorporated under the laws of Canada;

**“Indebtedness”** of a Person means, without duplication:

- (a) all debts and liabilities of that Person for borrowed money;
- (b) all debts and liabilities of that Person representing the deferred acquisition cost of property and services; and
- (c) all Guarantees given by that Person;

**“Information Circular”** means the circular prepared by the LP Entities, together with any other documents required by the Court in connection with the calling and holding of the Creditors’ Meeting to consider and approve the Plan;

**“Initial Distribution Date”** means a date not more than seven (7) days after the Plan Implementation Date or such other date specified in the Sanction and Vesting Orders;

**“Initial Order”** shall have the meaning ascribed thereto in the recitals;

**“Insured Claims”** shall have the meaning ascribed thereto in the Amended Claims Procedure Order;

**“Intercompany Claims”** shall have the meaning ascribed thereto in the Amended Claims Procedure Order and for greater certainty shall include Claims arising under or in connection with the Shared Services Agreement and the Omnibus Transition and Reorganization Agreement;

**“ITA”** means the *Income Tax Act* (Canada), as amended;

**“Letter of Instruction”** means a form, to be completed by Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have not provided a valid Cash

- 10 -

Election form to the Monitor in accordance with the Plan, and that is to be delivered by such Affected Creditors to the Monitor in accordance with the Plan, which form shall set out (i) the registration details for the Shares for such Affected Creditors; and (ii) the address to which such Affected Creditors' Shares DRS Transaction Advice are to be delivered; and ~~(iii) whether such Affected Creditors elect to receive certificates representing their Shares registered in their name or as otherwise specified therein;~~

**"Liabilities"** of a Person means all Indebtedness, obligations and other liabilities of that Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

**"Limited Partnership"** shall have the meaning ascribed thereto in the recitals;

**"LP CRA"** means CRS Inc. in its capacity as Court-appointed Chief Restructuring Advisor of the LP Entities;

**"LP Entities"** shall have the meaning ascribed thereto in the recitals;

**"LP MIP"** shall have the meaning ascribed thereto in the Initial Order;

**"LP Noteholders"** means the holders of the LP Notes;

**"LP Notes"** means the US\$400 million of senior subordinated notes that bear interest at 9.25% that were issued pursuant to the LP Notes Indenture;

**"LP Notes Canadian Trustee"** means BNY Trust Company of Canada as Canadian Trustee under the LP Notes Indenture;

**"LP Notes Indenture"** means the note indenture dated July 13, 2007 ~~with~~ 2007, as amended and supplemented, by and among CanWest MediaWorks Limited Partnership as issuer, certain guarantors thereto including CanWest MediaWorks Publications Inc. and CBI as guarantors, the, The Bank of New York as U.S. Trustee, and BNY Trust Company of Canada as Canadian Trustee;

**"LP Notes Trustee"** means The Bank of New York Mellon, as successor to The Bank of New York as U.S. Trustee under the LP Notes Indenture;

**"LP Pension Plans"** means each of the defined benefit and defined contribution pension plans that are sponsored, maintained, and administered by any LP Entity and that are required to be, and are, registered and regulated under the ITA and under applicable provincial minimum standards legislation, but excluding any Multi-Employer Plan;

**"LP Senior Subordinated Credit Agreement"** means the senior subordinated credit agreement dated as of July 10, 2007 between CanWest MediaWorks Limited Partnership, the Subordinated Agent, the LP Subordinated Lenders, and CanWest MediaWorks (Canada) Inc., CanWest MediaWorks Publications Inc. and CBI, as guarantors;

**"LP Subordinated Lenders"** means the syndicate of lenders that are parties to the LP Senior Subordinated Credit Agreement;

**“Meeting Order”** means the Order under the CCAA dated May 17, 2010 that, among other things, sets the date for the Creditors’ Meeting, as same may be amended, restated or varied from time to time;

**“Misaligned CMI Employees”** means the employees of the CMI Entities who devote a majority of their working time to the Business as identified in the letter dated May 10, 2010 from Osler, Hoskin & Harcourt LLP, counsel to the LP Entities, to Davies Ward Phillips & Vineberg LLP, counsel to the Purchaser;

**“Monitor”** means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the LP Entities pursuant to the Initial Order;

**“Multi-Employer Plan”** means plans, arrangements, agreements, programs, policies, practices or undertakings, whether funded or unfunded, insured or uninsured, registered or unregistered to which the LP Entities or National Post are a party or bound or in which the Employees or former or inactive employees of the LP Entities or National Post participate or under which the LP Entities or National Post have, or will have, any liability or contingent liability, or pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any of its Employees or former or inactive employees (or any spouses, dependants, survivors or beneficiaries of any such persons) and which are not, sponsored, maintained or administered by the LP Entities or National Post or any of their affiliates, but for the avoidance of doubt including the Pacific Press Retirement Plan;

**“National Post”** means National Post Inc., a corporation incorporated under the laws of Canada;

**“Omnibus Transition and Reorganization Agreement”** means the Omnibus Transition and Reorganization Agreement to be entered into between Limited Partnership, CPI and certain CMI Entities, to address, *inter alia*, the matters described in section 9.12 of the Asset Purchase Agreement that is in form and substance satisfactory to the Purchaser and the LP Entities, acting reasonably, as such agreement may be amended from time to time;

**“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

**“Ordinary Course of Business”** means the ordinary and usual course of the routine daily affairs of the Business and the business of National Post consistent with past practice, but having regard to the fact that the LP Entities are subject to the CCAA Case and the Shared Services Agreement;

**“Pension Priority Claims”** means all Claims for the payment of any of the following amounts that, in respect of the period up to the Plan Implementation Date are due and remain unpaid to the funds established in respect of CCAA prescribed pension plans of the LP Entities:

- (a) an amount equal to the sum of all amounts that were deducted from the employees’ remuneration for payment to such funds;

- 12 -

- (b) if any of the CCAA prescribed pension plans is regulated by an Act of Parliament:
  - (i) an amount equal to the normal cost, within the meaning of subsection 2(1) of the *Pension Benefits Standards Regulations, 1985*, that was required to be paid by the employer to the fund; and
  - (ii) an amount equal to the sum of all amounts that were required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the *Pension Benefits Standards Act, 1985*; and
- (c) in the case of any other CCAA prescribed pension plan:
  - (i) an amount equal to the amount that would be the normal cost, within the meaning of subsection 2(1) of the *Pension Benefits Standards Regulations, 1985*, that the employer would be required to pay to the fund if the prescribed plan were regulated by an Act of Parliament; and
  - (ii) an amount equal to the sum of all amounts that would have been required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the *Pension Benefits Standards Act, 1985*, if the prescribed plan were regulated by an Act of Parliament;

**“Permitted Encumbrances”** means the Encumbrances described in Schedule 1.1(110) of the Asset Purchase Agreement;

**“Person”** is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other representatives of an individual in such capacity;

**“Personal Property Leases”** means the leases of personal property used by the LP Entities in connection with the Business, including all purchase options, prepaid rents, security deposits, warranties, licences and permits relating thereto and all leasehold improvements thereon;

**“Plan”** means this Plan of Compromise filed by the LP Entities under the CCAA, as such Plan may be amended, varied or supplemented by the LP Entities from time to time in accordance with the terms hereof;

**“Plan Implementation Date”** means the date on which all of the conditions precedent to the implementation of the Plan have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Asset Purchase Agreement and the Plan, waived, as evidenced by a certificate to that effect delivered to the Purchaser and subsequently filed with the Court by the Monitor, with the consent of the Purchaser, provided that the Plan Implementation Date shall not occur prior to the Acquisition Date;

- 13 -

**“Plan Sanction Date”** means the date that the Sanction and Vesting Orders are made by the Court;

**“Post-Filing Trade Payables”** means trade payables that were incurred by the LP Entities (i) after the Filing Date and before the Plan Implementation Date, (ii) in the Ordinary Course of Business, and (iii) in compliance with the Initial Order and other Orders issued in connection with the CCAA Case;

**“Prior Ranking Secured Claims”** means Claims existing on both the Filing Date and the Plan Implementation Date, other than Government Priority Claims, Employee Priority Claims, Pension Priority Claims and Claims secured by the Charges, that (i) have the benefit of a valid and enforceable security interest in, mortgage or charge over, lien against or other similar interest in, any of the assets that the LP Entities own or to which the LP Entities are entitled, but only to the extent of the realizable value of the property subject to such security, and (ii) would have ranked senior in priority to the Claims under the Senior Credit Agreement or a Hedging Agreement (other than any Cash Management Claims) if the LP Entities had become bankrupt on the Filing Date;

**“Pro Rata Share”** means, on the Initial Distribution Date and any Distribution Date, as applicable, that number of Shares equal to the product of: (i) the amount of the Affected Creditor’s Proven Claim divided by the sum of: (A) the aggregate amount of all Proven Claims greater than \$1,000 held by Affected Creditors who have not made a valid Cash Election in accordance with the Plan; and (B) the aggregate amount of all Disputed Claims greater than \$1,000 held by Affected Creditors who have not made a valid Cash Election in accordance with the Plan; and (ii) the total number of Shares in the Unsecured Creditors’ Equity Pool;

**“Proof of Claim”** means the form to be completed and filed by a Creditor by the applicable Claims Bar Date setting forth its applicable Claim;

**“Proven Claim”** means a Claim by an Affected Creditor proven in accordance with the Amended Claims Procedure Order and the Meeting Order;

**“Purchase Price”** shall have the meaning ascribed thereto in the Asset Purchase Agreement;

**“Purchaser”** means ~~\*CW Acquisition Limited Partnership\*~~ 7536321 Canada Inc. and/or a Designated Purchaser, as applicable;

~~**“Purchaser Note”** means a promissory note issued by the Purchaser in favour of CPI in the principal amount of \$150,000,000 less\* the aggregate of the Cash Elected Amount in respect of Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$\*1,000\* and Affected Creditors with Proven Claims and Disputed Claims greater than \$\*1,000 who\* have made a valid Cash Election in accordance with the Plan\*;~~

**“RBC”** means RBC Dominion Securities Inc., a member company of RBC Capital Markets;

**“Record Date”** means May 18, 2010;



- 14 -

**“Released Party”** shall have the meaning ascribed thereto in section 8.1;

**“Required Majority”** means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the resolution approving the Plan (in person, by proxy or by ballot) at the Creditors’ Meeting or were deemed to vote on such resolution;

**“Sanction and Vesting Orders”** means the Order or Orders to be granted by the Court as contemplated under the Plan and the Asset Purchase Agreement approving and sanctioning the Plan and the transactions contemplated under the Plan and the Asset Purchase Agreement, and vesting in the Purchaser title to and in all of the Acquired Assets free and clear of all Encumbrances, other than Permitted Encumbrances, each in form and substance satisfactory to the Purchaser and the LP Entities, acting reasonably;

**“Secured Claim”** means a Claim that has the benefit of a valid and enforceable security interest in, mortgage or charge over (including the Charges), lien against or other similar interest in, any of the assets that the LP Entities own or to which the LP Entities are entitled, to the extent of the realizable value of the property subject to such security, but for greater certainty does not include Government Priority Claims, Employee Priority Claims or Pension Priority Claims;

**“Senior Credit Agreement”** means the Credit Agreement dated as of July 10, 2007 between CanWest MediaWorks Limited Partnership (now Limited Partnership), as Borrower, the guarantors party thereto from time to time, as guarantors, the lenders party thereto from time to time, as Senior Lenders, and the Administrative Agent on behalf of the Senior Lenders, as amended from time to time;

**“Senior Lender Distribution Amount”** means the payments to be made by the Purchaser to the Administrative Agent, for and on behalf of the Administrative Agent and the Senior Lenders, under the Plan in respect of the Senior Secured Claims Amount;

**“Senior Lenders”** means the lenders party to the Senior Credit Agreement from time to time;

**“Senior Secured Claims Amount”** means an amount sufficient to be distributed to the Senior Lenders in indefeasible repayment in full of all amounts owing under the Senior Credit Agreement, the Hedging Agreements and the Collateral Agency Agreement;

**“Senior Secured Creditors”** means the Administrative Agent, the Senior Lenders, the DIP Administrative Agent and the lenders party to the DIP Credit Agreement;

**“Senior Secured Creditors’ Claims”** means all Claims and Encumbrances in respect of or securing the Liabilities of the LP Entities under or pursuant to the Senior Credit Agreement, the Hedging Agreements, the DIP Credit Agreement and the Collateral Agency Agreement (including, for greater certainty, all further Claims or entitlements to receive any other payment, distribution or other amount under the Plan or through the CCAA Case);

**“Share Amount”** shall have the meaning ascribed thereto in section 7.3(a) of the Plan;

- 15 -

**“Share Consideration”** means that number of Voting Shares, rounded down to the nearest whole number, which is equal to the difference between (i) 13,000,000 and (ii)\* the aggregate of the Cash Elected Amount in respect of Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$\*1000\* and Affected Creditors with Proven Claims and Disputed Claims greater than \$\*1000 who have made or are deemed to\* have made a valid Cash Election in accordance with the Plan\* divided by \$11.54;

**“Shared Services Agreement”** means the Agreement on Shared Services and Employees dated October 26, 2009 among Canwest Global Communications Corp., Limited Partnership, Canwest Media Inc., CPI, Canwest Television Limited Partnership and National Post Holdings Ltd. and The National Post Company/La Publication National Post (as subsequently assigned to National Post), as amended from time to time;

**“Shares”** means, collectively, the Voting Shares and the Variable Voting Shares;

**“Special Committee”** shall have the meaning ascribed thereto in the Initial Order;

**“Subordinated Agent”** means The Bank of Nova Scotia, as Administrative Agent under the LP Senior Subordinated Credit Agreement or any successor thereof;

**“Taxing Authorities”** means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities;

**“Trustee Fees and Costs”** means the fees and costs of any trustee in bankruptcy that may be appointed in respect of any of the LP Entities upon or following the completion of the Acquisition;

**“Unaffected Claims”** means:

- (a) Claims of the Purchaser arising from or relating to the Administrative Reserve Order with respect to its residual claim, if any, in the Administrative Reserve that is not used to satisfy the payment in full of the Administrative Reserve Costs;
- (b) Secured Claims, including the Senior Secured Creditors’ Claims but not the Prior Ranking Secured Claims referred to in paragraph (c) below;
- (c) Prior Ranking Secured Claims in respect of lessors under Personal Property Leases and Permitted Encumbrances;
- (d) Employee Priority Claims;
- (e) Government Priority Claims;
- (f) Pension Priority Claims;

- 16 -

- (g) Intercompany Claims;
- (h) Insured Claims;
- (i) all Grievances or claims that can only be advanced in the form of a Grievance pursuant to the terms of a collective bargaining agreement;
- (j) Cash Management Claims; and
- (k) any other Claim excluded under the Amended Claims Procedure Order;

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

**“Unsecured Creditors’ Cash Pool”** means the cash pool, which shall be in an amount equal to the aggregate of the Cash Elected Amount in respect of Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan, from which distributions to such Affected Creditors are to be made pursuant to and in accordance with the Plan;

**“Unsecured Creditors’ Class”** means the class of Affected Creditors entitled to vote on the Plan at the Creditors’ Meeting;

**“Unsecured Creditors’ Equity Pool”** means the equity pool, which shall be comprised of the ~~Voting Shares purchased by~~ Share Consideration issued to CPI on the Plan Implementation Date pursuant to and in accordance with the Plan and the Asset Purchase Agreement ~~(the number, rounded down to the nearest whole number, of which Shares will be equal to the principal amount of the Purchaser Note divided by a price per Share of \$13.3333)~~, from which distributions to Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan are to be made pursuant to and in accordance with the Plan;

**“Unsecured Creditors’ Pool”** shall be comprised of the Unsecured Creditors’ Cash Pool and the Unsecured Creditors’ Equity Pool;

**“Variable Voting Shares”** means the Class NC variable voting shares in the capital of Holdco;

**“Voting Claim”** means the amount of the Affected Claim of an Affected Creditor as determined for voting purposes at the Creditors’ Meeting in accordance with the provisions of the Amended Claims Procedure Order, the Meeting Order, the Plan and the CCAA;

**“Voting Shares”** means the Class C voting shares in the capital of Holdco;

**“Website”** means <http://cfcanada.fticonsulting.com/clp/>; and

**“Withholding Obligation”** shall have the meaning ascribed thereto in section 5.9 of the Plan.

## 1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references to currency are to Canadian dollars;
- (d) the division of the Plan into “articles” and “sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “articles” and “sections” intended as complete or accurate descriptions of the content thereof;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

- 18 -

- (j) references to a specified “article” or “section” shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified Article or Section of the Plan, whereas the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Plan and not to any particular “article”, “section” or other portion of the Plan and include any documents supplemental hereto; and
- (k) the word “or” is not exclusive.

### 1.3 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person or party named or referred to in the Plan.

### 1.4 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the Court.

### 1.5 Schedule

The following is the Schedule to the Plan, which is incorporated by reference into the Plan and forms a part of it:

Schedule “A”

Asset Purchase Agreement (without schedules) and the form of assignment and amending agreement in respect thereof

## ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

### 2.1 Purpose:

The purpose of the Plan is:

- (a) to effect a compromise, settlement and payment of all Affected Claims as finally determined for distribution purposes by the Amended Claims Procedure Order, the Meeting Order and the Plan;
- (b) to implement the closing of the Asset Purchase Agreement;
- (c) to enable the Purchaser to continue the Business and the operation of National Post as a going concern from and after the Plan Implementation Date; and
- (d) to safeguard substantial employment;

in the expectation that all Persons with an economic interest in the LP Entities will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the LP Entities.

## 2.2 Persons Affected

The Plan provides for a compromise of the Affected Claims and a restructuring of the Business. The Plan will become effective at the Effective Time on the Plan Implementation Date and shall be binding on and enure to the benefit of the LP Entities, the Affected Creditors, past and present directors or officers of the LP Entities and all other Persons named or referred to in, or subject to, the Plan.

## 2.3 Persons Not Affected

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the LP Entities' rights and defences, both legal and equitable, with respect to any Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

### ARTICLE 3

#### CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS

##### 3.1 Classification of Creditors

For the purposes of considering and voting on the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

##### 3.2 Claims of Affected Creditors

- (a) Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 shall:
  - (i) be deemed to have made a Cash Election and have elected to receive the Cash Elected Amount in respect of their Proven Claim or Disputed Claim in accordance with the Plan; and
  - (ii) be deemed to vote in favour of the Plan;
- (b) Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 shall:
  - (i) be entitled to make a Cash Election in accordance with the Plan;
  - (ii) be entitled to vote their Voting Claims at the Creditors' Meeting in respect of the Plan if a valid Cash Election is not made in accordance with the Plan;
  - (iii) be deemed to vote in favour of the Plan if a valid Cash Election is made in accordance with the Plan; and
  - (iv) receive the rights and distributions provided for under and pursuant to the Plan.

### 3.3 Unaffected Claims

No holder of an Unaffected Claim shall:

- (a) be entitled to vote on the Plan at the Creditors' Meeting; or
- (b) receive distributions in respect of such Unaffected Claims, unless specifically provided for under and pursuant to the Plan.

### 3.4 Claims of the Senior Secured Creditors

The Senior Secured Creditors shall be entitled to receive payment in full of the Senior Lender Distribution Amount and the DIP Lender Distribution Amount pursuant to and in accordance with the Plan Order approving the Asset Purchase Agreement.

### 3.5 Priority Claims

The Prior Ranking Secured Claims in respect of lessors under Personal Property Leases and Permitted Encumbrances, the Employee Priority Claims, the Government Priority Claims (except to the extent such Government Priority Claims are funded out of cash reserves or Shares pursuant to and in accordance with the Administrative Reserve Order) and the Pension Priority Claims shall be assumed by the Purchaser on the Plan Implementation Date pursuant to and in accordance with the Plan.

### 3.6 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Amended Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Creditors' Meeting are the Monitor and its legal counsel; those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting and their legal counsel and advisors; representatives of the LP Entities and their respective legal counsel and advisors; Holdco, the Purchaser and their respective legal counsel and advisors; and representatives of the Ad Hoc Committee and their legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting.

### 3.7 Voting

Each Creditor of the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Meeting Order, shall be entitled to one vote equal to the dollar value of its Claim determined as a Voting Claim. For greater certainty, only those LP Noteholders and LP Subordinated Lenders who have beneficial ownership of a Claim as at the Record Date shall be entitled to vote at the Creditors' Meeting pursuant to and in accordance with the Meeting Order.

### 3.8 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlement to voting is set forth in the Amended Claims Procedure Order, the Meeting Order and the Plan. The LP Entities and the Monitor shall have the right to seek the assistance of the Court in valuing any

Voting Claim in accordance with the Amended Claims Procedure Order, the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

### **3.9 Approval by Creditors**

In order to be approved, the Plan must receive the affirmative vote in the Required Majority of the Unsecured Creditors' Class.

### **3.10 Guarantees and Similar Covenants**

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under the Plan shall be entitled to any greater rights as against the LP Entities than the Person whose Claim is compromised under the Plan.

### **3.11 Set-Off**

The law of set-off applies to all Affected Claims.

## **ARTICLE 4 UNSECURED CREDITORS' POOL AND THE ADMINISTRATIVE RESERVE**

### **4.1 Composition of the Unsecured Creditors' Cash Pool**

On the Plan Implementation Date, the Purchaser shall pay the aggregate of all Cash Elected Amounts to the Monitor pursuant to section 7.3(g) of the Plan, which shall be held by the Monitor as the Unsecured Creditors' Cash Pool. The Monitor shall hold the Unsecured Creditors' Cash Pool in escrow in a separate interest-bearing account for distribution to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) greater than \$1,000 who have made a valid Cash Election in accordance with the Plan, pursuant to and in accordance with the Plan.

### **4.2 Composition of the Unsecured Creditors' Equity Pool**

On the Plan Implementation Date, CPI shall ~~deliver to the Monitor the Voting Shares purchased by it from Holdeo on the Plan Implementation Date pursuant sections 7.3~~ (be issued the Share Consideration pursuant to section 7.3(h) of the Plan, which shall be held by the Monitor as comprise the Unsecured Creditors' Equity Pool. The Monitor shall hold the Unsecured Creditors' Equity Pool in escrow for distributions shall be administered by the Monitor to effect distributions to Affected Creditors with Proven Claims and Disputed Claims (to the extent such Disputed Claims subsequently become Proven Claims) greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan, pursuant to and in accordance with the Plan.

### **4.3 The Administrative Reserve**

On the Plan Implementation Date, the Administrative Reserve shall be established out of the Cash and Equivalents, which is to be held by the Monitor in a separate Administrative Reserve



Account for the purpose of paying the Administrative Reserve Costs in accordance with the Administrative Reserve Order and the Plan, with any remaining balance to be distributed to the Purchaser in accordance with the Administrative Reserve Order.

## ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS AND PAYMENTS

The Affected Creditors shall receive the distributions provided herein on account of their Affected Claims, and on the Plan Implementation Date, the Affected Claims will be affected and compromised in accordance with the terms of the Plan.

### 5.1 Distribution Mechanics

In order to give effect to a distribution of Shares to Affected Creditors under the Plan, the following steps will be taken:

- (a) on or ~~after~~before the Distribution Materials Record Date the LP Entities shall send by prepaid first class mail, courier, email or facsimile to Affected Creditors to the address for such Affected Creditor as of the Distribution Materials Record Date specified in the Proof of Claim, or as evidenced by any assignment or transfer in accordance with section 5.8(b) of the Plan, a blank Letter of Instruction and a blank Canadian Creditor Declaration provided however, that for Affected Creditors that are LP Noteholders, the LP Entities shall send by email, facsimile, and/or courier a blank Letter of Instruction to the LP Notes Trustee;
- (b) each Affected Creditor, including the LP Notes Trustee on behalf of the LP Noteholders, shall deliver to the Monitor a duly completed and executed Letter of Instruction and, if the Affected Creditor is a Canadian Creditor, a duly completed and executed Canadian Creditor Declaration that must be received by the Monitor on or before the Plan Sanction Date or such other date as the Monitor may agree;
- (c) to effect distributions on the Initial Distribution Date and each subsequent Distribution Date the Monitor shall deliver an omnibus direction to Holdco or its agent, as applicable, directing Holdco or its agent, as applicable, to transfer Shares from CPI to Affected Creditors in accordance with such omnibus direction ~~and to deliver such share certificates in accordance with such omnibus direction. The~~ Subject to section 5.1(i) of the Plan, the omnibus direction delivered by the Monitor shall be based on information set forth in section 5.1(b) of the Plan that it has received and the amount of such Affected Creditor's Proven Claim. The omnibus direction shall include the following information:
  - (i) registration and delivery details of each Affected Creditor entitled to receive Shares on such distribution date; and
  - (ii) the number and class of Shares to be transferred from CPI to each Affected Creditor on such distribution date;
  - ~~(iii) a copy of the Canadian Creditor Declaration with respect to each Affected Creditor who is receiving Voting Shares; and~~

- 23 -

- (iv) ~~whether such Affected Creditor has elected to receive certificates representing the Shares registered in its name or as otherwise specified therein;~~
- (d) ~~Share certificates or, at the option of the Affected Creditor, such other evidence of share ownership specified in the Letter of Instruction, shall be sent by Holdco, or its agent, as applicable, (at the expense of Holdco) by registered mail or courier~~shall cause Computershare to record in each of the Affected Creditors' DRS Accounts the number of Voting Shares or Variable Voting Shares, as applicable, that are to be distributed to each Affected Creditor pursuant to and in accordance with the Plan, and shall send to such Affected Creditor a DRS Transaction Advice to the address for such Affected Creditor specified in the Proof of Claim or Letter of Instruction delivered by such Affected Creditor to the Monitor in accordance with section 5.1(b) of the Plan;
- (e) ~~Holdco, or its agent, as applicable, shall deliver to the Monitor a share certificate registered in~~DRS Transaction Advice indicating the name of CPI for the remainder of the number of Voting Shares held in the DRS Account established for CPI following the transfer of Shares to Affected Creditors from CPI on the Initial Distribution Date and each subsequent Distribution Date;
- (f) Holdco, or its agent, as applicable, shall use reasonable efforts to qualify the Shares as eligible for deposit into depositories;
- (g) ~~(f)~~With~~with~~ respect to the distributions to be made to Affected Creditors pursuant to the Plan, no fractional Shares of Holdco will be issued. Recipients of Shares will have their share entitlements adjusted downwards to the nearest whole number of Shares to eliminate any such fractions and no compensation will be given for the fractional interest. On the Final Distribution Date, to the extent any Shares remain as a result of the downward adjustments to eliminate fractions made in connection with the distribution on such day, those remaining Shares shall be donated to Holdco for immediate cancellation; ~~and~~
- (h) ~~(g)~~The~~the~~ Monitor shall be authorized and directed to execute and deliver on behalf of CPI or on its own behalf all such stock transfers, omnibus directions, and other instruments and instructions which are necessary or advisable in the reasonable business judgment of the Monitor to effect the distributions in accordance with the Plan, and Holdco or its agent, as applicable, shall be authorized and directed to accept all such stock transfers, omnibus directions, and other instruments and instructions when received; and
- (i) ~~an Affected Creditor that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(b) of the Plan shall be deemed to direct the Monitor to cause such Affected Creditor's Shares to be registered in its DRS Account in accordance with the information set out in such Affected Creditor's Proof of Claim.~~

## 5.2 Distributions from the Unsecured Creditors' Pool

Subject to the Disputed Claims Reserve to be held by the Monitor in escrow, the Unsecured Creditors' Pool shall be distributed by the Monitor, on behalf and for the account of CPI, on the Initial Distribution Date and each subsequent Distribution Date as follows:

- (a) ~~E~~ach Affected Creditor:
  - (i) with a Proven Claim equal to or less than \$1,000; and
  - (ii) with a Proven Claim greater than \$1,000 and who has made a valid Cash Election in accordance with the Plan;

shall receive a distribution from the Unsecured Creditors' Cash Pool in such Affected Creditor's Cash Elected Amount by way of cheque sent by prepaid ordinary mail to the address for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor; and

- (b) ~~E~~ach Affected Creditor with a Proven Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan, shall receive a distribution of Shares such that after giving effect to that distribution and any prior distributions, each Affected Creditor shall have received its Pro Rata Share. Each such Affected Creditor (other than the LP Noteholders) who is a Canadian Creditor who has completed a Canadian Creditor Declaration that has been received by the Monitor on or before the Plan Sanction Date, or such other date as the Monitor may agree, shall receive from Holder or its agent, as applicable, in accordance with this section, Voting Shares and each Affected Creditor who has not completed a Canadian Creditor Declaration and the LP Noteholders shall receive Variable Voting Shares.

## 5.3 Payment to the Senior Secured Creditors

On the Plan Implementation Date and in accordance with section 7.3 hereof, the Purchaser, on behalf and for the account of the LP Entities, shall:

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

~~in full satisfaction, payment, settlement, release and discharge of all Senior Secured Creditors' Claims. The LP Entities, the Monitor and the Purchaser shall have no liability or obligation in respect of such distributions to any of the Senior Secured Creditors in respect of the Senior~~

~~Secured Creditors' Claims once the wire transfer(s) to the Administrative Agent and the DIP Administrative Agent have been initiated.~~

#### **5.4 Payment of Administrative Reserve Costs**

On the Plan Implementation Date, the Administrative Reserve Account will be funded in accordance with section 4.3 of the Plan and the Administrative Reserve Order.

#### **5.5 Currency**

Unless specifically provided for in the Plan or the Sanction and Vesting Orders, for the purposes of voting or distribution, a Claim (other than Senior Secured Creditors' Claims) shall be denominated in Canadian dollars and all payments and distributions to the Creditors on account of their Claims shall be made in Canadian dollars. Any Claim (other than Senior Secured Creditors' Claims) in a currency other than Canadian dollars must be converted to Canadian dollars, and such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date, which rate is CDN\$1.0344:US\$1.0000.

#### **5.6 Interest**

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

#### **5.7 Treatment of Undeliverable Distributions**

If any Affected Creditor's distribution by way of cheque, ~~share certificate(s) or otherwise~~ is returned as undeliverable or is not cashed, no further distributions to such Affected Creditor shall be made unless and until the LP Entities and the Monitor are notified by such Affected Creditor of such Affected Creditor's current address, at which time all such distributions shall be made to such Affected Creditor without interest, if applicable. All claims for undeliverable or uncashed distributions in respect of Proven Claims must be made on or before June 30, 2011, after which date the Proven Claims of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed or uncashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal or provincial laws to the contrary, at which time the cash amount held by the Monitor in relation to the Proven Claim shall be returned to the Purchaser and the Shares held by the Monitor in relation to the Proven Claim shall be donated to ~~Holder for immediate cancellation~~. Nothing contained in the Plan shall require the LP Entities or the Monitor to attempt to locate any holder of a Proven Claim.

#### **5.8 Assignment of Claims for Voting and Distribution Purposes**

##### *(a) Assignment of Claims Prior to the Creditors' Meeting*

Subject to any restrictions contained in Applicable Laws, an Affected Creditor of the LP Entities (other than an LP Noteholder or an LP Subordinated Lender) may transfer or assign the whole of its Claim prior to the Creditors' Meeting provided that the LP Entities shall not be obliged to deal with any such transferee or assignee as an Affected Creditor in respect thereof, including allowing such transferee or assignee to vote at the Creditors' Meeting, unless and until

actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the LP Entities and the Monitor on or before May 27, 2010. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Amended Claims Procedure Order constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, the LP Entities shall not recognize partial transfers or assignments of Claims.

(b) *Assignment of Claims Subsequent to the Creditors' Meeting*

Subject to any restrictions contained in Applicable Laws:

- (i) an Affected Creditor of the LP Entities with a Proven Claim or a Disputed Claim equal to or less than \$1,000 and an Affected Creditor with a Proven Claim or a Disputed Claim greater than \$1,000 who has made a valid Cash Election in accordance with the Plan may transfer or assign the whole of its Claim after the Creditors' Meeting provided that the LP Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the LP Entities and the Monitor on or before on the Plan Sanction Date, or such other date as the Monitor may agree; and
- (ii) an Affected Creditor of the LP Entities (other than an LP Noteholder or an LP Subordinated Lender) with a Proven Claim or a Disputed Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan may transfer or assign the whole of its Claim after the Creditors' Meeting provided that the LP Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and a duly completed and executed Letter of Instruction has been received by the LP Entities and the Monitor on or before the Plan Sanction Date, or such other date as the Monitor may agree, provided further that if such transferee or assignee wishes to receive distributions of Voting Shares, such transferee or assignee must also provide the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before Plan Sanction Date, or such other date as the Monitor may agree. For greater certainty, a transferee or assignee of an Affected Creditor of the LP Entities with a Proven Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan shall only be entitled to receive Variable Voting Shares unless such transferee or assignee provides the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before the Plan Sanction Date, or such other date as the Monitor may agree.

Thereafter, such transferee or assignee shall, for all purposes in accordance with the Amended Claims Procedure Order constitute an Affected Creditor and shall be bound by notices given and steps taken in respect of such Claim. For greater certainty, the LP Entities shall not recognize partial transfers or assignments of Claims.

(c) *Assignment of LP Noteholder Claims and LP Subordinated Lender Claims*

Notwithstanding anything to the contrary herein, those LP Noteholders and LP Subordinated Lenders who have a beneficial ownership of a Claim shall not be restricted from transferring or assigning, in whole or in part, their respective Claims at any time provided that the LP Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the LP Entities and the Monitor together with a Letter of Instruction on or before the Plan Sanction Date, or such other date as the Monitor may agree, and provided further that if such transferee or assignee wishes to receive distributions of Voting Shares, such transferee or assignee must also provide the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before the Plan Sanction Date, or at such other date as the Monitor may agree. For greater certainty, a transferee or assignee of an Affected Creditor of the LP Entities with a Proven Claim greater than \$1,000 who has not made a valid Cash Election in accordance with the Plan shall only be entitled to receive Variable Voting Shares unless such transferee or assignee provides the Monitor and the LP Entities with a duly completed Canadian Creditor Declaration on or before the Plan Sanction Date, or such other date as the Monitor may agree. Notwithstanding anything to the contrary set forth above, in the event the Variable Voting Shares are distributed to the LP Noteholders through the book-entry system of The Depository Trust Company or such other recognized book-entry depository, the rights of the LP Noteholders shall be exercised only through such depository and shall be limited to those established by law and agreement between the LP Noteholders and such depository and/or direct participants of such depository and such depository will make book-entry transfers among the direct participants of such depository, in all cases, without any further actions on behalf of such LP Noteholders as contemplated above.

## 5.9 Withholding and Reporting Requirements

The LP Entities and the Monitor shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Affected Creditor or to any Person on behalf of any Affected Creditor such amounts (a “**Withholding Obligation**”) as the LP Entities or the Monitor is required to deduct and withhold with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded.

To the extent that amounts are so withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a holder of a Proven Claim pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Monitor for the payment and satisfaction of any Withholding Obligations imposed on the Monitor or the LP Entities by any Taxing Authority.

**ARTICLE 6**  
**PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED CLAIMS**

**6.1 No Distribution Pending Allowance**

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim, in whole or in part.

**6.2 Distributions After Disputed Claims Resolved**

- (a) On the last Business Day of every month (or more frequently as the Monitor may determine in its sole and unfettered discretion), the Monitor, on behalf of the LP Entities, shall distribute in accordance with sections 5.1 and 5.2 of the Plan from the Disputed Claims Reserve to:
  - (i) each holder of a Disputed Claim, who has not made or been deemed to have made a valid Cash Election in accordance with the Plan, that has become a Proven Claim on or before the third Business Day prior to a Distribution Date (other than the Final Distribution Date), the appropriate portion of Shares in the Disputed Claims Reserve in respect of such Proven Claim such that after giving effect to that distribution and any prior distributions, such Affected Creditor shall have received its Pro Rata Share; and
  - (ii) each other holder of a Proven Claim, who has not made or been deemed to have made a valid Cash Election in accordance with the Plan, the appropriate portion of Shares in the Disputed Claims Reserve in respect of such Proven Claim such that after giving effect to that distribution and any prior distributions each such Affected Creditor on such Distribution Date shall have received its Pro Rata Share.
- (b) On the last Business Day of every month (or more frequently as the Monitor may determine in its sole and unfettered discretion), the Monitor, on behalf of the LP Entities, shall distribute in accordance with section 5.1 and 5.2 of the Plan from the Disputed Claims Reserve to each holder of a Disputed Claim that has become a Proven Claim on or before the third Business Day prior to such Distribution Date who has made or been deemed to have made a valid Cash Election in accordance with the Plan and who has not yet received a cash distribution, the appropriate portion of cash in the Disputed Claims Reserve in respect of such Affected Claim that would have been distributed on the Initial Distribution Date had such Disputed Claim been a Proven Claim.
- (c) On the Final Distribution Date, any balance that remains in the Disputed Claims Reserve shall be distributed by the Monitor as follows:
  - (i) any remaining portion of the Cash Elected Amounts that remain in the Disputed Claims Reserve shall be paid to the Purchaser; and

- 29 -

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

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

## ARTICLE 7 COMPANY REORGANIZATION

### 7.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of the LP Entities will occur and be effective as of the Plan Implementation Date, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction and Vesting Orders, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the LP Entities. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the LP Entities, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect.

### 7.2 Pre-Plan Implementation Date Transactions

The following steps shall occur, and be deemed to have occurred and be effected, sequentially in the following order without any further act or formality prior to the implementation of the Plan:

- (a) ~~T~~he LP Entities shall prepare the Information Circular and shall cause the Information Circular to be sent or otherwise made available to the Affected Creditors in accordance with the Meeting Order and any other Persons as may be required by the Court or under Applicable Law; and
- (b) ~~B~~ased solely on the information provided by the Affected Creditors to the Monitor, the Monitor shall advise the Purchaser of the aggregate Cash Elected Amount not less than three (3) Business Days prior to the Plan Implementation Date.

### 7.3 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected in the implementation of the Plan shall occur, and be deemed to have occurred sequentially in the following order except that steps (e) through (k) shall occur simultaneously, without any further act or formality on the Plan Implementation Date beginning at the Effective Time:



- 30 -

- (a) ~~If~~ and to the extent that, any of the Affected Creditors entitled to receive Shares are Affected Creditors solely of the Limited Partnership, CCI or CBI, CPI shall assume the liability to pay the amount ultimately determined to be payable to such Affected Creditors (the “**Share Amount**”) in accordance with the Plan;
- (b) ~~If~~ and to the extent that, any of the Affected Creditors that have made or are deemed to have made a valid Cash Election in accordance with the Plan are Affected Creditors solely of the Limited Partnership, CCI or CBI, CPI shall assume the liability to pay the amount ultimately determined to be payable to such Affected Creditors (the “**Cash Amount**”) in accordance with the Plan;
- (c) in consideration for the assumption by CPI of the liability to pay the Share Amount and the Cash Amount, each of the Limited Partnership, CCI and CBI shall assign to CPI its entitlement to receive such portion of the Purchase Price allocable to it pursuant to section 4.1 of the Asset Purchase Agreement as is equal to the aggregate of the Share Amount and the Cash Amount applicable to the Affected Creditors of the Limited Partnership, CCI and CBI, respectively;
- (d) the LP Entities shall pay from the Cash and Equivalents:
  - (i) all fees and disbursements owing as at the Plan Implementation Date to the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee, the LP CRA and counsel to the LP CRA;
  - (ii) all fees and disbursements owing as at the Plan Implementation Date to RBC pursuant to the engagement letter dated October 1, 2009 between CPI, the Limited Partnership and RBC, including the Sale/Restructuring Fee contemplated therein, which engagement letter was approved by the Court pursuant to the terms of the Initial Order; and
  - (iii) any amounts then due and payable under the LP MIP;
- (e) ~~The~~ Senior Lender Distribution Amount shall be paid to the Administrative Agent as follows:
  - (i) Monitor shall release from escrow to the Administrative Agent, on behalf and for the account of CPI, in its capacity as guarantor under the Senior Credit Agreement, the Deposit; and
  - (ii) ~~The~~ remainder of the Senior Secured Claims Amount as at the Plan Implementation Date shall be paid by the Purchaser to the Administrative Agent:
    - (A) on behalf and for the account of CCI, in its capacity as guarantor, CBI, in its capacity as guarantor, and the Limited Partnership, in its capacity as borrower or counterparty, to the extent of the portion of the Purchase Price allocable to CCI, CBI and the Limited Partnership, respectively, pursuant to section 4.1 of the Asset

- 31 -

Purchase Agreement less the amount, if any, of such portion of the Purchase Price, the entitlement to which has been assigned to CPI pursuant to paragraph (c) above; and

- (B) on behalf of CPI, in its capacity as guarantor, as to the remainder;
- (f) Purchaser shall pay to the DIP Administrative Agent, on behalf and for the account of CPI, in its capacity as guarantor under the DIP Credit Agreement, the DIP Lender Distribution Amount, if any;
- (g) Purchaser shall pay to the Monitor, on behalf and for the account of CPI, the aggregate of all Cash Elected Amounts in respect of Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan;
- (h) ~~Purchaser shall deliver to CPI the Purchaser Note;~~ at the direction of the Purchaser, Holdco shall issue to CPI the Share Consideration and CPI\* shall, in its capacity as guarantor to the extent Shares are to be distributed to Affected Creditors whose Claim consists of a debt guaranteed by CPI, \*cause such Share Consideration to be administered by the Monitor pursuant to sections 5.1 and 5.2 of the Plan;
- (i) Purchaser shall assume the Assumed Liabilities;
- (j) Purchaser shall assume the Prior Ranking Secured Claims in respect of lessors under Personal Property Leases and Permitted Encumbrances, the Employee Priority Claims, the Government Priority Claims (except to the extent such Government Priority Claims are funded out of cash reserves or Shares pursuant to and in accordance with the Administrative Reserve Order) and the Pension Priority Claims;
- (k) ~~P~~pursuant to and in accordance with the Sanction and Vesting Orders, all right, title and interest of the LP Entities in and to the Acquired Assets shall vest in the Purchaser, free and clear of all Encumbrances (other than the Permitted Encumbrances);
- (l) ~~CPI shall purchase that number of Voting Shares, rounded down to the nearest whole number, equal to the principal amount of the Purchaser Note divided by a price per Share of \$13.3333 in exchange for the Purchaser Note and\* shall, in its capacity as guarantor to the extent Shares are to be distributed to Affected Creditors whose Claim consists of a debt guaranteed by CPI, \*deliver such Shares to the Monitor~~ [intentionally deleted];
- (m) ~~T~~he Unsecured Creditors' Pool shall be deemed to be held and administered by the Monitor in escrow for distribution in accordance with the Plan;
- (n) Monitor shall:

- 32 -

- (i) administer the Unsecured Creditors' Cash Pool, which shall be held by the Monitor in escrow for the benefit of the Affected Creditors with Proven Claims and Disputed Claims equal to or less than \$1,000 and Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have made a valid Cash Election in accordance with the Plan, and shall be distributed by the Monitor in accordance with the Plan;
- (ii) administer the Unsecured Creditors' Equity Pool with the Shares ~~held~~ issued to CPI pursuant to section 7.3(h), which shall be ~~held~~ administered by the Monitor ~~in escrow~~ for the benefit of the Affected Creditors with Proven Claims and Disputed Claims greater than \$1,000 who have not made a valid Cash Election in accordance with the Plan, and shall be distributed by the Monitor in accordance with the Plan; and
- (iii) maintain and administer the Disputed Claims Reserve in accordance with the Plan;
- (o) the Administrative Reserve shall be established and the Monitor shall deposit such Administrative Reserve into the Administrative Reserve Account, which shall be held and distributed by the Monitor in accordance with the Plan and the Administrative Reserve Order;
- (p) ~~Holdco shall purchase additional limited partnership interests of the Purchaser in exchange for the cancellation of the Purchaser Note;~~ [intentionally deleted];
- (q) Purchaser shall make a payment to Holdco in the amount equal to the aggregate of all costs incurred by Holdco in connection with the Acquisition and the Plan, including all financial advisory fees and expenses, legal fees and expenses and fees and expenses paid to rating agencies;
- (r) each of the Charges shall be terminated, discharged and released as against the Acquired Assets, the Unsecured Creditors' Pool and, except as may otherwise be provided in the Administrative Reserve Order, the Administrative Reserve; and
- (s) the compromises with the Affected Creditors and the Release referred to in section 8.1 shall become effective in accordance with the Plan.

## ARTICLE 8 RELEASES

### 8.1 Plan Releases

On the Plan Implementation Date, the LP Entities, the Monitor, FTI Consulting Canada Inc., the LP CRA, the Special Committee, the LP Notes Trustee, the LP Notes Canadian and U.S. indenture trustees in respect of the LP Notes Trustee, the Senior Secured Creditors, the Ad Hoc Committee and each and every present and former shareholder, director, officer, member (including members of any committee or governance council), employee, auditor, financial advisor, legal counsel and agent thereof and any Person claiming to be liable derivatively through any or all of the foregoing Persons (being herein referred to individually as a "Released Party")

shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor or other Person (other than the Senior Secured Creditors) may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds and statutory liabilities of present and former directors, officers, members and employees of the LP Entities and any alleged fiduciary or other duty (whether acting as a director, officer, member, employee or acting in any other capacity in connection with the administration or management of the LP Pension Plans or otherwise), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the business and affairs of the LP Entities whenever or however conducted, the administration and/or management of the LP Pension Plans, the Plan, the CCAA Case, any Claim that has been barred or extinguished by the Amended Claims Procedure Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the LP Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Released Party for criminal or other wilful misconduct or present or former directors of the LP Entities with respect to matters set out in section 5.1(2) of the CCAA.

## ARTICLE 9

### COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

#### 9.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approves the Plan, the LP Entities shall apply for the Sanction and Vesting Orders on or before the date set for the hearing of the Sanction and Vesting Orders or such later date as the Court may set. The Sanction and Vesting Orders shall not become effective until the Plan Implementation Date.

#### 9.2 Sanction and Vesting Orders

The Sanction and Vesting Orders will have effect from and after the Effective Time and shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority of Affected Creditors in conformity with the CCAA; (ii) the LP Entities have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all respects; (iii) the Court is satisfied that the LP Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon the LP Entities,

- 34 -

all Affected Creditors and all other Persons and Parties affected by the Plan as of the Effective Time;

- (c) declare that the steps to be taken prior to the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 7.2 of the Plan;
- (d) declare that the steps to be taken and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 7.3 of the Plan on the Plan Implementation Date, beginning at the Effective Time;
- (e) declare that each of the Charges shall be terminated, discharged and released as against the Acquired Assets, the Unsecured Creditors' Pool and, except as may otherwise be provided in the Administrative Reserve Order, the Administrative Reserve;
- (f) compromise, discharge and release the LP Entities from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the LP Entities in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (g) declare that all right, title and interest of the LP Entities in and to the Acquired Assets shall vest in the Purchaser, free and clear of all Encumbrances (other than the Permitted Encumbrances);
- (h) discharge and extinguish all Encumbrances (other than Permitted Encumbrances), including all security registrations against the LP Entities in favour of any Affected Creditor;
- (i) discharge, bar and extinguish the Senior Secured Creditors' Claims and all Encumbrances in respect thereof as against the Acquired Assets, the Unsecured Creditors' Pool and the Administrative Reserve;
- (j) declare that any Claims for which a Proof of Claim has not been filed by the Claims Bar Date shall be forever barred and extinguished;
- (k) seek that the stay of proceedings under the Initial Order be extended to, and including, the Final Distribution Date;
- (l) declare that, subject to performance by the LP Entities of their obligations under the Plan, all obligations, agreements or leases to which any of the LP Entities is a party shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, unless disclaimed or resiliated or deemed to be disclaimed or resiliated by the LP Entities pursuant to the Initial Order, and no party to any such obligation or agreement shall on or following the Plan Implementation Date,

- 35 -

accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

- (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
  - (ii) that the LP Entities have sought or obtained relief or have taken steps as part of the Plan or under the CCAA;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the LP Entities;
  - (iv) of the effect upon the LP Entities of the completion of any of the transactions contemplated under the Plan;
  - (v) of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan; or
  - (vi) of the assignment of any obligations, agreements, leases or other arrangements pursuant to the Asset Purchase Agreement;
- (m) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with against any Released Party in respect of all Claims and any matter which is released pursuant to section 8.1 herein;
- (n) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (o) authorize and direct the Monitor to execute and deliver on behalf of CPI or on its own behalf all such stock transfers, omnibus directions, and other instruments and instructions which are necessary or advisable in the reasonable business judgment of the Monitor to effect the distributions in accordance with the Plan, and authorize and direct Holdco or its agent, as applicable, to accept all such stock transfers, omnibus directions, and other instruments and instructions when received;
- (p) declare that all distributions and payments by or at the direction of the Monitor, in each case on behalf of the LP Entities, to the Affected Creditors under the Plan are for the account of the LP Entities and the fulfillment of their obligations under the Plan;
- (q) declare that upon completion by the Monitor of its duties in respect of the LP Entities pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Amended Claims Procedure Order and

distributions made by or at the direction of the Monitor in accordance with the Plan, the Monitor may file with the Court a certificate of Plan termination stating that all of its duties in respect of the LP Entities pursuant to the CCAA and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor of the LP Entities and the Charges shall be released; and

- (r) declare that the LP Entities and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan.

### **9.3 Conditions Precedent to Implementation of a Plan**

The implementation of the Plan shall be conditional upon (a) the satisfaction or waiver of all conditions precedent under the Asset Purchase Agreement in accordance with the terms of the Asset Purchase Agreement, and the Asset Purchase Agreement not having been terminated; and (b) the receipt by the Administrative Agent of, or escrow arrangements satisfactory to the Administrative Agent being made to ensure that the Administrative Agent receives, from or on behalf of the LP Entities in immediately available funds, an amount sufficient to be distributed to the Senior Lenders in indefeasible repayment in full of the Senior Lender Distribution Amount and the DIP Lender Distribution Amount.

### **9.4 Monitor's Certificate**

Upon delivery of written notice from the Purchaser and the LP Entities of the satisfaction of the conditions set out in section 9.3 of the Plan, the Monitor shall deliver to the Purchaser and the LP Entities a certificate stating that the Plan Implementation Date has occurred and that all of the LP Entities' right, title and interest in and to the Acquired Assets have vested absolutely in the Purchaser, free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Sanction and Vesting Orders. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

## **ARTICLE 10 GENERAL**

### **10.1 Binding Effect**

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time;
- (b) the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the LP Entities, all Affected Creditors, the past and present directors or officers of the LP Entities, the Purchaser and all other Persons and Parties named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- 37 -

- (c) all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan;
- (d) each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Affected Creditor shall be deemed to have executed and delivered to the LP Entities all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

## **10.2 Waiver of Defaults**

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the LP Entities then existing or previously committed by the LP Entities, or caused by the LP Entities, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the LP Entities and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the LP Entities from performing its obligations under the Plan or be a waiver of defaults by the LP Entities under the Plan and the related documents. This section does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor (other than the LP Entities) and any security granted by such guarantor.

## **10.3 Claims Bar Date**

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Amended Claims Procedure Order.

## **10.4 Deeming Provisions**

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

## **10.5 Non-Consummation**

The LP Entities reserve the right to revoke or withdraw the Plan at any time prior to the Plan Sanction Date. If the LP Entities revoke or withdraw the Plan, or if the Sanction and Vesting Orders are not issued, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan including the fixing or limiting to an amount certain any Claim, any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the LP Entities or any other Person; (ii) prejudice in any manner the rights of the LP Entities or any other



Person in any further proceedings involving the LP Entities; or (iii) constitute an admission of any sort by the LP Entities or any other Person.

#### **10.6 Modification of the Plan**

- (a) The LP Entities reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the consent of the Purchaser, acting reasonably, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to the Creditors' Meeting, communicated to the Affected Creditors in the manner required by the Court (if so required); and (ii) if made following the Creditors' Meeting, approved by the Court following notice to the Affected Creditors.
- (b) Notwithstanding section 10.6(a), any amendment, restatement, modification or supplement may be made by the LP Entities with the consent of the Monitor and the Purchaser, acting reasonably, or pursuant to an Order following the Plan Sanction Date, provided that it concerns a matter which, in the opinion of the LP Entities, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Orders or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

#### **10.7 Paramountcy**

Except with respect to the Unaffected Claims, from and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of the LP Entities, lease or other agreement, written or oral and any and all amendments or supplements thereto (other than the Asset Purchase Agreement) existing between one or more of the Affected Creditors and the LP Entities as at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction and Vesting Orders, which shall take precedence and priority.

#### **10.8 Severability of Plan Provisions**

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the LP Entities and with the consent

of the Purchaser, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the LP Entities with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alternation or interpretation, and provided that the LP Entities proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **10.9 Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA Case and the Plan with respect to the LP Entities and will not be responsible or liable for any obligations of the LP Entities.

### **10.10 Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

### **10.11 Notices**

Any notice of other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective Parties as follows:

If to the LP Entities:

c/o Canwest Limited Partnership  
1450 Don Mills Road  
Don Mills, Ontario M3B 2X7  
Attention: Doug Lamb  
Fax: (416) 442-2135  
Email: dlamb@canwest.com

with a copy to:

Osler, Hoskin & Harcourt LLP  
100 King Street West  
1 First Canadian Place, Suite 6100  
Toronto, Ontario M5X 1B8  
Attention: Edward A. Sellers / Marc S. Wasserman  
Fax: (416) 862-6666  
Email: esellers@osler.com / mwasserman@osler.com

- 40 -

If to a Creditor:

to the address or facsimile number or email address for such Creditor specified in the Proof of Claim filed by such Creditor;

If to the Monitor:

FTI Consulting Canada Inc.  
79 Wellington Street West, Suite 2010  
Toronto, Ontario M5K 1G8  
Attention: Paul Bishop  
Fax: (416) 649-8101  
Email: paul.bishop@fticonsulting.com

with a copy to:

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9  
Attention: Daphne MacKenzie  
Fax: (416) 947-0866  
Email: dmackenzie@stikeman.com

If to the Purchaser:

CW Acquisition Limited Partnership  
c/o Davies Ward Phillips & Vineberg LLP  
1 First Canadian Place, Suite 4400  
Toronto, Ontario  
M5X 1B1  
Attention: Jay A. Swartz and Cameron M. Rusaw  
Fax: (416) 863-0871  
Email: jswartz@dwpv.com/crusaw@dwpv.com

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

#### **10.12 Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or

- 41 -

desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

**DATED** as of the 20<sup>th</sup> day of May, 2010.

**SCHEDULE "A"****ASSET PURCHASE AGREEMENT (without schedules) and the form of ASSIGNMENT  
AND AMENDING AGREEMENT in respect thereof**