

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

APPLICANTS

**RESPONDING MOTION RECORD OF THE APPLICANTS
(Re Proquest Motion)**

June 15, 2010

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TO: THE SERVICE LIST

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

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**AFFIDAVIT OF STEVEN PASTERNAK
(Sworn June 15, 2010)**

I, Steven Pasternak, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am a lawyer employed by Canwest Television Limited Partnership. Pursuant to certain employee sharing arrangements between the CMI Entities and the LP Entities (as defined below), I provide services to Canwest Publishing Inc./Publications Canwest Inc. ("CPI"), including Canwest Digital Media, which is a division of CPI. I am familiar with the relationship between CPI and Proquest (as defined herein). I am also familiar with the litigation involving Proquest, CPI and various others. As such, I have personal knowledge of the matters deposed to herein. Where I have relied upon other sources for information, I have specifically referred to such sources and verily believe them to be true.

2. I have reviewed the affidavit of Janet Driver, sworn in support of a motion by Proquest Information and Learning LLC ("PIL LLC") and Proquest LLC (together with PIL LLC, "Proquest") for an order permitting Proquest to file late claims in the LP Claims Process. This affidavit is sworn in opposition to that motion. I have responded to certain specific allegations made by Ms. Driver in this affidavit. To the extent that there are allegations in Ms. Driver's affidavit that I do not specifically address herein, it should not be taken that I agree with them.

The Robertson Action

3. As noted in Ms. Driver's affidavit, an action is pending in the Ontario Superior Court of Justice, to which both CPI and PIL LLC are defendants (the "**Robertson Action**"). The Robertson Action has been certified as a class proceeding, and Heather Robertson has been named as the representative plaintiff.

4. In the fresh as amended Statement of Claim in the Robertson Action, the plaintiff claims compensatory damages in the amount of \$500 million and punitive damages in the amount of \$50 million, arising out of the alleged infringement of class members' copyright in works that were originally published in print media and subsequently made available in electronic databases. The class is comprised of certain freelance authors. In essence, it is asserted on behalf of class members that the defendant publishers of print media (including CPI) maintained electronic databases of freelancer works and then licensed those freelancer works to third parties, including companies such as Proquest, for re-licensing to other third parties. The plaintiff claims that class members did not authorize the defendants to maintain electronic databases of their works or to license (or authorize others such as Proquest to license) those works to third parties.

5. The Robertson Action began in 2003 and has had a complicated procedural history. Some of that history is set out in the affidavit of Heather Robertson sworn June 11, 2010. That affidavit is sworn in support of the approval of the Robertson Settlement (as described further herein). The statement of defence and crossclaim of PIL LLC is dated March 27, 2009.

6. Pursuant to certain agreements between CPI and its predecessors, and Proquest and its predecessors, CPI had and has arrangements whereby works originally published in newspapers owned by the LP Entities is made available in electronic archives maintained by Proquest.

7. In January, 2004 CPI sent Proquest a "refreshed" archive of LP Entity freelancer works, which archive removed (to the best of CPI's knowledge) any allegedly infringing freelancer works. CPI is preparing to send a further refreshed archive of freelancer works published between 2004 and 2007. In 2007, CPI implemented new forms of agreement in order to ensure that CPI's treatment of freelancer works would be consistent with the ruling of the

Supreme Court of Canada in a separate action commenced by Ms. Robertson involving the Globe & Mail's electronic database. The issues in that case were essentially the same as those raised in the Robertson Action. The foregoing steps were taken with a view to mitigating CPI's potential liability under the claims and crossclaims asserted in the Robertson Action, should they be found to have merit.

8. PIL LLC has cross-claimed against CPI in the Robertson Action for contribution and indemnity. PIL LLC alleges that pursuant to the agreements in question, CPI is obliged to indemnify PIL LLC for any amounts incurred by PIL LLC arising out of third party copyright infringement claims such as the claims advanced on behalf of the class in the Robertson Action.

The CCAA Proceeding and the Claims Procedure

9. CPI and certain other applicants and partnerships (collectively the "**LP Entities**") obtained protection pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**") on January 8, 2010. CMI and certain other applicants and partnerships (collectively the "**CMI Entities**") had previously obtained CCAA protection on October 6, 2009. The CMI Entities and the LP Entities had previously been operated as part of a single enterprise. However, they are now pursuing separate restructurings, seeking separate going concern outcomes for their respective businesses.

10. All actions against CPI have been stayed since January 8, 2010 pursuant to the initial order made in this proceeding (the "**Initial Order**"). Accordingly, CPI has not participated at all in the Robertson Action since that time. In particular, CPI did not participate in a mediation held over several days in May, 2010 in which the parties to the Robertson Action (other than CPI) sought to achieve a settlement.

11. As noted in Ms. Driver's affidavit, the other parties to the Robertson Action, including Proquest, were informed of the CCAA filing and the stay very shortly after the Initial Order was made.

12. Pursuant to an order of the Court made on April 12, 2010, as amended on May 17, 2010 (as amended, the "**Claims Procedure Order**"), a copy of which is attached hereto as Exhibit "A", the LP Entities were authorized to implement a process (the "**Claims Procedure**") whereby all Persons were required to submit LP Proofs of Claim (this and other terms are as

defined in the Claims Procedure Order) by stipulated deadlines. LP Proofs of Claim for Claims that existed as of January 8, 2010 were required to be submitted by May 7, 2010.

13. Pursuant to the Claims Procedure Order, a notice was published in various newspapers advising of the establishment of the Claims Procedure. The notice, the form of which was set out as a schedule to the Claims Procedure Order, specifically advised that the LP Claims Bar Date had been established by the Claims Procedure Order, and that if a holder of a Claim did not file an LP Proof of Claim by the LP Claims Bar Date they would not be entitled to vote at any meeting of creditors or participate in any distribution under any plan of compromise or arrangement. The notice provided that information concerning the Claims Procedure was available from the Monitor, and that the Claims Procedure Order was available on the Monitor's website.

14. Also pursuant to the Claims Procedure Order, LP Claims Packages were sent to those Persons who, according to the books and records of the LP Entities, had Claims against the LP Entities. As Proquest was owed approximately \$20,000 pursuant to the ongoing relationship between CPI and Proquest, Proquest was sent an LP Claims Package.

15. The LP Claims Package included an instruction letter that provided detailed instructions on how to fill out an LP Proof of Claim and how to obtain additional Proofs of Claim, and reiterated that failure to file an LP Proof of Claim in respect of a Claim would mean that such Claim was forever extinguished and barred.

16. The instruction letter contained the following statement:

The LP Claims Process is intended for any Person with a claim of any kind or nature whatsoever, other than an Excluded Claim, arising on or prior to January 8, 2010, whether unliquidated, contingent or otherwise.

17. Ms. Driver refers in her affidavit to discussions between CPI and Proquest concerning a possible offsetting Proquest's claim in respect of certain invoices against other amounts owed by Proquest to CPI. Attached hereto as Exhibit "B" is a copy of an e-mail exchange between Lynn Perry of Canwest Digital Media and Matt Brisbois of Proquest. In that exchange, Ms. Perry expressly notes that she is unable to agree to such an arrangement and Mr. Brisbois acknowledges that no such arrangement is required:

...I had an update from our legal they're working within CCAA, sorry we're looking at things from couple different angle. I believe we are all set.

18. Proquest did not file an LP Proof of Claim.

The Robertson Settlement

19. Ms. Robertson did file an LP Proof of Claim on May 5, 2010, in the amount of \$500 million. CPI and Ms. Robertson have now agreed to settle the Claim, and the Robertson Action. Notice of the proposed settlement was published in various newspapers and posted on the websites of the Monitor and class counsel, pursuant to an order of this Court dated June 8, 2010. A hearing to approve the settlement of the Robertson Action, pursuant to the *Class Proceedings Act*, is scheduled for June 16, 2010.

20. The proposed settlement includes a license in favour of CPI in respect of the freelancer works which were originally distributed by, through, or with the authorization of the LP Entities that are the subject of the Robertson Action. The license permits CPI to disseminate such works in electronic media, and to grant sub-licenses, subject to the proviso that no licenses will be granted to Proquest unless and until the Robertson Action is resolved against Proquest.

21. While the settlement was being negotiated, CPI was aware of and relied on the fact that Proquest did not submit a Claim in the Claims Procedure. In particular, CPI relied on the fact that, pursuant to the Claims Procedure Order, Proquest's crossclaim against CPI was forever extinguished and barred. That fact was an important factor in CPI's decision to settle the Robertson Action in a manner that would permit the Robertson Action to continue against Proquest.

22. The settlement of the Robertson Action represents a significant step forward in the restructuring of the LP Entities. Through the settlement and the license, it is intended that the subject-matter of the Robertson Action be finally and forever settled. The settlement will permit the new owners of the business to operate the business without any uncertainty associated with their right to use the Freelancer Subject Works (as defined in the proposed settlement).

23. The LP Entities have proposed a plan of compromise or arrangement with their unsecured creditors (the "**LP Plan**", a copy of which is attached hereto as Exhibit "C"). A

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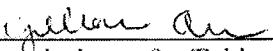
creditors meeting was held on June 14, 2010 at which Affected Creditors voted overwhelmingly in favour of the LP Plan. A hearing to sanction the LP Plan is set for June 18, 2010.

24. The LP Plan provides, among other things, for distributions, in cash or shares, to be made to Affected Creditors. The distributions would be made to creditors *pro rata* based on the size of the Affected Claim of that creditor as a portion of the total pool of Affected Claims.

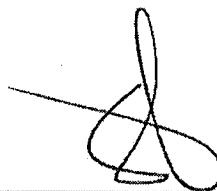
25. I understand that at the creditors meeting, creditors were informed that the Robertson Action, and the associated Claim in the Claims Procedure, had been provisionally settled. The Claim was allowed for voting purposes at \$7.5 million.

26. I also understand that no distributions to Affected Creditors can take place under the LP Plan while there are unquantified Disputed Claims (as defined in the LP Plan). The proposed Proquest Claim, if allowed to proceed, would be an unquantified Disputed Claim.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
June 15, 2010.



Commissioner for Taking Affidavits



STEVEN PASTERNAK

This is Exhibit "A" to the
Affidavit of Steven Pasternak
sworn before me this 15th day of June, 2010.



Commissioner for Taking Affidavits

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

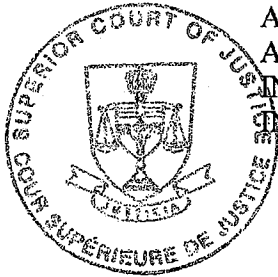
**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) MONDAY, THE 12th DAY
)
MADAM JUSTICE PEPALL) OF APRIL, 2010

IN THE MATTER OF THE *COMPANIES' CREDITORS
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR
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APPLICANTS



CLAIMS PROCEDURE ORDER

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

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

SERVICE

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

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that, for the purposes of this Order establishing a claims process for the LP Entities (the "**LP Claims Procedure Order**"), in addition to terms defined elsewhere herein, the following terms shall have the following meanings:

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

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

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

other than Excluded Claims;

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

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

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

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

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

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

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

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

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

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

- (vv) **“SISP”** means the Sale and Investor Solicitation Process being carried out pursuant to the terms of the SISP Procedures;
- (ww) **“SISP Procedures”** means the Procedures for the Sale and Investor Solicitation Process, as amended, in the form attached as Schedule “A” to the Stay Extension Order and Order Amending the Initial Order and the Procedures for the Sale and Investor Solicitation Process that was issued by this Honourable Court on February 2, 2010;
- (xx) **“Subordinated Agent”** means The Bank of Nova Scotia, as Administrative Agent under the LP Senior Subordinated Credit Agreement;
- (yy) **“Termination and Severance Claim”** means any claim by a former employee of the LP Entities with an effective date of termination on or before January 8, 2010 who was in receipt of salary continuance from the LP Entities that has been discontinued as a result of the commencement of the LP Entities’ CCAA proceeding;
- (zz) **“Trustees”** means the Bank of New York as U.S. Trustee and BNY Trust Company of Canada as Canadian Trustee under the LP Note Indenture;
- (aaa) **“Voting Claim”** means the amount of the Claim of an LP Creditor to the extent that such claim has been finally determined for voting at a Meeting, in accordance with the provisions of this LP Claims Procedure Order, and the CCAA.
3. **THIS COURT ORDERS** that all capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order.
4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.
5. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.

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

GENERAL PROVISIONS

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

CLAIMS OFFICER

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

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

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

MONITOR'S ROLE

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

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

NOTICE OF CLAIMS

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

NOTICE OF RESTRUCTURING PERIOD CLAIMS

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

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

FILING OF PROOFS OF CLAIM

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

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

ADJUDICATION OF CLAIMS

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

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

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

RESOLUTION OF CLAIMS

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

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

31. **THIS COURT ORDERS** that where the value of an LP Creditor's Voting Claim has not been finally determined by the Court or the Claims Officer by the date of a Meeting, if any, the relevant LP Entity shall (in consultation with the LP CRA) either:
- (a) accept the LP Creditor's determination of the value of the Voting Claim as set out in the applicable LP Notice of Dispute of Revision or Disallowance only for the purposes of voting and conduct the vote of the Creditors on that basis subject to a final determination of such LP Creditor's Voting Claim, and in such case the Monitor shall record separately the value of such LP Creditor's Voting Claim and whether such LP Creditor voted in favour of or against the LP Plan;
 - (b) adjourn the Meeting until a final determination of the Voting Claim(s) is made; or
 - (c) deal with the matter as the Court may otherwise direct or as the LP Entities, the Monitor and the LP Creditor may otherwise agree.
32. **THIS COURT ORDERS** that either an LP Creditor or an LP Entity may, within seven (7) Calendar Days of notification of a Claims Officer's determination in respect of an LP Creditor's Claim, appeal such determination to the Court by filing a notice of appeal, and the appeal shall be initially returnable within ten (10) Calendar Days of the filing of such notice of appeal, such appeal to be an appeal based on the record before the Claims Officer and not a hearing de novo.
33. **THIS COURT ORDERS** that if neither party appeals the determination of a Claim by a Claims Officer within the time set out in paragraph 32 above, the decision of the Claims Officer in determining the value of an LP Creditor's Claim shall be final and binding upon the relevant LP Entity, the Monitor and the LP Creditor and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final

determination of a Claim.

SUSPENSION OF THE CLAIMS PROCESS

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

SET-OFF

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

NOTICE OF TRANSFEREES

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

SERVICE AND NOTICES

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

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

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

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

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

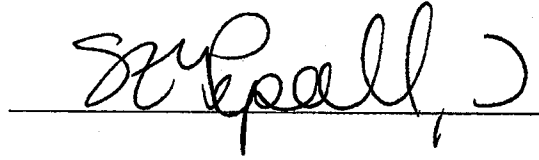
41. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this LP Claims Procedure Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then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

MISCELLANEOUS

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


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



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

APR 12 2010

PER / PAR: 

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	MONDAY, THE 17 th DAY
)	
MADAM JUSTICE PEPALL)	OF MAY, 2010

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



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

APPLICANTS

AMENDED CLAIMS PROCEDURE ORDER

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

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

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

SERVICE

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

DEFINITIONS AND INTERPRETATION

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

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

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

other than Excluded Claims;

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

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

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

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

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

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

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

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

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

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

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

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

- (jjj) “**Voting Claim**” means the amount of the Claim of an LP Creditor to the extent that such claim has been finally determined for voting at a Meeting, in accordance with the provisions of this LP Amended Claims Procedure Order, and the CCAA.
3. **THIS COURT ORDERS** that all capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order.
4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.
5. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.
6. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

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

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

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

CLAIMS OFFICER

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

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

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

MONITOR'S ROLE

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

NOTICE OF CLAIMS

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

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

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

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

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

FILING OF PROOFS OF CLAIM

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

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

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

ADJUDICATION OF CLAIMS

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

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

RESOLUTION OF CLAIMS

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

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- (a) accept the LP Creditor's determination of the value of the Voting Claim as set out in the applicable LP Proof of Claim only for the purposes of voting and conduct the vote of the Creditors on that basis subject to a final determination of such LP Creditor's Voting Claim, and in such case the Monitor shall record separately the value of such LP Creditor's Voting Claim and whether such LP Creditor voted in favour of or against the LP Plan;
 - (b) subject to the written consent of the Purchaser, adjourn the Meeting until a final determination of the Voting Claim(s) is made; or
 - (c) deal with the matter as the Court may otherwise direct or as the LP Entities, the Monitor and the LP Creditor may otherwise agree.
32. **THIS COURT ORDERS** that either any of LP Creditor, a Director or Officer to the extent that a Claim is asserted as against them, or an LP Entity may, within two (2) Business Days of notification of a Claims Officer's determination in respect of an LP Creditor's Claim, appeal such determination to the Court by filing a notice of appeal, and the appeal shall be initially returnable within five (5) Business Days of the filing of such notice of appeal, such appeal to be an appeal based on the record before the Claims Officer and not a hearing de novo.
33. **THIS COURT ORDERS** that if no party appeals the determination of a Claim by a Claims Officer within the time set out in paragraph 32 above, the decision of the Claims Officer in determining the value of an LP Creditor's Claim shall be final and binding upon the relevant LP Entity, the Monitor and the LP Creditor and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

SUSPENSION OF THE CLAIMS PROCESS

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

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

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

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

SET-OFF

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

NOTICE OF TRANSFEREES

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

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

SERVICE AND NOTICES

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

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

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

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

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

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

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

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

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

MISCELLANEOUS

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

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

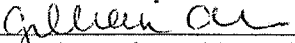
Stu Papp, J.

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

MAY 17 2010

PER / PAR: CL

This is Exhibit "B" to the
Affidavit of Steven Pasternak
sworn before me this 15th day of June, 2010.



Commissioner for Taking Affidavits

From: Perry, Lynn (Canwest Digital Media) [lperry@canwest.com]
Sent: Friday, June 11, 2010 4:59 PM
To: Pasternak, Steven (CMW)
Subject: FW: Royalty Payments & Offsets

And this:

From: Brisbois, Matt [mailto:Matt.Brisbois@proquest.com]
Sent: Wednesday, May 12, 2010 9:06 AM
To: Perry, Lynn (Canwest Digital Media)
Subject: RE: Royalty Payments & Offsets

Hi Lynn -

Thanks much for the update - and I had an update from our legal they're working within CCAA, sorry we're looking at things from couple different angle. I believe we are all set.

Many thanks, and talk soon -

Matt

From: Perry, Lynn (Canwest Digital Media) [lperry@canwest.com]
Sent: Tuesday, May 11, 2010 4:20 PM
To: Brisbois, Matt
Subject: RE: Royalty Payments & Offsets

Hi Matt- Unfortunately I have no authority to agree that Proquest can circumvent the CCAA requirements. There have been instructions forwarded to Proquest from the court-appointed monitors regarding how to go about filing a claim. Did anyone in your group follow through with that? If you want to talk about it further I'm in the office for most of Thursday.

Regards, Lynn

From: Brisbois, Matt [mailto:Matt.Brisbois@proquest.com]
Sent: Monday, May 10, 2010 4:55 PM
To: Perry, Lynn (Canwest Digital Media)
Subject: Royalty Payments & Offsets

Hi Lynn -

Hope all is well with you.

I wanted to send a follow up note to our conversations earlier this year regarding offsetting royalty payments. I have the following schedule of royalty report figures covering the Q4 2009 period:

30-Dec-09	
6,460.53	CanWest ProQuest 10/09

30-Dec-09	182.03	CanWest Micromedia 10/09
30-Jan-10	398.13	CanWest Micromedia 11/09
30-Jan-10	4,854.20	CanWest ProQuest 11/09
30-Jan-10	663.42	CanWest Micromedia 12/09
30-Jan-10	5,886.24	CanWest ProQuest 12/09

I believe that these Q4 royalty payments are those you indicated would not be paid (we haven't received subsequent payment), and wanted to confirm with you per our conversation we could look to offset these against the royalty payments ProQuest is making to CanWest?

Many thanks Lynn - and let me know if you would like to discuss in further detail.

Matt

This is Exhibit "C" to the
Affidavit of Steven Pasternak
sworn before me this 15th day of June, 2010.

Cyellon Orr
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

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**

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

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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

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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;

“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:

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- (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

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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;

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- (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;

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- (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

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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

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- (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

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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;

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- (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;

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- (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);

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- (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

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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

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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.

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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

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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 20th day of May, 2010.

SCHEDULE "A"

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

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

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

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

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF STEVEN PASTERNAK
(Sworn June 15, 2010)**

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

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Elizabeth Allen Putnam (LSUC#53194L)
Tel: (416) 862-6835
Fax: (416) 862-6666

Lawyers for the Applicants

F. 1117119

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

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

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

APPLICANTS

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**RESPONDING MOTION RECORD OF THE
APPLICANTS
(Re Proquest Motion)**

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Lawyers for the Applicants

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