

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM)	MON TUESDAY, THE 21st DAY OF
)	
JUSTICE PEPALL)	MARCH, 2011

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.

SUPPLEMENTARY REPRESENTATIVE ORDER

THIS MOTION, brought by Russell Mills, Blair MacKenzie, Rejean Saumure and Les Bale for an order appointing Nelligan O'Brien Payne LLP and Shibley Righton LLP as representative counsel to assist Russell Mills, Blair MacKenzie, Rejean Saumure and Les Bale (the "Representatives") and certain other current and former employees of Canwest Publishing Inc./Publications Canwest Inc., Canwest Books Inc. and Canwest (Canada) Inc. (collectively, the "Applicants") and Canwest Limited Partnership/Canwest Soci  t   en Commandite (the "Limited Partnership") (the Applicants and the Limited Partnership each an "LP Entity" or, collectively, the "LP Entities") with certain tax and employment insurance matters arising out of the distribution of shares under the LP Plan (as defined below), was heard ^{MON} ~~Tuesday~~, March 21st, 2011 on the Commercial List at the courthouse at ⁻⁵⁹³⁻ ~~330~~ University Avenue, Toronto, Ontario.

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ON READING the Motion Record of the Canwest Salaried Employees and Retirees and the Sixteenth Report of FTI Consulting Canada Inc. in its capacity as Court-appointed monitor of

the LP Entities (the “Monitor”) and on hearing the submissions of the Tax/EI Representative Counsel (as defined below), the Monitor and such other counsel as were present, no one else appearing although duly served.

1. **THIS COURT ORDERS** that further service of the Notice of Motion and Motion Record on any party not already served is hereby dispensed with, such that this motion was properly returnable.
2. **THIS COURT ORDERS** that Nelligan O’Brien Payne LLP and Shibley Righton LLP are hereby appointed as co-counsel (“Tax/EI Representative Counsel”) to assist each of those Representatives and Represented Parties (as defined in the Order of Justice Pepall dated March 5, 2010) who expressly elect to authorize such counsel in accordance with applicable legislation, including, without limitation, the provisions of the *Income Tax Act* (Canada), to act for them in connection with tax and employment insurance matters (all of whom being collectively referred to herein as the “Tax/EI Represented Parties” and individually, a “Tax/EI Represented Party”) arising from the distribution of shares under the Amended Consolidated Plan of Compromise concerning the LP Entities (the “LP Plan”), according to the terms of a retainer negotiated between the Tax/EI Representative Counsel and the Representatives (on behalf of the Tax/EI Represented Parties), which shall be provided to each Tax/EI Represented Party.
3. **THIS COURT ORDERS** that the execution of a properly completed CRA Form T1013 “Authorizing or Cancelling a Representative” by any Tax/EI Represented Party will be deemed to be consent for the purposes of any applicable privacy legislation to the LP Entities and the Monitor providing personal information to the Tax/EI Representative Counsel and to the collection, use and disclosure by the Tax/EI Representative Counsel

of such information, provided that (i) such information will be used or disclosed by the Tax/EI Representative Counsel solely for the purpose of representing the Tax/EI Represented Parties' and (ii) nothing in this Order alone requires any person to provide any information to the Tax/EI Representative Counsel save and except as provided in paragraph 4 hereof.

4. **THIS COURT ORDERS** that the Monitor shall provide to Tax/EI Representative Counsel the following information to be used solely for the purposes of the Tax/EI Proceedings:
 - (a) a list of the former employees and retirees of the LP Entities not represented by a union at the time of separation from employment and who received share distributions under the LP Plan;
 - (b) the number of shares received by each such employee; and
 - (c) the number of shares withheld from distributions to such employees under the LP Plan pursuant to applicable legislation.
5. **THIS COURT ORDERS** that the Representatives, or Tax/EI Representative Counsel on their behalf, are authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order in accordance with the terms of the applicable authorization given by the relevant Tax/EI Representative Party, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.
6. **THIS COURT ORDERS** that the Representatives and Tax/EI Representative Counsel shall have no liability as a result of their respective appointment or the fulfilment of their

duties in carrying out the provision of this Order save and except for any gross negligence or wilful misconduct on their part and that no action or other proceedings shall be commenced against the Representatives and/or Tax/EI Representative Counsel relating to their acting as such, except with prior leave of this Court, on at least 7 day's notice to the Representatives and Tax/EI Representative Counsel and upon further order in respect of security for costs, ~~to be given by the plaintiff for the costs on a substantial indemnity basis,~~ ^{-that the court may deem fit-} of the Representatives and Tax/EI Representative Counsel in connection with any such action or proceeding. 870

7. **THIS COURT ORDERS** that nothing in this order affects the ability of any court to make any award as to costs as it sees fit.
8. **THIS COURT ORDERS** that an amount of \$75,000 for fees and disbursements shall be paid within seven (7) business days of the date of this Order by the Monitor from the Administrative Reserve Account (as defined in the LP Plan) to Nelligan O'Brien Payne LLP as a retainer to be held in trust in accordance with their duties under the *Solicitors Act*, R.S.O. 1990, c. S.15, the *Law Society Act*, R.S.O. 1990, c. L.8 and the regulations under those statutes and otherwise at law and in accordance with this Order for all reasonable legal, accounting and financial expert and advisory fees and all other incidental fees and disbursements related to the Tax/EI Proceedings. Tax/EI Representative Counsel shall render invoices to the Representatives, with a copy to Postmedia Network Inc., on a monthly basis outlining their reasonable legal fees and disbursements, as may be incurred by the Tax/EI Representative Counsel in the Tax/EI Proceedings from and after the date of this Order. Promptly following the rendering of such invoices, Nelligan O'Brien Payne LLP shall pay out of such trust funds the amount

owing under such monthly invoices to Tax/EI Representative Counsel. Upon the funds held in trust by Nelligan O'Brien Payne LLP being exhausted, Tax/EI Representative Counsel and the Tax/EI Represented Parties shall have no claim against the Applicants, the Monitor or Postmedia Network Inc. for any further funding. Any amount remaining in the trust account following completion of the Tax/EI Proceedings shall be paid to the Monitor. If at the time of the completion of the Tax/EI Proceedings the Monitor has been discharged, any amount remaining in the trust account shall be paid to Postmedia Network Inc. In the event of any disagreement regarding any issue that arises under this Order, such matters may be remitted to this Court for determination. For greater certainty, the granting of funding is limited to the Tax/EI Proceedings, and nothing in this Order is intended to provide for any other funding.

9. **THIS COURT ORDERS** that nothing in this order derogates in any way from the rights under the *Solicitors Act*, R.S.O., 1990., c. S.15 of the Tax/EI Represented Parties or of those who otherwise pay legal fees. Without limiting the generality of the foregoing, and despite any terms to the contrary in the *Solicitors Act*, R.S.O. 1990., c. S.15 the payment of fees or disbursements promptly in accordance with the terms of this Order shall not limit the rights of the clients or the person who pays the fees or disbursements to bring assessment proceedings as if such fees or disbursements had not been paid.
10. **THIS COURT ORDERS** that notice of the granting of this Order be provided to the Tax/EI Represented Parties by (i) the Monitor mailing by ordinary mail a copy of a notice substantially in the form attached as Schedule "A" hereto (the "Notice") to former employees and retirees of the LP Entities not represented by a union at the time of separation from employment and who received share distributions under the LP Plan, to

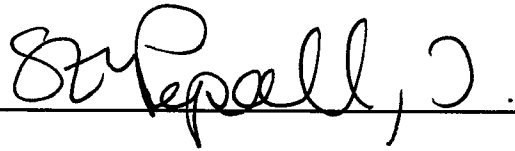
the physical address of such former employees and retirees, as last shown in the books and records of the LP Entities; and (ii) posting a copy of the Notice on the Monitor's website.

11. **THIS COURT ORDERS** that the Tax/EI Representative Counsel shall be at liberty and are authorized at any time to apply to this Honourable Court for advice and directions in the discharge or variation of their powers and duties upon notice to the Monitor, Postmedia Networks Inc., and to other interested parties, unless otherwise ordered by the Court.

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



MAR 21 2011



SCHEDULE "A"

Pursuant to an order of the Ontario Superior Court of Justice dated March ●, 2011 in the CCAA proceeding (the "Proceeding") commenced by Canwest Publishing Inc. and certain other entities (the "LP Entities"), Nelligan O'Brien Payne LLP and Shibley Righton LLP were jointly appointed as counsel to assist Russell Mills, Blair MacKenzie, Rejean Saumure and Les Bale (the "Representatives") and those current and former salaried (i.e. non-unionized) employees of the LP Entities, and persons claiming on their behalf or through them, who expressly authorize such counsel in accordance with applicable legislation and the terms of a retainer between such counsel and the Tax/EI Represented Parties (as defined below), which are attached to this letter as Exhibit A, to act for them in connection with tax and employment matters, (the "Tax/EI Represented Parties") arising from the distribution of shares under the Amended Consolidated Plan of Compromise concerning the LP Entities. A copy of the Order can be found on the Monitor's website at: <http://cfcanada.fticonsulting.com/clp>.

Funding in a maximum amount of \$75,000 has been set aside in trust to pay for the reasonable legal, accounting and financial expert and advisory fees and all other incidental fees and disbursements incurred by the court-appointed counsel in carrying out their prescribed mandate. Accordingly, you are not required to contribute to the fees of counsel for the Tax/EI Represented Parties except for any fees exceeding the maximum amount of \$75,000 set aside in trust.

Additional information concerning the Proceedings, including previous orders granted in the Proceedings, can be found on the Monitor's website listed above.

Individuals may contact Nelligan O'Brien Payne in confidence directly at -CSER@nelligan.ca (use your personal email) or by telephone to Ms. Leigh Norton 613-231-8216 or 1-888-565-9912 to obtain the authorization forms enabling the court appointed counsel to act on their behalf in connection with their dealings with Canada Revenue Agency and/or the Employment Insurance Commission, as the case may be.

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

Proceeding commenced at Toronto

ORDER
made March 21, 2011

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MAR 21-11

MARCH 21, 2011

CSSR, the Monitor, CRA + Post Media
are all - agreement - with the
proposed order + I am satisfied
in the circumstances that it is
an appropriate resolution of the
motion. Both re. Monitor + CRA
have come with para. 8 of the
within affidavit + my acceptance
of the proposed order in no way
reflects acceptance of the contents of
that paragraph.
The order is provided as amended
by me is provided.
J. J. Lepall, J.

ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceeding commenced at Toronto

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

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