



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

**TENTH REPORT OF  
FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS**

**June 14, 2010**

**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  
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(CANADA) INC.**

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# **TAB 1**

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**TENTH REPORT OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**June 14, 2010**

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the “**Initial Order**”) (a copy of which (without schedules) is attached as **Appendix “A”**), Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), and Canwest (Canada) Inc. (“**CCI**”, and together with CPI and CBI, the “**Applicants**”) obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the “**Limited Partnership**”, and together with the Applicants, the “**LP Entities**”) and appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor (the “**Monitor**”) of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

## PURPOSE OF THIS REPORT

2. The purpose of this tenth report of the Monitor (the “**Tenth Report**”) is to inform this Honourable Court of the following:

- a) status of the CCAA Proceedings;
- b) payments by the LP Entities of retention payments to certain of their employees;
- c) payments by the LP Entities of pre-filing amounts owed to certain suppliers;
- d) the LP Entities’ receipts and disbursements for the period from March 29, 2010 to June 6, 2010;
- e) results of the Creditors’ Meeting (as defined below);
- f) the LP Entities’ request for an Order, *inter alia*:
  - i. sanctioning and approving the AHC Plan (as defined below);
  - ii. approving the Assignment and Amending Agreement to the AHC APA (as these terms are defined below);
  - iii. compromising, discharging and releasing the claims of Affected Creditors (as defined in the AHC Plan);
  - iv. vesting in the New Purchaser (as defined below) or its nominee the LP Entities’ right, title and interest in the assets described in the AHC APA (as defined below);

- v. extending the Stay Period (as defined below) to, and including, July 30, 2010 provided that if the AHC Plan implementation date occurs on or before July 30, 2010 then the Stay Period shall be extended to, and including, the Final Distribution Date (as defined below);
- g) the revised and extended cash flow forecast for the period from June 7, 2010 to September 5, 2010;
- h) summary of the Monitor's activities since April 7, 2010;
- i) the Monitor's and its legal counsel's professional fees; and
- j) the Monitor's conclusions and recommendations.

#### **TERMS OF REFERENCE**

3. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities' books and records, certain financial information prepared by, and discussions with, the LP Entities' management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.
4. Capitalised terms not defined in this report shall have the meanings assigned to them in the Pre-filing Report of the Proposed Monitor dated January 7, 2010 (the "**Pre-filing Report**"). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

## BACKGROUND

5. Canwest Global Communications Corp. (“**Canwest**”) carries on business through a number of subsidiaries. Through its ownership of the LP Entities, Canwest is Canada’s largest publisher of English-language paid daily and non-daily newspapers and owns and operates substantial digital media and online businesses. Canwest also directly or indirectly owns, operates and/or holds substantial interests in free-to-air television stations, subscription-based specialty television channels, and websites in Canada.
6. Relief in the CCAA Proceedings was obtained on January 8, 2010 by the Canwest entities which carry on, *inter alia*, newspaper and online publishing and digital media businesses. Not included in the CCAA Proceedings is National Post Inc., a wholly-owned subsidiary of the LP Entities which acquired the business and certain assets that comprised the *National Post* newspaper from The National Post Company / La Publication National Post in October 2009.
7. The Canwest entities that own and operate Canwest’s free-to-air television broadcast business and certain subscription-based specialty television channels in Canada, including Canwest Media Inc. (collectively, the “**CMI Entities**”), applied for and obtained protection under the CCAA in a separate proceeding on October 6, 2009.
8. The Initial Order contemplated a plan of arrangement for the LP Entities under the CCAA in a pre-arranged support transaction (the “**Support Transaction**”) with the LP Senior Secured Lenders (as defined in the Pre-filing Report) pursuant to which (and subject to a successful Court-approved bid as a result of and in accordance with the terms of the SISP (as defined below)) an entity to be initially capitalized by the LP Senior

Secured Lenders as described in the AcquireCo Capitalization Term Sheet (as this term is defined in the Senior Lenders' Plan (as defined below)) ("**AcquireCo**") would acquire substantially all of the assets of the LP Entities, assume the liabilities of the LP Entities and offer employment to all or substantially all of the employees of the LP Entities on terms and conditions consistent with their current employment (other than certain specified liabilities and subject to AcquireCo's right to exclude certain additional liabilities) (the "**Credit Acquisition**").

9. The Support Transaction was to be implemented pursuant to a plan of compromise or arrangement between the LP Senior Secured Lenders, the Limited Partnership, and CPI (the "**Senior Lenders' Plan**").
10. The Support Transaction contemplated that the LP Entities' financial advisor, RBC Dominion Securities Inc., a member of RBC Capital Markets (the "**Financial Advisor**"), would conduct a sale and investor solicitation process (the "**SISP**") under the supervision of the Monitor in an effort to attract a Superior Offer (as defined in the SISP).
11. As described in greater detail in the Seventh Report, following its review of the bids received at the end of Phase 2 of the SISP and in consultation with the Financial Advisor and the LP CRA, the Monitor determined in its reasonable business judgment that the bid (the "**AHC Bid**") submitted by the *ad hoc* committee (the "**Ad Hoc Committee**") of holders of 9.25% senior subordinated notes (the "**9.25% Notes**") issued by the Limited Partnership constitutes a Superior Cash Offer and recommended that the AHC Bid be selected and a definitive agreement be negotiated and settled to carry out the transaction contemplated thereby (the "**AHC Transaction**").

12. The Monitor's recommendation to the Special Committee was accepted and by Order dated May 17, 2010 (the "**AHC Bid Approval Order**"), this Court approved the AHC Bid. A copy of the AHC Bid Approval Order is attached as **Appendix "B"**.
13. Also on May 17, 2010, the LP Entities obtained an Order conditionally sanctioning the Senior Lenders' Plan (the "**Conditional Sanction Order**") (described in greater detail in the Eighth Report). A copy of the Conditional Sanction Order is attached as **Appendix "C"**.
14. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report and in the affidavit of Thomas Strike sworn January 7, 2010 (the "**Strike Affidavit**"), copies of which (together with other relevant materials, including a copy of the Initial Order) have been posted on the Monitor's website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/clp>.

#### **STATUS OF THE CCAA PROCEEDINGS**

15. In its Eighth Report, the Monitor reported on the status of the CCAA Proceedings, including the activities of the LP Entities, status of dealings with customers and suppliers, employee and LP Entities' management matters, and the LP Entities' operating results since the filing of the CCAA application. A copy of the Eighth Report (without Appendices) is attached as **Appendix "D"**.

#### **PAYMENTS OF PRE-FILING AMOUNTS DUE TO CERTAIN SUPPLIERS**

16. Pursuant to paragraph 31(b) of the Initial Order, the Monitor is directed to report to this Court with respect to, *inter alia*, any payments made in connection with "amounts owing for goods and services actually supplied to the LP Entities, or to obtain the release of

goods contracted for prior to the date of the Initial Order with the prior consent of the Monitor if, in the opinion of the LP CRA, in consultation with the LP Entities, the supplier is critical to the LP Business and ongoing operations of any of the LP Entities”.

17. The Monitor reported on the payments made to such “other” critical suppliers since the commencement of the CCAA Proceedings until January 25, 2010 in its Second Report and from January 26, 2010 until March 31, 2010 in its Sixth Report. As noted in the Monitor’s Sixth Report, the maximum amount payable to critical suppliers was, with the approval of this Honourable Court, increased from \$12 million to \$13 million to allow for the payment of an amount due under a land lease in which the LP Entities held significant equity. Since April 1, 2010 until June 8, 2010, the LP Entities paid an additional total amount of \$1.1 million to newsprint, ink, press equipment, outside printers, distributors, carriers, freelancers, contractors and other such critical suppliers in respect of goods and services provided prior to the date of the Initial Order bringing the total paid to such “other” critical suppliers since the Filing Date to \$12.8 million. These suppliers are considered critical in the LP CRA’s opinion, in consultation with the LP Entities, and all payments were made with the prior consent of, and following discussions with, the Monitor.

#### **RECEIPTS AND DISBURSEMENTS TO MARCH 28, 2010**

18. The Monitor reported on the LP Entities’ actual net cash flow for the period from January 8, 2010 to January 24, 2010 in its Second Report and for the period from January 25, 2010 to March 28, 2010 in its Sixth Report. The LP Entities’ actual positive net cash flow for the period from March 29, 2010 to June 6, 2010 (the “**Current Period**”) was approximately \$33.9 million as compared to the forecast of \$4.3 million. Set out below is

a summary of the actual receipts and disbursements as compared to the forecast filed with the Monitor's Sixth Report (the "March 29 Forecast").

	March 29 Forecast	Actual	Variance
<i>Amounts in thousands of CAD (\$000s)</i>			
<b>Total Receipts</b>	<b>209,004</b>	<b>229,940</b>	<b>20,936</b>
<b>Disbursements</b>			
Payroll & Benefits Disbursements	(83,929)	(83,893)	36
Operating Disbursements	(84,519)	(84,774)	(255)
Capital Expenditure Disbursements	(6,396)	(1,353)	5,043
Inter Company Disbursements	(11,274)	(11,043)	231
Interest	(6,322)	(5,866)	456
<b>Total Disbursements</b>	<b>(192,440)</b>	<b>(186,929)</b>	<b>5,511</b>
<b>Net Operating Cashflows</b>	<b>16,564</b>	<b>43,011</b>	<b>26,447</b>
National Post (Advances)/Repayments	(2,531)	(1,326)	1,205
<b>Restructuring Costs</b>			
Professional Fees and Other Restructuring Fees	(7,678)	(6,233)	1,445
Critical Supplier Payment	-	(29)	(29)
Other restructuring	(1,994)	(1,467)	527
DIP Interest/Fees	(95)	(97)	(2)
<b>Total - Restructuring costs</b>	<b>(9,767)</b>	<b>(7,826)</b>	<b>1,941</b>
<b>Total Net Cashflow</b>	<b>4,266</b>	<b>33,859</b>	<b>29,593</b>
Opening Unrestricted Cash	80,811	80,811	-
<b>Total Cash Surplus/(Deficiency)</b>	<b>85,077</b>	<b>114,670</b>	<b>29,593</b>

19. Actual net cash flows for the Current Period were approximately \$29.6 million higher than the March 29 Forecast. Explanations for the significant items contributing to the positive variance are as follows:

- a) a positive variance of \$20.9 million in total receipts in the Current Period as a result of:
  - i. a permanent variance of approximately \$5.2 million attributable to actual sales exceeding forecast;

- ii. a permanent positive difference of \$11.5 million due to faster collections of advertising receivables than what was assumed in the March 29 Forecast (this actual versus forecast difference is permanent as the LP Entities do not expect the current trend in collection patterns to reverse in near or medium term); and
  - iii. a positive timing variance of approximately \$4.5 million due to higher-than-forecast collections in the last week of the Current Period which corresponds with the LP Entities' month-end and which is expected to reverse in future weeks;
- b) a positive timing variance of \$5.0 million in capital expenditure disbursements which is expected to reverse within the current fiscal year ending August 31, 2010 such that the LP Entities total capital expenditure budget for fiscal year 2010 is expected to remain unchanged at \$20.5 million;
  - c) a permanent positive variance of \$1.2 million in advances to National Post Inc. as a result of faster repayments of the intercompany loan between the LP Entities and the National Post Inc. than what was assumed in the March 29 Forecast; and
  - d) a positive variance in professional fees totaling \$1.4 million, a portion of which (\$500,000) is expected to reverse in future weeks.

## **CLAIMS PROCEDURE**

20. On April 12, 2010, the LP Entities obtained an Order (the "**Claims Procedure Order**") establishing a claims procedure for the identification and quantification of certain claims against the LP Entities (the "**Claims Procedure**"). For reasons described in the Monitor's Seventh Report, the Claims Procedure Order was amended by Order of Justice

Pepall dated May 17, 2010 (the “**Amended Claims Procedure Order**”) to call for certain additional claims, including claims against the directors and officers of the Applicants. Copies of the Claims Procedure Order (without Schedules) and the Amended Claims Procedure Order (without schedules) dated May 17, 2010 are attached hereto collectively as **Appendix “E”**.

21. The Monitor reported on the status of the Claims Procedure in its Eighth Report. Since then, the Monitor received approximately 230 LP Proofs of Claim from employees, 23 LP Proofs of Claim received after the applicable claims bar dates. The Monitor has also delivered 113 LP Notices of Revision or Disallowance and received 35 LP Notices of Dispute of Revision or Disallowance. All late LP Proofs of Claim were rejected and disallowed in their entirety in accordance with the Amended Claims Procedure Order
22. The Amended Claims Procedure Order established 5:00 p.m. on June 3, 2010 as the LP Director/Officer Claims Bar Date. As at June 11, 2010, no claims against the directors and officers of the LP Entities have been received.
23. The Monitor will continue to provide ongoing updates of the status of the Claims Procedure in its reports to the Court.

## **CREDITORS’ MEETING<sup>1</sup>**

### *General*

24. On May 17, 2010, the LP Entities obtained an Order (the “**Meeting Order**”) to call, hold and conduct a meeting (the “**Meeting**”) of certain of the Affected Creditors to consider

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<sup>1</sup> All terms used but not defined in the following sections of the Report shall have the meaning ascribed to them in the Eighth Report.

and vote on a resolution to approve their plan of compromise or arrangement. A copy of the Meeting Order (without schedules) is attached as **Appendix “F”**.

25. As described in greater detail in the Eighth Report, the LP Entities and the Monitor delivered and made available various meeting materials and notices of the Creditors’ Meeting as required by the Meeting Order.
26. As described in greater detail in the Supplement to the Eighth Report (the **“Supplement”**) (a copy of which is attached as **Appendix “G”**), in anticipation of certain amendments to the plan of compromise or arrangement filed by the LP Entities and the AHC APA, the Monitor adjourned the Creditors’ Meeting to Monday, June 14, 2010 at 10:00 a.m. (Toronto time) to allow Affected Creditors to consider in advance of the Creditors’ Meeting the proposed amendments. The LP Entities’ plan of compromise or arrangement as amended will be referred to as the **“AHC Plan”**.
27. In addition to the proposed amendments to the plan of compromise or arrangement filed by the LP Entities described in the Supplement, section 8.1 of the AHC Plan was amended to include a comprehensive release in favour of the Senior Secured Lenders from any and all known or unknown, foreseen or unforeseen demands, claims, and actions arising, based in whole or in part on any omission, liability or obligation in any way related to the business or affairs of the LP Entities, the AHC Plan, or the CCAA Proceeding, and forever waiving and releasing all claims arising out of such acts or omissions.
28. The Monitor delivered notices of the adjournment to Affected Creditors pursuant to the provisions of the Meeting Order (as described in the Supplement).

29. The Meeting Order requires the Monitor to report to the Court no later than two (2) Business Days after the Creditors' Meeting with respect to: (i) the results of the voting on the resolution to approve the AHC Plan, (ii) whether the required majority has approved the AHC Plan and (iii) the effect on the results of the voting had the Affected Creditors also voted the amount of their Claim disputed for voting purposes.

*Conduct of the Creditors' Meeting*

30. The Creditors' Meeting was held at Sutton Place Hotel (Wellesley Room - Lobby Level), 955 Bay Street, Toronto, Ontario on June 14, 2010 starting at 10:00 a.m.
31. In accordance with the Meeting Order, Paul Bishop, an officer of FTI, acted as the chair (the "**Chair**") of the Creditors' Meeting. Sarah Clarke of Stikeman Elliot LLP acted as secretary of the Creditors' Meeting (the "**Secretary**") and Jodi Porepa of FTI acted as scrutineer (the "**Scrutineer**")
32. The Chair held 86 proxies from Affected Creditors thereby satisfying the requirement that a quorum of at least one Affected Creditor was present either in person or by proxy and, accordingly, the Chair declared that the Creditors' Meeting was properly constituted. The Scrutineer's report with respect to attendance is attached as **Appendix "H"** to this Report.

*Results of the Voting*

33. The Chair, as a proxy for one or more Affected Creditors, proposed a motion to pass the resolution attached as Appendix "A" to the Management Proxy Circular with respect to the AHC Plan (the "**Original Plan Resolution**"). A copy of the Original Plan Resolution is attached as **Appendix "I"**.

34. Jay Swartz, as proxy for one or more holders of the 9.25% Notes, proposed an amendment to the Original Plan Resolution and put a motion on the floor for a resolution to amend the first paragraph of the Original Plan Resolution to read as follows:

The Consolidated Plan of Compromise (the “**Plan**”) concerning, affecting and involving Canwest (Canada) Inc., Canwest Publishing Inc./ Publications Canwest Inc., Canwest Books Inc. and Canwest Limited Partnership/Canwest Societe en Commandite (collectively, the “**LP Entities**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) in the form of the amended Plan posted on FTI Consulting Canada Inc.’s website at <http://cfcanada.fticonsulting.com/clp> on June 10, 2010, and a copy of which was attached to the minutes of the Affected Creditors’ meeting on June 14, 2010 is approved and authorized.

35. A complete copy of the Original Plan Resolution, as amended (the “**Amended Plan Resolution**”) is attached as **Appendix “J”**.
36. A copy of the AHC Plan in the form posted on the Monitor’s website was provided to the Secretary to be attached to the minutes of the Creditors’ Meeting and is attached as Exhibit “F” to the affidavit of Douglas E.J. Lamb sworn on June 14, 2010 in support of the LP Entities’ motion for an Order, *inter alia*, sanctioning the AHC Plan.
37. The Chair seconded Jay Swartz’s motion to amend the first paragraph of the Original Plan Resolution and a vote by ballot was called for by the Chair.
38. The Affected Creditors or their proxies voted as a single class as provided in the AHC Plan and the Meeting Order.
39. The Scrutineer tabulated the votes cast in respect of the AHC Plan and the Chair reported the results at the Creditors’ Meeting. The Scrutineer’s report showed that the resolution to amend the first paragraph of the Original Plan Resolution has been duly carried by a majority of votes at the Creditors’ Meeting, comprising two-thirds in value and the Chair

declared the amendments to the Original Plan Resolution approved by the holders of Affected Claims. A summary of the Affected Creditors' vote or their proxy holders voted on the motion to amend the Original Plan Resolution is as follows:

	# of Claims	\$ of Claims
Vote In Favour of Plan	533	538,754,049
Vote Against	15	2,628,228
Total	548	541,382,277

	# of Claims	\$ of Claims
Vote In Favour of Plan	97.3%	99.5%
Vote Against	2.7%	0.5%
Total	100.0%	100.0%

40. The Scrutineer's Report also showed that 56 Affected Creditors with Disputed Claims voted on the motion to amend the Original Plan Resolution and that such votes did not affect the outcome of the vote. A copy of the Scrutineer's report on the results of the voting on the motion to amend the Original Plan Resolution is attached as **Appendix "K"**.
41. Following approval of the amendment to the Original Plan Resolution, Jay Swartz moved that the Amended Plan Resolution be approved, ratified and confirmed. The Chair seconded Jay Swartz's motion to approve the Amended Plan Resolution and a vote by ballot was called for by the Chair.
42. 400 Affected Creditors with Claims of less than or equal to \$1,000 or that have opted to take a cash payment of \$1,000 in satisfaction of their Claim pursuant to the AHC Plan were deemed to have voted in favour of approving the Amended Plan Resolution.

43. The Scrutineer tabulated the votes cast in respect of the AHC Plan and the Chair reported the results at the Creditors' Meeting. The Scrutineer's report showed that the Amended Plan Resolution has been duly carried by a majority of votes at the Creditors' Meeting, comprising two-thirds in value and the Chair declared the amendments to the Original Plan Resolution approved by the holders of Affected Claims. A summary of the Affected Creditors' vote or their proxy holders voted on the motion to amend the Original Plan Resolution as follows:

	# of Claims	\$ of Claims
Vote In Favour of Plan	533	538,754,049
Vote Against	15	2,628,228
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	# of Claims	\$ of Claims
Vote In Favour of Plan	97.3%	99.5%
Vote Against	2.7%	0.5%
Total	100.0%	100.0%

44. The Scrutineer's Report also showed that 56 Affected Creditors with Disputed Claims voted on the motion to approve the Amended Plan Resolution and that such votes did not affect the outcome of the vote. A copy of the Scrutineer's report on the results of the voting on the motion to approve the Amended Plan Resolution is attached as **Appendix "L"**.
45. The Chair declared that the requisite majority required by the Meeting Order and section 6 of the CCAA has been obtained and the Amended Plan Resolution was approved by the Affected Creditors.
46. The Creditors' Meeting was terminated at 10:45 a.m.

## REQUEST FOR SANCTIONING THE AHC PLAN

47. The Monitor outlined the details of the AHC Plan, the AHC APA and the Assignment and Amending Agreement to the AHC APA and reported on alternate proceedings under the *Bankruptcy and Insolvency Act* (Canada) (“BIA”) and whether the CCAA Proceedings was the best course of action in its Seventh Report, the Eighth Report and/or the Supplement. The Monitor remains of the view that the return to Affected Creditors from the AHC Plan is superior to that which could be achieved through proceedings under the BIA, the Credit Acquisition or a further sale process or liquidation of the LP Entities’ assets.
48. As described above, an excess of the majority in number and two-thirds in value of the Affected Creditors present and voting at the Creditors’ Meeting voted in favour of to approve the AHC Plan, the AHC Plan was therefore approved by the Affected Creditors.
49. The AHC Plan satisfies the requirements of the CCAA, in particular the requirements contained in section 6 thereof.
50. The Monitor believes that the LP Entities have acted and continue to act in good faith and with due diligence and have not breached any requirements under the CCAA or any Order of the Court.
51. The Monitor is of the view that the AHC Plan is fair and reasonable as between the LP Entities’ creditors and the LP Entities and recommends that the AHC Plan be sanctioned.
52. The Monitor is not aware of any opposition to the sanction of the AHC Plan.

53. The AHC Plan defines the “**Initial Distribution Date**” as a date not more than seven (7) days after the Plan Implementation Date or such other date specified in the Sanction and Vesting Orders (as defined in the AHC Plan). No distributions can be made under the AHC Plan as long as the maximum amount of any of the Disputed Claims remains unquantified. As at the date of this Report, there are one or more Disputed Claims that remained unquantified. Accordingly, the proposed Sanction Order provides that the Initial Distribution Date will be a date not more than seven (7) days after the later of (a) the Plan Implementation Date or (b) the date that the last Disputed Claims is quantified (but not necessarily resolved) by agreement with the relevant Affected Creditor or by a Claims Officer or the Court.

#### **CASHFLOW FORECAST**

54. The LP Entities have prepared a revised cash flow forecast for the period of June 7, 2010 to September 5, 2010 (the “**June Forecast**”). A copy of the June Forecast is attached hereto as **Appendix “M”**.

55. The opening balance in cash on June 7, 2010 was \$114.7 million. Over the forecast period from June 7, 2010 to September 5, 2010 (the “**Cash Flow Forecast Period**”), the LP Entities forecast net cash outflows totaling \$8.1 million consisting of:

- a) receipts in the total amount of \$264.8 million;
- b) disbursements relating to operations in the total amount of \$258.5 million;
- c) net advances to National Post Inc. in the total amount of \$3.0 million; and
- d) disbursements relating to restructuring in the total amount of \$11.3 million.

56. It is anticipated that the LP Entities' forecast liquidity requirements during the Cash Flow Forecast Period will continue to be met by the cash generated from operations and no draws on the DIP Facility are forecast during the Cash Flow Forecast Period. The forecast ending balance in cash for the week ending September 5, 2010 is \$106.6 million.
57. The LP Entities and the Purchaser currently contemplate that the closing of the AHC Transaction will occur on or before July 29, 2010 following which the LP Entities will cease carrying on operations. As evidenced in the attached cash flow forecast, it is anticipated that the LP Entities will have sufficient resources to meet their forecast liquidity requirements until such date.
58. After the closing of the AHC Transaction and the AHC Plan implementation date, the cash flows will need to be amended to reflect cessation of operations and the obligation to make certain post-implementation payments. The Monitor will file updated cash flows in advance of the closing of the AHC Transaction.

#### **REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS**

59. Pursuant to the Initial Order, Order dated February 2, 2010 and Order dated April 12, 2010, a stay of proceedings was granted and extended until, and including, June 30, 2010 (the "**Stay Period**").
60. The AHC Plan requires the LP Entities to seek an extension of the Stay Period until the "**Final Distribution Date**" which is defined in the AHC Plan as the earlier of December 31, 2010 and a date that is ten (10) days after resolution of all claims against the LP Entities.

61. Additional time is required for the LP Entities to complete the AHC Transaction and implement the AHC Plan following which, the Monitor will require additional time to administer and attend to distributions to Affected Creditors, as well as attend to other post-plan implementation matters as outlined in the AHC Plan and CCAA. The continuation of the stay of proceedings to the Final Distribution Date is necessary to provide the stability needed during that time.
62. As stated above, it is anticipated that the LP Entities will have sufficient resources to meet their forecast liquidity requirements until the closing of the AHC Transaction currently anticipated to occur on or before July 29, 2010.
63. The Monitor is advised that the LP CRA and the Ad Hoc Committee support the extension of the Stay Period until July 30, 2010 and further until the Final Distribution Date provided that the AHC Transaction is closed before July 30, 2010.

## **MONITOR'S ACTIVITIES**

64. Since its appointment, the Monitor has been involved with numerous aspects of the CCAA Proceedings with a view to fulfilling its statutory and court-ordered duties and obligations, as well as assisting the LP Entities and their stakeholders in addressing restructuring issues. The Monitor described some of the more significant matters that it was involved in since commencement of the CCAA Proceedings until April 6, 2010 in its Sixth Report. Since then, the more significant matters the Monitor has been involved and assisted with included, but are not limited to, the following:
  - a) posting various materials relating to the CCAA Proceedings on its website <http://cfcanada.fticonsulting.com/clp> and continuing to update the website by

posting, *inter alia*, the Monitor's reports, motion materials, and Orders granted in the CCAA Proceedings;

- b) maintaining a toll free hotline number 1 888-310-7627 and a dedicated email inbox (CanwestLP@fticonsulting.com) to allow creditors and other interested parties to contact the Monitor to obtain additional information concerning the CCAA Proceedings and responding in a timely manner to over 950 calls and approximately 1,200 e-mails received by the Monitor as of the date of this report;
- c) assisting the LP Entities with the preparation of cashflow projections and the reporting thereon as required by the Initial Order;
- d) providing assistance to the LP Entities in dealing with critical suppliers for the continued supply of necessary goods and services;
- e) assisting the LP Entities in dealing with various employee related issues, including, *inter alia*, with respect to the appointment of representative counsel, structuring and obtaining approval for retention payments for critical employees, and amendments to existing retention arrangements;
- f) engaging with and providing regular updates to counsel for the LP Administrative Agent and McMillan Financial Advisor (as defined in the Initial Order);
- g) assisting with the transition of various Shared Services and other reorganizational and transition matters as provided in the Omnibus Transition and Reorganization Agreement between the LP Entities and the CMI Entities approved by this Court on June 8, 2010;

- h) supervising the SISP and the Financial Advisor in connection therewith;
- i) reviewing bids received pursuant to the SISP
- j) providing information, preparing and presenting reports to the Special Committee on the SISP and making recommendations to the Special Committee at the end of phases 1 and 2 of the SISP;
- k) assisting the LP Entities and the LP CRA in negotiations with the bidders, and negotiating and settling the AHC APA;
- l) assisting the LP Entities and the LP CRA with negotiating and obtaining the Conditional Sanction Order, the AHC Approval Order and the “dual track” approach contemplated therein;
- m) assisting the LP Entities and the LP CRA with developing the AHC Plan, including the amendments thereto;
- n) assisting the LP Entities with preparing and obtaining the Meeting Order;
- o) delivering, publishing and making otherwise available various notices of the Creditors’ Meeting and meeting materials in accordance with the provisions of the Meeting Order;
- p) preparing and delivering its Eighth Report in accordance with section 23(1)(d.1) of the CCAA;
- q) holding the Creditors’ Meeting and reporting on the results of the vote of the Affected Creditors with respect to the AHC Plan;

- r) assisting the LP Entities with developing and amending the Claims Procedure for general claims against the LP Entities;
- s) assisting the CMI Entities with the resolution of various claims asserted in and outside of the Claims Procedure; and
- t) responding to enquiries from creditors regarding the Claims Procedure.

### **PROFESSIONAL FEES**

65. The Monitor and its counsel have maintained detailed records of their professional costs and time during the course of the CCAA Proceedings (as detailed in the Affidavit of Paul Bishop sworn June 14, 2010 and the Affidavit of Daphne MacKenzie sworn June 14, 2010 (collectively, the “**Fee Affidavits**”). Copies of the Fee Affidavits are attached to this report as **Appendix “N”** and **“O”**).

### **RECOMMENDATION AND CONCLUSIONS**

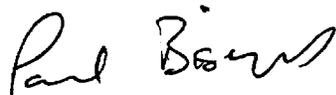
66. Further to the Monitor’s recommendations contained in its Eighth Report, the Monitor believes the AHC Plan will produce a more favourable result for the Affected Creditors than the Credit Acquisition or a further sale process or liquidation of the LP Entities’ assets. An excess of the majority in number and two-thirds in value of the Affected Creditors present and voting at the Creditors’ Meeting voted in favour to approve the AHC Plan. The Monitor is of the view that the AHC Plan is fair and reasonable as between the LP Entities’ creditors and the LP Entities and recommends that the AHC Plan be sanctioned.

67. The Monitor also supports the granting of the Order vesting the LP Entities' right, title and interest in the New Purchaser to give effect to the AHC Plan.
68. For the reasons described in the Supplement to the Eighth Report, the Monitor believes that the amendments to the AHC APA contained in the Assignment and Amending Agreement to the AHC APA should provide a superior return to the Affected Creditors than the original AHC APA and the Monitor therefore supports the LP Entities' motion to approve the Assignment and Amending Agreement to the APA.
69. The Monitor also believes that the LP Entities have acted and continue to act in good faith and with due diligence and have not breached any requirements under the CCAA or any Order of the Court. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by an extension of the Stay Period to the Final Distribution Date.
70. The Monitor also supports the LP Entities' request for an order that the Confidential Supplement be sealed and kept out of the public record.
71. The Monitor also respectfully requests that the Court approve its Sixth Report, Seventh Report, Eight Report, the supplements thereto and the activities described therein, as well as the fees and disbursements of the Monitor and its counsel (as particularized in the Fee Affidavits).

All of which is respectfully submitted this 14<sup>th</sup> day of June, 2010.

FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest  
Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en  
Commandite

Per



Paul Bishop  
Senior Managing Director

# TAB A

# **APPENDIX "A"**



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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MADAM )  
 )  
JUSTICE PEPALL ) FRIDAY, THE 8TH  
 DAY OF JANUARY, 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.

**INITIAL ORDER**

THIS APPLICATION, made by Canwest Publishing Inc./Publications Canwest Inc. ("CPI"), Canwest Books Inc. ("CBI") and Canwest (Canada) Inc. ("CCI"), (together, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Thomas C. Strike sworn January , 2009 and the Exhibits thereto (the "Strike Affidavit") and the Report of the Proposed Monitor, FTI Consulting Canada Inc. ("FTI Consulting" or the "Monitor") (the "Monitor's Pre-Filing Report"), and on being advised that CIBC Mellon Trust Company and other secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and Canwest Limited Partnership/Canwest Societe en Commandite (the "Limited Partnership"), the Special Committee, being an existing committee comprised only of independent directors of the Board of Directors of Canwest Global Communications Corp. (the "Special Committee"), FTI Consulting, The Bank of Nova Scotia in its capacity as Administrative Agent (the "Agent") for the senior lenders to the Limited Partnership (collectively, the "Senior Lenders"), and the ad hoc committee of holders of 9.25% senior

subordinated notes issued by the Limited Partnership (the “**Ad Hoc Committee**”) and the directors and officers of the Applicants and on reading the consent of FTI Consulting to act as the Monitor,

## **PART I – CCAA RELIEF**

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

### **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies. Although not an Applicant, the Limited Partnership (together with the Applicants, the “**LP Entities**”) shall enjoy the benefits of the protections and authorizations provided by this Order.

### **PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicants have the authority to file the Senior Lenders CCAA Plan (as defined below) with this Court and that, subject to further Order of this Court, one or more of the Applicants, individually or collectively, with the consent of the Monitor and the LP CRA (as defined below), shall have the authority to file and may file with this Court other plans of compromise or arrangement (hereinafter referred to as an “**LP Plan**”) between, *inter alia*, one or more of the LP Entities and one or more classes of their applicable secured and/or unsecured creditors.

### **POSSESSION OF PROPERTY AND OPERATIONS OF THE LP ENTITIES**

4. THIS COURT ORDERS that the LP Entities shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively the “**LP Property**”). Subject to this and further Order of this Court, the LP Entities shall each continue to carry on business in the ordinary course in a manner consistent with the preservation of their

respective businesses (collectively the "**LP Business**") and LP Property. The LP Entities shall each be authorized and empowered to continue to retain and employ the consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order, with the prior approval of the Monitor in consultation with the LP CRA and subject to the provisions on the payment of the Assistants set forth in paragraph 9 hereof. The LP Entities shall each be further authorized and empowered to continue to retain and employ the employees currently employed by them, with liberty to employ such further employees as they deem reasonably necessary or desirable in the ordinary course of business.

5. Mr. Dennis Skulsky, the President of CPI (the "**President of CPI**") shall
  - (a) report directly and solely to the Special Committee;
  - (b) shall keep the Monitor and the LP CRA advised on a timely basis of developments in the operations and financial performance of the LP Entities and shall meet with the Monitor, the LP CRA and the financial advisor to counsel for the Agent (the "**McMillan Financial Advisor**") and collectively with counsel to the Agent and the other advisors to the Agent, the "**Agent's Advisors**") at least once per week, unless otherwise agreed by the McMillan Financial Advisor, to provide an update on operations and financial performance of the LP Entities; and
  - (c) advise the Monitor, the LP CRA and the McMillan Financial Advisor forthwith if the Special Committee disagrees with and precludes the President of CPI from proceeding with any recommended financial or operational initiative which the President of CPI believes is in the best interests of the LP Entities, in which case the Monitor will apply to the court for advice and direction, if the Monitor and the LP CRA are unable to assist the parties in coming to agreement.
6. The LP Entities shall provide the Agent's Advisors with any non-privileged information reasonably requested.
7. THIS COURT ORDERS that the LP Entities shall be entitled to continue to utilize the centralized cash management system currently in place as described in the Strike Affidavit or

replace it with another substantially similar centralized cash management system satisfactory to the LP DIP Lenders (as defined below) and the Agent (the "**LP Cash Management System**"). Any present or future bank providing the LP Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken thereunder, or as to the use or application by the LP Entities of funds transferred, paid, collected or otherwise dealt with in the LP Cash Management System, shall be entitled to provide the LP Cash Management System without any liability in respect thereof to any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") other than the LP Entities, pursuant to the terms of the documentation applicable to the LP Cash Management System, and shall be, in its capacity as provider of the LP Cash Management System, an unaffected creditor in any plan of compromise or arrangement filed by the LP Entities under the CCAA, any proposal filed by the LP Entities under the *Bankruptcy and Insolvency Act of Canada* (the "**BIA**") or any other restructuring with regard to any claims or expenses it may suffer or incur in connection with the provision of the LP Cash Management System. All security interests over the LP Property granted by the LP Entities to The Bank of Nova Scotia to secure obligations under the LP Cash Management System (the "**Cash Management Existing Security**") up to \$7.5 million shall rank *pari passu* with the LP DIP Lenders' Charge (as defined below), in accordance with the terms of the Commitment Letter and the LP DIP Definitive Documents (as each term is hereinafter defined) and pursuant to paragraphs 54 and 56 hereof.

8. THIS COURT ORDERS that the LP Entities and the CMI Entities (as defined in the Strike Affidavit) shall continue to provide and pay for the shared services, as described in the Agreement on Shared Services and Employees (the "**New Shared Services Agreement**") dated as of October 26, 2009 attached as Exhibit "S" to the Strike Affidavit (collectively, the "**Shared Services**"), to each other and their other affiliated and related entities, in accordance with the New Shared Services Agreement. Notwithstanding any other provision in this Order, neither the LP Entities nor the CMI Entities shall modify, cease providing or terminate the provision of or payment for the Shared Services or any other provision of the New Shared Services Agreement except with the consent of the parties thereto, the Agent, acting in consultation with the Steering Committee, the LP CRA and the Monitor or further Order of this Court.

9. THIS COURT ORDERS that, subject to availability under the LP DIP Facility (as defined below), subject to the LP DIP Definitive Documents and the LP Support Agreement (all as hereinafter defined), and subject to the cash flow forecasts delivered in accordance with the LP DIP Definitive Documents and the LP Support Agreement (the “**Approved Cash Flow**”), the LP Entities shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order, to the extent that such expenses are incurred or payable by the LP Entities:

- (a) all outstanding and future wages, salaries, employee and pension benefits (other than in respect of the Southam Executive Retirement Agreements or the CanWest MediaWorks Limited Partnership (now the Limited Partnership) Retirement Compensation Arrangement Plan), vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) without limiting the generality of paragraph 9(a), all current service, special and similar pension and/or retirement benefit payments (other than in respect of the Southam Executive Retirement Agreements or the CanWest MediaWorks Limited Partnership (now the Limited Partnership) Retirement Compensation Arrangement Plan), commissions and other incentive payments, payments to employees under collective bargaining agreements not otherwise covered by paragraph 9(a) and employee and director expenses and reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, but in the case of director legal expenses, only in accordance with paragraph 37 hereof;
- (c) compensation to employees in respect of any payments made to employees prior to the date of this Order by way of the issuance of cheques or electronic transfers that are subsequently dishonoured due to the commencement of these proceedings, unless such payments are not permitted by this Order;
- (d) with the prior consent of the Monitor, all outstanding and future amounts owing to or in respect of individuals working as independent contractors or freelancers in connection with the LP Business;

- (e) with the prior consent of the Monitor in consultation with the LP CRA, the reasonable fees and disbursements of any Assistants retained or employed by the LP Entities in respect of these proceedings, at their standard rates and charges, including any payments made to Assistants prior to the date of this Order by way of the issuance of cheques or electronic transfers that are subsequently dishonoured due to the commencement of these proceedings;
- (f) any and all sums due and owing to Amex Bank of Canada (“**American Express**”), including, without limitation, amounts due and owing by the LP Entities to American Express in respect of the Corporate Card Program and Central Billed Accounts Program as described in the Strike Affidavit;
- (g) amounts collected in respect of various sales representation agreements under which the LP Entities sell as commissioned agent printed and/or online advertising on behalf of third-party clients; and
- (h) amounts owing for goods and services actually supplied to the LP Entities, or to obtain the release of goods contracted for prior to the date of this Order with the prior consent of the Monitor if, in the opinion of the LP CRA, in consultation with the LP Entities, the supplier is critical to the LP Business and ongoing operations of any of the LP Entities.

For greater certainty, unless otherwise ordered, the LP Entities shall not make (a) any payments to, or in satisfaction of any liabilities or obligations of the CMI Entities, save and except for payments in respect of the New Shared Services Agreement; or (b) any payments on account of change of control or other golden parachute arrangements, severance or termination pay, payment in lieu of notice of termination, claims for wrongful dismissal or other similar obligations.

10. THIS COURT ORDERS that, subject to availability under the LP DIP Facility, and subject to the LP DIP Definitive Documents and the LP Support Agreement, and subject to the Approved Cash Flow, the LP Entities shall be entitled but not required to pay all reasonable expenses incurred by them in carrying on the LP Business in the ordinary course from and after

the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the LP Property or the LP Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment, including the posting of letters of credit, for goods or services actually supplied or to be supplied to the LP Entities following the date of this Order.

For greater certainty, the LP Entities shall not make any payments to, or in satisfaction of any liabilities or obligations of the CMI Entities, save and except for payments in respect of the New Shared Services Agreement.

11. THIS COURT ORDERS that the LP Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from the LP Entities' employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the LP Entities in connection with the sale of goods and services by the LP Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers' compensation, employer's health tax or other taxes, assessments or levies of any nature or kind which are entitled at law to

be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the LP Business by the LP Entities.

12. THIS COURT ORDERS that, subject to availability under the LP DIP Facility, subject to the LP DIP Definitive Documents and the LP Support Agreement, and subject to the Approved Cash Flow, the LP Entities shall be entitled but not required to make available to National Post Inc. (formerly known as 4513401 Canada Inc.) secured revolving loans pursuant to the terms of the NP Intercompany Loan Agreement as defined and described in greater detail in the Strike Affidavit.

13. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with paragraph 18(c) of this Order, the LP Entities shall pay all amounts constituting rent or payable as rent under their respective real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable LP Entity and the relevant landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid. Upon delivery of a notice of disclaimer or resiliation under section 32 of the CCAA, the relevant LP Entity shall pay all Rent owing by the applicable LP Entity to the applicable landlord in respect of such lease due for the notice period stipulated in section 32 of the CCAA, to the extent that Rent for such period has not already been paid.

14. THIS COURT ORDERS that, except as otherwise specifically permitted herein, the LP Entities are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any one of the LP Entities to any of their creditors as of this date, including interest payable in respect of indebtedness owing by CPI to the Limited Partnership, which interest otherwise payable to the Limited Partnership shall cease to accrue as of the date hereof; (b) to grant no security interests, trusts, liens, charges or encumbrances upon or in respect of any of the LP Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the LP Business.

## **LP SUPPORT AGREEMENT**

15. THIS COURT ORDERS that the LP Support Agreement made as of January 8, 2010 between the LP Entities and the Agent (the “**LP Support Agreement**”) is hereby approved and the LP Entities are hereby authorized and directed to pay and perform all of their indebtedness, liabilities and obligations under and pursuant to the LP Support Agreement. Without limiting the generality of the foregoing, as set forth in the LP Support Agreement, the LP Entities are authorized and directed to (i) make payments of interest on principal outstanding from time to time under the Senior Credit Agreement and the Hedging Agreements (as those terms are defined in the Senior Lenders CCAA Plan) (ii) pay all Recoverable Expenses (as defined in the LP Support Agreement); and (iii) make payments to the Agent of certain fees as contemplated in section 5.1 (i) of the LP Support Agreement.

## **RESTRUCTURING**

16. THIS COURT ORDERS that the Sale and Investor Solicitation Process, on the terms set out in Schedule “A” hereto (the “**SISP**”), is hereby authorized and approved and the LP Entities are hereby directed and authorized to proceed with the SISP.

17. THIS COURT ORDERS that in connection with the SISP and pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, the LP Entities shall disclose personal information of identifiable individuals to prospective bidders under the SISP and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of the LP Property, or investment in the LP Business (each, a “**Transaction**”). Each prospective bidder to whom such personal information is disclosed shall sign an agreement to maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall return all such information to the LP Entities, or in the alternative destroy all such information. The Successful Bidder (as defined in the SISP) shall be entitled to continue to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the LP Entities, and shall return all other personal information to the LP Entities, or ensure that all other personal information is destroyed.

18. THIS COURT ORDERS that the LP Entities shall, subject to such requirements as are imposed by the CCAA, subject to the LP DIP Facility, the LP DIP Definitive Documents and the LP Support Agreement and subject to the consent of the Monitor, acting with the assistance of and in consultation with the LP CRA or further Order of this Court, have the right to:

- (a) to the extent not inconsistent with the SISP, to dispose of redundant or non-material assets, and to sell assets or operations not exceeding \$1 million in any one transaction or \$5 million in the aggregate, so long as the proceeds of all such sales are applied to reduce the principal amount owed to the Senior Lenders under the Senior Credit Agreement (as defined below);
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as the relevant LP Entity deems appropriate in the ordinary course of business;
- (c) in accordance with paragraphs 19 and 20, vacate, abandon or quit the whole but not part of any leased premises and/or disclaim or resiliate any real property lease and any ancillary agreements relating to any leased premises, in accordance with section 32 of the CCAA; and
- (d) disclaim or resiliate, in whole or in part, such of their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the LP Entities deem appropriate, except the New Shared Services Agreement, the LP Support Agreement, the NP Intercompany Loan Agreement or any other agreements or documents entered into in connection with this Order, in accordance with section 32 of the CCAA and to deal with any claims arising from such disclaimer or resiliation in an LP Plan, if any,

all of the foregoing to permit the LP Entities to proceed with an orderly restructuring of the LP Business. For greater certainty, the LP Entities shall not shut down any of their daily newspapers without further prior Order of the Court.

19. THIS COURT ORDERS that LP Entities shall provide each of the relevant landlords with notice of the relevant LP Entity's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be

entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the LP Entity's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant LP Entity, or by further Order of this Court upon application by the relevant LP Entity on at least two (2) days notice to such landlord and any such secured creditors. If an LP Entity disclaims or resiliates the lease governing such leased premises in accordance with paragraph 18(c) of this Order, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the LP Entity's claim to the fixtures in dispute.

20. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered by an LP Entity in respect of a leased premises, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant LP Entity and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the LP Entity in respect of such lease or leased premises and such landlord shall be entitled to notify the LP Entity of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE LP ENTITIES OR THE LP PROPERTY**

21. THIS COURT ORDERS that until and including February 5, 2010, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the LP Entities, the Monitor or the LP CRA or affecting the LP Business or the LP Property, except with the written consent of the applicable LP Entity, the Monitor and the LP CRA (in respect of proceedings affecting the LP Entities, the LP Property or the LP Business), or with leave of this

Court, and any and all Proceedings currently under way against or in respect of the LP Entities, the Monitor or the LP CRA or affecting the LP Business or the LP Property are hereby stayed and suspended pending further Order of this Court. In the case of the LP CRA, no Proceeding shall be commenced against the LP CRA or its directors and officers without prior leave of this Court on seven (7) days notice to CRS Inc.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

22. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any Person against or in respect of the LP Entities, the Monitor and/or the LP CRA, or affecting the LP Business or the LP Property, are hereby stayed and suspended except with the written consent of the applicable LP Entity, the Monitor and the LP CRA (in respect of the rights and remedies affecting the LP Entities, the LP Property or the LP Business), the LP CRA (in respect of the rights and remedies affecting the LP CRA), or leave of this Court, provided that nothing in this Order shall (i) empower the LP Entities to carry on any business which the LP Entities are not lawfully entitled to carry on, (ii) exempt the LP Entities from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

23. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the LP Entities, except with the written consent of the relevant LP Entity, the LP CRA and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

24. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with an LP Entity or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, computer software, communication and other data services, banking and cash management services, payroll services, insurance, transportation services, utility or other services to the LP Business or an LP Entity, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the

supply of such goods or services as may be required by the LP Entities, and that the LP Entities shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the LP Entities in accordance with normal payment practices of the LP Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable LP Entity, with the consent of the LP CRA and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

25. THIS COURT ORDERS that, notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the LP Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

26. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers (or their respective estates) of the LP Entities with respect to any claim against such directors or officers that arose prior to, on or after the date hereof and that relates to any obligations of the LP Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the LP Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the LP Entities or this Court.

#### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

27. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of any of the LP Entities, after the date hereof, to make payments in respect of the LP Entities of the nature referred to in paragraphs 9(a), 11(a), 11(b) and 11(c) of this Order, which they sustain or incur by reason of or

in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct. For greater certainty, the indemnity provided by this paragraph 27 shall not indemnify such directors or officers of the Applicants from any costs, claims, charges, expenses or liabilities reasonably attributable to the CMI Entities.

28. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**LP Directors' Charge**") on the LP Property, which charge shall not exceed an aggregate amount of \$35 million, as security for the indemnity provided in paragraph 27 of this Order. The LP Directors' Charge shall have the priority set out in paragraphs 54 and 56 herein.

29. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the LP Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the LP Directors' Charge to the extent they do not have or are unable to obtain coverage under a directors' and officers' insurance policy or to the extent that such coverage is insufficient to pay amounts indemnified pursuant to paragraph 27 of this Order.

#### **APPOINTMENT OF MONITOR**

30. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor of the LP Entities, an officer of this Court, to monitor the LP Property and the LP Entities' conduct of the LP Business with the powers and obligations set out in the CCAA and as set forth herein and that the LP Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the LP Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

31. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the LP Entities' receipts and disbursements;

- (b) report to this Court and consult with the Agent's Advisors at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the LP Entities, the LP Property, the LP Business, and such other matters as may be relevant to the proceedings herein and with respect to any payments made pursuant to paragraph 9(h) herein;
- (c) assist the LP Entities, in their dissemination, to the McMillan Financial Advisor, the Agent and the LP DIP Agent (as defined below) and its counsel of financial and other information as agreed to between the LP Entities and the Agent or the LP Entities and the LP DIP Lenders (as defined below) which may be used in these proceedings;
- (d) advise the LP Entities in their preparation of the LP Entities' cash flow statements and reporting required by the LP DIP Lenders or the Agent, which information shall be reviewed with the Monitor and delivered to the McMillan Financial Advisor, the LP DIP Agent and the Agent in compliance with the LP DIP Definitive Documents and the LP Support Agreement, or as otherwise agreed to by the LP DIP Agent or the Agent;
- (e) assist the LP CRA in the performance of its duties set out in the LP CRA Agreement (as defined below);
- (f) advise the LP Entities in their development and implementation of the LP Plan, if any, and any amendments to any such LP Plan;
- (g) assist the LP Entities with the holding and administering of creditors' or shareholders' meetings for voting on any LP Plan, as applicable;
- (h) have full and complete access to the LP Property, including the premises, books, records, data (including data in electronic form), other financial documents of the LP Entities, and management, employees and advisors of the LP Entities, to the extent that is necessary to adequately assess the LP Entities' business and financial affairs or to perform its duties arising under this Order;

- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) monitor and, if necessary, report to the Court on any matters pertaining to the New Shared Services Agreement; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

32. THIS COURT ORDERS that in addition to its prescribed rights and obligations under the CCAA and the powers granted hereunder, the Monitor shall supervise the SISP and supervise the Financial Advisor (as hereinafter defined) in connection therewith and that the Monitor is hereby empowered, authorized and directed to take such actions and fulfill such roles as are contemplated in the SISP, including:

- (a) working with the Financial Advisor and the LP CRA to develop a list of potential bidders to be contacted;
- (b) working with the Financial Advisor, the LP CRA and counsel for the LP Entities, who at all times are to be instructed by the LP CRA, (together the “SISP Advisors”) on the negotiation of confidentiality agreements;
- (c) working with the SISP Advisors in the preparation and distribution of a confidential information memorandum;
- (d) working with the SISP Advisors in the establishment of and supervision of access to an electronic data room;
- (e) providing the Agent and the Agent’s Advisors with timely and regular updates and information as to the progress of the SISP, subject only to the Monitor reserving its right not to provide information concerning the particulars of any of the Qualified Non-Binding Indications of Interest (as defined in the SISP) or Qualifying Bids (as defined in the SISP) until after the conduct of the vote on the Senior Lenders CCAA Plan;

- (f) in accordance with the terms of the SISP, supervising the conduct of Phase 1, and to the extent applicable Phase 2, of the SISP and exercising the duties, powers and authorities to be exercised by the Monitor under the terms of the SISP;
- (g) presenting such further and other recommendations to the Special Committee as contemplated in the SISP or as may be considered advisable by the Monitor or the LP CRA, it being understood that subject to further Order of this Court, the authorities and obligations of the Special Committee in the SISP and in the operations of the LP Entities to the extent there are any such obligations, and in the restructuring of the LP Entities generally, shall only be to deal with matters brought to it either by the President of CPI as contemplated by paragraph 5 of this Order or by the Monitor as contemplated by this paragraph in the Order; and
- (h) otherwise working with the SISP Advisors on any steps and actions considered necessary or desirable in carrying out the SISP.

33. THIS COURT ORDERS that the Monitor shall not take possession of the LP Property and shall take no part whatsoever in the management or supervision of the management of the LP Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the LP Business or LP Property, or any part thereof.

34. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the LP Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be

in Possession of any of the LP Property within the meaning of any Environmental Legislation, unless it is actually in Possession.

35. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the LP DIP Lenders with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor provided that with respect to any Person acting, directly or indirectly, as or on behalf of a bidder or potential bidder involved in the SISP, the Monitor is not required to provide any such information unless the Monitor is satisfied that appropriate internal confidentiality screens are in place. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the LP Entities may agree.

36. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

37. THIS COURT ORDERS that, subject to the provisions of this paragraph, the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee, counsel to the directors and officers of the Applicants, the LP CRA, counsel to the LP CRA and the Financial Advisor, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, or as agreed under contracts, as long as such contracts, which shall include any contracts to obtain fairness opinions, are approved by this Court, whether incurred prior to or subsequent to the date of this Order, by the LP Entities, to the extent that such fees and disbursements relate to services provided to the LP Entities. From the date of this Order, the fees and disbursements paid by the LP Entities to:

- (a) counsel to the Special Committee shall be limited to those incurred in respect of advice given in connection with the authorities and obligations of the Special Committee as set forth in paragraph 32(g) herein; and

- (b) counsel to the directors and officers of the Applicants shall not exceed \$75,000 in total.

The Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee, the LP CRA, counsel to the LP CRA, counsel to the Applicants' directors and officers and the Financial Advisor shall keep separate accounts for services provided in respect of the LP Entities and services provided in respect of the CMI Entities. The LP Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee on a weekly basis, and the accounts of the LP CRA, counsel to the LP CRA, and counsel to the Applicants' directors and officers and the Financial Advisor on a monthly basis, to the extent that such accounts relate to services provided to the LP Entities. The LP Entities shall not be liable for and shall not pay any expenses, fees, disbursements or retainers of the Monitor, counsel to the Monitor, counsel to the CMI Entities, counsel and financial advisor to the Special Committee, counsel to the Applicants' directors and officers or the Financial Advisor, to the extent that such expenses, fees, disbursements or retainers are not attributable to the LP Entities.

38. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and if so ordered by the Court on motion brought by the Monitor, after consultation with the LP CRA, other counsel whose fees and disbursements are secured by the LP Administration Charge (as defined below), shall pass their accounts from time to time, and for this purpose the accounts of such parties are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

39. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and the financial advisor to the Special Committee, the LP CRA, and counsel to the LP CRA shall be entitled to the benefit of and are hereby granted a charge on the LP Property (the "**LP Administration Charge**"), which charge shall not exceed an aggregate amount of \$3 million, as security for their reasonable professional fees and disbursements incurred at their respective standard rates and charges in respect of such services, both before and after the making of this Order in respect of these proceedings. The LP Administration Charge shall have the priority set out in paragraphs 54 and 56 hereof.

40. THIS COURT ORDERS that the RBC Dominion Securities Inc., a member company of RBC Capital Markets (the "**Financial Advisor**") shall be entitled to the benefit of and is hereby

granted a charge on the LP Property (the “**FA Charge**”), which charge shall not exceed an aggregate amount of \$10 million, as security for the fees and disbursements, including a success fee (if any) payable to the Financial Advisor pursuant to the engagement letter dated October 1, 2009 between CPI, the Limited Partnership and Financial Advisor (the “**Financial Advisor Agreement**”). The FA Charge shall have the priority set out in paragraphs 54 and 56 hereof.

#### **CHIEF RESTRUCTURING ADVISOR**

41. THIS COURT ORDERS that CRS Inc. (“**CRS**”) be and is hereby appointed as Chief Restructuring Advisor of the LP Entities in accordance with the terms and conditions of the agreement entered into between Canwest Global Communications Corp. (“**Canwest Global**”), the LP Entities and CRS (CRS and its President, Gary F. Colter, are collectively referred to herein as the “**LP CRA**”) dated November 1, 2009 (the “**LP CRA Agreement**”), effective as of the date of this Order.

42. THIS COURT ORDERS that the LP CRA Agreement is hereby approved and given full force and effect and that the LP CRA is hereby authorized to retain counsel as set out in the LP CRA Agreement. The LP CRA Agreement shall not be amended without prior Court approval.

43. THIS COURT ORDERS that the LP Entities are authorized and directed to continue the engagement of the LP CRA on the terms and conditions set out in the LP CRA Agreement.

44. THIS COURT ORDERS that the LP CRA shall not be or be deemed to be a director, officer or employee of any of the LP Entities.

45. THIS COURT ORDERS that the LP CRA and its directors and officers shall incur no liability or obligation as a result of the LP CRA’s appointment or the carrying out of the provisions of this Order, or the provision of services pursuant to the LP CRA Agreement, save and except as may result from gross negligence or wilful misconduct on the part of the LP CRA. In particular, the LP CRA and its directors and officers shall incur no liability, whether statutory or otherwise, as a director or officer of the LP Entities.

46. THIS COURT ORDERS that (i) the indemnification obligations of Canwest Global in favour of the LP CRA and its officers and directors set out in the LP CRA Agreement; and (ii)

the payment obligations set out in the LP CRA Agreement shall be entitled to the benefit of and form part of the LP Administration Charge set out herein.

47. THIS COURT ORDERS that any claims of the LP CRA under the LP CRA Agreement shall be treated as unaffected in any plan of compromise or arrangement filed by the LP Entities under the CCAA, any proposal filed by the LP Entities under the BIA or any other restructuring.

#### **DIP FINANCING**

48. THIS COURT ORDERS that LP Entities are hereby authorized and empowered to obtain and borrow under a credit facility from The Bank of Nova Scotia as Administrative Agent (the "LP DIP Agent") and certain other lenders from time to time party to the LP DIP Definitive Documents (as defined below)(collectively, the "LP DIP Lenders") in order to finance the LP Entities' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$25 million unless permitted by further Order of this Court.

49. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the LP Entities, the LP DIP Lenders and LP DIP Agent dated as of January 8, 2010 (the "**Commitment Letter**"), filed.

50. THIS COURT ORDERS that the LP Entities are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**LP DIP Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the LP DIP Lenders pursuant to the terms thereof, and the LP Entities are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the LP DIP Lenders under and pursuant to the Commitment Letter and the LP DIP Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

51. THIS COURT ORDERS that the LP DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**LP DIP Lenders' Charge**") on the LP Property as security for any and all obligations of the LP Entities under the LP DIP Definitive Documents, which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the LP

DIP Definitive Documents. The LP DIP Lenders' Charge shall have the priority set out in paragraphs 54 and 56 hereof.

52. THIS COURT ORDERS that, notwithstanding any other provision of this Order:
- (a) the LP DIP Lenders or the LP DIP Agent may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the LP DIP Lenders' Charge or any of the LP DIP Definitive Documents;
  - (b) upon the occurrence of an event of default under the LP DIP Definitive Documents or the LP DIP Lenders' Charge, the LP DIP Lenders, upon 2 days notice to the LP Entities and the Monitor, may exercise any and all of their rights and remedies against the LP Entities or the LP Property under or pursuant to the Commitment Letter, LP DIP Definitive Documents and the LP DIP Lenders' Charge (except that the right to cease making advances or credit available under the LP DIP Definitive Documents, to set off and/or consolidate any amounts owing by the LP DIP Lenders to the LP Entities against the obligations of the LP Entities to the LP DIP Lenders under the Commitment Letter, the LP DIP Definitive Documents or the LP DIP Lenders' Charge and make demand or accelerate payment thereunder shall be without notice or demand), including, without limitation, to give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the LP Entities and for the appointment of a trustee in bankruptcy of the LP Entities, and upon the occurrence of an event of default under the terms of the LP DIP Definitive Documents, the LP DIP Lenders shall be entitled to seize and retain proceeds from the sale of the LP Property and the cash flow of the LP Entities to repay amounts owing to the LP DIP Lenders in accordance with the LP DIP Definitive Documents and the LP DIP Lenders' Charge, but subject to the priorities as set out in paragraphs 54 and 56 of this Order; and
  - (c) the foregoing rights and remedies of the LP DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the LP Entities or the LP Property.

53. THIS COURT ORDERS AND DECLARES that the LP DIP Lenders shall be treated as unaffected in any plan of compromise or arrangement filed by the LP Entities under the CCAA, any proposal filed by the LP Entities under the BIA or any restructuring with respect to any advances made under the LP DIP Definitive Documents.

**VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

54. THIS COURT ORDERS that the priorities of the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge and the LP MIP Charge (as defined below), shall be as follows:

First – LP Administration Charge

Second – LP DIP Lenders' Charge and the Cash Management Existing Security up to \$7.5 million on a *pari passu* basis;

Third – The FA Charge; and

Fourth – the LP Directors' Charge and the LP MIP Charge on a *pari passu* basis.

55. THIS COURT ORDERS that the filing, registration or perfection of the LP Directors' Charge, LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge or the LP MIP Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

56. THIS COURT ORDERS that the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge and the LP MIP Charge shall constitute a charge on the LP Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, notwithstanding the order of perfection or attachment, except for any validly perfected purchase money security interest in favour of any secured creditor or for any statutory Encumbrance existing on the date of this order in favour of any Person that is a "secured creditor" as defined in the CCAA in respect of source deductions from wages, employer health

tax, workers compensation, GST/QST, PST payables, vacation pay and banked overtime for employees, and amounts under the Wage Earners' Protection Program that are subject to a super priority claim under the BIA.

57. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the LP Entities shall not grant any Encumbrances over any LP Property that rank in priority to, or *pari passu* with, any of the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge or the LP MIP Charge, unless the LP Entities also obtain the prior written consent of the Monitor, the beneficiaries of the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the LP MIP Charge or the FA Charge and the Agent, or upon further Order of this Court.

58. THIS COURT ORDERS that the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge, the LP MIP Charge and the LP Support Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the LP Entities, or any of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery or performance of the Commitment Letter, the LP DIP Definitive Documents or the LP Support Agreement shall create or be deemed to constitute a breach by any of the LP Entities of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges

or the execution, delivery or performance of the Commitment Letter or any LP DIP Definitive Documents; and

- (c) the LP Support Agreement, the Commitment Letter, the LP DIP Definitive Documents, payments made by the LP Entities pursuant to this Order, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

59. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the relevant LP Entity's interest in such real property leases.

60. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the terms and conditions with respect to any release and discharge of the Charges (as defined herein) shall be subject to the consent of the applicable Chargee and the Monitor or further Order of the Court.

#### **APPROVAL OF FINANCIAL ADVISOR AGREEMENT**

61. THIS COURT ORDERS that the Financial Advisor Agreement in the form attached to the Confidential Supplement to the Monitor's Pre-Filing Report (the "**Confidential Supplement**") is hereby approved and the LP Entities are authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the Financial Advisor Agreement.

#### **MANAGEMENT INCENTIVE PLAN**

62. THIS COURT ORDERS that the LP Entities' management incentive plan (the "**LP MIP**"), the National Post Inc. management incentive plan (the "**NP MIP**") and employee special arrangements (the "**Special Arrangements**") in the forms attached to the Confidential Supplement are hereby approved and the LP Entities are authorized and directed to make payments contemplated thereunder in accordance with the terms and conditions of the LP MIP, the NP MIP and the Special Arrangements which shall not be amended without the consent of the Agent, acting in consultation with the Steering Committee and further Order of the Court.

63. THIS COURT ORDERS that the key employees referred to in the LP MIP and the beneficiaries of the Special Arrangements shall be entitled to the benefit of and are hereby granted a charge (the “LP MIP Charge”) on the LP Property, which charge shall not exceed an aggregate amount of \$3 million, to secure amounts owing to such key employees under the LP MIP and amounts owing to the beneficiaries of the Special Arrangements.

#### **SEALING OF CONFIDENTIAL SUPPLEMENT**

64. THIS COURT ORDERS that the Confidential Supplement be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of this Court.

#### **PART II – SENIOR LENDERS CCAA PLAN OF ARRANGEMENT**

##### **SENIOR LENDERS CCAA PLAN OF ARRANGEMENT**

65. THIS COURT ORDERS that capitalized terms used in Parts II, III, and IV of this Order not otherwise defined herein shall have the meanings given to them in the Senior Lenders CCAA Plan.

66. THIS COURT ORDERS that the plan of compromise or arrangement (hereinafter referred to as the “Senior Lenders CCAA Plan”) between the LP Entities and the Senior Secured Creditors, substantially in the form attached as Schedule “B” hereto, be and is hereby accepted for filing, and that the LP Entities are authorized to seek approval of the Senior Lenders CCAA Plan in the manner set forth herein.

67. THIS COURT ORDERS that the Agent is hereby authorized to amend, modify and/or supplement the Senior Lenders CCAA Plan at any time and from time to time prior to the Senior Lenders Meeting (as defined below). The Monitor shall disclose and make available all amendments, modifications and supplements to the Senior Lenders CCAA Plan at the Senior Lenders Meeting.

#### **PART III – SENIOR LENDERS CLAIMS PROCESS**

68. THIS COURT ORDERS that for the purposes of voting and distribution under the Senior Lenders CCAA Plan, the Principal amount of the Senior Secured Claims shall be determined in the following manner (the “**Senior Lenders Claims Process**”):

- (a) Within two (2) Business Days of the date hereof (the “**Filing Date**”), the Agent, on behalf of the Senior Lenders, shall send to the LP Entities (with a copy to the Monitor):
  - (i) a notice substantially in the form attached as Schedule “C” hereto, setting out based upon its records: (x) the aggregate Principal amount of the Senior Secured Claims owing directly by each of the LP Entities under the Senior Credit Agreement as at the Filing Date (the “**Syndicate Claims**”) and (y) each Senior Lender’s pro rata share of the Syndicate Claims as at the Filing Date (all of which shall constitute, the “**Notice of Claim - Syndicate Claims and Pro Rata Notice**”).
  - (ii) concurrently with the delivery of the Notice of Claim - Syndicate Claims and Pro Rata Notice to the LP Entities, the Agent shall post a copy of the Notice of Claim - Syndicate Claims and Pro Rata Notice to one of the IntraLinks websites (the “**Senior Lenders Website**”) maintained by the Agent for the benefit of the Senior Lenders.
- (b) The LP Entities shall within five (5) Business Days of receipt of the Notice of Claim - Syndicate Claims and Pro Rata Notice advise the Monitor (with a copy to the Agent) whether the amounts set out therein are consistent with their books and records. If the LP Entities fail to file a notice of dispute substantially in the form attached as Schedule “D” hereto (a “**Notice of Dispute - Syndicate Claims and Pro Rata Notice**”), within the five (5) day period noted above, then the LP Entities shall be deemed to have confirmed the amounts set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice.
- (c) Each of the Senior Lenders holding Syndicate Claims shall within five (5) Business Days of the posting of the Notice of Claim - Syndicate Claims and Pro Rata Notice to the Senior Lenders Website advise the Monitor (with a copy to the Agent) whether such Senior Lender’s pro rata share of the Syndicate Claims set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice is accurate. If a Senior Lender fails to file a Notice of Dispute - Syndicate Claims and Pro Rata Notice within the five (5) day period noted above then such Senior Lender shall be deemed to have confirmed

its pro rata share of the Syndicate Claims as set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice is accurate.

- (d) If the amount of a Senior Lender's Syndicate Claim is: (i) confirmed by the LP Entities pursuant to paragraph 68(b); and (ii) confirmed by such Senior Lender pursuant to paragraph 68(c), then the amount designated in the Notice of Claim - Syndicate Claims and Pro Rata Notice to be such Senior Lender's pro rata share of the Syndicate Claims shall be deemed to be finally determined ("**Finally Determined**") and accepted as the Proven Principal Claim of such Senior Lender for the purposes of voting and for calculating the entitlement to distribution under the Senior Lenders CCAA Plan in respect of the Syndicate Claims.
- (e) Within two (2) Business Days of the Filing Date, the LP Entities shall send to each holder of a Senior Secured Claim under or pursuant to one or more Hedging Agreements (each, a "**Hedging Creditor**") (with a copy to the Monitor and the Agent) a notice, substantially in the form attached as Schedule "E" hereto, setting out the Principal amount of such Hedging Creditor's Senior Secured Claim owing directly by each of the LP Entities and the rate of interest payable on such Principal amount (each, a "**Notice of Claim - Hedging Agreements**").
- (f) Each Hedging Creditor shall within five (5) Business Days of receipt of their respective notices confirm to the Monitor whether the amounts and interest rate set out therein are accurate.
- (g) If the Principal amount and interest rate set out in a Notice of Claim - Hedging Agreements is confirmed by the specified Hedging Creditor or if such Hedging Creditor does not deliver a notice of dispute substantially in the form attached as Schedule "F" hereto (a "**Notice of Dispute - Hedging Agreements**") within five (5) Business Days of receipt of such Notice of Claim - Hedging Agreements, then the Principal amount set out in such Notice of Claim - Hedging Agreements shall be deemed to be Finally Determined and accepted as the Proven Principal Claim of such Hedging Creditor for the purposes of voting and for calculating the entitlement to distributions under the Senior Lenders CCAA Plan and the interest rate set out in the Notice of Claim - Hedging Agreements shall be deemed to be the proper interest rate

for the purposes of calculating the entitlement to distributions under the Senior Lenders CCAA Plan.

- (h) Within five (5) Business Days of receipt (or posting on the Senior Lenders Website) of either the Notice of Claim - Syndicate Claims and Pro Rata Notice or a Notice of Claim - Hedging Agreements, as the case may be, a Senior Lender holding a Syndicate Claim, the LP Entities or a Hedging Creditor (in such circumstances a **“Disputing Claimant”**) may deliver a Notice of Dispute - Syndicate Claims and Pro Rata Notice or a Notice of Dispute - Hedging Agreements to the Monitor (with a copy to the Agent in respect of a Notice of Dispute - Syndicate Claims and Pro Rata Notice) as follows:
- (i) the LP Entities or a Senior Lender holding a Syndicate Claim may deliver a Notice of Dispute - Syndicate Claims and Pro Rata Notice indicating that they dispute the amount set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice. If a Notice of Dispute - Syndicate Claims and Pro Rata Notice is delivered pursuant to the preceding sentence, then the applicable Senior Lender, the Monitor, the LP Entities and the Agent shall have three (3) Business Days to reach an agreement in writing as to the Principal amount of the Senior Secured Claim that is subject to the Notice of Dispute - Syndicate Claims and Pro Rata Notice, in which case such agreement shall govern and the Principal amount of such Senior Secured Claim as agreed shall be deemed to be Finally Determined and accepted as the Senior Lender’s Proven Principal Claim for the purposes of voting and for calculating the entitlement to distributions under the Senior Lenders CCAA Plan in respect of the Syndicate Claims.
  - (ii) a Hedging Creditor may deliver a Notice of Dispute - Hedging Agreements indicating that it disputes the amount or interest rate set out in its Notice of Claim - Hedging Agreements. If a Notice of Dispute - Hedging Agreements is delivered pursuant to the preceding sentence, then the Monitor, the LP Entities and the Agent and the particular Hedging Creditor shall have three (3) Business Days to reach an agreement in writing as to the Principal amount of, and/or interest rate applicable to the Senior Secured Claim that is subject to the Notice of Dispute - Hedging Agreements, in which case such agreement shall govern and the Principal amount as agreed shall be deemed to be Finally Determined and accepted as the Proven Principal Claim of such Hedging Creditor for the purposes of voting and for calculating the entitlement to distributions under the Senior Lenders CCAA Plan and the interest rate, as agreed, shall be deemed to be the proper interest rate for the purposes of calculating the entitlement to distributions under the Senior Lenders CCAA Plan.

- (i) If a Notice of Dispute - Syndicate Claims and Pro Rata Notice or a Notice of Dispute - Hedging Agreements is unable to be resolved in the manner and within the time period set out in paragraph 68(h) above, then the Claim of such Disputing Claimant shall be determined by the Court on a motion for advice and directions brought by the Monitor (the “**Dispute Motion**”) on notice to all interested parties. The Monitor and the Disputing Claimant shall each use reasonable efforts to have the Dispute Motion, and any appeals therefrom, disposed of on an expedited basis with a view to having the Claim of the Disputing Claimant Finally Determined on a timely basis.
- (j) If the Principal amount of a Senior Secured Claim held by a Senior Lender is the subject of a Notice of Dispute - Syndicate Claims and Pro Rata Notice and is not Finally Determined on or before the second Business Day immediately prior to the day of the Senior Lenders Meeting, then for the purposes of voting, such a Senior Lender shall be deemed to have an accepted Senior Secured Claim for voting purposes (an “**Accepted Voting Claim**”) equal to the amount of its pro rata share of the Syndicate Claims set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice.
- (k) If the Principal amount of a Senior Secured Claim held by a Hedging Creditor is the subject of a Notice of Dispute - Hedging Agreements and is not Finally Determined on or before the second Business Day immediately prior to the day of the Senior Lenders Meeting, then for the purposes of voting, such a Hedging Creditor shall be deemed to have an Accepted Voting Claim equal to the amount set out in its Notice of Claim - Hedging Agreements.

69. **THIS COURT ORDERS** that any Senior Lender, who asserts that its Senior Secured Claim as at the Filing Date includes a claim or claims for amounts in addition to a claim for Principal (an “**Additional Claim**”), shall notify the Monitor (with a copy to the Agent and the LP Entities), of such Additional Claim and the amount of such Additional Claim within ten (10) Business Days of the Filing Date. If no such notice is received by the Monitor within ten (10) Business Days of the Filing Date, such Senior Lender’s Additional Claim shall be and is hereby forever extinguished and barred.

70. **THIS COURT ORDERS** that, for the purposes of calculating Senior Secured Claims for voting and distribution purposes, Senior Secured Claims denominated in US dollars shall be converted into Canadian dollars at the Bank of Canada United States/Canadian Dollar noon exchange rate in effect on the date of the Initial Order.

71. **THIS COURT ORDERS** that the Agent shall post a copy of this Order on the Senior Lenders Website within two (2) Business Days of the making of the Order.

#### **PART IV – SENIOR LENDERS MEETING**

##### **THE SENIOR LENDERS MEETING**

72. **THIS COURT ORDERS** that the holding and conduct of a meeting of the Senior Lenders on January 27, 2010 for the purpose of voting on, with or without variation, a resolution to approve the Senior Lenders CCAA Plan (the “**Senior Lenders Meeting**”) is hereby authorized.

73. **THIS COURT ORDERS** that an officer of the Monitor shall preside as the chair of the Senior Lenders Meeting (the “**Chair**”) and, subject to this Order and any further order of this Court, shall decide all matters relating to the conduct of the Senior Lenders Meeting.

74. **THIS COURT ORDERS** that the Chair is authorized to adjourn the Senior Lenders Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene the Senior Lenders Meeting for the purpose of adjournment). Notice of such adjourned date shall be posted on the Monitor’s website and there shall be no requirement to provide any other notice.

75. **THIS COURT ORDERS** that the only persons entitled to attend the Senior Lenders Meeting shall be the LP Entities, the Monitor, the LP CRA, the Agent and the Senior Lenders entitled to vote at the Senior Lenders Meeting (including, for the purposes of attendance, speaking and voting, their respective proxy holders) and their respective legal counsel. Any other person may be admitted to the Senior Lenders Meeting by the Chair or the LP Entities.

76. **THIS COURT ORDERS** that the only Persons entitled to vote at the Senior Lenders Meeting are Senior Lenders holding Proven Principal Claims or Accepted Voting Claims (collectively “**Accepted Senior Voting Claims**”) on the second Business Day immediately prior to the day of the Senior Lenders Meeting.

77. THIS COURT ORDERS that record date (the “**Record Date**”) for the purposes of voting on the Senior Lenders CCAA Plan shall be the date hereof.

78. THIS COURT ORDERS that if, after the Record Date, the holder of a Senior Secured Claim on the Record Date, or any subsequent holder of the whole of a Senior Secured Claim who has been acknowledged by the Monitor as the Senior Lender (as disclosed in either the Notice of Claim - Syndicate Claims and Pro Rata Notice or an applicable Notice of Claim - Hedging Agreements) in respect of such Senior Secured Claim, transfers or assigns the whole of such Senior Secured Claim to another Person, the Agent, the LP Entities and the Monitor shall not be obligated to give notice to or to otherwise deal with a transferee or assignee of a Senior Secured Claim as the Senior Lender for the purposes of such Person’s entitlement to vote at the Senior Lenders Meeting.

#### **CLASSIFICATION OF CREDITORS AND VOTING**

79. THIS COURT ORDERS that for the purpose of voting on the Senior Lenders CCAA Plan there shall be one class of creditors constituted by the Senior Lenders holding Accepted Senior Voting Claims.

80. THIS COURT ORDERS that the quorum required at the Senior Lenders Meeting shall be one Senior Secured Creditor holding an Accepted Senior Voting Claim present at the Senior Lenders Meeting in person or by proxy. If the requisite quorum is not present at the Senior Lenders Meeting, then the Senior Lenders Meeting shall be adjourned by the Chair to such time, date and place as the Chair deems necessary or desirable.

81. THIS COURT ORDERS that the Chair shall direct a vote with respect to a resolution to approve the Senior Lenders CCAA Plan and containing such other related provisions as the Agent, in consultation with the Monitor, may consider appropriate.

82. THIS COURT ORDERS that if any matter other than those referred to in paragraph 81 arises at the Senior Lenders Meeting and requires a vote, such vote shall be conducted in the manner decided by the Chair, and (i) if the Chair decides to conduct such vote by way of show of hands, the vote shall be decided by a majority of the votes given on a show of hands, and (ii) if the Chair decides to conduct such vote by written ballot, the vote shall be decided by a majority in number of Senior Lenders holding Accepted Senior Voting Claims and representing a two-

thirds majority in value of the Accepted Senior Voting Claims present and voting at the Senior Lenders Meeting (the “**Required Majority**”).

83. THIS COURT ORDERS that the Monitor is authorized to accept and rely upon a proxy submitted in the form attached hereto as Schedule “G”, or such other form of proxy as is acceptable to the Monitor, and received by the Monitor by 5:00 p.m. (Toronto time) on January 25, 2010 or 2 days prior to any adjournment of the Senior Lenders Meeting.

84. THIS COURT ORDERS that following the vote at the Senior Lenders Meeting, the Monitor shall tally the votes and determine whether the Senior Lenders CCAA Plan has been accepted by the Required Majority and how the result of the votes, for and against the Senior Lenders CCAA Plan, would have been affected if Senior Lenders had been allowed to vote in respect of the portion of any Senior Secured Claim, including, for greater certainty, any Additional Claim, that had not been Finally Determined at the time of the Senior Lenders Meeting (the “**Unresolved Senior Claims**”).

85. THIS COURT ORDERS that the result of any vote at the Senior Lenders Meeting shall be binding on all Persons affected by the Senior Lenders CCAA Plan, whether or not any such Person is present at the Senior Lenders Meeting.

#### **NOTICE OF SENIOR LENDERS MEETING**

86. THIS COURT ORDERS that on or before January 12, 2010, the Monitor shall deliver the following documents (collectively, the “**Meeting Materials**”) to the Agent and the Agent shall forthwith post such documents on the Senior Lenders Website:

- (a) A Notice of Senior Lenders Meeting, substantially in the form attached hereto as Schedule “H”;
- (b) A copy of this Order;
- (c) A copy of the Senior Lenders CCAA Plan, as amended; and
- (d) A form of proxy for use at the Senior Lenders Meeting, substantially in the form attached hereto as Schedule “G”;

87. THIS COURT ORDERS that on or before January 12, 2010, the Monitor shall post the Meeting Materials on the Monitor's website at: [<http://cfcanada.fticonsulting.com/clp>].

88. THIS COURT ORDERS that service of a copy of the Meeting Materials upon the Senior Lenders in the manner set out in paragraph 86 shall constitute good and sufficient service of the Senior Lenders CCAA Plan and this Order and good and sufficient notice of the Senior Lenders Meeting on all the Senior Lenders who may be entitled to receive notice thereof, or of these proceedings, and no other document or material need be served on any Persons in respect of these proceedings.

### **SANCTION HEARING AND ORDER**

89. THIS COURT ORDERS that the Monitor shall file a report to this Court by no later than February 5, 2010, with respect to the results of the vote, including whether:

- (a) the Senior Lenders CCAA Plan was approved by the Required Majority; and
- (b) the votes, for and against the Senior Lenders CCAA Plan, that were cast by Senior Lenders holding Unresolved Senior Claims would affect the result of the vote on the Senior Lenders CCAA Plan.

90. THIS COURT ORDERS that if the approval or non-approval of the Senior Lenders CCAA Plan would be altered by the votes in respect of Unresolved Senior Claims, the Monitor shall, in consultation with the LP Entities and the Agent, request the direction of the Court.

91. THIS COURT ORDERS that if the Senior Lenders CCAA Plan has been accepted by the Required Majority, the LP Entities shall bring a motion seeking the Sanction Order (the "**Sanction Hearing**") on a date to be determined by the Monitor in accordance with the SISP and in consultation with the LP CRA and the Agent, or such other date as the Court may set.

92. THIS COURT ORDERS that service of the Meeting Materials and this Order pursuant to paragraphs 86 and 96 hereof shall constitute good and sufficient service of notice of the Sanction Hearing upon all Persons who are entitled to receive such service and no other form of service need be made and no other materials need be served on any Person in respect of the Sanction Hearing.

93. THIS COURT ORDERS that any Person intending to object to the motion seeking the Sanction Order shall serve on counsel to the Monitor, the Agent and the LP Entities and those persons listed on the LP Entities' service list and file with the Court no later than three days before the Sanction Hearing a written notice containing a description of its proposed grounds of contestation.

94. THIS COURT ORDERS that in the event that the Sanction Hearing is adjourned, only those Persons who have filed and served a Notice of Appearance herein are required to be served with notice of the adjourned date.

### **SERVICE AND NOTICE**

95. THIS COURT ORDERS that the LP Entities and the Monitor shall (i) without delay, publish, in each of the National Post, the Globe and Mail and La Presse newspapers, one notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the LP Entities of more than \$5,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims (other than in respect of Senior Lenders holding Senior Secured Claims, as contemplated by the LP Support Agreement), and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the names and addresses of individual creditors publicly available.

96. THIS COURT ORDERS that the LP Entities and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the LP Entities' creditors or other interested parties at their respective addresses as last shown on the records of the LP Entities and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

97. THIS COURT ORDERS that the LP Entities, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on its website at <http://cfcanada.fticonsulting.com/clp>.

#### **GENERAL**

98. THIS COURT ORDERS that the LP Entities, the Monitor or the Agent may from time to time apply to this Court for advice and directions in connection with, *inter alia*, the discharge of powers and duties hereunder.

99. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the LP Entities, the LP Business or the LP Property.

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

101. THIS COURT ORDERS that each of the LP Entities and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

102. THIS COURT ORDERS that any interested party (including the LP Entities, the Monitor and the Agent) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided however that the LP DIP Lenders shall be entitled to rely on this Order as issued for all advances made under the Commitment Letter and the LP DIP Definitive Documents up to and including the date this Order may be varied or amended.

103. THIS COURT ORDERS that, notwithstanding the immediately preceding paragraph, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the Commitment Letter or the LP DIP Definitive Documents, unless notice of a motion for such order is served on the Monitor and the LP Entities, the Agent and the LP DIP Lenders returnable no later than February 11, 2010.

104. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



A handwritten signature in black ink, appearing to read "Joanne Nicoara", is written over a horizontal line.

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

JAN 15 2010

PER/PAR: JSN Joanne Nicoara  
Registrar, Superior Court of Justice

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

*Ontario*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**INITIAL ORDER**

**Osler, Hoskin & Harcourt LLP**

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Lawyers for the Applicants

F. 1117119

# **TAB B**

# **APPENDIX "B"**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MADAM ) MONDAY, THE 17<sup>th</sup> DAY  
 )  
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.

**ORDER APPROVING THE AHC TRANSACTION AND AMENDING THE CLAIMS  
PROCEDURE ORDER AND THE SISP PROCEDURES**

**THIS MOTION** made by Canwest Publishing Inc./Publications Canwest Inc. ("CPI"), Canwest Books Inc. and Canwest (Canada) Inc. (the "**Applicants**") and Canwest Limited Partnership (the "**Limited Partnership**", collectively and together with the Applicants, the "**LP Entities**", and each an "**LP Entity**"), for the relief set out in the Applicants' Notice of Motion including the approval of a transaction (the "**AHC Transaction**") to sell the Acquired Assets (as defined in the AHC APA) pursuant to an asset purchase agreement dated as of May 10, 2010 (the "**AHC APA**") among 7535538 Canada Inc., CW Acquisition Limited Partnership (the "**Purchaser**") and the LP Entities, the amendment of the Order of this Honourable Court dated April 12, 2010 (the "**Claims Procedure Order**") and the amendment of the procedures for the sale and investor solicitation process (the "**SISP Procedures**"), 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 "**Lamb Affidavit**"), the Seventh 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 ad hoc committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership (the “**Ad Hoc Committee**”), 7535538 Canada Inc., The Bank of Nova Scotia in its capacity as Administrative Agent (the “**Agent**”) for the senior lenders to the Limited Partnership (collectively, the “**LP Senior Lenders**”), counsel for the Special Committee of the Board of Directors of Canwest Global Communications Corp., counsel for the court-appointed representatives of certain employees and former employees of the LP Entities and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Seventh Report of the Monitor and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### **APPROVAL OF AHC OFFER AND AHC TRANSACTION**

2. **THIS COURT ORDERS AND DECLARES** that the AHC Transaction is hereby approved. The execution, delivery and performance of the AHC APA, substantially in the form attached as Exhibit “D” to the Lamb Affidavit, by the LP Entities is hereby authorized and approved, and the LP Entities are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the AHC Transaction and for the conveyance of the Acquired Assets to the Purchaser, including the filing of a related plan of compromise or arrangement and the calling and conduct of a meeting of creditors.

3. **THIS COURT ORDERS** that either Douglas E.J. Lamb or Kevin Bent is hereby authorized and directed to execute the AHC APA and such additional documents as may be necessary or desirable for the completion of the AHC Transaction and for the conveyance of the Acquired Assets to the Purchaser on behalf of the LP Entities. Notwithstanding anything herein or any provision of the AHC APA, the approval and completion of the AHC Transaction pursuant to this Order is conditional upon the Administrative Agent receiving, 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 all amounts owing under the Credit Agreement, the Hedging Agreements and the Collateral Agency Agreement (as such capitalized terms are defined in the Initial Order dated January 8, 2010, which is referred to herein as the “**Initial Order**”).

#### **AMENDMENTS TO CLAIMS PROCEDURE ORDER**

4. **THIS COURT ORDERS** that the Claims Procedure Order made in this proceeding dated April 12, 2010 be and is hereinafter replaced by an amended Claims Procedure Order (the “**Amended Claims Procedure Order**”) that is to be issued substantially in the form attached as Schedule “A” to this Order.

5. **THIS COURT ORDERS** that the LP Entities and the Monitor are hereby authorized and directed to resume the LP Claims Process as contemplated in paragraph 34 of the Amended Claims Procedure Order and to take steps to adjudicate and resolve claims pursuant to the terms of the Amended Claims Procedure Order.

#### **AMENDMENT TO SISP PROCEDURES**

6. **THIS COURT ORDERS** that the SISP Procedures, as amended by the Order of this Court dated February 2, 2010, be and are hereby amended so that the first two paragraphs in the section entitled “Superior Cash Offer is Received” on page 11 shall read as follows (with added provisions underlined and in italics):

If the Monitor determines in its reasonable business judgment following consultation with the Financial Advisor and the LP CRA, that one or more of the Qualified Bids is a Superior Cash Offer, the Monitor, in consultation with the Financial Advisor and the LP CRA, shall recommend (the “**Superior Cash Offer Recommendation**”) to the Special Committee that the most favourable Superior Cash Offer be selected and that a definitive agreement be negotiated and settled in respect of that Superior Cash Offer, conditional upon Court approval and conditional on the Superior Cash Offer closing on or before July 29, 2010, or such longer period as shall be agreed to by the Monitor, in consultation with the Financial Advisor and the LP CRA, and consented to by the Agent, acting in consultation with the Steering Committee, or by further Order of the Court.

If the Special Committee accepts the Superior Cash Offer Recommendation, the Monitor, in consultation with the Financial Advisor and the LP CRA, shall negotiate and settle a definitive agreement in accordance with the recommendation but subject to the terms and conditions of the Senior Lenders' CCAA Plan, provided that nothing herein shall prevent the LP Entities or the Monitor from seeking sanction of the Senior Lenders' CCAA Plan, the implementation of which plan will remain conditional upon delivery of a Monitor's Certificate on such terms as may be agreed to by the LP Entities, the Monitor, the Ad Hoc Committee and the Agent or ordered by the Court and, if such sanction is granted, taking such commercially reasonable steps as are required for the LP Entities to remain in compliance with the terms of the Support Agreement and the Senior Lenders' CCAA Plan pending the closing of the Successful Bid (as defined herein).

#### **PRIORITY TO MANAGEMENT TIME**

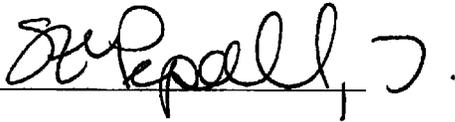
7. **THIS COURT ORDERS** that the AHC Transaction will have priority to management time to close that transaction. However, the LP Entities will also use reasonable efforts to comply with information requests from the Agent in accordance with the email of Alvarez & Marsal Canada ULC to the Monitor dated May 16, 2010 and such other requests in accordance with the LP Support Agreement so long as in each case they do not materially hinder or prejudice the closing of the AHC Transaction within the intended timeline. If any issues arise in relation to access to management time or other closing requirements as between the AHC Transaction and the Credit Acquisition (as defined in the Initial Order), the parties will consult with the Monitor who will seek to resolve them. If the Monitor is unable to resolve any such issues advice and direction will be sought from the Court.

#### **OTHER PROVISIONS**

8. **THIS COURT ORDERS** that in the event that the Monitor's Credit Bid Sanction Certificate provided for in the Conditional Credit Acquisition Sanction, Approval and Vesting Order made on the date of this Order is delivered by the Monitor, then this Order shall be of no force or effect.

9. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or

administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

  
\_\_\_\_\_

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

MAY 17 2010

PER / PAR: 

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

**ORDER APPROVING THE AHC TRANSACTION AND  
AMENDING THE CLAIMS PROCEDURE ORDER AND  
THE SISP PROCEDURES**

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Lawyers for the Applicants

F. 1117119

**TAB C**

# **APPENDIX "C"**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MADAM ) MONDAY, THE 17<sup>th</sup> DAY  
 )  
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 AND  
ARRANGEMENT OF CANWEST PUBLISHING INC. /  
PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND  
CANWEST (CANADA) INC.

CONDITIONAL CREDIT ACQUISITION SANCTION,  
APPROVAL AND VESTING ORDER

**THIS MOTION**, made by Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc. and Canwest (Canada) Inc. (collectively, the "**Applicants**") for an Order approving and conditionally sanctioning the plan of compromise and arrangement dated January 8, 2010 and attached as Schedule "A" to this Order (the "**Plan**") and for ancillary relief associated with the implementation of the Plan, was heard this day, at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the seventh report of FTI Consulting Canada Inc. (the "**Monitor**") dated May 11, 2010 (the "**Seventh Report**"), and upon hearing submissions of counsel to the Applicants and Canwest Limited Partnership / Canwest Societe en Commandite ("**Canwest Limited Partnership**"), the Monitor, The Bank of Nova Scotia in its capacity as Administrative Agent for the Senior Lenders to Canwest Limited Partnership (the "**Administrative Agent**"), the ad hoc committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership (the "**Ad Hoc Committee**"), 7535538 Canada Inc., the court-appointed representatives of certain employees and former employees of the LP Entities and others:

**DEFINITIONS**

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Plan and/or the initial order (the “**Initial Order**”) made by this Court under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) dated January 8, 2010.

**SERVICE AND MEETING**

2. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service and notice of the Plan to all Senior Lenders.

3. **THIS COURT ORDERS** that there has been good and sufficient service of the Meeting Materials upon all Senior Lenders, and that the Senior Lenders Meeting was duly called, held and conducted in conformity with the CCAA and the Initial Order.

4. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service and notice of this Sanction Hearing, and that this motion is properly returnable today and further service of the Notice of Motion and the Motion Record upon any interested party is unnecessary and is hereby dispensed with.

**PLAN SANCTION**

5. **THIS COURT ORDERS AND DECLARES** that:

- (a) the Plan has been approved by the requisite majority of Senior Lenders of the Applicants and Canwest Limited Partnership (collectively, the “**LP Entities**”) entitled to vote on the Plan in conformity with the CCAA and the terms of the Initial Order;

- (b) the LP Entities have acted in good faith and with due diligence and have complied and acted in accordance with the provisions of the CCAA and the Orders of this Honourable Court made in these proceedings in all respects;
- (c) this Honourable Court is satisfied that the LP Entities have not done or purported to do anything that is not authorized by the CCAA; and
- (d) the Plan and the transactions contemplated thereby are fair and reasonable and are in the best interests of the Senior Lenders and do not unfairly prejudice the interests of any Person.

6. **THIS COURT ORDERS** that the making of this Order in no way limits or lessens or otherwise affects the power of the Court to sanction other plans of arrangement between one or more of the LP Entities and any of their creditors other than the Senior Secured Lenders, including without limitation the CCAA Plan of Arrangement contemplated by the AHC Transaction.

7. **THIS COURT ORDERS** that notwithstanding the making of this Order, any other terms of this Order or of the Plan, and even if all conditions precedent to the effectiveness of the Plan are satisfied or waived, the Plan and the assignment of Contracts and the vesting of assets and claims provided for hereby shall not be effective until and unless the Monitor delivers to counsel for the Administrative Agent, the LP Entities, 7535538 Canada Inc. and the Ad Hoc Committee in accordance with this Order a certificate (the "**Monitor's Credit Bid Sanction Certificate**") in the form attached hereto as Schedule "B". The Monitor shall promptly thereafter file with this Court a copy of the Monitor's Credit Bid Sanction Certificate.

8. **THIS COURT ORDERS** that the Monitor will not deliver the Monitor's Credit Bid Sanction Certificate if the AHC Transaction closes on or before July 29, 2010 and the Administrative Agent receives, or escrow arrangements satisfactory to the Administrative Agent have been made to ensure that it receives on closing, from or on behalf of the LP Entities in immediately available funds an amount sufficient to distribute to the Senior Lenders in indefeasible repayment in full of all amounts owing under the Senior Credit Agreement, Hedging

Agreements and the Collateral Agency Agreement. Subject to paragraph 9 below, the Monitor's Credit Bid Sanction Certificate will not be delivered prior to July 29, 2010.

9. **THIS COURT ORDERS** that, notwithstanding paragraph 8 above, if prior to July 29, 2010, the Monitor determines in its reasonable business judgement that there is no reasonable chance that the AHC Transaction can close, the Monitor may apply to Court on four (4) business days notice for authority to deliver the Monitor's Credit Bid Sanction Certificate prior to July 29, 2010.

10. **THIS COURT ORDERS** that, subject to paragraph 9 above, if the AHC Transaction does not close on or before July 29, 2010, the Monitor is hereby authorized and directed to apply to the Court on July 30, 2010 for advice and direction as to whether it should deliver the Monitor's Credit Bid Sanction Certificate or withhold delivery of the Monitor's Credit Bid Sanction Certificate for such further period of time as directed by the Court.

11. **THIS COURT ORDERS** that, subject to paragraph 7 above, the Plan (including, without limitation, the Credit Acquisition, compromises, arrangements and releases set out therein) is hereby sanctioned and approved as of the date hereof pursuant to Section 6 of the CCAA and that upon delivery of the Monitor's Certificate pursuant to paragraph 14 below and the delivery of the Monitor's Credit Bid Sanction Certificate, the Plan shall be implemented, shall be effective and shall enure to the benefit of and be binding upon the LP Entities and the Senior Lenders, including their respective heirs administrators, executors, legal personal representatives, successors, and assigns but will not affect Unaffected Claims.

12. **THIS COURT ORDERS** that if the AHC Transaction has closed on or before July 29, 2010 (or such later date as is ordered by the Court) in accordance with the Order Approving the AHC Transaction and Amending the Claims Procedure Order and the SISP Procedures made on the date of this Order, then this Order shall be of no force or effect.

**APPROVAL AND VESTING**

13. **THIS COURT ORDERS AND DECLARES** that, subject to paragraph 7 above, the Acquisition and Assumption Agreement substantially in the form attached as Schedule "1.1(8)" to the Plan (the "**Acquisition Agreement**") and the transaction contemplated thereby (the "**Transactions**") are hereby approved. Upon the delivery of the Monitor's Credit Bid Sanction Certificate, the execution of the Acquisition Agreement by Doug Lamb or Kevin Bent on behalf the LP Entities will be authorized and approved without any requirement of further actions by shareholders, directors or officers of the LP Entities, and the LP Entities and the Monitor will be authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Acquired Assets to 7272049 Canada Inc. ("**Acquireco**") in accordance with the Plan and the Acquisition Agreement.

14. **THIS COURT ORDERS** that, subject to paragraph 7 hereof, upon being provided with evidence satisfactory to the Monitor of the satisfaction (or, where applicable, waiver) of the conditions set out in section 8.2 of the Plan, the Monitor shall deliver to the Administrative Agent and the LP Entities and promptly thereafter file with this Court a certificate stating that all conditions precedent set out in section 8.2 of the Plan have been satisfied (or, where applicable, waived by the LP Entities and/or the Administrative Agent in accordance with the terms of the Plan) (the "**Monitor's Certificate**"), and the date of the delivery of such certificate to the Administrative Agent and the LP Entities shall be the date upon which the Plan shall be and be deemed to have been implemented (the "**Credit Acquisition Plan Implementation Date**").

15. **THIS COURT ORDERS** that upon the filing of a Monitor's Certificate, the following shall take place, in the order in which they appear below and in accordance with the Plan:

- (a) all right, title and interest in and to the Canwest Books Assets shall vest absolutely in CPI free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have

attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement (collectively, the “**Canwest Books Encumbrances**”) and, for greater certainty, this Court orders that Canwest Books Encumbrances affecting or relating to the Canwest Books Assets are hereby expunged and discharged as against the Canwest Books Assets;

- (b) all right, title and interest in and to the Canwest GP Assets shall vest absolutely in CPI free and clear of any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement (collectively, the “**Canwest GP Encumbrances**”) and, for greater certainty, this Court orders that Canwest GP Encumbrances affecting or relating to the Canwest GP Assets are hereby expunged and discharged as against the Canwest GP Assets;
- (c) all right, title and interest in and to the CLP Assets shall vest absolutely in CPI free and clear of any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or

monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement (collectively, the “**CLP Encumbrances**”) and, for greater certainty, this Court orders that CLP Encumbrances affecting or relating to the CLP Assets are hereby expunged and discharged as against the CLP Assets;

- (d) the right, title and interest in and to the Senior Secured Claims (for greater certainty, net of amounts paid to the Senior Lenders under the terms of the Acquisition Agreement (defined herein) and the Plan on or before the Credit Acquisition Plan Implementation Date that would reduce the outstanding Senior Secured Claims) shall vest absolutely in Acquireco free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute (collectively, “**Senior Claim Encumbrances**”) and, for greater certainty, this Court orders that Senior Claim Encumbrances affecting or relating to the Senior Secured Claims are hereby expunged and discharged as against the Senior Secured Claims; and
- (e) all of the right, title and interest of any Person in and to the Acquired Assets described in the Acquisition Agreement shall vest absolutely in Acquireco, (including without limitation any amounts in the Cash Reserve Account that are

not used by the Monitor in accordance with the Cash Reserve Order to pay Cash Reserve Costs), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Encumbrances**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement and real property permitted encumbrances as set out in Schedule D and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Acquired Assets are hereby expunged and discharged as against the Acquired Assets.

16. **THIS COURT ORDERS** that in accordance with the Plan, the Acquireco Equity and the Acquireco Debt to be distributed in respect of each Senior Lender’s Senior Secured Claim (the “**Acquireco Debt/Equity**”) shall stand in place and stead of such Senior Secured Claim and all Senior Claim Encumbrances on or against such Senior Secured Claim shall attach to and may be asserted against the Acquireco Debt/Equity with the same priority as they had immediately prior to the implementation of the Plan, as if such Senior Secured Claim had not been transferred to Acquireco and had remained the property of such Senior Lenders immediately prior to the implementation of the Plan.

17. **THIS COURT ORDERS** that, without limiting the other provisions in this Order, on the Credit Acquisition Implementation Date, the license of the LP Entities to use the “Canwest” name and trademarks under a Trademarks License Agreement dated October 13, 2005 (the “**License**”) shall be assigned to Acquireco and, following that assignment, Canwest Global Communications Corp. shall not be entitled to exercise any right of termination of the License unless the termination is to take effect after February 28, 2011.

## **REAL PROPERTY**

### **Ontario**

18. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Toronto (No. 66) (the “**Toronto Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Toronto Property (as defined in Schedule C), the Land Registrar for the Toronto Land Registry Office is hereby directed to enter Acquireco as the owner of the Toronto Property in fee simple, and is hereby directed to delete and expunge from title to the Toronto Property all of the real property encumbrances relating to the Toronto Property, including but not limited to, the real property encumbrances listed in Schedule D, subject only to the real property permitted encumbrances relating to the Toronto Property listed in Schedule E.

19. **THIS COURT ORDERS** that upon registration in the Land Registry Office for the Land Titles Division of Ottawa-Carleton (No. 4) (the “**Ottawa Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Ottawa Property (as defined in Schedule B), the Land Registrar for the Ottawa Land Registry Office is hereby directed to enter Acquireco as the owner of the Ottawa Property in fee simple, and is hereby directed to delete and expunge from title to the Ottawa Property all of the real property encumbrances relating to the Ottawa Property, including but not limited to, the real property encumbrances listed in Schedule D, subject only to the real property permitted encumbrances relating to the Ottawa Property listed in Schedule E.

20. **THIS COURT ORDERS** that upon registration in the Land Registry Office for the Land Titles Division of Essex (No. 12) (the “**Windsor Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Windsor Properties (as defined in Schedule C), the Land Registrar for the Windsor Land Registry Office is hereby directed to enter Acquireco as the owner of the Windsor Properties in fee simple, and is hereby directed to delete and expunge from

title to the Windsor Properties all of the real property encumbrances relating to the Windsor Properties, including but not limited to, the real property encumbrances listed in Schedule D, subject only to the real property permitted encumbrances relating to the Windsor Properties listed in Schedule E.

**Alberta**

21. **THIS COURT ORDERS** that, upon presentation for registration in either of the North Alberta Land Titles Office or the South Alberta Land Titles Office (collectively, the "**Alberta LTO**"), as the case may be, a certified copy of this Order and an Affidavit of Value as prescribed by the *Land Titles Act* (Alberta), the Alberta LTO be and is hereby authorized and directed to cancel the existing certificates of title to the Alberta Properties as defined in Schedule C and to issue new certificates of title for those Alberta Properties in the name of Acquireco. The Alberta LTO be and is hereby directed to delete and expunge from such new titles to the Alberta Properties all of the real property encumbrances relating to the Alberta Properties, including but not limited to the real property encumbrances listed on Schedule D, subject only to the real property permitted encumbrances relating to the Alberta Property listed in Schedule E being carried forward to the new Alberta Property titles.

22. **THIS COURT ORDERS** that the cancellation of titles and issuance of new titles and discharge of instruments as set out in paragraph 21 shall be registered notwithstanding the requirements of Section 191(1) of the *Land Titles Act* (Alberta).

**British Columbia**

23. **THIS COURT ORDERS** that, for greater certainty, those lands and premises defined in Schedule C hereto as the BC Properties (the "**BC Properties**") be sold to Acquireco, and that the BC Properties, together with all buildings, fixtures, systems, interests, licences, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, do vest in Acquireco in fee simple, free from all encumbrances, subject nevertheless to the reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown, and subject to

the real property permitted encumbrances relating to the BC Properties listed in Schedule E hereto, upon the filing of the Monitor's Certificate.

24. **THIS COURT ORDERS** that the BC Properties do vest in Acquireco as set out herein, and that all of the encumbrances registered against the titles to the BC Properties, including but not limited to the real property encumbrances relating to the BC Properties and listed in Schedule E hereto, but subject to the real property permitted encumbrances relating to the BC Properties listed in Schedule E hereto, be discharged immediately upon the registration in the appropriate Land Title Offices of a certified copy of the Order made upon this Motion, together with a letter from Bull, Housser & Tupper LLP, permitting registration of the Order made upon this Motion.

**Saskatchewan**

25. **THIS COURT ORDERS** that, pursuant to the Acquisition Agreement, upon payment of the required registration fee, the Registrar of Titles of the Saskatchewan Land Titles Registry is hereby authorized and directed pursuant to Section 109 of *The Land Titles Act, 2000* S.S. 2000, c. L-5.1 and Section 6.5 of *The Land Titles Conversion Facilitation Regulations, c. L-5.1, Reg. 2* to cancel the existing titles to the Saskatchewan Properties identified in Schedule C and the new titles to such Saskatchewan Properties shall be issued in the name of Acquireco, free and clear of all real property encumbrances related to the Saskatchewan Properties listed in Schedule D, subject only to the real property permitted encumbrances related to the Saskatchewan Properties listed in Schedule E.

**Quebec**

26. **THIS COURT ORDERS AND DIRECTS**, in order to give effect to this Order prior to closing of the Transactions, CPI and Acquireco to enter into a deed of transfer with respect to the Quebec Property (as defined in Schedule C), upon the same terms and conditions substantially as those set forth in the draft deed of transfer attached hereto as Schedule F (the "**Deed of Transfer**"), which Deed of Transfer shall be effective upon the delivery of the Monitor's Certificate to Acquireco.

27. **THIS COURT ORDERS AND DIRECTS**, in order to give effect to this Order prior to closing of the Transaction, CIBC Mellon Trust Company to execute a deed of mainlevée with respect to the real property encumbrances listed in Schedule D relating to only the Quebec Property, subject only to the real property permitted encumbrances related to the Quebec Property listed in Schedule E (the “**Deed of Mainlevée**”), which Deed of Mainlevée shall be effective only upon the delivery of the Monitor’s Certificate to Acquireco.

28. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the parties to the Acquisition Agreement are authorized and permitted to disclose and transfer to Acquireco all human resources and payroll information in the LP Entities' records pertaining to the LP Entities’ past and current employees. The recipient of such information shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the applicable party to the Acquisition Agreement.

29. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the LP Entities or any of the Senior Lenders (herein collectively the “**Vesting Entities**”) and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Vesting Entities;

(i) the entering into of the Acquisition Agreement; (ii) the vesting of rights, titles and interests as set out in paragraph 15 above and (iii) the assignment of the Contracts (as defined below) pursuant to this Order, shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Vesting Entities and shall not be void or voidable by creditors of any of the Vesting Entities, nor shall any of them constitute nor be deemed to be a settlement, fraudulent

preference, assignment, fraudulent conveyance or transfer at undervalue under the *Bankruptcy and Insolvency Act* (Canada), the CCAA or any other applicable federal or provincial legislation, nor shall any of them constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

30. **THIS COURT ORDERS AND DECLARES** that the Plan, the Credit Acquisition and the other transactions contemplated thereby are exempt from the application of the *Bulk Sales Act* (Ontario) and any equivalent or applicable legislation under any other province or territory in Canada.

### **PLAN IMPLEMENTATION**

31. **THIS COURT ORDERS** that upon delivery of the Monitor's Credit Bid Sanction Certificate, the LP Entities, Acquireco, the Administrative Agent, the Collateral Agent (as defined below) and the Monitor shall be authorized and directed to take all steps and actions and execute such additional documents (and with respect to the LP Entities Doug Lamb or Kevin Bent shall be authorized and directed to execute such additional documents on behalf of the LP Entities) as may be necessary or appropriate (as determined by each party in consultation with the other parties) to implement the Plan, the Credit Acquisition and the Transactions in accordance with and subject to their terms and such steps and actions are hereby approved.

### **SENIOR SECURED CLAIMS**

32. **THIS COURT ORDERS** that, without limiting the Initial Order, for the purposes of the Plan the Principal amount of the Senior Secured Claims shall be determined in accordance with the claims process set out at paragraph 68 of the Initial Order. To the extent that any Senior Lender (the "**Claimant**") asserts a claim in respect of Other Amounts that arose after the Filing Date but prior to the date of this Order (a "**Post-Filing Other Amounts Claim**"):

- (a) such Claimant shall within ten (10) Business Days from the making of this Order, send to the Monitor (with a copy to the LP Entities and the Administrative Agent) a notice (the "**Claim Notice**") setting out the amount of its Post-Filing Other

Amounts Claim in the form attached hereto as Schedule "G". If no such notice is received by the Monitor from the Claimant within ten (10) Business Days of the making of this Order, the Claimant's Post-Filing Other Amounts Claim shall be and is hereby for the purposes of the Plan extinguished and forever barred;

- (b) if the Monitor, with the consent of the Administrative Agent acting in consultation with the Steering Committee, confirms the Post-Filing Other Amounts Claim set out in the Claim Notice or if the Monitor, with the consent of the Administrative Agent acting in consultation with the Steering Committee, does not deliver a Notice of Dispute, indicating that the Monitor disputes the Post-Filing Other Amounts Claim within five (5) Business Days of receipt of the Claim Notice, then the amount set out in the Claim Notice shall be deemed to be finally determined ("**Finally Determined**") and accepted for the purpose of calculating the Claimant's entitlement to distributions under the Senior Lenders CCAA Plan;
- (c) if the Monitor delivers a Notice of Dispute in accordance with subparagraph (b) above, then the Monitor, the Administrative Agent and the particular Senior Lender shall have five (5) Business Days from the date of delivery of the Notice of Dispute to reach an agreement in writing as to the Post-Filing Other Amounts Claim that is subject to the Notice of Dispute, in which case such agreement shall govern and the Post-Filing Other Amounts Claim shall be deemed to be Finally Determined in accordance with the agreement;.
- (d) if a Notice of Dispute is unable to be resolved in the manner and within the time period set out in subparagraph (c) above, then the Claim of such Claimant shall for the purposes of the Plan be determined by the Court on a motion for advice and directions brought by the Monitor (the "**Dispute Motion**") on notice to the Administrative Agent and all other interested parties. The Monitor and the Claimant shall each use reasonable efforts to have the Dispute Motion, and any appeals therefrom, disposed of on an expedited basis with a view to having the Post-Filing Other Amounts Claim of the Claimant Finally Determined on a timely basis.

If there are any Senior Secured Claims (including for greater certainty, for Principal or Other Amounts) or any portion thereof that have not been Finally Determined pursuant to the terms of the Initial Order or this Order (an “Unresolved Senior Claim”), as of the Credit Acquisition Plan Implementation Date, the Monitor shall establish a Unresolved Senior Claims Reserve. The Unresolved Senior Claims Reserve shall be comprised of Acquireco Debt, Acquireco Equity and cash reserved out of the LP Entity Cash and Cash Equivalents. The aggregate value of the Acquireco Debt and Acquireco Equity to be included in the Unresolved Senior Claims Reserve shall be equal to the value of Acquireco Debt and Acquireco Equity that would have been distributed in respect of the Unresolved Senior Claims if the full amounts of such Unresolved Senior Claims were Proven Senior Secured Claims on the Credit Acquisition Plan Implementation Date. The aggregate amount of the cash to be included in the Unresolved Senior Claims Reserve shall be equal to the amount of all Unpaid Interest on Unresolved Senior Claims as of the Credit Acquisition Plan Implementation Date that would have been paid to the Senior Lenders holding such Unresolved Senior Claims if the full amounts of such Unresolved Senior Claims were Proven Senior Secured Claims on the Credit Acquisition Plan Implementation Date.

33. **THIS COURT ORDERS** that provided that the Monitor receives from the LP Entities and Acquireco, respectively, the cash and Acquireco Debt and Acquireco Equity required for the Monitor to establish the Unresolved Senior Claims Reserve in accordance with the Plan, not later than fifteen days (or such later date as may be specified by Order of the Court) following the Final Determination Date, the Monitor shall distribute from the Unresolved Senior Claims Reserve:

- (a) to the Persons entitled in accordance with the Plan and the Acquireco Capitalization Term Sheet, Acquireco Debt and Acquireco Equity in respect of any Senior Secured Claims that were Unresolved Senior Claims on the Credit Acquisition Plan Implementation Date and that subsequently became Proven Senior Secured Claims, together with any interest, dividends, distributions or other payments actually received by the Monitor on account or in respect thereof;
- (b) following the distribution referred to in subparagraph (a) above, any balance of Acquireco Debt and Acquireco Equity that forms part of the Unresolved Senior

Claims Reserve shall be distributed to the Persons entitled in accordance with the Plan and the Acquireco Capitalization Term Sheet such that all Acquireco Debt and Acquireco Equity shall have been distributed in accordance with the Plan and the Acquireco Capitalization Term Sheet and any interest, distributions or other payments actually received by the Monitor on account or in respect of the Acquireco Debt and Acquireco Equity referred to in this subparagraph (b) shall be distributed to the Persons receiving the applicable Acquireco Debt or Acquireco Equity pursuant to this subparagraph (b),

- (c) to the Persons entitled in accordance with the Plan and the Acquireco Capitalization Term Sheet, cash in an amount equal to the aggregate amount of all Unpaid Interest on Senior Secured Claims that were Unresolved Senior Claims on the Credit Acquisition Plan Implementation Date that subsequently became Proven Senior Secured Claims, together with any interest actually received by the Monitor on account or in respect thereof, and following this distribution, any balance of cash that forms part of the Unresolved Senior Claims Reserve together with any interest actually received by the Monitor on account or in respect thereof shall be paid to Acquireco.

For the purposes of calculating the various distributions to be made pursuant to this paragraph 33, each Senior Lender's Pro Rata Share shall be calculated as if (i) the Senior Secured Claims that became Proven Senior Secured Claims after the Credit Acquisition Plan Implementation Date were Proven Senior Secured Claims and not Unresolved Senior Claims on the Credit Acquisition Plan Implementation Date, (ii) the Unresolved Amount was zero as of the Credit Acquisition Plan Implementation Date, and (iii) Unpaid Interest on Senior Secured Claims that became Proven Senior Secured Claims after the Credit Acquisition Plan Implementation Date was paid on the Credit Acquisition Plan Implementation Date.

#### **EFFECT OF PLAN IMPLEMENTATION**

34. **THIS COURT ORDERS** that, effective on the Credit Acquisition Plan Implementation Date each Senior Secured Claim shall be dealt with in accordance with the Plan and the ability of

the holder of a Senior Secured Claim (other than Acquireco) to proceed against the LP Entities or the LP Property (including any amounts now or hereafter held by the Monitor in respect of the LP Entities) in respect of a Senior Secured Claim and all suits, actions, proceedings or other enforcement processes by the holder of a Senior Secured Claim (other than Acquireco) with respect to, in connection with or relating to such Senior Secured Claims are permanently stayed and restrained, subject only to the right of the holder of such a Senior Secured Claim to receive distributions in accordance with the Plan.

35. **THIS COURT ORDERS AND DECLARES** that, effective on the Credit Acquisition Plan Implementation Date, all Senior Secured Claims determined in accordance with the Plan, the Initial Order and this Order are final and binding on the LP Entities, the Monitor and all Senior Lenders and that, as of the Credit Acquisition Plan Implementation Date, the Plan shall enure to the benefit of and be binding upon the Senior Lenders and all other Persons affected thereby and their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

36. **THIS COURT ORDERS** that, upon the delivery of the Monitor's Credit Bid Sanction Certificate and except as provided in the terms of the Plan and subject to the restrictions in Section 11.3 of the CCAA, the LP Entities will be authorized and directed to assign all contracts, leases, agreements and other arrangements of which Acquireco takes an assignment on closing pursuant to the terms of the Acquisition Agreement (the "**Contracts**") and that, subject to Section 11.3 of the CCAA and the giving of notice to the counterparties of such Contracts in accordance with paragraph 47 below, such assignments are hereby approved and are valid and binding upon the counterparties notwithstanding any restriction or prohibition on assignment contained in such Contract.

37. **THIS COURT ORDERS** that from and after the Credit Acquisition Plan Implementation Date, subject to the CCAA, all Persons shall be deemed to have waived all defaults then existing or previously committed by the LP Entities under, or caused by the LP Entities under, and the non-compliance by the LP Entities with, any of the Contracts arising solely by reason of the insolvency of the LP Entities or as a result of any actions taken pursuant to the Plan or in these proceedings, and all notices of default and demands given in connection

with any such defaults under, or non-compliance with, the Contracts shall be deemed to have been rescinded and shall be of no further force or effect.

### **ROLE OF THE MONITOR**

38. **THIS COURT ORDERS** that, notwithstanding any other terms of this Order or of the Plan, the appointment of the Monitor pursuant to the terms of prior Orders made by this Honourable Court shall not expire or terminate on the Credit Acquisition Plan Implementation Date and shall continue for purposes of the following:

- (a) the completion by the Monitor of all of its duties in connection with the Plan; and
- (b) the completion by the Monitor of all other matters for which it is responsible in these proceedings and pursuant to the Plan, the Initial Order and the CCAA.

39. **THIS COURT ORDERS** that all claims of any Person, whether such claims are direct, indirect, derivative or otherwise, against the Monitor arising from or relating to the services provided by the Monitor in respect of the LP Entities prior to the date of this Order, save and except claims of gross negligence or wilful misconduct, shall be and are hereby forever barred from enforcement and are extinguished.

40. **THIS COURT ORDERS** that the Monitor shall be discharged of its duties and obligations with respect to the LP Entities pursuant to the Plan, this Order and all other Orders made in these proceedings with respect to the LP Entities from time to time upon the filing with this Honourable Court of a certificate of the Monitor certifying that the matters set out in paragraph 38 above are completed to the best of the Monitor's knowledge.

### **CHARGES**

41. **THIS COURT ORDERS** that, on the Credit Acquisition Plan Implementation Date following the making of the Cash Reserve Order and the establishment of the Cash Reserve in

accordance with the Plan, all charges against the LP Entities or the LP Property created by the Initial Order or any subsequent Orders shall be terminated, discharged and released.

42. **THIS COURT ORDERS AND DECLARES** that, notwithstanding any of the terms of the Plan or this Order, the LP Entities shall not be released or discharged from its obligations to pay the fees and expenses of the Monitor, the Monitor's counsel or the LP Entities' counsel in respect of the Plan and the implementation thereof, which obligations shall be in addition to any such obligations under the Plan.

### **RELEASES, EXCULPATION AND LIMITATION OF LIABILITY**

43. **THIS COURT ORDERS** that on the Credit Acquisition Plan Implementation Date, the LP Entities shall be deemed to have released each of the Senior Lenders, each individual, corporation or other entity that was at any time a Senior Lender, each member and former member of the Steering Committee or any other committee of holders of Senior Secured Claims, the Administrative Agent, the DIP Lenders, Acquireco and the Collateral Agent, and their respective agents, affiliates, directors, officers, employees, and representatives, including counsel and its financial advisor (collectively, the "**Indemnitees**") and the Monitor, from any and all claims, obligations, rights, causes of action, and liabilities, of whatever kind or nature, whether based on contract, negligence or other tort, fiduciary duty, common law, equity, statute or otherwise, whether known or unknown, whether foreseen or unforeseen, arising on or before the Credit Acquisition Implementation Date (other than any claims, obligations, rights, causes of action, and liabilities arising from fraud as determined by a final judgment of a court of competent jurisdiction) which such LP Entities may have for, upon or by reason of any matter, cause or thing whatsoever, which are based upon, arise under or are related to the Senior Credit Agreement, Hedging Agreements, Collateral Agency Agreement or Senior Secured Claims.

44. **THIS COURT ORDERS** that on the Credit Acquisition Plan Implementation Date the Senior Lenders shall be deemed to have released the Monitor and the present and former officers and directors of the LP Entities from any and all claims, obligations, rights, causes of action, and liabilities, of whatever kind or nature, whether known or unknown, whether foreseen or unforeseen, arising on or before the Credit Acquisition Plan Implementation Date, which such

Senior Lenders may have for, upon or by reason of any matter, cause or thing whatsoever, which are based upon, arise under or are related to the Senior Credit Agreement, Hedging Agreements, Collateral Agency Agreement or Senior Secured Claims, provided that nothing herein will release any of the present or former officers or directors of the LP Entities in respect of any claim, obligations right, cause of action, or liability referred to in section 5.1(2) of the CCAA.

45. **THIS COURT ORDERS** that none of the LP Entities, the Monitor, the Administrative Agent, the Senior Lenders, Acquireco, any individual, corporation or other entity that was at any time formerly a Senior Lender, the Steering Committee or any other committee of holders of Senior Secured Claims, the DIP Lenders, Collateral Agent, or any of their respective present or former members, officers, directors, employees, direct or indirect advisors, attorneys, or agents, shall have or incur any liability to any holder of a Senior Secured Claim, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the LP Entities' CCAA proceedings initiated by the Initial Order, formulating, negotiating or implementing the Plan or the Support Agreement, the solicitation of acceptances of the Plan or the Support Agreement, the pursuit of confirmation of the Plan, the confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their wilful misconduct, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

46. **THIS COURT ORDERS** that the LP Entities hereby jointly and severally fully indemnify each of the Indemnitees against any manner of actions, causes of action, suits, proceedings, liabilities and claims of any nature, costs and expenses (including reasonable legal fees) which may be incurred by such Indemnitee or asserted against such Indemnitee arising out of or during the course of, or otherwise in connection with or in any way related to, the negotiation, preparation, formulation, solicitation, dissemination, implementation, confirmation and consummation of the Plan, other than any liabilities to the extent arising from the gross negligence or willful or intentional misconduct of any Indemnitee or any breach by Acquireco of the terms of the Acquisition Agreement as determined by a final judgment of a court of

competent jurisdiction. If any claim, action or proceeding is brought or asserted against an Indemnitee in respect of which indemnity may be sought from any of the LP Entities, the Indemnitee shall promptly notify the LP Entities in writing, and the LP Entities may assume the defence thereof, including the employment of counsel reasonably satisfactory to the Indemnitee, and the payment of all costs and expenses. The Indemnitee shall have the right to employ separate counsel in any such claim, action or proceeding and to consult with the LP Entities in the defence thereof and the fees and expenses of such counsel shall be at the expense of the LP Entities unless and until the LP Entities shall have assumed the defence of such claim, action or proceeding. If the named parties to any such claim, action or proceeding (including any impleaded parties) include both the Indemnitee and any of the LP Entities, and the Indemnitee reasonably believes that the joint representation of such entity and the Indemnitee may result in a conflict of interest, the Indemnitee may notify the LP Entities in writing that it elects to employ separate counsel at the expense of the LP Entities, and the LP Entities shall not have the right to assume the defence of such action or proceeding on behalf of the Indemnitee. In addition, the LP Entities shall not affect any settlement or release from liability in connection with any matter for which the Indemnitee would have the right to indemnification from the LP Entities, unless such settlement contains a full and unconditional release of the Indemnitee, or a release of the Indemnitee satisfactory in form and substance to the Indemnitee.

**COMPLETION OF SCHEDULES AND AMENDMENT OF ORDER**

47. **THIS COURT ORDERS** that the LP Entities are authorized and directed to (i) use their commercially reasonable efforts to work cooperatively with the Administrative Agent to complete the Schedules to this Order by not later than June 15, 2010, and (ii) as soon as practicable following the completion of the Schedules to this Order, and in any event not later than June 29, 2010, serve a motion to this Court for an Order amending this Order on notice to the counterparties to the Contracts and any Person that has registered any Canwest Books Encumbrance, Canwest GP Encumbrance, CLP Encumbrance or Encumbrance.

**OTHER PROVISIONS**

48. **THIS COURT ORDERS** that the AHC Transaction will have priority to management time to close that transaction. However, the LP Entities will also use reasonable efforts to comply with information requests from the Agent in accordance with the email of Alvarez & Marsal Canada ULC to the Monitor dated May 16, 2010 and such other requests in accordance with the LP Support Agreement so long as in each case they do not materially hinder or prejudice the closing of the AHC Transaction within the intended timeline. If any issues arise in relation to access to management time or other closing requirements as between the AHC Transaction and the Credit Acquisition, the parties will consult with the Monitor who will seek to resolve them. If the Monitor is unable to resolve any such issues advice and direction will be sought from the Court.

49. **THIS COURT ORDERS** that, except to the extent that the Initial Order has been varied by or is inconsistent with this Order, the Plan or any other Order in these proceedings, the provisions of Initial Order shall remain in full force and effect until the Credit Acquisition Plan Implementation Date, when all but paragraphs 65-97 of the Initial Order shall terminate. Notwithstanding the termination of certain provisions of the Initial Order, the Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in its favour, except as varied herein.

50. **THIS COURT ORDERS** that paragraphs 65-97 of the Initial Order and all other Orders made in these CCAA proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by or inconsistent with this Order, subject to paragraph 12 hereof, or any further Order of this Honourable Court.

51. **THIS COURT ORDERS** that this Court shall retain jurisdiction in respect of any matter in dispute arising out of anything relating to the interpretation or implementation of the Plan.

52. **THIS COURT ORDERS** that the LP Entities, the Monitor, Acquireco or the Administrative Agent may apply to this Honourable Court for further advice, directions or assistance as may be necessary to give effect to the terms of the Plan.

53. **THIS COURT ORDERS** that, subject to paragraphs 7 and 12, this Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all other Persons against whom it may otherwise be enforceable.

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

55. **THIS COURT ORDERS** that each of the LP Entities, the Monitor, Acquireco and the Administrative Agent be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that this Order shall be posted on the website maintained by the Monitor and shall only be required to be served upon those parties who have either formally entered an appearance in these proceedings or those parties who appeared at the hearing of the motion for this Order.



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

MAY 17 2010

PER / PAR:



**SCHEDULE "A"**

**Plan of Compromise and Arrangement**

**SCHEDULE "B"**

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

***MONITOR'S CREDIT BID SANCTION CERTIFICATE***

***RECITALS***

A. Pursuant to an Order of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (the "**Court**") dated January 8, 2010, FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**") of Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., and Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en Commandite (collectively, the "**LP Entities**") in their proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended.

B. By Order dated May 17, 2010 (the "**Conditional Credit Acquisition Order**"), the Court approved and sanctioned, subject to paragraph 7 of the Conditional Credit Acquisition Order, the plan of compromise and arrangement dated January 8, 2010 attached as Schedule "A" to the Conditional Credit Acquisition Order (the "**Plan**") and ordered that upon, *inter alia*, delivery of the Monitor's Credit Bid Sanction Certificate the Plan shall be implemented, shall be effective and shall enure to the benefit of and be binding upon the LP Entities and the Senior Lenders (as defined in the Conditional Credit Acquisition Agreement).

C. Pursuant to the Conditional Credit Acquisition Order, the Monitor was authorized to apply to Court for authority or directions to deliver the Monitor's Credit Bid Sanction Certificate.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Conditional Credit Acquisition Order.

**THE MONITOR CERTIFIES** the following:

1. By Order dated ●, 2010, the Court directed the Monitor to deliver the Monitor's Credit Bid Sanction Certificate.
  
2. This Monitor's Credit Bid Sanction Certificate was delivered by the Monitor at \_\_\_\_\_ on \_\_\_\_\_, 2010.

**FTI Consulting Canada Inc., in its  
capacity as Court-appointed Monitor of  
the LP Entities, and not in its personal  
capacity**

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE "C"**

**[NTD: List of legal descriptions to be completed in accordance with Paragraph ● ]**

Toronto Property

Ottawa Property

Windsor Property

Alberta Properties

BC Properties

Saskatchewan Properties

Quebec Properties

**SCHEDULE "D"**

**[NTD: List of Real Properties Encumbrances to be added in accordance with Paragraph 43.]**

Toronto Property

Ottawa Property

Windsor Property

Alberta Properties

BC Properties

Saskatchewan Properties

Quebec Properties

## **SCHEDULE "E"**

**[NTD: List of Real Properties Permitted Encumbrances to be added in accordance with Paragraph 43.]**

Toronto Property

Ottawa Property

Windsor Property

Alberta Properties

BC Properties

Saskatchewan Properties

Quebec Properties

**SCHEDULE "F"**

**[NTD: Insert form of draft deed of transfer for Quebec Property in accordance with Paragraph 43.]**

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

**CONDITIONAL CREDIT ACQUISITION SANCTION,  
APPROVAL AND VESTING ORDER**

**OSLER, HOSKIN & HARCOURT LLP**

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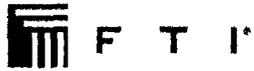
Elizabeth Allen Putnam (LSUC#53194L)  
Tel: (416) 862-6835  
Fax: (416) 862-6666

Lawyers for the Applicants

F. 1117119

**TAB D**

# **APPENDIX "D"**



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

**EIGHTH REPORT OF  
FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS**

**June 3, 2010**

**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.**

**EIGHTH REPORT OF  
FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**INDEX**

<b>TAB</b>	<b>DOCUMENT</b>
1.	Eighth Report
A.	Initial Order dated January 8, 2010 (without schedules)
B.	Canadian Association of Insolvency and Restructuring Professionals (CAIRP) Standard of Practice No. 09-7
C.	LP Entities' unaudited consolidated financial statements ending February 28, 2010
D.	AHC Bid Approval Order dated May 17, 2010
E.	Conditional Sanction Order dated May 17, 2010 (without schedules)

- F. Meeting Order dated May 17, 2010
- G. Copies of Notice to Creditors re Claims procedure and amendment to claims procedure publications
- H. Claims Procedure Order dated April 12, 2010 and Amended Claims Procedure Order dated May 17, 2010 (without schedules)
- I. Notice of Meeting Order published May 21, 2010 and May 25, 2010
- J. Table summarizing number and value of claims asserted, accepted and disputed as of June 3, 2010

# **TAB 1**

**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.**

**EIGHTH REPORT OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**June 3, 2010**

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the "**Initial Order**") (a copy of which is attached as **Appendix "A"**), Canwest Publishing Inc. / Publications Canwest Inc. ("**CPI**"), Canwest Books Inc. ("**CBI**"), and Canwest (Canada) Inc. ("**CCI**", and together with CPI and CBI, the "**Applicants**") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the "**Limited Partnership**", and together with the Applicants, the "**LP Entities**") and appointed FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the "**CCAA Proceedings**".

## PURPOSE OF THIS REPORT

2. This Eighth Report is prepared in accordance with section 23(1)(d.1) of the CCAA which requires the Monitor to:

*(d.1) file a report with the court on the state of the company's business and financial affairs — containing the monitor's opinion as to the reasonableness of a decision, if any, to include in a compromise or arrangement a provision that sections 38 and 95 to 101 of the Bankruptcy and Insolvency Act do not apply in respect of the compromise or arrangement and containing the prescribed information, if any — at least seven days before the day on which the meeting of creditors referred to in section 4 or 5 is to be held;*

3. In preparing this report, the Monitor was guided, *inter alia*, by the Canadian Association of Insolvency and Restructuring Professionals' ("CAIRP") Standard of Practice No. 09-7, Plan of Compromise or Arrangement approved, ratified and confirmed by CAIRP members on August 21, 2009 (the "Guidelines"). A copy of the Guidelines is attached hereto as **Appendix "B"**.

## TERMS OF REFERENCE

4. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities' books and records, certain financial information prepared by, and discussions with, the LP Entities' management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.

5. Capitalised terms not defined in this report shall have the meanings assigned to them in the Pre-filing Report of the Proposed Monitor dated January 7, 2010 (the “Pre-filing Report”). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

## BACKGROUND

### *Canwest*

6. Canwest Global Communications Corp. (“Canwest”) carries on business through a number of subsidiaries. Through its ownership of the LP Entities, Canwest is Canada’s largest publisher of English-language paid daily and non-daily newspapers and owns and operates substantial digital media and online businesses. Canwest also directly or indirectly owns, operates and/or holds substantial interests in free-to-air television stations, subscription-based specialty television channels, and websites in Canada.
7. Relief in the CCAA Proceedings was obtained on January 8, 2010 by the Canwest entities which carry on, *inter alia*, newspaper and online publishing and digital media businesses. Not included in the CCAA Proceedings is National Post Inc., a wholly-owned subsidiary of the LP Entities which acquired the business and certain assets that comprised the *National Post* newspaper from The National Post Company / La Publication National Post in October 2009.
8. The Canwest entities that own and operate Canwest’s free-to-air television broadcast business and certain subscription-based specialty television channels in Canada,

including Canwest Media Inc. (collectively, the “CMI Entities”), applied for and obtained protection under the CCAA in a separate proceeding on October 6, 2009.

*Material Assets and Liabilities*

9. As at February 28, 2010, the LP Entities had total consolidated assets with a net book value of \$700 million (\$237 million in current assets, \$463 million in non-current assets), total consolidated liabilities of approximately \$1.7 billion (\$131 million in current liabilities, \$1.5 billion in consolidated debt, and \$95.0 million in non-current liabilities), and a total consolidated partners’ deficiency of approximately \$1.0 billion.
10. A copy of the LP Entities’ unaudited consolidated financial statements for the second fiscal quarter ending February 28, 2010 is attached as **Appendix “C”**.
11. As at February 28, 2010, the LP Entities reported consolidated indebtedness of approximately \$1.5 billion pursuant to the following credit facilities:
  - i. the LP Credit Agreement - \$856.7 million
  - ii. Swap Obligations - \$68.7 million
  - iii. the LP Senior Subordinated Credit Agreement - \$78.4 million
  - iv. the 9.25% Notes (as defined below) - \$450.4 million

12. As described in greater detail in the Pre-filing Report, the LP Entities' obligations under the LP Credit Agreement and the Swap Obligations are secured by substantially all of the assets of the LP Entities<sup>1</sup>.

*Causes of Financial Difficulties*

13. As described in greater detail in the Pre-filing Report, starting in the second half of 2008, the LP Entities began to experience declines in advertising revenues which had a negative impact on their cash flows, resulting in the LP Entities breaching certain covenants, missing certain principal and interest payments, and defaulting under their various credit facilities and related guarantee obligations in May 2009. As a result of these events of default, amounts under the LP Entities' various credit facilities became immediately due and payable.

*Proposed Restructuring*

14. The Initial Order contemplated a plan of arrangement for the LP Entities under the CCAA in a pre-arranged support transaction (the "**Support Transaction**") with the LP Senior Secured Lenders (as defined in the Pre-filing Report) pursuant to which (and subject to a successful Court-approved bid as a result of and in accordance with the terms of the SISP (as defined below)) an entity to be initially capitalized by the LP Senior Secured Lenders as described in the AcquireCo Capitalization Term Sheet (as this term is defined in the Senior Lenders' Plan (as defined below)) ("**AcquireCo**") would acquire

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<sup>1</sup> The validity of the security interest granted by the LP Entities to secure their obligations under the LP Credit Agreement and the Swap Obligations is commented on in greater detail below.

substantially all of the assets of the LP Entities, assume the liabilities of the LP Entities and offer employment to all or substantially all of the employees of the LP Entities on terms and conditions consistent with their current employment (other than certain specified liabilities and subject to AcquireCo's right to exclude certain additional liabilities) (the "**Credit Acquisition**").

15. The Support Transaction was to be implemented pursuant to a plan of compromise or arrangement between the LP Senior Secured Lenders, the Limited Partnership, and CPI (the "**Senior Lenders' Plan**"). On January 27, 2010, an excess of the majority in number and two-thirds in value of the LP Senior Secured Lenders holding Accepted Senior Voting Claims present and voting at the Senior Lenders' Meeting (as these terms are defined in the Initial Order) voted in favour to approve the Senior Lenders' Plan.
16. The Support Transaction contemplated that the LP Entities' financial advisor, RBC Dominion Securities Inc., a member of RBC Capital Markets (the "**Financial Advisor**"), would conduct a sale and investor solicitation process (the "**SISP**") under the supervision of the Monitor in an effort to attract a Superior Offer (as defined below).
17. As described in greater detail in the Seventh Report, following its review of the bids received pursuant to the SISP and in consultation with the Financial Advisor and the LP CRA, the Monitor determined in its reasonable business judgment that the bid (the "**AHC Bid**") submitted by the *ad hoc* committee (the "**Ad Hoc Committee**") of holders of 9.25% senior subordinated notes (the "**9.25% Notes**") issued by the Limited Partnership constitutes a Superior Cash Offer and recommended that the AHC Bid be selected and a

definitive agreement be negotiated and settled to carry out the transaction contemplated thereby (the “**AHC Transaction**”).

18. The Monitor’s recommendation to the Special Committee was accepted and by Order dated May 17, 2010 (the “**AHC Bid Approval Order**”), this Court approved the AHC Bid. A copy of the AHC Bid Approval Order is attached as **Appendix “D”**.
  
19. Also on May 17, 2010, the LP Entities obtained an Order conditionally sanctioning the Senior Lenders’ Plan (the “**Conditional Sanction Order**”). Pursuant to the Conditional Sanction Order, the Senior Lenders’ Plan and the Credit Acquisition will not become effective unless the Monitor delivers a Monitor’s certificate. The Monitor will not deliver the certificate before July 29, 2010, unless, prior to July 29, 2010, the Monitor determines in its reasonable business judgment that there is no reasonable chance that the AHC Transaction can close, in which case the Monitor may apply to Court on four (4) business days notice for authority to deliver the Monitor’s certificate. The Monitor will not deliver the Monitor’s certificate if the AHC Transaction closes on or before July 29, 2010 and the LP Senior Secured Lenders are repaid in full. If the AHC Bid is not closed by July 29, 2010, the Monitor shall apply to the Court on July 30, 2010 for advice and direction as to whether it should deliver its certificate or withhold delivery of the certificate for such further period of time as directed by the Court. A copy of the Conditional Sanction Order is attached as **Appendix “E”**.
  
20. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report and in the affidavit of Thomas Strike sworn January 7, 2010 (the “**Strike Affidavit**”), copies of which (together with

other relevant materials, including a copy of the Initial Order) have been posted on the Monitor's website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/clp>.

## **STATUS OF THE CCAA PROCEEDINGS**

### *Activities of the LP Entities*

21. Since the date of the Initial Order, the LP Entities have carried on their businesses in the ordinary course. The LP Entities' senior management team continues to work with the LP Entities' employees, customers and suppliers to ensure that the stability of operations is maintained.

### *Customers & Suppliers*

22. Senior management continues to communicate with customers to provide information and respond to questions about the implications of the CCAA Proceedings.
23. Senior management continues to deal with suppliers on an ongoing basis as required with respect to, *inter alia*, payment terms for goods and/or services being delivered or provided after the date of the Initial Order.

### *Employees*

24. There have been no significant changes in the number of full-time equivalent ("FTE") employees employed by the LP Entities since the date of the Initial Order. The LP Entities continue to employ approximately 5,300 FTE unionized and non-unionized employees in Canada.

25. On May 11, 2010, the LP Entities announced that they had entered into an agreement to outsource a number of services currently being provided by the *ReachCanada Contact Centre* located in Winnipeg, Manitoba. The *ReachCanada Contact Centre* is scheduled to be closed in a phased process from August through the end of September 2010 during which time the employment of approximately 88 full time employees and 127 part time employees will be terminated.
  
26. Approximately 42% of the LP Entities' employees are unionized under 43 collective bargaining agreements. Since the commencement of the CCAA Proceedings and as of the date of this Eighth Report, five new collective bargaining agreements have been negotiated and ratified by the relevant bargaining units. Six additional collective bargaining agreements are currently expired and one collective bargaining agreement is set to expire on September 1, 2010. The LP Entities have commenced or will, in the coming months, be commencing negotiations with the relevant unions with respect to the expired and expiring collective bargaining agreements.

#### *Management*

27. As described in greater detail in the Monitor's prior reports, the former President, Chief Executive Officer and senior employee of CPI, Dennis Skulsky, resigned his position effective April 30, 2010. The LP Entities and Mr. Skulsky entered into a consulting agreement whereby Mr. Skulsky has agreed to remain on a part time consulting basis until August 31, 2010. Effective April 30, 2010, Mr. Kevin Bent became the interim President of CPI.

28. As described in greater detail in the Fourth Report of the Monitor dated March 12, 2010, on March 1, 2010, all of the then current directors and officers of the LP Entities resigned from their positions with the LP Entities. Following their resignations, the LP Entities have not elected/appointed directors or officers under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44. Following the resignation of all of the LP Entities' directors and officers, the "senior employees" of the LP Entities remained to carry on the day to day operations of the LP Entities.

*Summary of Operating Results since the Filing of the CCAA Application*

29. Since the commencement of the CCAA Proceedings, the LP Entities have experienced improvements in their operating and financial results, including the following:
- i. reported EBITDA (unaudited) for the three months ending February 28, 2010 totaled \$40.9 million, an increase of \$28.7 million compared to the same period in the fiscal year ending August 31, 2009 ("FY2009");
  - ii. reported EBITDA (unaudited) for the six months ending February 28, 2010 totaled \$107.5 million, an increase of \$28.2 million compared to the same period in FY2009;
  - iii. most suppliers did not significantly vary their credit terms to supply product to the LP Entities following the Filing Date;
  - iv. cumulative net cash flows for the period March 29, 2010 through May 23, 2010 were \$21 million higher than forecast in the cash flow forecast as at March 29,

2010 attached as Appendix "C" to the Monitor's Sixth Report due to primarily the following factors:

- a) better-than-forecast operating receipts totaling \$13.2 million;
  - b) lower capital expenditures than forecast of \$3.6 million; and
  - c) lower than forecast funding requirements for the National Post Inc. (not an applicant in the CCAA Proceedings) of \$2.6 million;
- v. results of the 2009 NADBank study released on March 17, 2010<sup>2</sup> indicate that readership is stable or has increased slightly for newspapers across the LP Entities' chain. Specific results from the 2009 NADBank study include:
- a) 8 out of 10 LP Entities' metro dailies saw increased weekly readership;
  - b) weekly online readership was up 20% overall and the growth was experienced by all LP Entities' metro dailies; and
  - c) the combination of print and online weekly readership for the LP Entities' dailies is 4 million readers, an increase of 2.1% over the 2008 NADBank study.

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<sup>2</sup> NADbank 2009 Study provides members with access to readership results for 81 Canadian daily newspapers and 2 Detroit newspapers in 53 markets across Canada. Also available is readership information for 60 community newspapers in 33 markets. Including resident markets and extended areas, NADbank Study captures the readership habits of 72% of Canadian adults.

## THE AHC PLAN

### *AHC APA*

30. The AHC Bid is structured as an asset purchase in the context of a plan of compromise or arrangement (the “**AHC Plan**”) under the CCAA. The terms of the AHC Transaction are contained in an asset purchase agreement dated May 10, 2010 (the “**AHC APA**”) and were summarized in greater detail in the Seventh Report. Copies of the AHC Plan, the AHC APA, and Management Proxy Circular with respect to the AHC Plan are available on the Monitor’s website for these proceedings.
31. The AHC APA contemplates that a corporation wholly owned by the equity sponsors of the AHC Bid (as described below) (“**Holdco**”) will effect a transaction through CW Acquisition Limited Partnership (the “**Purchaser**”) whereby the Purchaser will acquire substantially all of the financial and operating assets of the LP Entities and the shares of National Post Inc. on an “as is, where is” basis and assume the Assumed Liabilities<sup>3</sup> (as defined in the AHC APA).
32. The purpose of the AHC Plan is to, among other things, enable the Purchaser to continue the business of the LP Entities as a going concern after the AHC Plan implementation date (the “**Plan Implementation Date**”), safeguard substantial employment and effect a compromise, settlement and payment of all Affected Claims in accordance with the AHC Plan, the Amended Claims Procedure Order and the Meeting Order (as such terms are defined below). The AHC Plan will reduce the consolidated debt of the LP Entities’

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<sup>3</sup> Which includes, among other things, all post-filing liabilities (other than Restructuring Period Claims) and Insured Claims (as these terms are defined in the Claims Procedure Order).

business and the Purchaser will benefit from a reduction in annual principal repayments with respect to the LP Entities' long-term debt.

33. The purchase price in the approximate amount of \$1.1 billion<sup>4</sup> (exclusive of all applicable sale and transfer taxes) will consist of:
- i. a cash amount equal to the full amount owing to the LP Senior Secured Lenders;
  - ii. a cash payment to unsecured creditors with proven claims that elect to receive a cash payment equal to the lesser of the amount of their proven claim and \$1,000;
  - iii. an unsecured demand promissory note of \$150 million (less the amount payable under (ii) above) issued by the Purchaser to the Monitor on behalf of the LP Entities, which will immediately be exchanged for common shares of Holdco pursuant to the AHC Plan; and
  - iv. the assumption by the Purchaser of the Assumed Liabilities.
34. At closing, the Purchaser will offer employment to substantially all of the employees of the LP Entities and will assume substantially all of the pension liabilities (subject to certain exceptions described in greater detail in the AHC APA and the Seventh Report).
35. The AHC Plan contemplates that the Purchaser will continue to operate all of the businesses of the LP Entities in substantially the same manner as they are currently operated, with no plans to discontinue operations, sell material assets or make significant

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<sup>4</sup> The purchase price to be paid by the Purchaser under the AHC APA is \$1.075 billion plus the amount of assumed liabilities. The additional \$25 million raised by the Purchaser will be used to pay closing costs.

changes to current management. Future business plans and decisions will be made by the Purchaser's board of directors and management.

*Affected Creditors*<sup>5</sup>

36. The AHC Plan contemplates affecting only the “**Affected Creditors**” which are essentially (a) all unsecured creditors with Claims (as defined in the Amended Claims Procedure Order), including for greater certainty the holders of beneficial interest in the 9.25% Notes (the “**Beneficial Noteholders**”) and the holders of claims under the LP Senior Subordinated Agreement (the “**LP Subordinated Lenders**”); and (b) certain secured creditors (other than the LP Senior Secured Lenders) to the extent their Claims exceed the realizable value of the property subject to such security; and *excluding* various statutory priority claim holders, intercompany claims and claims of the Purchaser arising from or relating to the Administrative Reserve (as defined below) (the “**Unaffected Claims**”).
37. The AHC Plan does not affect the Unaffected Claims. Creditors with Unaffected Claims will not be entitled to vote or receive any distributions under the AHC Plan. Claims that are Unaffected Claims of any particular LP Entity will remain the obligations solely of such LP Entity and will not become obligations of any other entity.

*Creditors' Meeting*

38. On May 17, 2010, the LP Entities obtained an Order (the “**Meeting Order**”) to call, hold and conduct a meeting of certain of the Affected Creditors to consider and vote on a

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<sup>5</sup> All terms used but not defined in this section of the Report shall have the meaning ascribed to them in the AHC Plan.

resolution to approve the AHC Plan (the “**Meeting**”). A copy of the Meeting Order is attached as **Appendix “F”**.

39. The Meeting is scheduled to be held at the Sheraton Centre Toronto (Simcoe Dufferin Room), 123 Queen Street West, Toronto, Ontario at 10:00 a.m. on June 10, 2010.
40. Pursuant to the Meeting Order, on May 20, 2010, the Monitor delivered copies of the Notice to Affected Creditors (as defined in the Meeting Order) to those Affected Creditors specified in the Meeting Order, the LP Subordinated Agent, and to the trustees under the 9.25% Notes indenture (the “**Trustees**”).
41. The Monitor published the Notice to Affected Creditors on May 21, 2010 and May 25, 2010 in the *National Post*, *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal*. A copy of the publication is attached as **Appendix “G”**.
42. The LP Entities delivered an electronic copy of the Solicitation Package (as defined in the Meeting Order) to Broadridge Financial Solutions Inc. on May 20, 2010 and hard copies of same on May 21, 2010 for distribution to the Beneficial Noteholders.
43. A representative of the Monitor will act as the chair of the Meeting and decide all matters relating to the conduct of the Meeting in accordance with the Meeting Order. The only persons entitled to attend the Meeting are those persons entitled to vote at the Meeting and their proxy holders and legal counsel and advisors, representatives of the LP Entities and their respective legal counsel and advisors, the Monitor and its legal counsel, Holdco, the Purchaser and their respective legal counsel and advisors, representatives of the Ad Hoc Committee and their legal counsel and advisors, and the persons appointed to act as

scrutineers at the Meeting. Any other person may be admitted on invitation of the chair of the Meeting.

44. The quorum for the Meeting is one Affected Creditor present in person or by proxy at the Meeting.

*Voting*

45. In order for the AHC Plan to be binding on the Affected Creditors in accordance with the CCAA, a resolution to approve the AHC Plan must first be approved by a majority in number of the Affected Creditors having an Affected Claim and voting or deemed to vote on the resolution at the Meeting and representing not less than 66⅔% in value of the Affected Claims of the Affected Creditors voting or deemed to vote at the Meeting.
46. The AHC Plan contemplates one class of creditors consisting of Affected Creditors.
47. Each Affected Creditor is entitled to attend and to vote at the Meeting other than Beneficial Noteholders who must vote through their nominees<sup>6</sup>. Each Affected Creditor is entitled to one (1) vote in respect of its Affected Claim, which vote will have the value of its Affected Claim as determined in accordance with the Amended Claims Procedure Order or the Meeting Order.
48. Affected Creditors with Claims of less than or equal to \$1,000 or that have opted to take a cash payment of \$1,000 in satisfaction of their Claim pursuant to the AHC Plan shall be deemed to have voted in favour of the AHC Plan.

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<sup>6</sup> Voting procedures for Beneficial Noteholders is governed by and described in greater detail in the Meeting Order and the AHC Plan.

49. For Affected Creditors, other than the LP Subordinated Lenders, if the value of the Affected Claim has not been determined by the date of the Meeting, the relevant LP Entity shall either: (i) accept the Affected Creditor's determination of the Affected Claim only for the purposes of voting and conduct the vote on that basis subject to a final determination of such Affected Claim, and in such case the Monitor shall record separately the value of such Affected Claim and whether such Affected Creditor voted in favour of or against the AHC Plan; (ii) subject to the written consent of the Purchaser, adjourn the Meeting until a final determination of the Affected Claim is made; or (iii) deal with the matter as the Court may otherwise direct or as the LP Entities, the Monitor and the Affected Creditor may otherwise agree. If the value of the Affected Claim of an LP Subordinated Lender has not been determined on or before June 7, 2010, or three (3) days prior to the adjournment of the Meeting, such Affected Claims shall be dealt with in the same manner as (i) above.
50. The Monitor will report to the Court no later than two (2) Business Days after the Meeting with respect to: (i) the results of the voting on the resolution to approve the AHC Plan, (ii) whether the required majority has approved the AHC Plan and (iii) the effect on the results of the voting had the Affected Creditors also voted the amount of their Claim, disputed for voting purposes.
51. Any vote will be binding on all Affected Creditors whether or not such Affected Creditor is present at the Meeting.

*Distributions*

52. The AHC Plan contemplates that each Affected Creditor with a proven Claim of less than or equal to \$1,000 will receive a cash payment equal to the lesser of the amount of its Claim and \$1,000. Each Affected Creditor with a proven Claim of greater than \$1,000 can elect to receive a cash payment in the amount of \$1,000 in satisfaction of its entire Claim (the “Cash Election”).
53. The AHC Plan contemplates that each Affected Creditor with a proven Claim of greater than \$1,000 that did not make a valid Cash Election will receive its *pro rata* share of the equity pool, which shall be comprised of the Voting Shares purchased by CPI on the Plan Implementation Date pursuant to and in accordance with the AHC Plan and the AHC APA (the number of which Voting Shares will be approximately equal to \$150 million (less the aggregate of the Cash Election Amount selected or deemed to have been selected by Affected Creditors) divided by a price per Voting Share of \$13.3333<sup>7</sup>, rounded down to the nearest whole number). Each Affected Creditor who is a Canadian Creditor and has delivered a Canadian Creditor Declaration in accordance with the AHC Plan shall receive from Holdco or its agent, as applicable, Voting Shares and each Affected Creditor who has not delivered a properly completed Canadian Creditor Declaration in accordance with the AHC Plan shall receive Variable Voting Shares (as such terms are defined in the AHC Plan).<sup>8</sup>

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<sup>7</sup> Although the AHC Plan was prepared based upon an organizational value, such valuation was not and should not be construed as an estimate of the price at which the Shares may trade in the market, if at all, and the LP Entities have not attempted to make any such estimate in connection with the development of the AHC Plan. No assurance can be given as to the market price of the Shares that will prevail.

<sup>8</sup> There is currently no market through which the Shares may be sold and one may never develop. As such, Affected Creditors that are issued Shares pursuant to the AHC Plan may not be able to resell such Shares. Although Holdco intends to apply to the Toronto Stock Exchange for the listing of its Shares following the acquisition of the Acquired Assets (as defined in the AHC

54. Following the distribution of Shares to Affected Creditors, such distributed Shares are expected to account for approximately 45% of the issued and outstanding Shares in the capital of Holdco.
55. Distributions to Affected Creditors are anticipated to commence on a date that is not more than seven (7) days after the Plan Implementation Date or such other date specified in the Sanction and Vesting Order (the “**Initial Distribution Date**”). No distributions can be made until the maximum amount of all disputed Claims is quantified (although not necessarily resolved). There is a risk that the Initial Distribution Date will not take place on or before 7 days following the Plan Implementation Date if the maximum amount of any Disputed Claims remains unquantified as at such date. The LP Entities and the Monitor are in discussions with the Canada Revenue Agency with regard to voting its claim and quantifying the “marker” claim it submitted in the LP Entities’ claims process.
56. Under the AHC Plan, the Monitor will make interim distributions on the last Business Day of each month after the Initial Distribution Date (or more frequently as the Monitor may determine in its sole and unfettered discretion).
57. Affected Creditors will not receive their full allocation of Shares until the earlier of ten (10) Business Days after the resolution of all disputed Claims and December 31, 2010 (the “**Final Distribution Date**”). Any disputed Claims that have not become Proven

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APA), to date, no such application has been made and there can be no assurance that the Toronto Stock Exchange will accept the listing of Holdco’s Shares.

Claims (as defined in the AHC Plan) on or before the Final Distribution Date shall be forever barred, extinguished and released without any compensation.

58. If any Affected Creditor's distribution by way of cheque, share certificate(s) or otherwise is returned as undeliverable or is not cashed, no further distributions to such Affected Creditor shall be made unless and until the LP Entities and the Monitor are notified by such Affected Creditor of such Affected Creditor's current address, at which time all such distributions shall be made to such Affected Creditor without interest, if applicable. All claims for undeliverable or uncashed distributions in respect of Proven Claims must be made on or before June 30, 2011, after which date the Proven Claims of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed or uncashed distributions shall be forever discharged and forever barred without any compensation therefor.

*Assignment of Claims*

59. The assignment and transfer of Affected Claims may be restricted and is governed by the terms and provisions of the Meeting Order, Amended Claims Procedure Order and the AHC Plan.

*Conditions to the Implementation of the Plan*

60. The implementation of the AHC Plan is conditional upon the satisfaction or waiver of all conditions precedent under the AHC APA in accordance with the terms of the AHC APA, and the AHC APA not having been terminated.

*Anticipated Timing of Plan Implementation*

61. If the Meeting is held as scheduled and is not adjourned or postponed and subject to the approval of the AHC Plan by the Affected Creditors, the LP Entities expect that the application for the Sanction and Vesting Order will be heard on or about June 18, 2010 at 10:00 a.m. (Toronto time). If the Sanction and Vesting Order is granted in form and substance satisfactory to the LP Entities and the Purchaser and all other conditions to the implementation of the Plan are satisfied or waived, the LP Entities expect the Plan Implementation Date to occur as soon as possible thereafter. As soon as the Plan Implementation Date has been determined, Canwest will issue a news release announcing the same. Subject to all of the foregoing, it is expected that the Plan Implementation Date will occur in the month of July, 2010.

*Administrative Reserve*

62. The AHC Plan contemplates that, subject to Court approval in a subsequent Order, on or before the Plan Implementation Date, an administrative reserve (the “**Administrative Reserve**”) will be established in an amount to be agreed by the Monitor, the LP Entities and Holdco, which amount is not to exceed \$25 million, using cash and cash equivalents from the accounts of the LP Entities. The Administrative Reserve will be held in a segregated account in trust by the Monitor for the benefit of persons entitled to be paid certain specified costs and priority payments to the extent such costs and payments are not assumed by the Purchaser. Any residual balance in the Administrative Reserve after the payment of all such costs and priority payments shall be an asset of and owned by the Purchaser.

*Releases*

63. The AHC Plan contemplates that on the Plan Implementation Date, the LP Entities, the Monitor, the Special Committee, FTI, the LP CRA, the Trustees, 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 (the “Released Parties”) shall be released and discharged from any and all claims and liabilities in any way relating to, arising out of or in connection with the Claims and/or the business and affairs of the LP Entities (all to the full extent permitted by law, provided that the AHC Plan will not 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).

*Modification of the Plan*

64. The AHC Plan provides that the LP Entities may, at any time and from time to time, 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 Meeting, communicated to the Affected Creditors in the manner required by the Court (if so required); and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. 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 Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors. Any amended, restated, modified or supplementary plan or plans of compromise and arrangement filed with the Court and, if required, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan<sup>9</sup>.

*Other*

65. The AHC Plan does not provide that Sections 38, 95 to 101 of the *Bankruptcy and Insolvency Act* (Canada) ("BIA") do not apply to it.
66. The Monitor has reviewed certain of the LP Entities' transactions preceding the commencement of the CCAA Proceedings and is satisfied that they do not constitute preferences, fraudulent conveyances or other transactions at undervalue.

**REPORT ON ALTERNATE BIA PROCEEDING & WHETHER CCAA PROCEEDING WAS THE BEST COURSE OF ACTION**

67. As described in greater detail in the Pre-filing Report, as a result of declining revenues, the LP Entities defaulted under their various credit facilities and related guarantee obligations in May 2009. As a result of those events of default, amounts under the LP Entities' various credit facilities became immediately due and payable.

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<sup>9</sup> The LP Entities, the Monitor and the Purchaser are currently preparing amendments to the AHC Plan with respect to the Share distribution mechanics.

68. The LP Entities required a stay of proceedings under the CCAA in order to allow them to implement the Support Transaction and allow their financial advisor (under the supervision of the Monitor) to conduct the SISP in order to restructure and reorganize their businesses and preserve their enterprise values.
69. There will be no recovery for the Affected Creditors or any other unsecured creditors of the LP Entities if the Credit Acquisition is implemented. The SISP, which the Monitor believes, constituted a thorough canvassing of the market, produced only one Superior Cash Offer – the offer in respect of the AHC Transaction – which does provide a recovery to unsecured creditors. Therefore, at this time and based on the results of the SISP, it is unlikely that any offer derived from a further sales process or liquidation of the LP Entities' assets would include recovery for unsecured creditors.
70. The LP Entities and the Monitor believe that the AHC Plan will produce a more favourable result for the Affected Creditors than the Credit Acquisition or a further sale process or liquidation of the LP Entities' assets under the CCAA or the BIA.
71. In the Monitor's view, a bankruptcy under the BIA in the alternative to the proceedings under the CCAA would not be more beneficial to the LP Entities' creditors. The Monitor is also of the view that the CCAA Proceedings were the best course of action and that it would not be more beneficial to the LP Entities' creditors if proceedings in respect of the LP Entities were taken under the BIA.

## CLAIMS AGAINST THE LP ENTITIES

### *General*

72. On April 12, 2010, the LP Entities obtained an Order (the “**Claims Procedure Order**”) establishing a claims procedure for the identification and quantification of certain claims against the LP Entities (the “**Claims Procedure**”). For reasons described in the Monitor’s Seventh Report, the Claims Procedure Order was amended by Order of Justice Pepall dated May 17, 2010 (the “**Amended Claims Procedure Order**”) to call for certain additional claims, including claims against the directors and officers of the Applicants. Copies of the Claims Procedure Order (without Schedules) and the Amended Claims Procedure Order (without schedules) dated May 17, 2010 are attached hereto collectively as **Appendix “H”**.
73. In accordance with the Claims Procedure Order, the Monitor published the LP Notice to Creditors on April 16, 2010 and April 19, 2010 in the *National Post*, *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal*. Following the granting of the Amended Claims Procedure Order, the Monitor published the LP Notice of Amended Claims Procedure on May 21, 2010 and May 25, 2010 in the *National Post*, *The Globe and Mail* (National Edition), and *La Presse*. Copies of the publications are attached collectively as **Appendix “I”**.

74. In accordance with the Claims Procedure Order, on April 16, 2010, the Monitor provided approximately 2,000 LP Claims Packages<sup>10</sup> to the LP Creditors with Claims (other than a Restructuring Period Claim, an Employee Claim or a Director/Officer Claim).
75. In addition, on or before May 21, 2010, the Monitor provided 11 LP Claims Packages in connection with Restructuring Period Claims and Employee Claims. On May 27, 2010 and May 31, 2010, the LP Entities provided 3 LP Claims Packages to employees whose employment was being terminated.
76. Since the commencement of the CCAA Proceedings, the LP Entities have obtained the Monitor's consent for disclaimer of and delivered notices of disclaimer in connection with four agreements.

*Preliminary Review of Status of Claims Procedure*

77. Among other things, the Amended Claims Procedure Order established 5:00 p.m. on May 7, 2010 as the LP Claims Bar Date and 5:00 p.m. on June 3, 2010 as the LP Restructuring Period Claims Bar Date, the Employee Claims Bar Date and the LP Director/Officer Claims Bar Date.
78. The Monitor received approximately 720 LP Proofs of Claim on or before the LP Claims Bar Date. The Monitor also received 73 LP Proofs of Claim after the LP Claims Bar

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<sup>10</sup> All terms used but not defined in this section of the Report shall have the meaning ascribed to them in the Amended Claims Procedure Order.

Date all of which were rejected and disallowed in their entirety in accordance with the Amended Claims Procedure Order.

79. The Claims Procedure Order provided that after the initial call for claims, no steps would be taken for the adjudication or determination of claims unless, among other things, a determination was made by the LP Entities, the Monitor, the Administrative Agent and the LP CRA that the resolution of claims was required to close a successful bid identified in the SISP. On May 10, 2010, the LP Entities, the Monitor and the Administrative Agent determined that steps should be taken to resolve claims set out in the Amended Claims Procedure Order and the adjudication and resolution of claims commenced.

80. The LP Entities, with the assistance of the Monitor, have reviewed the claims of the LP Creditors and have been diligently resolving these claims. As at June 2, 2010, approximately 600 claims asserted in the LP Entities' Claims Procedure have been accepted, withdrawn or otherwise resolved. In addition, the LP Entities are in the process of finalizing settlement documents with respect to 2 additional claims. The LP Entities are or will be engaging in discussions with the remaining holders of the outstanding claims shortly.

81. In addition, in accordance with the terms of the Meeting Order, on May 20, 2010, the LP Subordinated Agent delivered to the LP Entities (with a copy to the Monitor) a notice setting out each LP Subordinated Lender's *pro rata* share of the aggregate amount owing by each of the LP Entities under the LP Senior Subordinated Credit Agreement as at the filing date based on the records of the LP Subordinated Agent. The Monitor is advised by counsel for the LP Subordinated Agent that on May 20, 2010, the LP Subordinated

Agent also posted a copy of the Notice of LP Subordinated Lender Pro Rata Claims (as these terms are defined in the Meeting Order) on one of the IntraLinks websites maintained by the LP Subordinated Agent for the benefit of the LP Subordinated Lenders.

82. Under the Meeting Order, the LP Subordinated Lenders could dispute the amounts set out in the Notice of LP Subordinated Lender Pro Rata Claims by delivering a notice of dispute to the Monitor by May 27, 2010, failing which, they are deemed to have confirmed the amounts set out therein. The Monitor did not receive any notices of dispute.
83. The Meeting Order also provides that any LP Subordinated Lender which asserts that its LP Subordinated Lender Claim includes a claim or claims in addition to the LP Subordinated Lender's Claim had to notify the Monitor (with a copy to the LP Subordinated Agent and the LP Entities) of any such additional claims and the amounts thereof by May 27, 2010, failing which, such claims will be forever extinguished and barred. The Monitor has not received any notices of any additional claims.
84. A table summarizing the number and value of claims asserted, accepted and disputed as at June 2, 2010 against (i) CCI, (ii) CPI, (iii) CBI, and (iv) the Limited Partnership, is attached hereto as **Appendix "J"**.
85. The table attached at Appendix "J" hereto is intended to reflect only the claims as called for and asserted under the terms of the Claims Procedure Order and is not intended to provide a commentary on the voting and/or distribution rights of any such claims, which rights may be affected by, *inter alia*, the provisions of the CCAA.

*Anticipated Distributions*

86. At this stage of the Claims Procedure and, in part, due to the submission of several “marker” claims with no specified Claim amount, it is not possible to determine the aggregate total of the Claims or the anticipated amounts of distributions to Affected Creditors.

*Secured Creditors’ Claims and Legal Opinion on the Validity of the Security Interest*

87. As described in greater detail in the Second Report of the Monitor dated January 29, 2010, the LP Entities quantified the claims of the LP Senior Secured Lenders in accordance with the provisions of the Initial Order. The Conditional Sanction Order set out provisions for the calling and determination of claims in respect of other amounts that arose after the Filing Date but prior to the date of the Conditional Sanction Order (the “**Post-Filing Other Amounts Claims**”). Under the terms of the Conditional Sanction Order, any LP Senior Secured Lender claiming a Post-Filing Other Amounts Claim had to submit a notice of same to the Monitor (with a copy to the LP Entities and the LP Administrative Agent) by May 31, 2010. The Monitor did not receive any notices of Post-Filing Other Amount Claims and, under the terms of the Conditional Sanction Order, such claims are forever extinguished and barred.

88. As described in greater detail in the Pre-filing Report, the Monitor’s counsel, Stikeman Elliott LLP (“**Stikeman**”) conducted a security review of the security granted by the LP Entities in favour of the collateral agent on behalf of, *inter alia*, LP Senior Secured Lenders (the “**Security Interest**”) and rendered an opinion with respect to the validity and perfection thereof under the laws of Ontario, Alberta, British Columbia and Quebec.

This opinion states that (subject to the assumptions and qualifications contained therein, including those relating to statutory and possessory liens and claims that have priority by operation of law), the Security Interest is valid and enforceable and ranks in priority to other claims with respect to the personal property secured<sup>11</sup>.

89. Similarly, the registrations in favour of, *inter alia*, the LP Senior Secured Lenders against the LP Entities' real property located in Ontario, Alberta, British Columbia and Quebec and referred to in the Stikeman opinion are the only mortgages registered on title to the real properties.

#### *Claims against Related Persons*

90. The Monitor has identified one claim asserted against the LP Entities involving a Related Person (as defined in the Guidelines). The LP Entities and the Monitor have rejected and disallowed this claim in its entirety. The Monitor will provide a further update with respect to this claim if any distributions will be contemplated in respect thereof.
91. In addition, the Amended Claims Procedure Order calls for and the AHC Plan contemplates release of claims against the directors and officers of the LP Entities. As at June 2, 2010, no claims against the directors and officers of the LP Entities have been received. The Monitor will provide further comments on the appropriateness of inclusion

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<sup>11</sup> Subject to certain registrations of secured parties made under the provincial personal property security acts prior to the registration of the Security Interest. The LP Entities have advised FTI that all prior registrations referred to therein are with respect to equipment leases. Similar opinions were obtained by the Monitor with respect to the validity and perfection of the Security Interest under the laws of Manitoba and Saskatchewan. The LP Entities has advised that these jurisdictions, together with the jurisdictions covered by the Stikeman opinion, are the only Canadian jurisdictions in which the LP Entities own material assets.

of third party releases of Director/Officer Claims in the AHC Plan once all relevant facts relating to such claims become known.

92. The Monitor has not identified any trust claims or any claims that cannot be compromised in the AHC Plan in accordance with the CCAA (that are not contemplated as being assumed by the Purchaser).

### **RECOMMENDATION AND CONCLUSIONS**

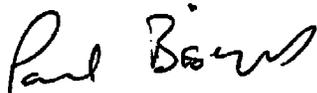
93. The Monitor believes that implementation of the AHC Plan is essential to provide recovery to unsecured creditors. If the AHC Plan is not implemented, the Monitor believes that the likely alternative to the AHC Plan would be the implementation of the Credit Acquisition or, if the Credit Acquisition Agreement expires and is not extended, a further sales process or potentially a liquidation of the assets of the LP Entities under the CCAA and/or the BIA and the distribution of the net proceeds of such sale or liquidation to creditors in accordance with their respective priorities.
94. There will be no recovery for the Affected Creditors or any other unsecured creditors of the LP Entities if the Credit Acquisition is implemented. The SISP, which the Monitor believes, constituted a thorough canvassing of the market, produced only one Superior Cash Offer. Therefore, at this time and based on the results of the SISP, it is unlikely that any offer derived from a further sales process or liquidation of the LP Entities' assets would include recovery for unsecured creditors.

95. The Monitor believes the AHC Plan will produce a more favourable result for the Affected Creditors than the Credit Acquisition or a further sale process or liquidation of the LP Entities' assets.
96. The Monitor also believes that the LP Entities have acted and continue to act in good faith and with due diligence and have not breached any requirements under the CCAA or any Order of the Court.
97. Accordingly, the Monitor recommends that Affected Creditors approve the AHC Plan and vote in favour of the resolution approving the AHC Plan.

All of which is respectfully submitted this 3<sup>rd</sup> day of June, 2010.

FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en Commandite

Per



Paul Bishop  
Senior Managing Director

# **T A B E**

# **APPENDIX "E"**



**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, rescission, 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, rescission, 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

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.



A handwritten signature in black ink, appearing to read "J. Spall", is written over a horizontal line.

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ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

APR 12 2010

PER / PAR: 

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) MONDAY, THE 17<sup>th</sup> DAY  
)  
MADAM JUSTICE PEPALL ) OR 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, rescission, 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, rescission, 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%;

- (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:

- (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 SISIP 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

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 Epall, J.

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

MAY 17 2010

PER / PAR: 

**TAB F**

# **APPENDIX “F”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MADAM ) MONDAY, THE 17<sup>th</sup> DAY  
 )  
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 PUBLICATIONS INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND CANWEST (CANADA) INC.

**APPLICANTS**

**CREDITORS' MEETING ORDER**

**THIS MOTION** made by the Applicants for an Order: (a) authorizing the Applicants and Canwest Limited Partnership / Canwest Societe en Commandite (the "**Limited Partnership**") and, collectively with the Applicants, the "**LP Entities**") to call, hold and conduct a meeting of certain of their creditors (the "**Creditors' Meeting**") to consider and vote on a resolution to approve a plan of compromise or arrangement concerning, affecting and involving the LP Entities and; and (b) approving the procedures to be followed with respect to the calling and conduct of the Creditors' Meeting, was heard this day at 330 University Avenue, Toronto.

**ON READING** the Affidavit of Douglas E.J. Lamb sworn May 10, 2010 (the "**Lamb Affidavit**"), and the Seventh Report of the Monitor, FTI Consulting Canada Inc., dated May 11, 2010 (the "**Monitor's Seventh Report**"), and on hearing the submissions of counsel for the LP Entities, FTI Consulting Canada Inc. in its capacity as court-appointed Monitor for the LP Entities (the "**Monitor**"), the ad hoc committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership (the "**Ad Hoc Committee**"), 7535538 Canada Inc. ("**Holdco**"), CW Acquisition Limited Partnership (the "**Purchaser**"), The Bank of Nova Scotia in its capacity as Administrative Agent for the senior lenders to the LP Entities, court-appointed counsel for the representatives of the salaried employees and retirees of the LP Entities, and such other counsel as were present, no one appearing for the remainder of the service list, although duly served with the motion record as appears from the Affidavit of Service, filed.

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the 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**

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Creditors' Meeting Order shall have the meanings ascribed to them in the Amended Claims Procedure Order dated May 17, 2010 and the asset purchase agreement dated as of May 10, 2010 among and the LP Entities, Holdco and the Purchaser (the "**AHC APA**"), a copy of which is attached to the Motion Record of the Applicants.

## **PLAN OF COMPROMISE OR ARRANGEMENT**

3. **THIS COURT ORDERS** that, subject to further Order of this Court, the Applicants shall file with the Court their plan of compromise or arrangement (the "**Plan**") and the management circular in connection therewith (the "**Information Circular**"), on or before May 20, 2010, provided that the LP Entities may at any time and from time to time prior to the Creditors' Meeting amend, restate, modify and/or supplement the Plan provided that to the extent that such amendment, restatement, modification and/or supplement is material, it shall be contained in a written document filed with this Honourable Court, and communicated to creditors whose claims are included in the LP Claims Process pursuant to the Amended Claims Procedure Order and whose claims will be affected by the Plan including, for greater certainty, claims against the directors and officers of the LP Entities (the "**Affected Creditors**") in the manner required by this Honourable Court (if so required).

## **FORMS OF DOCUMENTS**

4. **THIS COURT ORDERS** that the Notice to Affected Creditors substantially in the form attached hereto as Schedule "A" (the "**Notice to Affected Creditors**"), the Instructions to Affected Creditors substantially in the form attached hereto as Schedule "B" (the "**Instructions to Affected Creditors**"), the Proxy substantially in the form attached hereto as Schedule "C" (the "**Proxy**") the Cash Election Form (the "**Cash Election Form**") substantially

in the form attached hereto as Schedule "D" and the Declaration as to Canadian Residency in the form attached hereto as Schedule "E" (the "**Declaration as to Canadian Residency**"), the Notice of Subordinated Lender Pro Rata Claim substantially in the form attached hereto as Schedule "F" (the "**Notice of Subordinated Lender Pro Rata Claim**") and the Notice of Dispute – Subordinated Lender Pro Rata Claim substantially in the form attached hereto as Schedule "G" (the "**Notice of Dispute – Subordinated Lender Pro Rata Claim**"), the Master Ballot substantially in the form attached hereto as Schedule "H" and as may be amended with the consent of the Monitor (the "**Master Ballot**"), the Beneficial Owner Ballot substantially in the form attached hereto as Schedule "I" and as may be amended with the consent of the Monitor (the "**Beneficial Owner Ballot**") are each hereby approved and the LP Entities are authorized and directed to make such changes as they consider necessary or desirable to conform the content thereof to the terms of the Plan or this Creditors' Meeting Order or to describe the Plan.

#### **NOTICE TO AFFECTED CREDITORS**

5. **THIS COURT ORDERS** that the Monitor shall send by regular pre-paid mail, courier, fax or e-mail copies of the Notice to Affected Creditors:

- (a) to each Affected Creditor that has a claim that has been proven (a "**Proven Claim**") pursuant to the Amended Claims Procedure Order or a Disputed Claim (as defined herein) (other than the LP Subordinated Lenders), any creditor with an LP Restructuring Period Claim, an Employee Claim or an LP Director/Officer Claim, the Nominees (as defined below) and the Beneficial Owners (as defined below) on or before May 20, 2010 to the address provided by each such Affected Creditor in its Proof of Claim or to such other address subsequently provided to the Monitor by such Affected Creditor; and
- (b) to the Subordinated Agent on or before May 20, 2010, for itself and on behalf of the LP Subordinated Lenders, who shall post a copy of the Meeting Materials (as defined herein) to the LP Subordinated Lenders' Website (as defined herein) within three (3) Business Days of the granting of this Creditors' Meeting Order; and
- (c) to the Trustees on or before May 20, 2010;

and shall on or before May 20, 2010 post electronic copies of the Plan, the Creditors' Meeting Order, the Instructions to Affected Creditors and blank copies of the Cash Election Form, a Declaration as to Canadian Residency and a form of Proxy (collectively, the "**Meeting Materials**") and any other documents contained in the Solicitation Package (as defined below) that are not included in the Meeting Materials on the Monitor's website maintained for this proceeding at: <http://cfcanada.fticonsulting.com/clp> until the Business Day following the Plan Implementation Date and shall provide written copies to Affected Creditors upon request by such Affected Creditors.

6. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in the preceding paragraph, the Meeting Materials delivered to Affected Creditors with claims of less than or equal to \$1,000 shall not include a Cash Election Form, a Declaration as to Canadian Residency or a form of Proxy.

7. **THIS COURT ORDERS** that the record date for the purposes of determining which individual LP Subordinated Lenders or Beneficial Owners (as these terms are defined below) are entitled to receive notice of the Creditors' Meeting and vote at the Creditors' Meeting (the "**Record Date**") shall be May 18, 2010.

8. **THIS COURT ORDERS** that the Monitor shall promptly after the date of this Order cause the Notice to Affected Creditors to be published for a period of two (2) Business Days in the *National Post*, *The Globe & Mail* (National Edition), *La Presse* and *The Wall Street Journal*.

9. **THIS COURT ORDERS** that the service of the Notice to Affected Creditors in the manner set out in the paragraphs 5, 10 and 11 hereof, publication of the Notice to Creditors in accordance with paragraph 8 hereof, delivery of the Solicitation Packages in the manner set out in paragraph 14 hereof, and posting of the Meeting Materials and other materials on the Website in accordance with paragraph 5 hereof shall constitute good and sufficient service of this Creditors' Meeting Order and of the Plan, and good and sufficient notice of the Creditors' Meeting on all Persons who may be entitled to receive notice thereof or of these proceedings or who may wish to be present in person or by proxy at the Creditors' Meeting or who may wish to appear in these proceedings, and no other form of notice or service need be made on such

Persons, and no other document or material need be served on such Persons in respect of these proceedings.

10. **THIS COURT ORDERS** that the Monitor shall deliver a copy of the Notice to Affected Creditors to any creditor with an LP Restructuring Period Claim, an Employee Claim or an LP Director/Officer Claim arising after the date of this Order that requests delivery of an LP Claims Package or such Meeting Materials, provided that the Monitor shall not be required to deliver such Notice to Affected Creditors if the claim of such creditor is barred by operation of the Amended Claims Procedure Order or received after the date of the Creditors' Meeting, as applicable.

#### **SUBORDINATED LENDERS' CLAIMS PROCESS**

11. **THIS COURT ORDERS** that for the purposes of voting and distribution under the Plan, the amounts of the *pro rata* claims of the individual LP Subordinated Lenders (the "**LP Subordinated Lender Claims**"), which claims shall include amounts in respect of principal and interest owing as at January 8, 2010, shall be determined in the following manner (the "**LP Subordinated Lenders' Claims Process**"):

- (a) No later than 5:00 p.m. (Toronto time) on May 20, 2010 The Bank of Nova Scotia in its capacity as administrative agent under 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 (the "**LP Senior Subordinated Credit Agreement**"), or such other agent as may be appointed pursuant to the LP Senior Subordinated Credit Agreement (the "**LP Subordinated Agent**"), on behalf of the LP Subordinated Lenders, shall send to the LP Entities (with a copy to the Monitor):
  - (i) The Notice of LP Subordinated Lender Pro Rata Claims attached as Schedule "F" hereto, setting out based upon its records each LP Subordinated Lender's *pro rata* share of the principal amount of the LP Subordinated Lender Claims as at the Filing Date; and

- (ii) concurrently with the delivery of the Notice of LP Subordinated Lender Pro Rata Claims to the LP Entities, the LP Subordinated Agent shall post a copy of the Notice of LP Subordinated Lender Pro Rata Claims to one of the IntraLinks websites (the “**LP Subordinated Lenders’ Website**”) maintained by the LP Subordinated Agent for the benefit of the LP Subordinated Lenders.
  
- (b) Each of the LP Subordinated Lenders holding LP Subordinated Lender Claims shall no later than 5:00 p.m. (Toronto time) on May 27, 2010 advise the Monitor (with a copy to the Agent) whether such LP Subordinated Lender’s *pro rata* share of the principal amount of the LP Subordinated Lender Claims set out in the Notice of LP Subordinated Lender Pro Rata Claims is not accurate by sending a Notice of Dispute – LP Subordinated Lender Pro Rata Claims substantially in the form attached hereto as Schedule “G”. If an LP Subordinated Lender fails to file a Notice of Dispute – LP Subordinated Lender Pro Rata Claims before 5:00 p.m. (Toronto time) on May 27, 2010 then such LP Subordinated Lender shall be deemed to have confirmed its *pro rata* share of the LP Subordinated Lender Claims as set out in the Notice of LP Subordinated Lender Pro Rata Claims is accurate.
  
- (c) If the principal amount of a LP Subordinated Lender’s LP Subordinated Lender Claim is confirmed by such LP Subordinated Lender pursuant to paragraph 11(b) then the amount designated in the Notice of LP Subordinated Lender Pro Rata Claims to be such LP Subordinated Lender’s *pro rata* share of the Subordinated Lender Claims shall be deemed to be finally determined (“**Finally Determined**”) and accepted as the Proven Claim of such LP Subordinated Lender for the purposes of voting and for calculating the entitlement to distribution under the Plan in respect of the LP Subordinated Lender Claims.
  
- (d) If a Notice of Dispute – LP Subordinated Lender Pro Rata Claims is delivered pursuant to paragraph 11(b), then the applicable LP Subordinated Lender, the Monitor, the LP Entities and the LP Subordinated Agent shall no later than 5:00 p.m. (Toronto time) on June 3, 2010 reach an agreement in writing as to the

principal amount of the LP Subordinated Lender Claim that is subject to the Notice of Dispute - LP Subordinated Lender Pro Rata Claims, in which case such agreement shall govern and the principal amount of such LP Subordinated Lender Claim as agreed shall be deemed to be Finally Determined and accepted as the LP Subordinated Lender's Proven Claim for the purposes of voting and for calculating the entitlement to distributions under the Plan in respect of the LP Subordinated Lender Claims.

- (e) If a Notice of Dispute – LP Subordinated Lender Pro Rata Claims is unable to be resolved in the manner and within the time period set out in paragraph 11(d) above, then the Claim of such Disputing Claimant shall be determined by the Court on a motion for advice and directions brought by the Monitor (the “**LP Subordinated Lender Dispute Motion**”) on notice to all interested parties. The Monitor and the Disputing Claimant shall each use reasonable efforts to have the LP Subordinated Lender Dispute Motion, and any appeals therefrom, disposed of on an expedited basis with a view to having the Claim of the Disputing Claimant Finally Determined on a timely basis.
- (f) If the amount of an LP Subordinated Lender Claim held by an LP Subordinated Lender is the subject of a Notice of Dispute – LP Subordinated Lender Pro Rata Claims and is not Finally Determined on or before June 7, 2010, or three days prior to the adjournment of any Creditor's Meeting, then for the purposes of voting, such an LP Subordinated Lender shall be deemed to have an accepted LP Subordinated Lender Claim for voting purposes (an “**Accepted LP Subordinated Lender Voting Claim**”) equal to the amount of its *pro rata* share of the LP Subordinated Lender Claims set out in the Notice of LP Subordinated Lender Pro Rata Claims.
- (g) The amount of accrued interest owing to the LP Subordinated Lenders as Finally Determined pursuant to the terms of the Amended Claims Procedure Order will be attributed to the individual LP Subordinated Lender on a *pro rata* basis for the <sup>as</sup> ~~determined~~ <sup>determined</sup> purposes of each <sup>LP Subordinated Lender's Claim.</sup> ~~Beneficial Owner's Claim.~~ <sup>pursuant to this Order</sup>

SDP

For greater certainty, the LP Subordinated Lenders shall deliver proxies and otherwise vote in the same manner as other Affected Creditors pursuant to the terms of this Order.

12. **THIS COURT ORDERS** that any LP Subordinated Lender who asserts that its LP Subordinated Lender Claim as at the Filing Date includes a claim or claims for amounts in addition to a claim for principal and interest owing at the filing date (an “**Additional LP Subordinated Lender Claim**”), shall notify the Monitor (with a copy to the LP Subordinated Agent and the LP Entities), of such Additional LP Subordinated Lender Claim and the amount of such Additional LP Subordinated Lender Claim no later than 5:00 p.m. (Toronto time) on May 27, 2010. If no such notice is received by the Monitor before 5:00 p.m. (Toronto time) on May 27, 2010, such LP Subordinated Lender’s Additional LP Subordinated Lender Claim shall be and is hereby forever extinguished and barred.

13. **THIS COURT ORDERS** that the LP Subordinated Agent shall post a copy of this Creditors’ Meeting Order on the LP Subordinated Lenders’ Website within three (3) Business Days of the making of this Order.

#### **LP NOTEHOLDERS’ CLAIMS AND VOTING**

14. **THIS COURT ORDERS** that on or before May 20, 2010, the LP Entities shall provide to Broadridge Financial Solutions Inc. (“**Broadridge**”) copies of the Information Circular, the Plan, the Creditors’ Meeting Order, a Declaration as to Canadian Residency and the Beneficial Owner Ballot (collectively, the “**Solicitation Package**”) for distribution to the holders of beneficial interest in the LP Notes (the “**Beneficial Owners**”).

15. **THIS COURT ORDERS** that Beneficial Owners may vote either by completing the voting instruction form (“**VIF**”) provided by Broadridge or submitting a Beneficial Owner Ballot.

16. **THIS COURT ORDERS** that each Beneficial Owner that wishes to vote by submitting a Beneficial Owner Ballot shall complete the voting section of the Beneficial Owner Ballot (in accordance with the instructions attached thereto) and return the completed Beneficial Owner Ballot to either an intermediary (an “**Intermediary**”) or, in instances where the Beneficial Owners hold their beneficial interests in the LP Notes directly through a participant that holds interest in the LP Notes (a “**Participant**”), the Participant (the Intermediary and the

Participants in each such case, the “**Nominee**”). The Nominee or its agent shall complete the Beneficial Owner Ballot with respect to those Beneficial Owners that hold beneficial interest in the LP Notes through such Nominee by indicating on each such Beneficial Owner Ballot the following information:

- (a) the name of the beneficial holder;
- (b) the name of the registered holder;
- (c) the principal amount of securities held by the Nominee for the Beneficial Owner;  
and
- (d) the account number(s) for the account(s) in which such securities are held by the Nominee.

17. **THIS COURTS ORDERS** that upon receipt of each Beneficial Owner Ballot, the Nominee shall notify Broadridge that such Beneficial Owner Ballot has been delivered, and Broadridge shall remove such Beneficial Holder’s name from the list of Beneficial Holders eligible to vote through Broadridge.

18. **THIS COURT ORDERS** that the Nominee or its agent shall transfer the information contained in the Beneficial Owner Ballots (including whether the Beneficial Owner voted in favour of or against the Plan) and the VIFs to a Master Ballot (substantially in the form of the Master Ballot) and return the Master Ballot by courier, fax or e-mail to the Monitor.

19. **THIS COURT ORDERS** that the amount of accrued interest owing on the LP Notes as determined pursuant to the terms of the Amended Claims Procedure Order will be attributed to the individual Beneficial Owners on a pro rata basis for the purposes of each Beneficial Owner’s Voting Claim.

20. **THIS COURT ORDERS** that for the purposes of voting at the Creditors’ Meeting, the votes recorded on the Master Ballots shall be accepted as if voted in person by the Beneficial Owners at the Creditors’ Meeting.

21. **THIS COURT ORDERS** that a Beneficial Owner’s vote will not be counted at the Creditors’ Meeting unless a Master Ballot reflecting such Beneficial Owner’s vote is

received before 5:00 p.m. (Toronto time) on June 9, 2010, or such later time as may be agreed to by the Monitor.

22. **THIS COURT ORDERS** that the aggregate quantum of LP Noteholder Claims owing under the Indenture pursuant to which the LP Notes were issued as determined pursuant to the terms of the Amended Claims Procedure Order is hereby accepted for the purposes of receiving distributions under the Plan.

23. **THIS COURT ORDERS** that, for the purposes of calculating LP Noteholder Claims for voting and distribution purposes, LP Noteholder Claims denominated in US dollars shall be converted into Canadian dollars at the Bank of Canada United States/Canadian Dollar noon exchange rate in effect on the date of the Initial Order, being CDN \$1.0344 : US \$ 1.00.

#### **DELIVERY OF PROXIES TO THE MONITOR**

24. **THIS COURT ORDERS** that:

- (a) any Proxy in respect of the Creditors' Meeting (or any adjournment thereof) must be received by the Monitor by 5:00 p.m. (Toronto time) on June 7, 2010, or three (3) Business Days prior to any adjournment of the Creditors' Meeting; and
- (b) any Master Ballot in respect of the Creditors' Meeting (or any adjournment thereof) must be received by the Monitor by 5:00 p.m. (Toronto time) on June 9, 2010, or one (1) Business Days prior to any adjournment of the Creditors' Meeting.

25. **THIS COURT ORDERS** that the Monitor may in its discretion waive in writing the time limits imposed on the Affected Creditors as set out in this Creditors' Meeting Order and the Instructions to Affected Creditors for the deposit of proxies and all other procedural matters if the Monitor deems it advisable to do so (without prejudice to the requirement that all of the LP Entities' other Affected Creditors must comply with this Creditors' Meeting Order and the other procedures set out in the Instructions to Affected Creditors).

## **CONDUCT AT THE CREDITORS' MEETING**

26. **THIS COURT ORDERS** that for the purposes of voting to approve the Plan (a) there shall be one class of Creditors established in the Plan, the “**Unsecured Creditors’ Class**” comprised of Affected Creditors, and (b) the value of the Voting Claims of each of the Affected Creditors shall be established in accordance with the provisions of this Creditors’ Meeting Order, the Amended Claims Procedure Order, the Plan and any further order of this Honourable Court.

27. **THIS COURT ORDERS** that the LP Entities are hereby authorized to call, hold and conduct the Creditors’ Meeting on June 10, 2010 at Toronto, Ontario at the time and place set out in the Notice to Affected Creditors for the purpose of considering, and if deemed advisable by the Affected Creditors, voting in favour of, with or without variation, resolutions to approve the Plan.

28. **THIS COURT ORDERS** that the Creditors’ Meeting shall be called, held and conducted, and the Plan shall be voted upon and, if approved by the Affected Creditors, ratified and given full force and effect, in accordance with the provisions of this Creditors’ Meeting Order, the Amended Claims Procedure Order, the Plan, the CCAA and any further order of this Honourable Court.

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

30. **THIS COURT ORDERS** that the Chair shall direct a vote with respect to a resolution to approve the Plan and any amendments thereto as the LP Entities may consider appropriate.

31. **THIS COURT ORDERS** that the Chair is hereby authorized to accept and rely upon proxies and ballots substantially in the form attached hereto as Schedule “C” and Schedule “H”, or such other form as is acceptable to the Chair.

32. **THIS COURT ORDERS** that the quorum required at the Creditors’ Meeting shall be one (1) Affected Creditor present at such meeting in person or by proxy.

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

34. **THIS COURT ORDERS** that if (a) the requisite quorum is not present at the Creditors’ Meeting, or (b) the Creditors’ Meeting is postponed by the vote of the majority in value of Voting Claims of the Affected Creditors present in person or by proxy, then the Creditors’ Meeting shall be adjourned by the Chair to a date thereafter and to such time and place as may be appointed by the Chair.

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

36. **THIS COURT ORDERS** that the only Persons entitled to notice of or to attend the Creditors’ Meeting are the Monitor; those Persons, including the holders of proxies, entitled to vote at the Creditors’ Meeting and their legal counsel and advisors; the directors, officers, LP Entities and their respective legal counsel and advisors; Holdco, the Purchaser and their respective legal counsel and advisors; and the Scrutineers Any other Person may be admitted to the Creditors’ Meeting on invitation of the Chair.

#### **VOTING PROCEDURE**

37. **THIS COURT ORDERS** that the Chair shall direct a vote on a resolution to approve the Plan and any amendments thereto as the Monitor and the LP Entities may consider appropriate. All votes made pursuant to Master Ballots shall be deemed to be votes for or against such resolution, as applicable and as set out in the relevant Master Ballots.

38. **THIS COURT ORDERS** that only Affected Creditors or their proxies shall be entitled to vote at the Creditors' Meeting and that the holders of such proxies are entitled to rely on the proxies as valid.

39. **THIS COURT ORDERS** that in accordance with the terms of the Plan, each of the Affected Creditors entitled to vote on the Plan is entitled to one vote, which vote shall:

- (a) for Affected Creditors with Proven Claims, have a Voting Claim equivalent to the value of such Affected Creditors' Proven Claim (for greater certainty, Affected Creditors with Proven Claims of greater than \$1,000 that have opted to take the Cash Election will have Voting Claims equivalent to the full value of their Affected Creditors' Proven Claims);
- (b) for Affected Creditors (other than LP Subordinated Lenders, LP Noteholders and Beneficial Owners) with disputed claims to whom the Monitor has delivered a LP Notice of Revision or Disallowance and which revision or disallowance remains in dispute or under appeal in accordance with the Amended Claims Procedure Order or whose Claims are not otherwise Finally Determined (a "**Disputed Claim**"), have a Voting Claim equivalent to the value of the Voting Claim as determined pursuant to paragraph 31 of the Amended Claims Procedure Order;
- (c) for LP Subordinated Lenders with Disputed Claims that have not been Finally Determined on or before the second Business Day immediately prior to the day of the Creditors' Meeting, have a Voting Claim equivalent to the value of the Voting Claim as determined pursuant to paragraph 11(f) of this Order; and
- (d) for LP Noteholders or Beneficial Owners, as applicable, with Disputed LP Noteholder Claims that have not been Finally Determined on or before the second Business Day immediately prior to the day of the Creditors' Meeting, have a Voting Claim equivalent to the value of the Beneficial Owner's Claim as set out in the applicable Master Ballot.

40. **THIS COURT ORDERS** that Affected Creditors with claims of less than or equal to \$1,000 or that that have opted to take the Cash Election pursuant to the Plan shall be deemed to have voted in favour of the Plan.

41. **THIS COURT ORDERS** that (i) the vote on the Plan shall be decided by a majority in number of the Affected Creditors holding Voting Claims representing a two-thirds majority in value of the Voting Claims present and voting at the Creditors' Meeting in person or by proxy (the "**Required Majority**") and (ii) for the purpose of counting the number of Affected Creditors voting in favour of or against the Plan, each Beneficial Owner shall be deemed to be an Affected Creditor.

42. **THIS COURT ORDERS** that Affected Creditors with Disputed Claims shall have their voting intentions with respect to such amounts recorded by the Monitor and reported to this Honourable Court in accordance with paragraph 39 hereof. If approval or non-approval of the Plan by the Affected Creditors shall prove to be determined by the votes cast in respect of Disputed Claims, the LP Entities and the Monitor, on notice to the service list, shall request this Honourable Court for directions and if necessary, appropriate deferral of the motion for the Sanction and Vesting Orders and any other applicable dates.

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

44. **THIS COURT ORDERS** that the result of any vote at the Creditors' Meeting shall be binding on all Affected Creditors, including Beneficial Owners, whether or not any such Affected Creditor is present at the Creditors' Meeting.

#### **MISCELLANEOUS**

45. **THIS COURT ORDERS** that any Affected Creditor with a Proven Claim greater than \$1,000 that wishes to receive the Cash Elected Amount in respect of such Proven Claim shall provide an executed Cash Election Form to the Monitor by no later than the later of 5 p.m. (Toronto time) on June 7, 2010 or three (3) Business Days prior to the Creditors' Meeting.

46. **THIS COURT ORDERS** that any Affected Creditor with a Proven Claim greater than \$1,000 that does not wish to receive the Cash Elected Amount in respect of such Proven Claim, or that does not provide the Cash Election Form to the Monitor by the time set out in paragraph, shall provide a completed Declaration as to Canadian Residency to the Monitor by no later than ten (10) days prior to the Plan Sanction Date.

## **SANCTION HEARING**

47. **THIS COURT ORDERS** that the Monitor shall provide a report to this Honourable Court no later than two (2) Business Days after the Creditors' Meeting (the "**Monitor's Report Regarding the Creditors' Meeting**") with respect to:

- (a) the results of the voting at the Creditors' Meeting on the resolution to approve the Plan;
- (b) whether the Required Majority has approved the Plan; and
- (c) the effect on the results of the voting had all of the Affected Creditors with Disputed Claims (including, for greater certainty, LP Subordinated Lenders and LP Noteholders) also voted the full amount of their Disputed Claims.

48. **THIS COURT ORDERS** that an electronic copy of the Monitor's Report Regarding the Creditor's Meeting, including any amendments and variations thereto, and draft sanction and vesting orders in respect of the Plan shall be posted on the Website prior to the CCAA Sanction Motion (as defined hereof).

49. **THIS COURT ORDERS** that in the event that the Plan has been approved by the Required Majority, the LP Entities may bring a motion before this Honourable Court on June 18, 2010, or such later date as is set by this Honourable Court upon motion by the LP Entities, seeking a sanctioning of the Plan pursuant to the CCAA (the "**CCAA Sanction Motion**").

50. **THIS COURT ORDERS** that service of this Creditors' Meeting Order by the Monitor to the parties on the service list, service of this Creditors' Meeting Order in accordance with paragraph 5 hereof, the publication of the Notice to Affected Creditors in accordance with paragraph 8 hereof, the posting of the Meeting Materials on the Website in accordance with paragraph 5 hereof, the mailing to Affected Creditors of the Meeting Materials in accordance with the requirements of this Creditors' Meeting Order and the mailing of the Solicitation Packages to the Beneficial Owners in accordance with paragraph 14 hereof shall constitute good and sufficient service of notice of the CCAA Sanction Motion on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the CCAA Sanction Motion, except that the LP Entities shall serve the

service list with any additional materials to be used in support of the CCAA Sanction Motion and, with the consent of the Monitor and if necessary to expedite the closing of the contemplated transaction, such service on the service list of additional materials to be used in support of the CCAA Sanction Motion may be made on less than four (4) days' notice.

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

52. **THIS COURT ORDERS** that in the event that the CCAA Sanction Motion is adjourned, only those Persons who have filed and served a Notice of Appearance shall be served with notice of the adjourned date.

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

#### **ASSISTANCE OF OTHER COURTS**

54. **THIS COURT ORDERS AND REQUESTS** the aid and recognition (including assistance pursuant to Section 17 of the CCAA) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this court in carrying out the terms of this Creditors' Meeting Order.

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

MAY 18 2010

PER / PAR: 





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

**CREDITORS' MEETING ORDER**

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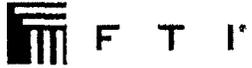
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Lawyers for the Applicants

F. 1117119

**TAB G**

# **APPENDIX "G"**



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

**SUPPLEMENT TO THE EIGHTH REPORT OF  
FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS**

**June 10, 2010**

**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.**

**SUPPLEMENT TO THE EIGHTH REPORT  
OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**June 10, 2010**

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the “**Initial Order**”) (a copy of which is attached as **Appendix “A”**), Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), and Canwest (Canada) Inc. (“**CCI**”, and together with CPI and CBI, the “**Applicants**”) obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the “**Limited Partnership**”, and together with the Applicants, the “**LP Entities**”) and appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor (the “**Monitor**”) of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

2. This report is supplementary to (and should be read in conjunction with) the Eighth Report of the Monitor dated June 3, 2010 (the “**Eighth Report**”) prepared in accordance with section 23(1)(d.1) of the CCAA in advance of the meeting of creditors referred to in section 4 or 5 of the CCAA.
3. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Eighth Report.

### **PURPOSE OF THIS REPORT**

4. On May 17, 2010, the LP Entities obtained an Order (the “**Meeting Order**”) to call, hold and conduct a meeting of certain of the Affected Creditors to consider and vote on a resolution to approve the AHC Plan (the “**Creditors’ Meeting**”). On May 21, 2010, the LP Entities filed a copy of the AHC Plan with the Court and delivered or made it available to the Affected Creditors.
5. The purpose of this supplement to the Eighth Report is to inform the Affected Creditors and the Court on: (a) amendments to the AHC APA and the AHC Plan that have been proposed since the finalization and service of the Eighth Report, and (b) the adjournment of the Creditors’ Meeting to June 14, 2010.

### **TERMS OF REFERENCE**

6. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities’ books and records, certain financial information prepared by, and discussions with, the LP Entities’ management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and

accordingly expresses no opinion or other form of assurance on the information contained in this report.

7. Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

#### **AHC BID & AHC PLAN**

8. As reported in greater detail in the Eighth Report, the AHC Bid is structured as an asset purchase in the context of the AHC Plan. The terms of the AHC Transaction are contained in an asset purchase agreement dated May 10, 2010 (the “AHC APA”).
9. The AHC APA contemplated that a corporation wholly owned by the Sponsors (as described below) (“Holdco”) would effect a transaction through CW Acquisition Limited Partnership (the “Purchaser”) whereby the Purchaser will acquire substantially all of the financial and operating assets of the LP Entities and the shares of National Post Inc. on an “as is, where is” basis and assume the Assumed Liabilities (as defined in the AHC APA).
10. Under the AHC APA, the purchase price in the approximate amount of \$1.1 billion<sup>1</sup> (exclusive of all applicable sale and transfer taxes) was to consist of:
  - a) a cash amount equal to the full amount owing to the LP Senior Secured Lenders;
  - b) a cash payment to unsecured creditors with proven claims that elect to receive a cash payment equal to the lesser of the amount of their proven claim and \$1,000;

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<sup>1</sup> The purchase price to be paid by the Purchaser under the AHC APA is \$1.075 billion plus the amount of assumed liabilities. The additional \$25 million raised by the Purchaser will be used to pay closing costs.

- c) an unsecured demand promissory note of \$150 million (less the amount payable under (b) above) issued by the Purchaser to the Monitor on behalf of CPI, which would immediately be exchanged for Voting Shares of Holdco pursuant to the AHC Plan; and
- d) assumption by the Purchaser of the Assumed Liabilities.

11. The AHC Plan contemplated that Affected Creditors (which includes for greater certainty the holders of beneficial interest in the 9.25% Notes (the “Beneficial Noteholders”) and the holders of claims under the LP Senior Subordinated Agreement (the “LP Subordinated Lenders”)) with proven Claims of greater than \$1,000 that did not make a valid Cash Election would receive their *pro rata* share of the equity pool, which would be comprised of the Voting Shares purchased by CPI on the Plan Implementation Date pursuant to and in accordance with the AHC Plan and the AHC APA. The number of such Voting Shares available for distribution to eligible Affected Creditors was to be approximately equal to the amount of the unsecured demand promissory note to be issued by the Purchaser to the Monitor on behalf of the LP Entities, namely \$150 million, less the aggregate of the Cash Election Amount elected or deemed to have been elected by Affected Creditors and divided by a price per Voting Share of \$13.3333<sup>2</sup>, rounded down to the nearest whole number.

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<sup>2</sup> As stated in the Eighth Report, although the AHC Plan was prepared based upon an organizational value, such valuation was not and should not have been construed as an estimate of the price at which the Shares may have traded in the market, if at all, and the LP Entities did not attempt to make any such estimate in connection with the development of the AHC Plan.

12. Following the distribution of Shares to Affected Creditors, such distributed Shares were expected to account for up to approximately 45% of the issued and outstanding Shares in the capital of Holdco.
13. In connection with the AHC APA, certain Beneficial Noteholders and LP Subordinated Lenders (the “Sponsors”) also executed a funding commitment letter in favour of Holdco and the Purchaser (the “Funding Commitment Letter”) pursuant to which the Sponsors committed to purchase, in aggregate, \$250 million (the “Funding Commitment”) in equity and mezzanine notes to be issued by Holdco on the Acquisition Date. The Funding Commitment was to be comprised of \$100 million worth of equity shares in Holdco (at an issue price of \$10 per share) representing no less than 40% of the equity shares of Holdco on a fully diluted basis and \$150 million worth of mezzanine notes issued by Holdco, provided that the Sponsors could accept equity in lieu of all or part of their entitlement to mezzanine notes, if agreed by the requisite majority of the Sponsors, in certain specified circumstances. The Sponsors agreed that in the event that the Sponsors were required to accept equity in lieu of mezzanine notes, such transaction would be effected so that the value of recovery to the Affected Creditors who are not Sponsors would not materially change.
14. On the Acquisition Date, Holdco was obligated to pay the Sponsors a commitment fee representing, in aggregate, approximately 15% of the Shares of Holdco on a fully diluted basis.

## PROPOSED AMENDMENTS TO THE AHC BID & AHC PLAN

15. Following finalization and service of the Eighth Report, the Sponsors requested that certain amendments to the AHC APA and the AHC Plan be made to accommodate revised capital structure and corporate structure of the Purchaser and Holdco. As described in greater detail below, the amendments with respect to the capital structure will have an effect on the value of the recovery to the Affected Creditors.
16. In addition, the LP Entities, the Monitor and the Purchaser determined that certain amendments to the AHC Plan with respect to the share distribution mechanics were desirable and were able to agree on the terms of such amendments following service of the Eighth Report.
17. Lastly, the LP Entities, the Monitor and the Purchaser have agreed on certain other amendments which in the LP Entities' opinion concern matters which are of an administrative nature and are required to better give effect to the implementation of the Plan and/or cure any errors, omissions or ambiguities and are not materially adverse to the financial or economic interest of the Affected Creditors.
18. All of the above amendments are contained in the proposed amended AHC Plan (the "Amended AHC Plan") a copy of which, together with a blacklined comparison to the AHC Plan, is (or will shortly be) available on the Monitor's website for these proceedings at <http://cfcanada.fticonsulting.com/clp/>, together with, *inter alia*, the following documents: the AHC Plan, the AHC APA, the Management Proxy Circular with respect to the AHC Plan, the proposed amended AHC APA, and the proposed Amended AHC Plan. An amending and assigning agreement to the AHC APA was

executed by Holdco and the New Purchaser (as defined below) and a form of such amending and assigning agreement will be appended as a Schedule to the Amended AHC Plan. The Monitor expects that the Amended AHC Plan will be tabled at the Creditors' Meeting by a proxy for one or more holders of the 9.25% Notes for a vote by the Affected Creditors.

*Amendments Respecting the Capital Structure of the Purchaser and Holdco*

19. As permitted under the Funding Commitment, the Sponsors have chosen to accept equity in lieu of all of their entitlement to the mezzanine notes. Accordingly, the Sponsors submitted the Second Amended and Restated Funding Commitment containing the proposed terms of same and requested that the AHC APA and the AHC Plan be amended to reflect the proposed terms and the Amended AHC Plan be tabled for a vote by the Affected Creditors at the Creditors' Meeting.
20. Under the revised structure the Sponsors have committed to purchase 27 million Shares having an aggregate subscription price of \$250 million (or approximately \$9.25926 per Share). The 27 million Shares will be issued in addition to the Shares that are to be issued and allocated for distribution to the Affected Creditors. Under the Second Amended and Restated Funding Commitment, the Sponsors will not be entitled to receive the commitment fee of approximately 15% of the Shares of Holdco; instead, the Sponsors are purchasing the Shares at \$9.25926 (as opposed to the originally contemplated purchase price of \$10 per Share) thereby providing them with an effective fee of 5% of the Shares of Holdco.

21. In addition, the purchase price under the Amended AHC APA will no longer be satisfied in part by an unsecured demand promissory note of \$150 million; rather, in lieu thereof, on Plan Implementation Date, CPI will be issued a number of Shares equal to 13 million Shares less the number of Shares obtained by dividing the aggregate of the Cash Election Amount elected or deemed to have been elected by Affected Creditors by \$11.54<sup>3</sup>, rounded down to the nearest whole number<sup>4</sup>.
22. Under the revised structure, upon final distribution of the Shares to Affected Creditors, the Sponsors will own approximately 67.5% of the issued and outstanding Shares in the capital of Holdco and Affected Creditors will own 32.5% of the Shares.
23. The LP Entities are advised by the Financial Advisor that the removal of the mezzanine notes decreases Holdco's leverage at emergence, which may result in an improved outlook for Holdco's credit ratings, including the debt to be issued under the AHC Plan. The LP Entities have been further advised by the Financial Advisor that elimination of the mezzanine notes will increase the implied value of Holdco equity under the AHC Plan. This advice is supported by the Monitor's own analysis of the Amended AHC Plan. Accordingly, although under the Amended AHC Plan Affected Creditors will own a smaller percentage of the equity of Holdco (namely, 32.5%), the AHC Plan value of such

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<sup>3</sup> Although the share price for purposes of allocating shares between the "convenience class creditors" and the Affected Creditors is based upon a price per share of \$11.54 and an organizational value of \$1.1 billion, such valuation was not and should not be construed as an estimate of the price at which the Shares may trade in the market, if at all, and the LP Entities have not attempted to make any such estimate in connection with the development of the AHC Plan. No assurance can be given as to the market price of the Shares that will prevail.

<sup>4</sup> There is currently no market through which the Shares may be sold and one may never develop. As such, Affected Creditors that are issued Shares pursuant to the AHC Plan may not be able to resell such Shares. Although Holdco intends to apply to the Toronto Stock Exchange for the listing of its Shares following the acquisition of the Acquired Assets (as defined in the AHC APA), to date, no such application has been made and there can be no assurance that the Toronto Stock Exchange will accept the listing of Holdco's Shares.

percentage is greater, on a *pro forma* basis, than the AHC Plan value, also on a *pro forma* basis, of the 45% of Holdco's equity allocated to the Affected Creditors under the original AHC Plan. It should be noted that the actual value of such equity will be determined by the market when (and if) shares in Holdco are publicly traded.

24. The Financial Advisor has advised the LP Entities that in its view, based on the aforementioned amendment, the Amended AHC Plan at the Plan Implementation Date should produce a more favourable result to the Affected Creditors than the original AHC Plan.

#### *Amendments Respecting the Corporate Structure*

25. As a result of the change in the capital structure of Holdco and the Purchaser, the Sponsors also requested that certain amendments to the AHC APA and the AHC Plan be made to accommodate a revised corporate structure of the Purchaser and Holdco. Specifically, the Purchaser will assign all of its rights and obligations under the AHC APA to its general partner, 7536321 Canada Inc. ("New Purchaser"), and under the revised corporate structure the New Purchaser will be the purchaser under the AHC APA and as such will acquire substantially all of the financial and operating assets of the LP Entities and the shares of National Post Inc. on an "as is, where is" basis and assume the Assumed Liabilities.

#### *Amendments Respecting the Share Distribution Mechanics*

26. The LP Entities have determined that it is in the best interests of the Affected Creditors to change the share distribution mechanics under the AHC Plan. Accordingly, the Amended

AHC Plan also contains an amendment such that eligible Affected Creditors will receive their Shares through Computershare Investor Service Inc.'s ("Computershare") Direct Registration System ("DRS") and will not have the option in the Letter of Instruction to elect to receive share certificates. Computershare will be retained as Holdco's transfer agent. Pursuant to the Amended AHC Plan, if the Monitor does not receive a Letter of Instruction from an Affected Creditor, such Affected Creditor's Shares, if any, would be registered in accordance with the information provided in the Affected Creditor's Proof of Claim.

27. It is anticipated that following the Initial Distribution Date and each subsequent Distribution Date, as applicable, an Affected Creditor will receive a DRS Transaction Advice acknowledging the number of Shares that the Affected Creditor holds in "book-entry" form in his, her or its DRS account.
28. There is no fee to participate in DRS. Affected Creditors that hold Shares in DRS will have all the rights and privileges as holders of securities in certificate form, including voting and dividend rights. If the issuer of the Shares becomes a public company, the DRS system will facilitate liquidity for shareholders as it will simplify the procedures for depositing Shares in brokerage accounts. Affected Creditors may request a share certificate for all or a portion of the Shares held in their DRS account by contacting Computershare at any time following receipt of their DRS Transaction Advice. Further information regarding DRS is available on Computershare's website at [http://corporate.computershare.com/Canada/OurBusiness/cis/OC/Pages/DirectRegistration\(DRS\).aspx](http://corporate.computershare.com/Canada/OurBusiness/cis/OC/Pages/DirectRegistration(DRS).aspx).

29. In accordance with the Amended AHC Plan, the Monitor, on behalf of the LP Entities, will be delivering blank Letters of Instruction to Affected Creditors together with notice of this Supplement. Completed Letters of Instruction must be submitted by eligible Affected Creditors on or before the Plan Sanction Date (currently scheduled for June 18, 2010) or such other date as the Monitor may agree. As stated above, if the Monitor does not receive a Letter of Instruction from an Affected Creditor, such Affected Creditor's Shares, if any, will be registered in accordance with the information provided in the Affected Creditor's Proof of Claim.

#### **ADJOURNMENT OF THE CREDITORS' MEETING**

30. In accordance with the provisions of the Creditors' Meeting Order dated May 17, 2010, the LP Entities scheduled the Creditors' Meeting to be held at the Sheraton Centre Toronto (Simcoe Dufferin Room), 123 Queen Street West, Toronto, Ontario at 10:00 a.m. (Toronto time) on June 10, 2010.
31. In anticipation of the amendments to the AHC APA and the AHC Plan, the Monitor adjourned the Creditors' Meeting to Monday, June 14, 2010 at 10:00 a.m. (Toronto time) to allow Affected Creditors to consider in advance of the Creditors' Meeting the proposed amendments to the AHC Plan and the AHC APA that will be tabled for a vote at the Creditors' Meeting. The Creditors' Meeting will now be held at Sutton Place Hotel (Wellesley Room - Lobby Level), 955 Bay Street, Toronto, Ontario.
32. On June 9, 2010 at or about 10:00 a.m., the Monitor sent approximately 650 notices of the adjournment of the Creditors' Meeting to the Affected Creditors by e-mail, 30 notices

by fax and 15 notices by regular mail. A copy of the notice is attached as **Appendix "A"**.

33. In addition, on June 10, 2010, a representative of counsel for the Monitor attended at the originally designated time and location of the Creditors' Meeting (namely, Sheraton Centre Toronto (Simcoe Dufferin Room), 123 Queen Street West, Toronto, Ontario at 10:00 a.m. (Toronto time)), posted a notice of the adjournment of the Creditors' Meeting and remained at that location until 11:00 a.m. None of the Affected Creditors or their representatives attended at the originally designated time and location of the Creditors' Meeting.

#### **RECOMMENDATION AND CONCLUSIONS**

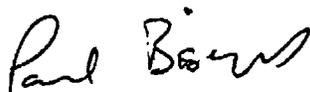
34. As stated in the Eighth Report, the LP Entities, the LP CRA and the Monitor believe that the AHC Plan would produce a more favourable result for the Affected Creditors than the Credit Acquisition or a further sale process or liquidation of the LP Entities' assets under the CCAA or the BIA.
35. The Monitor and the LP CRA are of the view that the implied value of the percentage of Shares to be allocated to the Affected Creditors under the Amended AHC Plan is greater than the implied value of such Shares that were to be allocated to the Affected Creditors under the original AHC Plan and that the Amended AHC Plan should produce a more favourable result to the Affected Creditors than the original AHC Plan.
36. The Monitor also concurs with the LP Entities' view that the proposed amendments to share distribution mechanics are in the best interests of the Affected Creditors.

37. The Monitor is also advised that the management of the LP Entities and the LP CRA are supportive of the Amended AHC Plan that will be tabled at the Creditors' Meeting to be voted on, and if desirable, approved by the Affected Creditors at the Creditors' Meeting.
38. Accordingly, the Monitor recommends that Affected Creditors approve the Amended AHC Plan and vote in favour of the resolution approving the Amended AHC Plan.

All of which is respectfully submitted this 10<sup>th</sup> day of June, 2010.

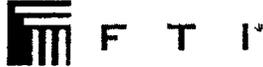
FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en Commandite

Per



Paul Bishop  
Senior Managing Director

## **APPENDIX "A"**



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

June 9, 2010

**To: AFFECTED CREDITORS OF THE LP ENTITIES**

**RE: Adjournment of the Creditors' Meeting for the purposes of considering and, if deemed advisable by the Affected Creditors, voting in favour of resolution to approve the LP Entities' Plan of Compromise or Arrangement pursuant to the Companies' Creditors Arrangement Act (Canada) (the "Plan")**

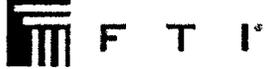
Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

In accordance with the provisions of the Creditors' Meeting Order dated May 17, 2010, the LP Entities scheduled the Creditors Meeting to be held at the Sheraton Centre Toronto (Simcoe Dufferin Room), 123 Queen Street West, Toronto, Ontario at 10:00 a.m. (Toronto time) on June 10, 2010.

It is anticipated that the Asset Purchase Agreement to be implemented by the Plan and the Plan as filed with the Court on May 21, 2010, delivered to the Affected Creditors in accordance with the Creditors' Meeting Order and described in the Eighth Report of the Monitor, will be amended. As such the Creditors' Meeting is being adjourned to permit Affected Creditors to consider any proposed amendments to the Plan and the Asset Purchase Agreement in advance of the Creditors' Meeting.

**Accordingly, pursuant to paragraph 35 of the Creditors' Meeting Order, the Creditors' Meeting is being adjourned to Monday, June 14, 2010 at 10:00 a.m. (Toronto time) and will now be held at Sutton Place Hotel (Wellesley Room - Lobby Level), 955 Bay Street, Toronto, Ontario. PLEASE NOTE THE CHANGE IN THE LOCATION OF THE MEETING.**

The amended Plan, including a blacklined comparison to the Plan, will be made available on the Monitor's website at <http://cfcanada.fticonsulting.com/clp> as soon as possible. In addition, the Monitor will prepare and post on the Monitor's website a Supplement to its Eighth Report describing the proposed amendments and will deliver a notice to Affected Creditors once these documents are posted on the Monitor's website and available for review.



#### **FURTHER INFORMATION**

If you have any questions regarding the process, please contact FTI Consulting Canada Inc. at the following address:

FTI Consulting Canada Inc., Court-Appointed Monitor of the LP Entities  
79 Wellington Street West  
Suite 2010, P.O Box 104  
Toronto, Ontario, M5K 1G8  
Attention: Jodi Porepa  
Tel: (888) 310-7627  
Fax: (416) 649-8101  
CanwestLP@fticonsulting.com

You may view copies of the documents relating to this process on the Monitor's website at <http://cfcanada.fticonsulting.com/clp>.

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**

**SUPPLEMENT TO THE EIGHTH REPORT OF FTI  
CONSULTING CANADA INC., IN ITS  
CAPACITY AS MONITOR OF THE APPLICANTS**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**David R. Byers LSUC #: 22992W**

Tel: (416) 869-5697

**Ashley John Taylor LSUC#: 39932E**

Tel: (416) 869-5236

**Maria Konyukhova LSUC#: 52880V**

Tel: (416) 869-5230

Fax: (416) 861-0445

Lawyers for the Monitor

# APPENDIX "H"

**REPORT OF SCRUNTINEER ON ATTENDANCE**

**Canwest (Canada) Inc.,  
Canwest Publishing Inc./Publishing Canwest Inc., Canwest Books Inc., and  
Canwest Limited Partnership/ Canwest Société en Commandite**

**AFFECTED CREDITORS' MEETING**

**June 14, 2010**

**10:00am**

**Sutton Place Hotel (Wellesley Room) 955 Bay Street, Toronto, Ontario**

All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Initial Order of Justice Pepall dated January 8, 2010 (the "Initial Order").

The undersigned scrutineer hereby reports that quorum was established for the purposes of voting at the Affected Creditors' Meeting for Canwest (Canada) Inc., Canwest Publishing Inc./Publishing Canwest Inc., Canwest Books Inc., and Canwest Limited Partnership/Canwest Société en Commandite (collectively, the "LP Entities").

Attendance of Affected Creditors holding Voting Claims (as determined pursuant to the LP Amended Claims Procedure Order and the Creditors' Meeting Order) present at the Affected Creditors' Meeting in person or as proxyholder was as follows:

<b>Method of Voting</b>	<b>Number of Voting Claims</b>	<b>Value of Voting Claims</b>
By Proxy <sup>1</sup>	3	\$ 539,746,745
In Person	3	\$ 37,250
<b>Total</b>	<b>6</b>	<b>\$ 539,783,995</b>

<sup>1</sup>Serving as proxholders for 145 creditors voting for plan.

DATED the 14<sup>th</sup> day of June, 2010

\_\_\_\_\_  
J. Porepa  
Name of Scrutineer  
(please print)

# **APPENDIX "I"**

## APPENDIX A

### FORM OF AFFECTED CREDITORS' RESOLUTION

**RESOLVED** that:

1. The Consolidated Plan of Compromise (the "Plan") concerning, affecting and involving Canwest (Canada) Inc., Canwest Publishing Inc./ Publications Canwest Inc., Canwest Books Inc. and Canwest Limited Partnership/Canwest Societe en Commandite (collectively, the "LP Entities") pursuant to the *Companies' Creditors Arrangement Act* (Canada) set out as Exhibit B to the management proxy circular of the LP Entities dated May ● , 2010 is approved and authorized.
2. Notwithstanding the passing of this resolution by the Affected Creditors of the LP Entities, the LP Entities may amend, restate, modify and/or supplement the Plan with the approval of the Ontario Superior Court of Justice (Commercial List) or the Monitor, FTI Consulting Canada Inc., and the Purchaser, CW Acquisition Limited Partnership, in accordance with the provisions of the Plan without further approval of the Affected Creditors of the LP Entities.
3. Either Douglas E.J. Lamb or Kevin Bent is hereby authorized and directed to execute and deliver, for and on behalf of the LP Entities, any and all documents or instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

# APPENDIX "J"

## AFFECTED CREDITORS' RESOLUTION

### RESOLVED that:

1. The Consolidated Plan of Compromise (the "Plan") concerning, affecting and involving Canwest (Canada) Inc., Canwest Publishing Inc./Publications Canwest Inc., Canwest Books Inc. and Canwest Limited Partnership/Canwest Société en Commandite (collectively, the "LP Entities") pursuant to the *Companies' Creditors Arrangement Act* (Canada) in the form of the amended Plan posted on FTI Consulting Canada Inc.'s website at <http://cfcanada.fticonsulting.com/clp> on June 10, 2010, and a copy of which was attached to the minutes of the Affected Creditors' meeting on June 14, 2010 is approved and authorized.
2. Notwithstanding the passing of this resolution by the Affected Creditors of the LP Entities, the LP Entities may amend, restate, modify and/or supplement the Plan with the approval of the Ontario superior Court of Justice (Commercial List) or the Monitor, FTI Consulting Canada Inc., and the Purchaser, 7536321 Canada Inc., in accordance with the provisions of the Plan without further approval of the Affected Creditors of the LP Entities.
3. Either Douglas E.J. Lamb or Kevin Bent is hereby authorized and directed to execute and deliver, for and on behalf of the LP Entities, any and all documents or instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

# **APPENDIX "K"**

**REPORT OF SCRUNTINEER ON VOTING TO AMEND ORIGINAL RESOLUTION**

**Canwest (Canada) Inc.,  
Canwest Publishing Inc./Publishing Canwest Inc., Canwest Books Inc., and  
Canwest Limited Partnership/ Canwest Société en Commandite**

**AFFECTED CREDITORS' MEETING**

**June 14, 2010**

**10:00am**

**Sutton Place Hotel (Wellesley Room) 955 Bay Street, Toronto, Ontario**

All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Creditors' Meeting Order of Justice Pepall, dated May 17, 2010 (the "Meeting Order").

The undersigned scrutineer hereby reports on the results of the voting to amend the Original Resolution of the Affected Creditors of Canwest (Canada) Inc., Canwest Publishing Inc./Publishing Canwest Inc., Canwest Books Inc., and Canwest Limited Partnership/Canwest Société en Commandite (collectively, the "LP Entities") holding Voting Claims (as determined pursuant to the LP Amended Claims Procedure Order and the Meeting Order) who were present and voting at the meeting referred to above (the "Affected Creditors' Meeting") either in person or by proxy, as indicated, representing an aggregate of the Voting Claims as set out below.

**1. Number of Affected Creditors holding Voting Claims and the Value of Voting Claims Voted FOR or AGAINST the amendment to the Original Resolution:**

**Report on Voting - Affected Creditors**

<b>VOTING FOR</b>	<b>Number of Votes</b>	<b>Value of Votes</b>
By Proxy	81	\$ 109,836,629
By Cash Election	400	\$ 1,598,282
In Person	3	\$ 37,250
<b>Total Claims Voting For</b>	<b>484</b>	<b>\$ 111,472,161</b>
<b>Total Claims Voting</b>	<b>490</b>	<b>\$ 111,848,426</b>

<b>VOTING AGAINST</b>	<b>Number of Votes</b>	<b>Value of Votes</b>
By Proxy	6	\$ 376,265
By Cash Election	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>6</b>	<b>\$ 376,265</b>
<b>Total Claims Voting</b>	<b>490</b>	<b>\$ 111,848,426</b>

2. Number of Beneficial Owners holding Voting Claims and the Value of Voting Claims Voted FOR or AGAINST the amendment to the Original Resolution:

**Report on Voting - Beneficial Owners**

VOTING FOR	Number of Votes	Value of Votes
By Master Ballot	49	\$ 427,281,888
In Person	0	\$ -
<b>Total Claims Voting For</b>	<b>49</b>	<b>\$ 427,281,888</b>
<b>Total Claims Voting</b>	<b>58</b>	<b>\$ 429,533,851</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Master Ballot	9	\$ 2,251,963
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>9</b>	<b>\$ 2,251,963</b>
<b>Total Claims Voting</b>	<b>58</b>	<b>\$ 429,533,851</b>

Disputed Claims

3. Number of Affected Creditors holding Voting Claims with Disputed Claims Voted FOR or AGAINST the amendment to the Original Resolution:

**Report on Voting - Affected Creditors with Disputed Claims**

VOTING FOR	Number of Votes	Value of Votes
By Proxy	37	\$ 36,099,991
By Cash Election	17	\$ 612,854
In Person	0	\$ -
<b>Total Claims Voting For</b>	<b>54</b>	<b>\$ 36,712,845</b>
<b>Total Claims Voting</b>	<b>56</b>	<b>\$ 36,759,655</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Proxy	2	\$ 46,810
By Cash Election	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>2</b>	<b>\$ 46,810</b>
<b>Total Claims Voting</b>	<b>56</b>	<b>\$ 36,759,655</b>

**4. Number of Beneficial Owners holding Voting Claims with a Disputed Claim Voted FOR or AGAINST the amendment to the Original Resolution:**

**Report on Voting - Beneficial Owners with Disputed Claims**

VOTING FOR	Number of Votes	Value of Votes
By Master Ballot	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting For</b>	<b>0</b>	<b>\$ -</b>
<b>Total Claims Voting</b>	<b>0</b>	<b>\$ -</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Master Ballot	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>0</b>	<b>\$ -</b>
<b>Total Claims Voting</b>	<b>0</b>	<b>\$ -</b>

**Summary**

**5. The overall results on the voting to amend the Original Resolution are as follows:**

**Report on Voting - Affected Creditors & Beneficial Owners**

VOTING FOR	Number of Votes	Value of Votes
By Proxy	81	\$ 109,836,629
By Master Ballot	49	\$ 427,281,888
By Cash Election	400	\$ 1,598,282
In Person	3	\$ 37,250
<b>Total Claims Voting For</b>	<b>533</b>	<b>\$ 538,754,049</b>
<b>Total Claims Voting</b>	<b>548</b>	<b>\$ 541,382,277</b>
<b>Total % Voting For</b>	<b>97.3%</b>	<b>99.5%</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Proxy	6	\$ 376,265
By Master Ballot	9	\$ 2,251,963
By Cash Election	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>15</b>	<b>\$ 2,628,228</b>
<b>Total Claims Voting</b>	<b>548</b>	<b>\$ 541,382,277</b>
<b>Total % Voting Against</b>	<b>2.7%</b>	<b>0.5%</b>

Affected Creditors herein includes Beneficial Owners. 533 of Affected Creditors holding Voting Claims representing an aggregate value of \$538,754,049 of Affected

Creditors Voting Claims present and voting in person or by proxy at the Affected Creditors' Meeting voted FOR the amendment to the Original Resolution. The number of Affected Creditors holding Voting Claims that voted FOR the amendment to the Original Resolution represents 97.3% of the total number of Affected Creditors holding Voting Claims present and voting at the Affected Creditors' Meeting. The value of Voting Claims voted FOR the amendment to the Original Resolution represents 99.5% of the aggregate value of Voting Claims present and voting in person or by proxy at the Affected Creditors' Meeting.

56 Affected Creditors with Disputed Claims submitted proxies with respect to the Affected Creditors' Meeting representing an aggregate value of \$36,759,655. Of those 56 Disputed Claims, 54 voted FOR the amendment to the Original Resolution, representing \$36,712,845 in value. Pursuant to the Meeting Order Affected Creditors with Disputed Claims are to have their voting intentions recorded separately. The votes of the Disputed Claims did not affect the outcome of the vote.

On the basis of the foregoing, a majority in number of the Affected Creditors holding Voting Claims representing more than 66<sup>2/3</sup>% of the value of the Affected Creditors' Voting Claims present and voting at the Affected Creditors' Meeting have voted in favour of the amendment to the Original Resolution.

DATED the 14<sup>th</sup> day of June, 2010

\_\_\_\_\_  
J. Porepa  
Name of Scrutineer  
(please print)

# APPENDIX "L"

**REPORT OF SCRUNTINEER ON VOTING TO APPROVE AMENDED PLAN**

**Canwest (Canada) Inc.,  
Canwest Publishing Inc./Publishing Canwest Inc., Canwest Books Inc., and  
Canwest Limited Partnership/ Canwest Société en Commandite**

**AFFECTED CREDITORS' MEETING**

**June 14, 2010**

**10:00am**

**Sutton Place Hotel (Wellesley Room) 955 Bay Street, Toronto, Ontario**

All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Creditors' Meeting Order of Justice Pepall, dated May 17, 2010 (the "Meeting Order").

The undersigned scrutineer hereby reports on the results of the voting to approve the Amended Plan of the Affected Creditors to Canwest (Canada) Inc., Canwest Publishing Inc./Publishing Canwest Inc., Canwest Books Inc., and Canwest Limited Partnership/Canwest Société en Commandite (collectively, the "LP Entities") holding Voting Claims (as determined pursuant to the LP Amended Claims Procedure Order and the Meeting Order) who were present and voting at the meeting referred to above (the "Affected Creditors' Meeting") either in person or by proxy, as indicated, representing an aggregate of the Voting Claims as set out below.

**1. Number of Affected Creditors holding Voting Claims and the Value of Voting Claims Voted FOR or AGAINST the Amended Plan Resolution Approving the Amended Plan:**

**Report on Voting - Affected Creditors**

<b>VOTING FOR</b>	<b>Number of Votes</b>	<b>Value of Votes</b>
By Proxy	81	\$ 109,836,629
By Cash Election	400	\$ 1,598,282
In Person	3	\$ 37,250
<b>Total Claims Voting For</b>	<b>484</b>	<b>\$ 111,472,161</b>
<b>Total Claims Voting</b>	<b>490</b>	<b>\$ 111,848,426</b>

<b>VOTING AGAINST</b>	<b>Number of Votes</b>	<b>Value of Votes</b>
By Proxy	6	\$ 376,265
By Cash Election	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>6</b>	<b>\$ 376,265</b>
<b>Total Claims Voting</b>	<b>490</b>	<b>\$ 111,848,426</b>

**2. Number of Beneficial Owners holding Voting Claims and the Value of Voting Claims Voted FOR or AGAINST the Amended Plan Resolution Approving the Amended Plan:**

**Report on Voting - Beneficial Owners**

VOTING FOR	Number of Votes	Value of Votes
By Master Ballot	49	\$ 427,281,888
In Person	0	\$ -
<b>Total Claims Voting For</b>	<b>49</b>	<b>\$ 427,281,888</b>
<b>Total Claims Voting</b>	<b>58</b>	<b>\$ 429,533,851</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Master Ballot	9	\$ 2,251,963
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>9</b>	<b>\$ 2,251,963</b>
<b>Total Claims Voting</b>	<b>58</b>	<b>\$ 429,533,851</b>

**3. Number of Affected Creditors that have opted to take the Cash Election and those deemed to have taken the Cash Election pursuant to the Amended Plan:**

Cash Election	
Cash Election	127
Deemed Election	273
<b>Total Cash Elections</b>	<b>400</b>

Pursuant to the Meeting Order, Affected Creditors with claims of less than or equal to \$1,000 or that have opted to take the Cash Allowance pursuant to the Plan shall be deemed to have voted in favour of the Plan.

**Disputed Claims**

**4. Number of Affected Creditors holding Voting Claims with Disputed Claims Voted FOR or AGAINST the Amended Plan Resolution Approving the Amended Plan:**

**Report on Voting - Affected Creditors with Disputed Claims**

VOTING FOR	Number of Votes	Value of Votes
By Proxy	37	\$ 36,099,991
By Cash Election	17	\$ 612,854
In Person	0	\$ -
<b>Total Claims Voting For</b>	<b>54</b>	<b>\$ 36,712,845</b>
<b>Total Claims Voting</b>	<b>56</b>	<b>\$ 36,759,655</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Proxy	2	\$ 46,810
By Cash Election	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>2</b>	<b>\$ 46,810</b>
<b>Total Claims Voting</b>	<b>56</b>	<b>\$ 36,759,655</b>

5. Number of Beneficial Owners holding Voting Claims with a Disputed Claim Voted FOR or AGAINST the Amended Plan Resolution Approving the Amended Plan:

**Report on Voting - Beneficial Owners with Disputed Claims**

VOTING FOR	Number of Votes	Value of Votes
By Master Ballot	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting For</b>	<b>0</b>	<b>\$ -</b>
<b>Total Claims Voting</b>	<b>0</b>	<b>\$ -</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Master Ballot	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>0</b>	<b>\$ -</b>
<b>Total Claims Voting</b>	<b>0</b>	<b>\$ -</b>

Summary

6. The overall results of the voting on the Amended Plan Resolution for the Amended Plan are as follows:

**Report on Voting - Affected Creditors & Beneficial Owners**

VOTING FOR	Number of Votes	Value of Votes
By Proxy	81	\$ 109,836,629
By Master Ballot	49	\$ 427,281,888
By Cash Election	400	\$ 1,598,282
In Person	3	\$ 37,250
<b>Total Claims Voting For</b>	<b>533</b>	<b>\$ 538,754,049</b>
<b>Total Claims Voting</b>	<b>548</b>	<b>\$ 541,382,277</b>
<b>Total % Voting For</b>	<b>97.3%</b>	<b>99.5%</b>

VOTING AGAINST	Number of Votes	Value of Votes
By Proxy	6	\$ 376,265
By Master Ballot	9	\$ 2,251,963
By Cash Election	0	\$ -
In Person	0	\$ -
<b>Total Claims Voting Against</b>	<b>15</b>	<b>\$ 2,628,228</b>
<b>Total Claims Voting</b>	<b>548</b>	<b>\$ 541,382,277</b>
<b>Total % Voting Against</b>	<b>2.7%</b>	<b>0.5%</b>

Affected Creditors herein includes Beneficial Owners and Affected Creditors that opted for the Cash Election. 533 of Affected Creditors holding Voting Claims representing an aggregate value of \$538,754,049 of Affected Creditors Voting Claims present and voting in person or by proxy at the Affected Creditors' Meeting voted FOR the Amended Plan Resolution approving the amended Plan. The number of Affected Creditors holding Voting Claims that voted FOR the Amended Plan Resolution approving the Amended Plan represents 97.3% of the total number of Affected Creditors holding Voting Claims present and voting at the Affected Creditors' Meeting. The value of Voting Claims voted FOR the Amended Plan Resolution approving the amended Plan represents 99.5% of the aggregate value of Voting Claims present and voting in person or by proxy at the Affected Creditors' Meeting.

56 Affected Creditors with Disputed Claims submitted proxies with respect to the Affected Creditors' Meeting representing an aggregate value of \$36,759,655. Of those 56 Disputed Claims, 54 voted FOR the Amended Plan Resolution, representing \$36,712,845 in value. Pursuant to the Meeting Order Affected Creditors with Disputed Claims are to have their voting intentions recorded separately. The votes of the Disputed Claims did not affect the outcome of the vote.

On the basis of the foregoing, a majority in number of the Affected Creditors holding Voting Claims representing more than 66<sup>2</sup>/<sub>3</sub>% of the value of the Affected Creditors' Voting Claims present and voting at the Affected Creditors' Meeting have voted in favour of the Amended Plan Resolution approving the amended Plan.

DATED the 14<sup>th</sup> day of June, 2010



# **APPENDIX "M"**

**WEEKLY CASH FLOW**  
**June Forecast**  
**July 7, 2010 to September 5, 2010**

CAD 000s	Jun	Jun	Jun	Jul	Jul	Jul	Jul	Jul	Aug	Aug	Aug	Aug	Sep	TOTAL
Beginning (Monday)	7-Jun-10	14-Jun-10	21-Jun-10	28-Jun-10	5-Jul-10	12-Jul-10	19-Jul-10	26-Jul-10	2-Aug-10	9-Aug-10	16-Aug-10	23-Aug-10	30-Aug-10	7-Jun-10
Ending (Sunday)	13-Jun-10	20-Jun-10	27-Jun-10	4-Jul-10	11-Jul-10	18-Jul-10	25-Jul-10	1-Aug-10	8-Aug-10	15-Aug-10	22-Aug-10	29-Aug-10	5-Sep-10	5-Sep-10
	Proj.													
<b>Operating Cashflow</b>														
<b>Receipts</b>														
Operating Receipts	15,460	20,636	20,775	21,928	21,571	20,564	20,435	20,285	18,349	20,043	19,220	18,854	18,155	256,274
Related Party Receipts	-	-	-	2,880	-	-	-	2,863	-	-	-	2,760	-	8,503
Distributions To/From Affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Receipts</b>	<b>15,460</b>	<b>20,636</b>	<b>20,775</b>	<b>24,808</b>	<b>21,571</b>	<b>20,564</b>	<b>20,435</b>	<b>23,147</b>	<b>18,349</b>	<b>20,043</b>	<b>19,220</b>	<b>21,815</b>	<b>18,155</b>	<b>264,777</b>
<b>Disbursements</b>														
Payroll & Benefits	(7,925)	(9,862)	(7,308)	(10,113)	(5,716)	(12,603)	(10,524)	(6,282)	(9,063)	(10,003)	(9,851)	(5,715)	(10,038)	(115,005)
Operating Expenses	(9,559)	(8,566)	(13,406)	(8,023)	(8,010)	(8,010)	(8,310)	(9,851)	(6,179)	(6,179)	(6,229)	(10,136)	(8,216)	(110,673)
Capital Expenditures	(864)	(1,269)	(1,308)	(1,011)	(846)	(986)	(906)	(1,001)	(896)	(956)	(1,044)	(851)	(956)	(12,894)
Inter Company Disbursements	-	-	-	(3,376)	-	-	-	(3,069)	-	-	-	(4,001)	-	(10,446)
Interest	-	-	(3,063)	(131)	-	-	(2,965)	(131)	-	-	-	(3,063)	(131)	(9,485)
<b>Total Disbursements</b>	<b>(18,347)</b>	<b>(19,697)</b>	<b>(25,086)</b>	<b>(22,654)</b>	<b>(14,572)</b>	<b>(21,599)</b>	<b>(22,705)</b>	<b>(20,335)</b>	<b>(16,138)</b>	<b>(17,138)</b>	<b>(17,124)</b>	<b>(23,766)</b>	<b>(19,342)</b>	<b>(258,503)</b>
<b>Net Operating Cashflows</b>	<b>(2,888)</b>	<b>939</b>	<b>(4,311)</b>	<b>2,154</b>	<b>6,999</b>	<b>(1,035)</b>	<b>(2,270)</b>	<b>2,813</b>	<b>2,211</b>	<b>2,905</b>	<b>2,096</b>	<b>(2,152)</b>	<b>(1,187)</b>	<b>6,275</b>
National Post (Advances)/Repayments	(378)	(632)	(618)	488	(805)	(646)	(759)	1,120	(518)	(511)	(592)	(96)	906	(3,040)
<b>Restructuring Costs</b>														
Professional Fees - Restructuring	(1,270)	(1,170)	(1,010)	(1,003)	(645)	(570)	(520)	(558)	(375)	(175)	(175)	(175)	(175)	(7,820)
Other restructuring	(60)	(140)	(10)	(105)	(132)	(711)	(473)	-	(95)	-	-	-	(1,659)	(3,384)
DIP Interest/Fees	-	-	-	(35)	-	-	-	(28)	-	-	-	(28)	-	(90)
<b>Total - Restructuring costs</b>	<b>(1,330)</b>	<b>(1,310)</b>	<b>(1,020)</b>	<b>(1,142)</b>	<b>(777)</b>	<b>(1,281)</b>	<b>(993)</b>	<b>(585)</b>	<b>(470)</b>	<b>(175)</b>	<b>(175)</b>	<b>(203)</b>	<b>(1,834)</b>	<b>(11,294)</b>
<b>Total Net Cashflow</b>	<b>(4,596)</b>	<b>(1,002)</b>	<b>(5,949)</b>	<b>1,500</b>	<b>5,417</b>	<b>(2,962)</b>	<b>(4,022)</b>	<b>3,348</b>	<b>1,224</b>	<b>2,219</b>	<b>1,328</b>	<b>(2,450)</b>	<b>(2,114)</b>	<b>(8,060)</b>
Opening Unrestricted Cash	114,670	110,074	109,071	103,122	104,622	110,039	107,077	103,056	106,404	107,627	109,846	111,174	108,724	114,670
<b>Total Cash</b>	<b>110,074</b>	<b>109,071</b>	<b>103,122</b>	<b>104,622</b>	<b>110,039</b>	<b>107,077</b>	<b>103,056</b>	<b>106,404</b>	<b>107,627</b>	<b>109,846</b>	<b>111,174</b>	<b>108,724</b>	<b>106,610</b>	<b>106,610</b>

**Notes:**

- [1] The June Forecast is a pro forma forecast that assumes no change in the existing ownership and capital structure of the LP Entities, i.e. no closing of a proposed transaction with the Ad Hoc committee of 9.25% note holders.
- [2] The purpose of these cash flow projections is to estimate the liquidity requirements for the LP Entities during the CCAA Proceedings and assuming no change in the existing capital and ownership structure.
- [3] Operating receipts have been forecasted based on Management's second quarter sales forecast, adjusted to reflect the potential negative impact on sales as a result of the filing under the CCAA, and historical collection patterns. Operating receipts in the week ending June 13, 2010 reflect Management's preliminary, actual results.
- [4] Historical charges and contractual rates for shared services between the LP Entities and other CMI Entities were used to forecast intercompany receipts and disbursements.
- [5] Payroll and payroll benefits and other operating disbursements have been forecast based on historical analysis and Management's second quarter forecast.
- [6] Capital expenditure forecasts reflect planned capital projects during the period.
- [7] Interest payments are calculated based on the anticipated interest rates and principal balances relating to senior secured debt facilities. No change is assumed with respect to forecast interest and principal payments as a result of the proposed Plan of Compromise with the Ad Hoc committee of 9.25% note holders.
- [8] Estimated restructuring costs are based on projected costs associated with professional fees and employee retention costs relating to the restructuring.