

COURT OF APPEAL FOR ONTARIO

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 GLOBAL COMMUNICATIONS
CORP., AND THE OTHER APPLICANTS LISTED ON SCHEDULE "A"

Applicants

MOTION RECORD OF THE APPLICANTS
(Plan Sanction Motion returnable July 28, 2010)

July 21, 2010

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TO: **THE SERVICE LIST**

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 GLOBAL COMMUNICATIONS CORP.
 AND THE OTHER APPLICANTS LISTED ON SCHEDULE "A"

Applicants

CANWEST SERVICE LIST, JUNE 30, 2010

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**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 GLOBAL COMMUNICATIONS CORP. AND THE OTHER APPLICANTS LISTED ON
SCHEDULE "A"**

Applicants

**ADDITIONAL SERVICE LIST FOR THE MOTION TO SANCTION THE RESTATED
CONSOLIDATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION
CONCERNING, AFFECTING AND INVOLVING CANWEST GLOBAL COMMUNICATIONS
CORP. AND CERTAIN OF ITS SUBSIDIARIES**

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COURT OF APPEAL FOR ONTARIO

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 GLOBAL COMMUNICATIONS
CORP., AND THE OTHER APPLICANTS LISTED ON SCHEDULE "A"

Applicants

MOTION RECORD OF THE APPLICANTS
(Plan Sanction Motion returnable July 28, 2010)

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TAB 1

Court File No. CV-09-8396-00CL

**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 GLOBAL
COMMUNICATIONS CORP., AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

APPLICANTS

**NOTICE OF MOTION
(Sanction Hearing)**

Canwest Global Communications Corp. ("Canwest Global") and the other Applicants listed on Schedule "A" hereto (the "Applicants") and the Partnerships listed on Schedule "B" hereto (the "Partnerships" and, together with the Applicants, the "CMI Entities") will make a motion before a judge of the Ontario Superior Court of Justice on July 28, 2010 at 10:00 A.M., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order (the "Sanction Order"), *inter alia*:
 - (a) if necessary, abridging the time for service of this Notice of Motion and the Motion Record herein, and directing that any further service of the Notice of Motion and Motion Record be dispensed with;
 - (b) declaring that the meetings of Affected Creditors held on July 19, 2010 (the "Creditor Meetings") were duly convened and held, all in conformity

with the CCAA (as defined below) and the Orders of the Court made in these proceedings, including the Meeting Order (as defined below);

- (c) sanctioning and approving the restated consolidated plan of compromise, arrangement and reorganization of certain of the CMI Entities, accepted for filing by this Court on June 23, 2010, and as restated on July 16, 2010 (the "Plan");
- (d) approving the Plan Emergence Agreement (as defined below) and all schedules thereto, including the form of the PIF Schedule (as defined below);
- (e) authorizing and directing the CMI Entities and the Monitor to take all steps and actions necessary or appropriate to implement the Plan and the Plan Emergence Agreement in accordance with their terms;
- (f) providing that Affected Creditors (as defined below) that did not file a Convenience Class Declaration (as defined in the Plan), and that would receive a larger distribution under the Plan had they filed a Convenience Class Claim Declaration, will be deemed to have made a valid Convenience Class Claim Declaration;

2. An Order (the "Post-Filing Claims Procedure Order") in the draft form to be attached to the Monitor's Seventeenth Report establishing a claims procedure for the identification and quantification of certain post-filing claims against the CMI Entities; and

3. Such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. The CMI Entities were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to the Initial Order of this Honourable Court dated October 6, 2009;

2. The Initial Order granted a stay of proceedings (the “Stay Period”) until November 5, 2009, or such later date as this Honourable Court may order. The Stay Period has been extended on four subsequent occasions, most recently on June 8, 2010, with the Stay Period now scheduled to expire on September 8, 2010;

3. On October 5, 2009, the CMI Entities agreed to enter into a support agreement (the “Support Agreement”) with the members of an *ad hoc* committee (the “Ad Hoc Committee”) representing holders (the “8% Senior Subordinated Noteholders”) of over 70% of the outstanding principal amount of Canwest Media Inc.’s (“CMI”) 8% Senior Subordinated Notes (the “8% Senior Subordinated Notes”) due 2012. The Support Agreement had attached to it a term sheet (the “Original Recapitalization Term Sheet”) that set out the summary terms and conditions of a consensual recapitalization transaction involving the CMI Entities. The Support Agreement provided that the CMI Entities would pursue a plan of compromise or arrangement on the terms set out in the Original Recapitalization Term Sheet as part of this CCAA proceeding;

4. The Original Recapitalization Term Sheet was contingent upon, *inter alia*, (i) the CMI Entities identifying one or more “Canadians” within the meaning of the CRTC Direction (the “Equity Investor”) that would agree to invest at least \$65 million in a restructured Canwest Global; and (ii) the CW Investments Shareholders Agreements (the “Shareholders Agreement”) between CMI, 4414616 Canada Inc., Goldman Sachs Capital Partners and certain of its affiliates (together, “Goldman Sachs”), and CW Investments Co. (“CW Investments”) being amended and restated or otherwise dealt with in a manner acceptable to CMI and the Ad Hoc Committee;

5. In early November 2009, Canwest Global commenced an equity investment solicitation process in order to identify the Equity Investor(s);

6. On February 11, 2010, the Board of Directors of Canwest Global approved the entering into of a subscription agreement with Shaw Communications Inc. (“Shaw”) pursuant to which Shaw agreed to subscribe for, and Canwest Global, as restructured, agreed to issue, equity shares in the capital of a restructured Canwest Global (the “Original Shaw Transaction”), subject to this Honourable Court’s approval;

7. The Original Shaw Transaction was approved by this Honourable Court on February 19, 2010;

8. The Original Shaw Transaction contemplated that, rather than restructure Canwest Global as a public company as was contemplated in the Original Recapitalization Term Sheet, Canwest Global would become a private company the shareholders of which would be comprised of Shaw and those 8% Senior Subordinated Noteholders and other participating creditors of the CMI Entities that elected to receive equity shares of a restructured Canwest Global and that would hold at least 5% of the equity of a restructured Canwest Global following the completion of the proposed recapitalization transaction;

9. It was a condition of the Original Shaw Transaction that, *inter alia*, (i) the Shareholders Agreement be amended and restated or otherwise addressed; or (ii) the Shareholders Agreement be disclaimed or resiliated in accordance with the provisions of the CCAA and the Claims Procedure Order granted by this Honourable Court on October 14, 2009;

10. Following the approval of the Original Shaw Transaction, the CMI Entities engaged in discussions with Shaw, the Monitor, the Ad Hoc Committee and Goldman Sachs in an attempt to reach a mutually agreeable resolution of the treatment of the Shareholders Agreement and other issues that divided the parties in respect of this CCAA proceeding;

11. Negotiations with Goldman Sachs proved unsuccessful and eventually reached an impasse;

12. In light of the impasse, the CMI Entities and the Monitor requested that this Honourable Court direct the parties to a confidential court-supervised mediation (the "Mediation") in a final effort to avoid lengthy and very costly litigation;

13. This Honourable Court directed the CMI Entities, Goldman Sachs, Shaw and the Ad Hoc Committee to attend the Mediation, to be conducted by the Chief Justice of Ontario, the Honourable Mr. Warren Winkler;

14. The Mediation commenced on March 29, 2010;

15. On April 16, 2010, Chief Justice Winkler, through the Monitor, advised the CMI Entities that Goldman Sachs, Shaw and the Ad Hoc Committee had negotiated a framework to resolve the outstanding condition in the Original Shaw Transaction regarding the Shareholders Agreement, in order to permit the CMI Entities to go forward with a consensual restructuring;

16. The CMI Entities, Shaw, the Ad Hoc Committee and Goldman Sachs then proceeded to negotiate the definitive documents among them following the framework that had been agreed to at the Mediation;

17. Definitive documentation (the “Amended Shaw Transaction Documents”) amending the Original Shaw Transaction was signed by the parties on May 3, 2010 (the “Amended Shaw Transaction”);

18. The Amended Shaw Transaction will see a wholly-owned subsidiary of Shaw acquire all of the interests in the free-to-air television stations and subscription-based specialty television channels currently owned by Canwest Television Limited Partnership (“CTLP”) and its subsidiaries and all of the interests in the specialty television channels currently owned by CW Investments and its subsidiaries, as well as certain other assets of the CMI Entities;

19. The Amended Shaw Transaction will be effected under the Plan through a new corporation (“New Canwest”) recently incorporated as a subsidiary of CMI under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “CBCA”);

20. On the date the Plan is implemented (the “Plan Implementation Date”), CMI will transfer to New Canwest all of the limited partnership units of CTLP, all of the shares of Canwest Television GP Inc. and certain other assets (and New Canwest will assume certain liabilities) of the CMI Entities. Shaw, through its wholly-owned subsidiary 7316712 Canada Inc. (“7316712” and together with Shaw, the “Plan Sponsor”), will acquire all of the shares of New Canwest and all of the equity and voting shares of CW Investments held by CMI directly from CMI for aggregate cash consideration of US\$440 million and \$38 million (subject to an increase for certain restructuring period claims in certain circumstances (the “Restructuring Period Claims”));

21. On the Plan Implementation Date, the US\$440 million, plus the Continued Support Payment (as defined in the Affidavit of Thomas C. Strike sworn July 20, 2010 (the “Strike Affidavit”)), if any, that is to be paid by the Plan Sponsor under the Amended Shaw Transaction will be distributed to the 8% Senior Subordinated Noteholders in satisfaction of the claims of the 8% Senior Subordinated Noteholders against the CMI Entities, and the \$38 million will be distributed to the other Affected Creditors (as defined in the Strike Affidavit) in satisfaction of the claims of such Affected Creditors, subject to a *pro rata* increase in that cash amount for Restructuring Period Claims in certain circumstances;

22. The existing shareholders of Canwest Global (the “Existing Shareholders”) will not be entitled to any distributions under the Plan or any other compensation from the CMI Entities on account of their equity claims in connection with or as a result of the transactions contemplated by the Plan;

23. Pursuant to minutes of settlement that were entered into on June 23, 2010 between the CMI Entities, Shaw, the Ad Hoc Committee and an *ad hoc* group of Existing Shareholders, Canwest Global has agreed to complete a reorganization of capital under section 191 of the CBCA that will see the issued and outstanding multiple voting shares, subordinated voting shares and non-voting shares of Canwest Global changed into new multiple voting shares, new subordinated voting shares, new non-voting shares and new preferred shares (“New Preferred Shares”) of Canwest Global on the Plan Implementation Date, and an entity affiliated with and designated by Shaw (the “Shaw Designated Entity”) pay \$11 million for distribution to the holders of the New Preferred Shares in consideration for the transfer to the Shaw Designated Entity of all of the issued and outstanding New Preferred Shares. The Shaw Designated Entity will then donate such New Preferred Shares to Canwest Global for cancellation;

24. In an Order dated June 23, 2010 (the “Meeting Order”), this Honourable Court approved the Amended Shaw Transaction Documents. In the Meeting Order, the CMI Entities were also authorized to file the Plan and to call and conduct two separate meetings (the “Creditor Meetings”) of Affected Creditors to be held on July 19, 2010 for the purpose of considering and voting on a resolution (the “Resolution”) to approve the Plan – a meeting (the “Noteholder Meeting”) for the Noteholder Class (as defined in the Strike Affidavit) and a meeting (the

“Ordinary Creditors Meeting”) for the Ordinary Creditors Class (as defined in the Strike Affidavit);

25. In written reasons delivered in connection with the granting of the Meeting Order, this Honourable Court held that the Amended Shaw Transaction was “fair and reasonable”;

26. The Plan, in its then current form, was filed with this Honourable Court shortly after the Meeting Order was granted on the afternoon of June 23, 2010;

27. In connection with the Plan and its implementation, and in accordance with the Amended Shaw Transaction, Canwest Global, CMI, CTLP, New Canwest, Shaw, 7316712 and the Monitor entered into an agreement (the “Plan Emergence Agreement”) dated June 25, 2010 detailing certain steps that will be taken prior to, upon or following implementation of the Plan, which are related to the funding of various costs that are payable by the CMI Entities on emergence from this CCAA proceeding;

28. The payments that are to be made by the CMI Entities or the Monitor will be in accordance with the terms of the Plan Emergence Agreement and the form of schedule of costs appended thereto;

29. The Creditor Meetings were held in Toronto, Ontario on July 19, 2010 in accordance with the procedures established by the Meeting Order;

30. 100% of the Beneficial Noteholders (as defined in the Strike Affidavit) that provided a proxy, ballot or other instructions for voting or otherwise validly voted at the Noteholder Meeting approved the Resolution to support the Plan. In excess of 99% in number representing in excess of 99% in value of the Ordinary Creditors and Convenience Class Creditors (as defined in the Strike Affidavit) holding Proven Voting Claims (as defined in the Strike Affidavit) that were present in person or by proxy and voting at the Ordinary Creditors Meeting voted (or were deemed to vote pursuant to the Plan and the Meeting Order) to approve the Resolution to support the Plan;

31. Sanction of the Plan is a crucial and necessary step toward a successful going concern restructuring of the CMI Entities;

32. If the Plan is sanctioned and the other closing conditions to the Amended Shaw Transaction are met, the businesses operated by the CTLP Plan Entities (as defined in the Strike Affidavit) will continue to operate on a going concern basis as viable and competitive participants in the Canadian television broadcasting industry;

33. The likely alternative to the Plan would be a forced going concern liquidation/sale of the CMI Entities' assets through a receivership, an exercise of creditors' rights or a bankruptcy;

34. The proposed Post-Filing Claims Procedure Order is contemplated by the Plan Emergence Agreement and will allow the Monitor to solicit, identify, and quantify post-filing claims;

35. It is just and convenient and in the interests of the CMI Entities and their stakeholders that the requested Sanction Order and Post-Filing Claims Procedure Order be granted;

36. The motion is supported by Shaw, the Ad Hoc Committee, the CMI Entities' Chief Restructuring Advisor and the Monitor;

37. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

38. Section 191 of the CBCA;

39. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and sections 100 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

40. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

1. The Affidavit of Thomas C. Strike sworn July 20, 2010 and the exhibits thereto;
2. The Sixteenth and Seventeenth Reports of the Monitor and the appendices thereto; and
3. Such further and other materials as counsel may advise and this Honourable Court may permit.

July 21, 2010

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TO: THE SERVICE LIST

Schedule "A"

Applicants

1. Canwest Global Communications Corp.
2. Canwest Media Inc.
3. MBS Productions Inc.
4. Yellow Card Productions Inc.
5. Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
6. Canwest Television GP Inc.
7. Fox Sports World Canada Holdco Inc.
8. Global Centre Inc.
9. Multisound Publishers Ltd.
10. Canwest International Communications Inc.
11. Canwest Irish Holdings (Barbados) Inc.
12. Western Communications Inc.
13. Canwest Finance Inc./Financiere Canwest Inc.
14. National Post Holdings Ltd.
15. Canwest International Management Inc.
16. Canwest International Distribution Limited
17. Canwest MediaWorks Turkish Holdings (Netherlands)
18. CGS International Holdings (Netherlands)
19. CGS Debenture Holding (Netherlands)
20. CGS Shareholding (Netherlands)
21. CGS NZ Radio Shareholding (Netherlands)
22. 4501063 Canada Inc.
23. 4501071 Canada Inc.
24. 30109, LLC
25. CanWest MediaWorks (US) Holdings Corp.

Schedule "B"

Partnerships

1. Canwest Television Limited Partnership
2. Fox Sports World Canada Partnership
3. The National Post Company/La Publication National Post

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

Court File No: M38600

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANWEST
GLOBAL COMMUNICATIONS CORP., AND THE OTHER APPLICANTS LISTED ON
SCHEDULE "A"

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Sanction Hearing)**

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TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CANWEST GLOBAL
COMMUNICATIONS CORP., AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

**AFFIDAVIT OF THOMAS C. STRIKE
(Sworn July 20, 2010)**

I, Thomas C. Strike, of the City of Winnipeg, in the Province of Manitoba,
MAKE OATH AND SAY:

1. I am the President, Corporate Development & Strategy Implementation and Recapitalization Officer of Canwest Global Communications Corp. ("**Canwest Global**"). I am also a director of Canwest Media Inc. ("**CMI**") and an officer and/or director of certain of the Applicants listed in Schedule "A" hereto (the "**Applicants**" and together with the Partnerships listed in Schedule "B", the "**CMI Entities**"). As such, I have personal knowledge of the matters deposed to herein. Where I have relied upon other sources for information, I have specifically referred to such sources and verily believe them to be true.

2. On June 23, 2010, pursuant to the Meeting Order (as defined below), the CMI Entities filed with this Honourable Court a consolidated plan of compromise, arrangement and reorganization under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") and the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended ("**CBCA**") in respect of certain of the CMI Entities (as restated, the "**Plan**"). The basis of the Plan is an amended subscription agreement between Canwest Global and Shaw Communications Inc. ("**Shaw**"), an amended support agreement between Canwest Global, Shaw and the members of an *ad hoc* committee (the "**Ad Hoc Committee**") of holders (the "**8%**

Senior Subordinated Noteholders) of CMI's 8% senior subordinated notes due 2012 (the "**8% Senior Subordinated Notes**"), and a further amended support agreement between Canwest Global, the other CMI Entities and the members of the Ad Hoc Committee, whereby the parties to each agreement have agreed to pursue a recapitalization transaction that will see a wholly-owned subsidiary of Shaw acquire the television broadcasting business of Canwest Global when the Plan is implemented (the "**Amended Shaw Transaction**"). The definitive documents that were entered into in respect of the Amended Shaw Transaction were approved by this Honourable Court on June 23, 2010. In written reasons delivered in connection with the approval motion, this Honourable Court held that the Amended Shaw Transaction was "fair and reasonable". At that time, the CMI Entities were also authorized by this Honourable Court in the Meeting Order to call and conduct two separate meetings (the "**Creditor Meetings**") of Affected Creditors (as defined below) to be held on July 19, 2010 for the purpose of considering and voting on a resolution (the "**Resolution**") to approve the Plan – a meeting (the "**Noteholder Meeting**") for the Noteholder Class (as defined below) and a meeting (the "**Ordinary Creditors Meeting**") for the Ordinary Creditors Class (as defined below).

3. The Amended Shaw Transaction will be effected under the Plan through a new corporation ("**New Canwest**") recently incorporated as a subsidiary of CMI under the CBCA. On the date the Plan is implemented (the "**Plan Implementation Date**"), in accordance with the steps set out in the Plan, CMI will transfer to New Canwest all of the limited partnership units of Canwest Television Limited Partnership ("**CTLP**"), all of the shares of Canwest Television GP Inc. ("**GP Inc.**") and certain other assets (and New Canwest will assume certain liabilities) of the CMI Entities (collectively, the "**Business**"). Shaw, through its wholly-owned subsidiary 7316712 Canada Inc. ("**7316712**" and together with Shaw, the "**Plan Sponsor**"), will acquire all of the shares of New Canwest and all of the equity and voting shares of CW Investments Co. ("**CW Investments**") held by CMI directly from CMI for aggregate cash consideration of US\$440 million and \$38 million (subject to an increase for certain restructuring period claims in certain circumstances (the "**Restructuring Period Claims**")). On implementation of the Plan, the US\$440 million, plus the Continued Support Payment (as defined below), if any, to be paid by the Plan Sponsor will be distributed to the 8% Senior Subordinated Noteholders in satisfaction of the claims of the 8% Senior Subordinated Noteholders against the CMI Entities, and the \$38 million will be distributed to the CMI Entities' other Affected Creditors in satisfaction of the

claims of such Affected Creditors, subject to a *pro rata* increase in that cash amount for Restructuring Period Claims in certain circumstances.

4. The existing shareholders of Canwest Global (the “**Existing Shareholders**”) will not be entitled to any distributions under the Plan or any other compensation from the CMI Entities on account of their equity claims in connection with or as a result of the transactions contemplated by the Plan. However, pursuant to minutes of settlement (the “**Minutes of Settlement**”) that were entered into on June 23, 2010 between the CMI Entities, Shaw, the Ad Hoc Committee and an *ad hoc* group of Existing Shareholders (the “**Shareholder Group**”), each acting through its legal counsel, in connection with the motion to approve the Amended Shaw Transaction, Canwest Global has agreed to complete a reorganization of capital under section 191 of the CBCA that will see the issued and outstanding multiple voting shares, subordinated voting shares and non-voting shares of Canwest Global changed into New Multiple Voting Shares, New Subordinated Voting Shares, New Non-Voting Shares and New Preferred Shares (all as defined below) of Canwest Global on the Plan Implementation Date, and an entity affiliated with and designated by Shaw (the “**Shaw Designated Entity**”) pay \$11 million for distribution to the holders of the New Preferred Shares in consideration for the transfer to the Shaw Designated Entity of all of the issued and outstanding New Preferred Shares. The Shaw Designated Entity will then donate such New Preferred Shares to Canwest Global for cancellation. The Minutes of Settlement were filed with this Honourable Court on June 23, 2010.

5. In connection with the Plan and its implementation, and in accordance with the Amended Shaw Transaction, Canwest Global, CMI, CTLP, New Canwest, Shaw, 7316712 and the Monitor entered into an agreement (the “**Plan Emergence Agreement**”) dated June 25, 2010 detailing certain steps that will be taken prior to, upon or following implementation of the Plan, which are related to the funding of various costs that are payable by the CMI Entities on emergence from this CCAA proceeding, including payments that will be made (or may be made) to satisfy post-filing amounts owing by the CMI Entities. The payments that are to be made by the CMI Entities or the Monitor will be in accordance with the terms of the Plan Emergence Agreement and the form of schedule of costs appended thereto (the “**PIF Schedule**”). The PIF Schedule has not yet been finalized and will be settled by the parties to the Plan Emergence Agreement between now and the Plan Implementation Date.

6. The Creditor Meetings were held in Toronto, Ontario on July 19, 2010 in accordance with the procedures established by the Meeting Order. 100% in number representing 100% in value of the Beneficial Noteholders (as defined below) that provided a proxy, ballot or other instructions for voting or otherwise validly voted at the Noteholders Meeting approved the Resolution. In excess of 99% in number representing in excess of 99% in value of the Ordinary Creditors and Convenience Class Creditors (as defined below) holding Proven Voting Claims (as defined below) that were present in person or by proxy and voting at the Ordinary Creditors Meeting voted (or were deemed to vote pursuant to the Plan and the Meeting Order) to approve the Resolution. The CMI Entities have therefore achieved the required “double majority” for both Creditor Meetings.

7. Pursuant to the Meeting Order, the CMI Entities have therefore brought the present motion, returnable on July 28, 2010, seeking an Order (the “**Sanction Order**”), *inter alia*,

- (a) sanctioning the Plan;
- (b) approving the Plan Emergence Agreement and all schedules thereto, including the form of the PIF Schedule; and
- (c) authorizing and directing the CMI Entities and the Monitor to take all steps and actions necessary or appropriate to implement the Plan and the Plan Emergence Agreement in accordance with their terms.

In addition, the CMI Entities will also be seeking an Order establishing a claims procedure for the identification and quantification of certain post-filing claims against the CMI Entities.

8. The Plan is the culmination of comprehensive and, at times, extremely difficult restructuring efforts that were commenced by the CMI Entities in October 2008. Sanction of the Plan is a crucial and necessary step toward a successful going concern restructuring of the CMI Entities. If the Plan is sanctioned and the other closing conditions to the Amended Shaw Transaction are met, the businesses operated by the CTLP Plan Entities (as defined below) will continue to operate on a going concern basis as viable and competitive participants in the Canadian television broadcasting industry. In addition, if sanctioned, the Plan will provide stability for the CMI Entities’ employees, pensioners, suppliers, customers and other

stakeholders and will provide significant value for the CMI Entities' Affected Creditors. If the Plan is not sanctioned, the Plan will become null and void in all respects and the Amended Shaw Transaction will not be completed, putting the CMI Entities' entire restructuring efforts and ongoing viability in jeopardy. The likely alternative to the Plan would be a forced going concern liquidation/sale of the CMI Entities' assets through a receivership, an exercise of creditors' rights or a bankruptcy. The Monitor has opined in its Sixteenth Report filed in respect of the Creditor Meetings that it is unlikely that the recovery from such going concern liquidation proceedings would be greater for the creditors of the CMI Entities than under the Plan.

9. The board of directors of Canwest Global (the "**Board**"), the senior management of the CMI Entities, the Ad Hoc Committee, the CMI Entities' Chief Restructuring Advisor (the "**CMI CRA**") and the Monitor all support the Plan and its sanction by this Honourable Court.

10. For the reasons set out in this Affidavit, the CMI Entities are of the view that the Plan is fair and reasonable.

BACKGROUND

11. Canwest Global is a leading Canadian media company with interests in free-to-air television stations and subscription-based specialty television channels. Until recently, Canwest Global also had interests in newspaper publishing and digital and online media operations (which were sold on July 13, 2010 in connection with separate proceedings commenced under the CCAA in January 2010).

12. With respect to its television operations, Canwest Global, principally through CTLP, owns and operates the *Global Television Network*, which is comprised of 12 free-to-air television stations and covers approximately 98% of Canada's English-language television market. In addition, Canwest Global, through its subsidiaries, also owns interests in a portfolio of leading subscription-based national specialty television channels, including interests in a number of leading specialty television channels through CW Investments Co. ("**CW Investments**") and its affiliates. Prior to May 3, 2010, CW Investments was owned jointly by CMI with Goldman Sachs Capital Partners VI Fund, L.P. and certain of its affiliates (together, "**Goldman Sachs**"). Since May 3, 2010, CW Investments has been owned jointly by CMI and Shaw.

The CCAA Proceedings

13. The CMI Entities were granted protection from their creditors under the CCAA, pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 6, 2009. FTI Consulting Canada Inc. (“**FTI**”) was appointed at that time to act as monitor (the “**Monitor**”) in this CCAA proceeding.

14. The Initial Order, a copy of which is attached as Exhibit “A” to this Affidavit, granted, *inter alia*, a stay of proceedings (the “**Stay Period**”) until November 5, 2009, or such later date as this Honourable Court may order. The Stay Period has been extended on four subsequent occasions, most recently on June 8, 2010, with the Stay Period now scheduled to expire on September 8, 2010. A copy of the Order dated June 8, 2010 extending the Stay Period to September 8, 2010 is attached as Exhibit “B” to this Affidavit.

15. Further details regarding the background to this CCAA proceeding are set out in the affidavits sworn by John E. Maguire on October 5, 2009 (the “**Initial Order Affidavit**”), October 22, 2009, October 27, 2009, November 27, 2009, January 18, 2010, March 1, 2010, March 23, 2010 and June 3, 2010 and in the affidavits sworn by me on November 24, 2009, February 12, 2010, June 7, 2010, June 14, 2010, June 16, 2010 and June 18, 2010 (the latter four affidavits addressing the Amended Shaw Transaction and the proposed Plan) and, unless relevant to the present motion, are not repeated herein. A copy of the Initial Order Affidavit, without exhibits, is attached as Exhibit “C” to this Affidavit.

16. Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Plan.

Original Recapitalization Transaction

17. Immediately prior to filing for creditor protection under the CCAA, the CMI Entities entered into a support agreement dated October 5, 2009 (the “**Support Agreement**”) with the members of the Ad Hoc Committee that collectively held in excess of 70% of the outstanding principal amount of the 8% Senior Subordinated Notes. At the time, CMI owed in excess of US\$393 million in principal and approximately US\$33.7 million in accrued but unpaid interest and default interest to the 8% Senior Subordinated Noteholders in respect of the 8% Senior Subordinated Notes on which CMI had defaulted in March 2009, and several of the other CMI Entities were also liable for the amounts owing pursuant to guarantees of CMI’s obligations

in respect of the 8% Senior Subordinated Notes. Due to the size of the indebtedness owing to the 8% Senior Subordinated Noteholders and the proportion of the 8% Senior Subordinated Notes held by the members of the Ad Hoc Committee, the CMI Entities recognized that any consensual recapitalization transaction would necessarily require the support of the members of the Ad Hoc Committee. The Support Agreement had attached to it a recapitalization transaction term sheet (the “**Original Recapitalization Term Sheet**”) that set out the summary terms and conditions of a proposed consensual going concern recapitalization transaction involving the CMI Entities (the “**Original Recapitalization Transaction**”). The Support Agreement provided that the CMI Entities would pursue a plan of arrangement or compromise on the terms set out in the Original Recapitalization Term Sheet in order to implement the Original Recapitalization Transaction as part of this CCAA proceeding.

18. Under the Original Recapitalization Transaction, it was proposed, *inter alia*, that creditors of the CMI Entities whose claims were to be compromised, including the 8% Senior Subordinated Noteholders, would receive shares of a restructured Canwest Global which would be a publicly-listed company on the Toronto Stock Exchange. The Original Recapitalization Transaction contemplated that no more than 18.5% of the outstanding equity shares of a restructured Canwest Global would be issued to Affected Creditors (other than the 8% Senior Subordinated Noteholders) and that the existing shareholders of Canwest Global would receive in the aggregate 2.3% of the shares of a restructured Canwest Global (the “**Shareholder Recovery**”). The Original Recapitalization Term Sheet specifically provided that the Shareholder Recovery was not to dilute the recovery that would otherwise be received by the Affected Creditors (other than the 8% Senior Subordinated Noteholders). In other words, the equity shares to be allocated to the Existing Shareholders were to be funded out of the recoveries that would otherwise have flowed to the 8% Senior Subordinated Noteholders.

19. The Original Recapitalization Transaction was contingent upon, *inter alia*, the satisfaction of the following conditions:

- (a) identifying one or more “Canadians” within the meaning of the *Direction to the CRTC (ineligibility of Non-Canadians)* (the “**Direction**”) that would invest at least \$65 million in a restructured Canwest Global, representing an equity interest

that was acceptable to CMI and the Ad Hoc Committee (the “**Equity Investor**”); and

- (b) the shareholders agreement (the “**Shareholders Agreement**”) between CMI, 4414616 Canada Inc., Goldman Sachs (now Shaw) and CW Investments that governs the affairs of CW Investments being amended and restated or otherwise dealt with in a manner acceptable to CMI and the Ad Hoc Committee, subject to CRTC approval if required.

20. The need to address the rights of Goldman Sachs under the Shareholders Agreement had been known to the CMI Entities for many months. As I have noted in earlier affidavits, it became clear to management of the CMI Entities as early as February 2009 that if the CMI Entities were going to be able to successfully recapitalize themselves they would, among other things, need to address the Shareholders Agreement, partially as a result of the commercial reality of the dramatically different current economic and financial environment compared to the environment that existed when the specialty television channels were acquired by CW Investments from Alliance Atlantis in 2007.

21. The Support Agreement and the Original Recapitalization Term Sheet represented the culmination of many months of arm’s length negotiations between the CMI Entities and the Ad Hoc Committee and represented the best prospect of a going concern recapitalization of the CMI Entities available at that time.

The Original Shaw Transaction

22. In early November 2009, Canwest Global, with the assistance of its financial advisor, RBC Capital Markets, commenced a comprehensive equity investment solicitation process in order to identify the Equity Investor(s), as contemplated in the Original Recapitalization Term Sheet. The equity investment solicitation process was conducted over the course of three months. Strategic and financial investors were initially solicited to determine whether they would be interested in making a minimum 20% equity investment in a restructured Canwest Global for at least \$65 million. Ultimately, two formal binding offers were received from potential investors by the January 27, 2010 deadline, one of which was from Shaw. It was Canwest Global’s view, which was supported by RBC Capital Markets and the CMI CRA, that the formal offer submitted by Shaw was the best overall offer received by the CMI Entities. The

details of the equity investment solicitation process are more specifically set out in my affidavit sworn on February 12, 2010 (the “**Shaw Approval Affidavit**”). A copy of the Shaw Approval Affidavit (without exhibits) is attached as Exhibit “D” to this Affidavit.

23. On February 11, 2010, Canwest Global entered into an agreement with Shaw pursuant to which Shaw agreed to subscribe for, and Canwest Global, once restructured, agreed to issue, equity shares in the capital of a restructured Canwest Global (the “**Original Shaw Subscription Agreement**”). The Original Shaw Subscription Agreement contemplated, *inter alia*, that:

- (a) Shaw, or a wholly-owned direct or indirect subsidiary of Shaw, would invest a minimum of \$95 million in a restructured Canwest Global (the “**Minimum Commitment**”), representing a 20% equity interest and an 80% voting interest in a restructured Canwest Global immediately following the completion of the proposed recapitalization transaction (the “**Original Shaw Transaction**”).
- (b) Rather than restructure Canwest Global as a public company (as was contemplated in the Original Recapitalization Term Sheet), Canwest Global would become a private company the shareholders of which would be comprised of Shaw and those 8% Senior Subordinated Noteholders and other participating creditors of the CMI Entities that elected to receive equity shares of a restructured Canwest Global and that would hold at least 5% of the equity of a restructured Canwest Global following the completion of the Original Shaw Transaction.
- (c) Creditors of the CMI Entities that would otherwise hold less than 5% of the equity shares of a restructured Canwest Global upon completion of the Original Shaw Transaction (the “**Non-Participating Creditors**”) would receive cash payments (rather than equity shares of a restructured Canwest Global) to extinguish their interests to be affected pursuant to a plan of compromise or arrangement. The amount of cash to be distributed to the Non-Participating Creditors would be equal to the value of the equity they would otherwise have received under the Original Recapitalization Transaction but using the higher implied equity value contained in the Original Shaw Subscription Agreement.

- (d) In addition to the Minimum Commitment, Shaw would subscribe for an additional commitment of equity shares of a restructured Canwest Global at the same price per share (the “**Additional Commitment**”) in order to fund the cash payments which would be made to the Non-Participating Creditors and the Existing Shareholders pursuant to the Original Recapitalization Transaction (as amended), subject to the right of the members of the Ad Hoc Committee to elect to participate *pro rata* (based upon the *pro forma* ratio of equity in a restructured Canwest Global allocated to Shaw to equity allocated to the Ad Hoc Committee) with Shaw in the funding of the Additional Commitment.

24. The Original Shaw Subscription Agreement maintained the Shareholder Recovery, albeit in a different form. It provided that each of the Existing Shareholders would, in exchange for their existing shares of Canwest Global, receive a cash payment equal to such shareholder’s *pro rata* entitlement to the amount obtained by multiplying (i) the implied equity value of restructured Canwest Global (*i.e.*, \$475 million) by (ii) the percentage of the implied equity value that was to be allocated to the existing shareholders of Canwest Global as set out in the Original Recapitalization Term Sheet (*i.e.*, 2.3%). The cash payment to the Existing Shareholders was to have been funded out of the recovery that would otherwise have been allocable to the 8% Senior Subordinated Noteholders.

25. Also on February 11, 2010, the CMI Entities and the members of the Ad Hoc Committee amended the original terms of the Support Agreement (the “**Amended Support Agreement**”) in order to reflect the modified terms of the Original Shaw Transaction. In addition, the members of the Ad Hoc Committee entered into an agreement with Shaw and Canwest Global whereby the parties agreed to support the terms of the Original Shaw Transaction, including the proposed equity subscription by Shaw (the “**Original Shaw Support Agreement**”).

26. Pursuant to the Original Shaw Support Agreement, it was a condition of each party’s obligation to consummate the Original Shaw Transaction that, *inter alia*:

- (a) the Shareholders Agreement be amended and restated or otherwise addressed in a manner to be agreed by Shaw, Canwest Global and the Ad Hoc Committee, subject to CRTC approval, if required; or

- (b) the Shareholders Agreement be disclaimed or resiliated in accordance with the provisions of the CCAA and the Order of this Honourable Court dated October 14, 2009 establishing a claims process for the CMI Entities (the “**Claims Procedure Order**”).

27. In order to satisfy the condition pertaining to the Shareholders Agreement, Shaw, Canwest Global and the Ad Hoc Committee jointly agreed to pursue in good faith an amendment and restatement of the Shareholders Agreement.

28. Although the Original Shaw Subscription Agreement, Amended Support Agreement and Original Shaw Support Agreement were entered into on February 11, 2010, by their terms they were not legally binding or effective until approved by this Honourable Court. To that end, the CMI Entities served materials on February 12, 2010 in support of a motion (to be heard on February 19, 2010) seeking approval of the agreements entered into in respect of the Original Shaw Transaction. In the afternoon of February 18, 2010, Goldman Sachs served motion materials opposing the relief sought in the motion, citing concerns about the integrity of the CMI Entities’ equity investment solicitation process and whether the best available transaction had emerged from that process. At 3:38 a.m. on February 19, 2010, the day of the hearing of the approval motion in respect of the Original Shaw Transaction, the CMI Entities were served with an affidavit by counsel for Catalyst Capital Group Inc. (“**Catalyst**”) enclosing a competing offer to make an equity investment in a restructured Canwest Global.

29. By Order dated February 19, 2010 (the “**Original Shaw Approval Order**”), this Honourable Court approved the agreements that were entered into in respect of the Original Shaw Transaction. Among other things, this Honourable Court noted that a “major objective underpinning the initial CCAA filing [had] now been accomplished.” A copy of the Original Shaw Approval Order dated February 19, 2010 is attached at Exhibit “E” to this Affidavit. A copy of the written reasons of this Honourable Court in connection with the Original Shaw Approval Order is attached at Exhibit “F” to this Affidavit.

30. On March 9, 2010, Goldman Sachs filed a notice of motion and factum seeking leave to appeal from, *inter alia*, the Original Shaw Approval Order (the “**Leave Motion**”). On March 12, 2010, Catalyst served a responding factum in support of the Leave Motion. On March 17, 2010, the CMI Entities brought a motion to expedite (the “**Motion to Expedite**”) the Leave

Motion, and, if leave was granted, the appeal. The relief sought in the Motion to Expedite was granted by the Honourable Mr. Justice LaForme of the Ontario Court of Appeal on March 24, 2010. On March 22, 2010, the CMI Entities and the Ad Hoc Committee served responding facts in opposition to the Leave Motion. As described below, the Leave Motion was ultimately abandoned by Goldman Sachs following the Mediation (as defined below).

Negotiations with Goldman Sachs

31. As noted above, it was a condition of the Support Agreement that the Shareholders Agreement be amended and restated or otherwise addressed in a manner agreeable to the CMI Entities and the members of the Ad Hoc Committee. Similarly, completion of the Original Shaw Transaction was conditional, among other things, upon the Shareholders Agreement being amended and restated or otherwise addressed in a manner agreeable to Shaw, Canwest Global and the members of the Ad Hoc Committee, or being disclaimed or resiliated in accordance with the provisions of the CCAA and the Claims Procedure Order.

32. Commencing shortly after the issuance of the Initial Order, the CMI Entities, the CMI CRA and the Ad Hoc Committee, with the assistance of the Monitor, participated in direct and indirect, bi-lateral and multi-lateral negotiations with Goldman Sachs in an attempt to reach a consensual resolution with Goldman Sachs regarding the treatment of the Shareholders Agreement. The CMI Entities were conscious of the direction given by this Honourable Court in the written reasons issued in respect of a motion commenced by the CMI Entities in November 2009 seeking certain declaratory relief that “a commercial resolution was the best way to resolve the [Goldman Sachs] issues”. Following approval of the Original Shaw Transaction, Shaw and the Ad Hoc Committee also engaged in discussions with the CMI Entities, the CMI CRA, the Monitor and Goldman Sachs in an attempt to reach a mutually agreeable resolution of the treatment of the Shareholders Agreement and issues surrounding the approval of the Original Shaw Transaction. Once again, the CMI Entities took direction from this Honourable Court in the form of the written reasons issued in connection with the Shaw Approval Order wherein this Honourable Court stated that it continued “to be of the view that a commercial and negotiated resolution of that issue [in respect of the Shareholders Agreement] is in the best interests of all concerned”. Ultimately, the negotiations proved unsuccessful and eventually the discussions reached an impasse.

The Mediation

33. In light of the impasse that was reached in respect of the bi-lateral and multi-lateral negotiations, the CMI Entities and the Monitor requested that this Honourable Court direct the parties to a confidential court-supervised mediation in a final effort to reach a consensual resolution with Goldman Sachs that would permit the CMI Entities' restructuring to proceed without lengthy and very costly litigation. The CMI Entities and the CMI CRA had unsuccessfully expended all other commercially reasonable efforts to achieve a consensual renegotiation of the Shareholders Agreement. Moreover, the CMI Entities and their stakeholders required certainty with respect to the path forward, particularly as the time to negotiate new programming agreements with the U.S. television studios was approaching, as was the period for upfront selling to advertisers of the 2010-2011 program schedules of the television channels and stations of CTLP and CW Investments.

34. The CMI Entities, the CMI CRA and the Monitor also recognized that if the parties continued to proceed down a litigation track in respect of, *inter alia*, (i) a potential request to disclaim or resiliate the Shareholders Agreement and/or (ii) the Leave Motion and, if leave was granted, the appeal of the Original Shaw Approval Order itself, the CMI Entities would be required to incur significant litigation costs, divert many hundreds of hours of senior management time to the litigation effort at one of the most critical times of the restructuring and, based upon even the most optimistic view, would likely not be able to complete a going concern recapitalization transaction for a significant period of time, if at all. This would have put the Original Shaw Transaction in jeopardy as, under the terms of the Amended Support Agreement, the Original Shaw Support Agreement and the Original Shaw Subscription Agreement, the proposed plan of arrangement or compromise was required to be implemented by no later than August 11, 2010 (unless such dates were extended by Shaw and Canwest Global). It would also have put the DIP facility provided by CIBC Asset-Based Lending Inc. ("CIBC") (formerly CIT Business Credit Canada Inc.) in jeopardy, which, if terminated, would have had a detrimental effect on the CMI Entities' ongoing liquidity.

35. After discussing with the parties their willingness to attend, this Honourable Court directed the CMI Entities, Goldman Sachs, Shaw and members of the Ad Hoc Committee, together with the parties' respective legal counsel, to attend a confidential mediation (the "**Mediation**"), to be conducted by the Chief Justice of Ontario, the Honourable Mr. Warren

Winkler, to address the future treatment of the Shareholders Agreement and to resolve the other issues between the parties. The Monitor and its legal counsel also attended and participated in the Mediation.

36. The Mediation commenced on March 29, 2010 at the Hilton Toronto Hotel in Toronto, Ontario. On March 31, 2010, Chief Justice Winkler directed an adjournment of the Mediation for two weeks and requested that each of Shaw, Goldman Sachs, the Ad Hoc Committee and the CMI Entities report to him on or before April 14, 2010 concerning their respective views on whether there was merit in pursuing the Mediation any further. On April 14, 2010, the Monitor's counsel advised the parties that Chief Justice Winkler had directed that the adjournment would continue.

37. On April 16, 2010, Chief Justice Winkler advised the parties through the Monitor's counsel that Shaw, the Ad Hoc Committee and Goldman Sachs had negotiated a framework to permit the CMI Entities to effect a consensual restructuring transaction and to resolve the treatment of the Shareholders Agreement and all of the existing and potential litigation and disputes with Goldman Sachs. The framework involved, *inter alia*, (a) the value that would be paid in cash by Shaw to Goldman Sachs for the acquisition of all of its shares in CW Investments which would satisfy the conditions in the Original Shaw Support Agreement and the Amended Support Agreement with respect to the Shareholders Agreement, and (b) the value that would be paid to the 8% Senior Subordinated Noteholders to satisfy their claims against the CMI Entities as part of the proposed recapitalization transaction. The CMI Entities were also advised that, if consummated, the framework would see the discontinuance by Goldman Sachs of all litigation including the Leave Motion.

Amended Shaw Transaction

38. The CMI Entities, Shaw, the Ad Hoc Committee and Goldman Sachs subsequently proceeded to negotiate the definitive documents among them following the framework that had been agreed to by Shaw, the Ad Hoc Committee and Goldman Sachs, including the value that would be paid to the Affected Creditors (other than the 8% Senior Subordinated Noteholders) as part of the Plan.

39. Final transaction terms were established and definitive documentation (the "**Definitive Documentation**") amending the Original Shaw Transaction and evidencing the

Amended Shaw Transaction was ultimately signed by the parties on May 3, 2010, following respective board approvals by Canwest Global and Shaw.

40. The Amended Shaw Transaction will see a wholly-owned subsidiary of Shaw acquire all of the interests in the free-to-air television stations and subscription-based specialty television channels currently owned by CTLP and its subsidiaries and all of the interests in the specialty television channels currently owned by CW Investments and its subsidiaries, as well as certain other assets of the CMI Entities. Shaw will pay to CMI US\$440 million in cash to be used by CMI to satisfy the claims of the 8% Senior Subordinated Noteholders against the CMI Entities. In the event that the implementation of the Plan occurs after September 30, 2010, an additional cash amount, referred to as the Continued Support Payment, of US\$2.9 million per month will be paid to CMI by Shaw and allocated by CMI to the 8% Senior Subordinated Noteholders. An additional \$38 million will be paid by Shaw to the Monitor at the direction of CMI to be used to satisfy the Claims of the Affected Creditors (other than the 8% Senior Subordinated Noteholders), subject to a *pro rata* increase in that cash amount for Restructuring Period Claims in certain circumstances.

41. Concurrently with the execution of the Definitive Documentation, Shaw and Goldman Sachs entered into a Share and Option Purchase Agreement pursuant to which Shaw acquired on that date from Goldman Sachs 299 Class A preferred shares in the capital of CW Investments, representing approximately 29.9% of the total voting shares of CW Investments, and 499,000 Class B common shares, representing approximately 49.9% of the total equity shares of CW Investments. Shaw also obtained an option to purchase, subject to CRTC approval, the remaining 34 Class A preferred shares and 148,014 Class B common shares in the capital of CW Investments held by Goldman Sachs, representing 3.4% of the total voting shares of CW Investments and 14.8% of the total equity shares of CW Investments. The aggregate cash consideration paid and payable by Shaw for Goldman Sachs' shares of CW Investments (including the option shares) was \$709 million, including \$9 million allocated to the fees and expenses of Goldman Sachs.

42. In addition, Canwest Global, CMI, CW Investments, Shaw and Goldman Sachs executed a full and final mutual release dated May 3, 2010 with respect to the various matters that had been the subject of litigation between the parties, including the Leave Motion.

The Shareholder Group Complaint

43. Following the execution of the Definitive Documentation, the CMI Entities proceeded to negotiate and draft the Plan and related agreements. The CMI CRA, the Monitor, Shaw and the Ad Hoc Committee also participated in the negotiation and drafting of the Plan and related agreements. The CMI Entities subsequently brought a motion (the “**June 22nd Motion**”) seeking an order (the “**Meeting Order**”), *inter alia*, accepting the filing of the Plan based upon the Amended Shaw Transaction, authorizing the CMI Entities to call and conduct the Creditor Meetings and approving the Definitive Documentation. The motion was returnable on June 22, 2010.

44. In response to the June 22nd Motion, the Shareholder Group filed materials in opposition to the relief sought at the motion. The Shareholder Group claimed that, among other things, the Amended Shaw Transaction was improper because it did not include the Shareholder Recovery (which was contemplated by the Original Recapitalization Transaction and the Original Shaw Transaction).

45. At the commencement of the June 22nd Motion, this Honourable Court urged the CMI Entities, Shaw, the Ad Hoc Committee and the Shareholder Group, in the interests of certainty and to avoid delay, to seek to resolve their differences. On June 23, 2010, after many hours of arm’s length negotiation, and with the assistance of the Monitor, the parties, through their counsel, entered into the Minutes of Settlement wherein it was agreed by the parties that Canwest Global would complete a reorganization of capital under section 191 of the CBCA as part of the Amended Shaw Transaction pursuant to which the Existing Shareholders would receive from Shaw an aggregate cash payment of \$11 million (representing an amount approximately equivalent to the amount of the Shareholder Recovery contemplated by the Original Recapitalization Transaction and the Original Shaw Transaction) upon the implementation of the Plan. The parties also agreed, *inter alia*, that the Shareholder Group would be reimbursed in respect of the documented costs of their advisors in connection with the June 22nd Motion on implementation of the Plan in an amount to be agreed upon by the parties.

46. Following the entering into of the Minutes of Settlement, this Honourable Court granted the Meeting Order, which included approval of the Definitive Documentation. In Reasons for Decision granted June 23, 2010 (the “**June 23rd Reasons**”), this Honourable Court

stated that it was “fully supportive of the approval of the Shaw Transaction Agreements” and that the Amended Shaw Transaction was “fair and reasonable”. A copy of the Meeting Order (without Schedules) dated June 23, 2010 is attached at Exhibit “G” to this Affidavit. A copy of the June 23rd Reasons is attached as Exhibit “H” to this Affidavit.

The Plan

47. The Plan, in its then current form, was filed with this Honourable Court shortly after the Meeting Order was granted on the afternoon of June 23, 2010. In developing the Plan, the CMI Entities have sought to achieve a fair and reasonable balance between all of their Affected Creditors while providing for the financial stability and future economic viability of their businesses. As such, the purpose of the Plan is to:

- (a) effect a compromise and settlement of all of the affected claims thereunder (the “**Affected Claims**”) against Canwest Global, CMI, the CTLP Plan Entities, 4501063 Canada Inc., MBS Productions Inc., Yellow Card Productions Inc. and Global Centre Inc. (collectively, the “**Plan Entities**”),
- (b) facilitate the closing of the Amended Shaw Transaction,
- (c) effect a restructuring of certain of the Plan Entities so that the Business may continue on a going concern basis,
- (d) facilitate the continuation of employment for substantially all of the employees of the Plan Entities, and
- (e) provide the general public broad access to and choice of news, public and other information and entertainment programming from media which are currently owned and operated by the CMI Entities.

48. Creditors of the Plan Entities shall either be affected (the “**Affected Creditors**”) or unaffected by the Plan. In order to vote on the Plan, a creditor must be a holder of a claim against a Plan Entity that has been finally determined for the purposes of voting in accordance with the Claims Procedure Order against a Plan Entity (a “**Proven Voting Claim**”). In respect thereof, and in accordance with the Meeting Order, the Plan separates Affected Creditors into two classes for voting purposes: (a) the 8% Senior Subordinated Noteholders (the “**Noteholders**”

Class") and (b) creditors with Affected Claims (the "**Ordinary Creditors Class**") that are neither 8% Senior Subordinated Noteholders nor creditors with Affected Claims against a Plan Entity that are valued at less than \$5,000 or that elect to value their claims at \$5,000 for the purposes of voting on and receiving distributions under the Plan ("**Convenience Class Creditors**"). The Convenience Class Creditors whose claims (or the elected amount of whose claims) are being paid in full were deemed to vote in favour of the Plan as members of the Ordinary Creditors Class.

49. The Plan will become effective at the Effective Time on the Plan Implementation Date. It is contemplated in the Amended Shaw Transaction that the Plan will be implemented by no later than September 30, 2010, subject to extension by the parties on agreement or by Shaw in certain circumstances for up to an additional three months in the event that the closing of the Amended Shaw Transaction has not occurred by that date solely as a result of the requisite regulatory approvals not having been obtained by September 30, 2010. The Plan includes the following key elements:

- (a) 7316712 will acquire all of the shares of CW Investments owned by CMI, all of the shares of New Canwest which will in turn own all of the limited partnership interests of CTLP and the shares of GP Inc., and certain other assets of the CMI Entities;
- (b) US\$440 million plus the amount of the Continued Support Payment, if any, will be allocated for distribution on account of the Claims of the 8% Senior Subordinated Noteholders;
- (c) \$38 million, subject to a *pro rata* increase in such amount for certain Restructuring Period Claims in certain circumstances, will be allocated in satisfaction of the Claims of Affected Creditors (other than the 8% Senior Subordinated Noteholders);
- (d) Unaffected Claims, including the claims of certain Persons that are the subject of the Court Charges, will be paid on the Plan Implementation Date or otherwise satisfied from a Plan Implementation Fund (as defined below) mainly consisting of Cash (as defined below) of the Plan Entities (other than the Cash of CTLP and

GP Inc. and their subsidiaries) (excluding the consideration paid by Shaw in accordance with the Amended Shaw Transaction);

- (e) the Existing Shareholders will not be entitled to any distributions under the Plan or other compensation from the CMI Entities on account of their equity interests in Canwest Global;
- (f) all equity compensation plans of Canwest Global will be extinguished, and any outstanding options, restricted share units or other equity-based awards outstanding thereunder will be terminated and cancelled, and the participants therein shall not be entitled to any distributions under the Plan; and
- (g) the Court Charges will be released except for the Administration Charge which will continue to attach to the Ordinary Creditors Pool (as defined below) and the Plan Implementation Fund.

A copy of the Plan is attached as Exhibit "I" to this Affidavit.

50. Under the Plan, the 8% Senior Subordinated Noteholders will not receive any distributions from The National Post Company / La Publication National Post ("**The National Post Company**") or National Post Holdings Ltd. (collectively, the "**National Post Entities**") and all claims of the 8% Senior Subordinated Noteholders against the National Post Entities will be released and discharged. The National Post Entities will be the subject of separate bankruptcy proceedings wherein the Monitor will be named as the trustee in bankruptcy. The trustee in bankruptcy will apply for an order of the Court consolidating the bankruptcy estates of the National Post Entities. Only Affected Creditors having claims that have been finally determined for the purposes of distributions in accordance with the Claims Procedure Order (a "**Proven Distribution Claim**"), if any, against the National Post Entities and their consolidated bankruptcy estate will be entitled to receive distributions from the National Post Entities or such estate. The proceeds of approximately \$2.5 million from the transfer of the assets of The National Post Company to a subsidiary of Canwest Limited Partnership / Canwest Societe en Commandite (which, prior to July 13, 2010, carried on Canwest Global's newspaper publishing and digital and online media operations) will be first used to repay post-filing advances made to The National Post Company by CMI and the residual will be vested in the trustee in bankruptcy

of the consolidated bankruptcy estate of the National Post Entities for distribution to Ordinary Creditors, as described above.

51. On a Distribution Date to be determined by the Monitor following the Plan Implementation Date, all Affected Creditors of the Plan Entities with Proven Distribution Claims against the Plan Entities will receive distributions from cash received by CMI (or the Monitor at CMI's direction) from the Plan Sponsor in accordance with the Plan. The Directors and Officers of the remaining CMI Entities and other subsidiaries of Canwest Global will resign on or about the Plan Implementation Date.

52. Following the consummation of the Plan, CTLP and CW Investments will be indirect, wholly-owned subsidiaries of Shaw, the Subordinate Voting Shares and Non-Voting Shares of Canwest Global will be delisted from the TSX Venture Exchange and Canwest Global will apply to cease to be a reporting issuer under applicable Canadian securities laws. It is anticipated that the remaining CMI Entities and certain other subsidiaries of Canwest Global will be liquidated, wound up, dissolved, placed into bankruptcy or otherwise abandoned.

Releases under the Plan

53. Article 7.3 of the Plan provides that on the Plan Implementation Date, Canwest Global, the CMI Entities and the Canwest Subsidiaries and each of their respective present and former shareholders, financial and legal advisors, the Directors and Officers, members of the Special Committee or any pension or other committee or governance counsel, the CMI CRA, the Monitor and its counsel, the Initial Directors, the Retiree Representative Counsel, the Retiree Representatives, CIBC and the Plan Sponsor and the present and former directors, officers and agents of each (collectively, the "**Released Parties**") will be released and discharged from all demands, claims, actions, causes of action, and other matters that any Person may be entitled to assert, whether known or unknown, based upon any act or omission, transaction or other occurrence existing or taking place on or before the Plan Implementation Date relating to, arising out of or in connection with any claim arising out of (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether oral or written, (ii) the business and affairs of the CMI Entities or any of the Canwest Subsidiaries, (iii) the administration or management of the CH Plan or any other pension or benefit plans, (iv) the Plan, (v) the CCAA proceedings, (vi) any transaction referenced in the Support Agreement (and

all subsequent amendments thereto), the Original Subscription Agreement (and all subsequent amendments thereto), the Original Shaw Support Agreement (and all subsequent amendments thereto), the CTLP Partnership Agreement or the Plan Emergence Agreement, and (vii) the Canwest Global Articles of Reorganization, provided however that nothing in Section 7.3 will release or discharge:

- (a) Canwest Global or any of the Canwest Subsidiaries (other than the CTLP Plan Entities) from or in respect of (x) any Unaffected Claim or (y) its obligations to Affected Creditors under the Plan or under any Order;
- (b) a Released Party if such party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct, or to have been grossly negligent or, in the case of Directors, in respect of any claim referred to in section 5.1(2) of the CCAA;
- (c) any Claim (other than a Claim of an 8% Senior Subordinated Noteholder or the Indenture Trustee) against a CMI Entity which is not a Plan Entity; and
- (d) claims of creditors against Canwest Subsidiaries which are not CMI Entities.

54. For greater certainty, Article 7.3 goes on to provide that all Claims, including all Restructuring Period Claims, filed against the Directors and Officers will be discharged, released and forever barred with prejudice, and the Directors and Officers shall have no further liability in respect thereto.

55. Creditors of a CMI Entity with a Claim against one of the CMI Entities that is not a Plan Entity will be allowed to continue to assert such Claim against any such other CMI Entity which is not a Plan Entity, including in subsequent winding up or bankruptcy proceedings (if any).

56. Article 5.5(e) of the Plan further provides that all Claims relating to guarantees granted by any CMI Entity or any other Canwest Subsidiary (including CMIH and Canwest Ireland Nominee Limited (“**Ireland Nominee**”)) to the 8% Senior Subordinated Noteholders and/or the Indenture Trustee, such guarantees and any other security granted by such CMI Entity or Canwest Subsidiary to the 8% Senior Subordinated Noteholders and/or the Indenture Trustee,

and all rights of indemnity and subrogation arising thereunder, will be released and discharged, and, in consideration of such release of CMIH, each of CMIH and the Collateral Agent shall be deemed to have released and discharged any security granted to it or for its benefit in respect of the Secured Intercompany Note, and CMIH shall further be deemed to have released with prejudice CMI from its obligations to pay any interest then accrued and unpaid on the Secured Intercompany Note and the Unsecured Intercompany Note. CMIH has consented to the Plan and to the draft Sanction Order.

57. The Plan also contains a provision releasing and discharging the 8% Senior Subordinated Noteholders, the Ad Hoc Committee, the Indenture Trustee and each of their respective present and former shareholders, officers, directors, legal counsel, agents and financial advisors (collectively, the “**Noteholder Released Parties**”) from all demands, claims, actions, causes of action, and other matters that any Person may be entitled to assert, whether known or unknown, based in whole or in part upon any act or omission, transaction, dealing or other occurrence existing or taking place on or before the Effective Time relating to, arising out of or in connection with the 8% Senior Subordinated Notes (including any guarantee obligations under the 8% Senior Subordinated Notes or the indenture governing the 8% Senior Subordinated Notes (the “**Indenture**”)), the recapitalization of the CMI Entities, the Plan, the CCAA proceedings, the Support Agreement (and all subsequent amendments thereto), and the Original Shaw Support Agreement (and all subsequent amendments thereto) and any other actions or matters related directly or indirectly to the foregoing. The Noteholder Released Parties will not be released from any matter where the Noteholder Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct, or to have been grossly negligent.

58. The Released Parties and the Noteholder Released Parties are and have been essential to the success of the CMI Entities’ restructuring efforts and the going concern outcome represented by the Amended Shaw Transaction and the Plan. The continued presence and support of the Released Parties and the Noteholder Released Parties allowed the CMI Entities to attempt to restructure their businesses through this CCAA proceeding and put forward the Plan and their collective continued support will be indispensable up to the Plan Implementation Date. Put another way, the parties that are to have claims against them released are contributing in a tangible and realistic way to the Plan. Moreover, without the CMI Entities’ commitment to

include provisions in the Plan to protect the Released Parties and the Noteholder Released Parties, it is unlikely that certain of such parties would have been prepared to support the Plan. The releases, in effect, are part of a *quid pro quo*. They recognize the contributions that the Released Parties and the Noteholder Released Parties have made to the restructuring.

Distributions under the Plan

59. Under the Plan, the funds to be distributed to 8% Senior Subordinated Noteholders will be held by CMI in a pool designated for distribution to the 8% Senior Subordinated Noteholders (the “**Noteholder Pool**”). The Noteholder Pool will be equal to US\$440 million (plus the amount of any Continued Support Payment). On or after the Plan Implementation Date, each 8% Senior Subordinated Noteholder shall receive its *pro rata* share of the Noteholder Pool pursuant to a distribution by CMI to the Indenture Trustee (as defined below) for and on behalf of the 8% Senior Subordinated Noteholders. Under the Plan, the Indenture Trustee will remit the Noteholder Pool to The Depository Trust & Clearing Corporation for distribution on a *pro rata* basis to the 8% Senior Subordinated Noteholders.

60. The funds to be distributed to creditors in the Ordinary Creditors Class shall be held by the Monitor in a pool designated for distribution to the Ordinary Creditors (the “**Ordinary Creditors Pool**”). The Ordinary Creditors Pool will be equal to \$38 million, in addition to a *pro rata* increase for certain Restructuring Period Claims in certain circumstances, less the amount of the Convenience Class Pool. The Plan provides that on one or more distribution dates (as determined by the Monitor), the Monitor shall distribute to each Convenience Class Creditor from the Convenience Class Pool an amount in cash equal to the lesser of \$5,000 and the value of such Convenience Class Creditor’s claim.

61. In order to fairly distribute the amounts held in the Ordinary Creditors Pool to the Ordinary Creditors and to ensure that the distributions reflect the relative values of the assets held by the Plan Entities to which the Affected Claims of Ordinary Creditors relate, the Plan divides the Ordinary Creditors Pool into two sub-pools. The first sub-pool (the “**Ordinary CTLP Creditors Sub-Pool**”) comprises two-thirds of the Ordinary Creditors Pool and is in respect of the Affected Claims held by Affected Creditors against CTLP, GP Inc., Canwest Global Broadcasting Inc. / Radiodiffusion Canwest Global Inc., Fox Sports World Canada Partnership and Fox Sports World Canada Holdco Inc. (collectively, the “**CTLP Plan Entities**”).

The Affected Creditors with Proven Distribution Claims against the CTLP Plan Entities shall receive their *pro rata* share of the funds in the Ordinary CTLP Creditors Sub-Pool. The second sub-pool (the “**Ordinary CMI Creditors Sub-Pool**”) comprises one-third of the Ordinary Creditors Pool and will be used to satisfy the Affected Claims held by Affected Creditors against the Plan Entities other than the CTLP Plan Entities. The Affected Creditors with Proven Distribution Claims classified as sharing in the Ordinary CMI Creditors Sub-Pool will receive their *pro rata* share of the funds in this sub-pool. The Monitor has indicated in its Sixteenth Report that it is fair and reasonable that Affected Creditors of the CTLP Plan Entities share *pro rata* in two-thirds of the Ordinary Creditors Pool and Affected Creditors of the Plan Entities other than the CTLP Plan Entities share *pro rata* in one-third of the Ordinary Creditors Pool.

62. The Plan does not affect certain claims against certain of the CMI Entities and certain potential claims against the Directors and Officers. Certain of these claims shall be paid on or following the Plan Implementation Date by the Monitor out of the Plan Implementation Fund.

63. Certain claims which arise after the Filing Date that are not within the definition of Restructuring Period Claim or Post-Filing Claim or otherwise dealt with in the Plan or Plan Emergence Agreement will, as a consequence, be compromised or otherwise dealt with in the subsequent liquidation, wind-up, dissolution, abandonment or bankruptcy of the remaining CMI Entities.

64. The Monitor will be empowered under the Plan to complete the claims process under the Claims Procedure Order and to effect distributions to the Ordinary Creditors and the Convenience Class Creditors. As well, the Monitor will also be empowered to effect the liquidation, wind-up or dissolution, abandonment or bankruptcy of Canwest Global, CMI and certain of the remaining Canwest Subsidiaries after the Plan Implementation Date.

8% Senior Subordinated Noteholder Recovery

65. As noted above, under the Plan, the Noteholder Pool is US\$440 million (plus the amount of the Continued Support Payment, if any). On or after the Plan Implementation Date, each 8% Senior Subordinated Noteholder will receive its *pro rata* share of the Noteholder Pool to satisfy its claims under the 8% Senior Subordinated Notes. The distribution of the Noteholder Pool is expected to result in recovery to the 8% Senior Subordinated Noteholders of all of the

principal and accrued and unpaid pre-filing interest (including accrued and unpaid default interest) owing under the defaulted 8% Senior Subordinated Notes and a portion of the interest accrued post-filing.

66. The quantum of the recovery provided to the 8% Senior Subordinated Noteholders under the Plan is the result of several factors. Among other things, the quantum of the Noteholder Pool is reflective of the fact that CMI's obligations under the 8% Senior Subordinated Notes were guaranteed by several of the CMI Entities, meaning that the 8% Senior Subordinated Noteholders have multiple concurrent claims against the CMI Entities, including certain claims that have structural priority to the claims of the Ordinary Creditors.

67. In particular, as noted in the Initial Order Affidavit, the 8% Senior Subordinated Notes are guaranteed by all of the CMI Entities (other than Canwest Global and 30109, LLC), as well as by CMIH and Ireland Nominee (collectively, the "**Guarantors**"). The guarantees provided by the Guarantors entitled the 8% Senior Subordinated Noteholders, upon default by CMI under the 8% Senior Subordinated Notes, to call upon the guarantees and seek immediate repayment from any or all of the Guarantors, including CMIH. In that regard, the 8% Senior Subordinated Noteholders have direct claims not just against CMI but against all of the Plan Entities.

68. Had the 8% Senior Subordinated Noteholders exercised their right to call upon the guarantee of CMIH when CMI first defaulted under the 8% Senior Subordinated Notes in March 2009, the 8% Senior Subordinated Noteholders could have taken steps to appoint an administrator over the estate of CMIH. If the 8% Senior Subordinated Noteholders were successful in doing so, the administrator would likely have been required to force a sale of CMIH's only material asset at the time, namely its controlling interest in Ten Network Holdings Limited ("**Ten Holdings**"). As the 8% Senior Subordinated Noteholders are the only significant creditor of CMIH, the 8% Senior Subordinated Noteholders would have therefore been entitled to recover all of the proceeds of such a sale. The effect of this action would have been to significantly harm the businesses of Canwest Global and its subsidiaries and prejudice the other creditors of the CMI Entities.

69. Instead of doing so, when CMI first defaulted under the 8% Senior Subordinated Notes, the Ad Hoc Committee entered into a series of forbearance agreements with CMI

whereby the Ad Hoc Committee agreed not to demand immediate repayment of the amounts outstanding under the 8% Senior Subordinated Notes (and would therefore be unable to call upon the guarantee provided by CMIH and force a liquidation of CMIH's interest in Ten Holdings) in order to allow the CMI Entities and the Ad Hoc Committee to negotiate a creditor-sponsored "pre-packaged" recapitalization transaction. When all of the shares of Ten Holdings owned by CMIH were ultimately sold for approximately \$634 million (the "**Ten Proceeds**") in late September 2009 in anticipation of the CMI Entities entering into the "pre-packaged" recapitalization transaction, the 8% Senior Subordinated Noteholders once again agreed not to demand immediate repayment of the amounts owing to them despite their direct priority claims to the Ten Proceeds. Instead, the 8% Senior Subordinated Noteholders agreed that CMIH could loan the net amount of the Ten Proceeds to CMI in the form of the Secured Intercompany Note (in the amount of \$187.3 million) and the Unsecured Intercompany Note (in the amount of \$430.6 million), pursuant to a use of cash collateral and consent agreement (the "**Cash Collateral and Consent Agreement**") that set out the manner in which the Ten Proceeds would be used, notwithstanding their direct claims against CMIH on account of its guarantee of the 8% Senior Subordinated Notes. The proceeds advanced to CMI pursuant to the Secured Intercompany Note were used to repay in full all amounts outstanding under the 12% senior secured notes issued by CMI in April 2009 (US\$94.9 million) and to fund general liquidity and operating costs of the CMI Entities (\$85 million). The proceeds advanced to CMI by CMIH pursuant to the Unsecured Intercompany Note were then deposited by CMI with the trustee in respect of the 8% Senior Subordinated Notes (the "**Indenture Trustee**"). The Indenture Trustee, in accordance with instructions received from a majority of the holders of the 8% Senior Subordinated Notes in accordance with the Indenture, applied such amounts in payment of outstanding interest (other than an interest payment due September 15, 2009) and to reduce the principal amount outstanding under the 8% Senior Subordinated Notes. Following the distribution of the Ten Proceeds, the outstanding principal amount owing under the 8% Senior Subordinated Notes was approximately US\$393 million. Accrued and unpaid interest at that time amounted to approximately US\$33.7 million and, under the terms of the Indenture, interest has accrued at a rate of 8% per annum since that time. The total amount presently owing in respect of the 8% Senior Subordinated Notes (inclusive of accrued but unpaid and default interest to August 31, 2010) is approximately US\$458.4 million. The Secured Intercompany Note and Unsecured Intercompany Note are guaranteed by all of the CMI Entities.

70. In recognition of the structural priority rights indirectly held by the 8% Senior Subordinated Noteholders under the CMIH guarantee, the Cash Collateral and Consent Agreement included certain restrictions on actions that could be taken by CMIH and/or the CMI Entities without the consent of the Ad Hoc Committee. Specifically, the Cash Collateral and Consent Agreement provides, among other things, that (i) CMIH will not amend the terms of the Secured Intercompany Note or the Unsecured Intercompany Note; and (ii) if the Secured Intercompany Note becomes due and payable, and following demand by the Ad Hoc Committee, CMIH will assign the Secured Intercompany Note to the Indenture Trustee or a designee of the Ad Hoc Committee (subject to the lien held by CIBC).

71. Following the sale of Ten Holdings and the entering into of the Cash Collateral and Consent Agreement, the CMI Entities entered into the Support Agreement with the members of the Ad Hoc Committee wherein they agreed to pursue the Original Recapitalization Transaction. As noted above, if implemented, the Original Recapitalization Transaction would have seen the 8% Senior Subordinated Noteholders convert their indebtedness into equity of a restructured Canwest Global. Because of the amount of the indebtedness owing to the 8% Senior Subordinated Noteholders and the structural priority of the claims held by the 8% Senior Subordinated Noteholders under the CMIH Guarantee, the Original Recapitalization Transaction contemplated, among other things, that no more than 18.5% of the outstanding equity shares of a restructured Canwest Global (as then contemplated) would be issued to Affected Creditors (other than the 8% Senior Subordinated Noteholders).

72. In other words, it was contemplated in the Original Recapitalization Transaction that the 8% Senior Subordinated Noteholders would receive the majority of the equity of a restructured Canwest Global in recognition of the structural priority of their claims. When the CMI Entities entered into the Original Shaw Transaction with Shaw and the Ad Hoc Committee in February 2010, it was contemplated that Participating Creditors (as defined in the Amended Support Agreement) would receive shares of a restructured Canwest Global whereas Non-Participating Creditors would receive cash payments equal in dollar value (based upon the implied equity value of a restructured Canwest Global under the Original Shaw Subscription Agreement) to their *pro rata* entitlements to the equity shares of a restructured Canwest Global that they would have otherwise received under the Original Recapitalization Transaction in satisfaction of their claims. In addition, as was contemplated by the Original Recapitalization

Transaction, it was contemplated in the Original Shaw Subscription Agreement that \$85 million of the subscription proceeds received from Shaw would be distributed to the 8% Senior Subordinated Noteholders in connection with a partial repayment of the Secured Intercompany Note.

73. Ultimately, with the assistance of Chief Justice Winkler at the Mediation, Shaw has agreed as part of the consideration payable under the Amended Shaw Transaction to, in effect, pay US\$440 million (plus the amount of any Continuing Support Payment) to the 8% Senior Subordinated Noteholders in order to acquire the equity interests of Restructured Canwest Global which were contractually allocated to the 8% Senior Subordinated Noteholders under the Original Recapitalization Transaction and then subsequently under the Original Shaw Transaction. The ability of those 8% Senior Subordinated Noteholders that would have received equity under the Original Shaw Transaction to transfer their equity interests to Shaw was expressly contemplated in the provisions dealing with liquidity rights in the definitive documents entered into in connection with the Original Shaw Transaction. In part, the Noteholder Pool in the Plan reflects this agreement.

74. The distribution of the Noteholder Pool recognizes the objective reality that, had it not been for the continued support of the Ad Hoc Committee both prior to and during these CCAA proceedings, the CMI Entities would not have had the opportunity to pursue a going concern restructuring of their businesses. Moreover, the quantum of the Noteholder Pool is amply justified by the multiple concurrent claims of the 8% Senior Subordinated Noteholders and the structural priority of certain of their claims, including with respect to the CMIH guarantee.

Reorganization of the Articles of Canwest Global

75. In furtherance of the Minutes of Settlement (described above) that were entered into with the Shareholder Group in connection with the June 22nd Motion, on the Plan Implementation Date, the articles of Canwest Global will be amended under section 191 of the CBCA to facilitate the settlement. In particular, Canwest Global will reorganize the authorized capital of Canwest Global into (a) an unlimited number of new multiple voting shares (the “**New Multiple Voting Shares**”), new subordinated voting shares (the “**New Subordinated Voting Shares**”) and new non-voting shares (the “**New Non-Voting Shares**”); and (b) an unlimited

number of new non-voting preferred shares (the “**New Preferred Shares**”), the terms of which will provide for the mandatory transfer to a designated entity affiliated with Shaw (the “**Shaw Designated Entity**”) of the New Preferred Shares held by the Existing Shareholders for an aggregate cash amount of \$11 million for distribution to the Existing Shareholders upon delivery by Canwest Global of a transfer notice (the “**Transfer Notice**”) to the transfer agent (the “**Transfer Agent**”).

76. More specifically, at the Effective Time, each issued and outstanding Multiple Voting Share of Canwest Global held by an Existing Shareholder will be changed into one New Multiple Voting Share and one New Preferred Share, each issued and outstanding Subordinated Voting Share of Canwest Global held by an Existing Shareholder will be changed into one New Subordinated Voting Share and one New Preferred Share, and each issued and outstanding Non-Voting Share of Canwest Global held by an Existing Shareholder will be changed into one New Non-Voting Share and one New Preferred Share. Following delivery of the Transfer Notice, the Shaw Designated Entity will purchase all of the New Preferred Shares held by the Existing Shareholders in consideration for the aggregate cash payment of \$11 million to be delivered to the Transfer Agent for distribution to the holders of the New Preferred Shares as of the Effective Time. The Shaw Designated Entity will then donate and surrender the New Preferred Shares acquired by it to Canwest Global for cancellation.

77. The settlement with the Shareholder Group does not, in any way, impact the anticipated recovery to the Affected Creditors of the CMI Entities. The purchase by Shaw of the New Preferred Shares held by the Existing Shareholders for \$11 million is the result of an arm’s length agreement between Shaw and the Existing Shareholders.

78. In the June 23rd Reasons, this Honourable Court stated that it was “pleased the parties considered section 6(8) of the CCAA with respect to the structure supporting the Minutes of Settlement and that the \$38 million for the Affected Creditors is not impacted by this resolution” and that “a negotiated resolution of the parties’ differences is in the best interests of the CMI Entities and their stakeholders”.

The Plan Emergence Agreement

79. In connection with the Plan and its implementation and as provided for by the Amended Shaw Transaction, Canwest Global, CMI, CTLP, New Canwest, Shaw, 7316712 and the Monitor entered into the Plan Emergence Agreement detailing certain steps that will be taken prior to, upon or following implementation of the Plan. The Plan Emergence Agreement includes, among other things, (i) a list of all existing management employees of the CMI Entities (the “**Non-Continuing Management Employees**”) who will not become employees of New Canwest or remain as employees of the CTLP Plan Entities following the Effective Time, and (ii) a list of all material agreements to which any of the Plan Entities is a party or are parties (the “**Non-Continuing Material Contracts**”) that were to be disclaimed by the CMI Entities, with the consent of the Monitor at least 23 days prior to the Creditor Meetings.

80. In particular, the Plan Emergence Agreement provides that on or before the Plan Implementation Date, the CMI Entities will terminate the employment of the Non-Continuing Management Employees, in addition to those employees listed on a schedule delivered by CMI to the Plan Sponsor on April 28, 2010, as subsequently revised (the “**April 28 Severance Schedule**”), and that the termination and severance obligations, together with accrued and unpaid vacation pay, salary and wages with respect to such employees, less any statutory deductions, will be paid by the Monitor or, if authorized by the Monitor, the CMI Entities, from the cash and other cash equivalents of the Plan Entities, other than the cash and other cash equivalents held at the Effective Time by the CTLP Plan Entities (the “**Cash**”). Schedule 2.1 of the Plan Emergence Agreement indicates that there are no additional employees to be terminated beyond the employees identified on the April 28 Severance Schedule. The employees on the April 28 Severance Schedule are head office employees who have been identified by the CMI Entities and Shaw as being necessary to the successful implementation of the Plan. In an attempt to retain these individuals until the Plan is implemented, the CMI Entities and Shaw have agreed that the severance amounts owing to these individuals will not be affected or compromised under the Plan. In addition, the CMI Entities and Shaw were of the view that it is important that any termination of these individuals not occur until shortly before or on the Plan Implementation Date. Any such termination would therefore occur after the restructuring claims bar date and make the severance obligations arising therefrom potentially not capable of compromise under the terms of the Claims Procedure Order.

81. With respect to the Non-Continuing Material Contracts, the Plan Emergence Agreement provides that, on or before 23 days before the date of the Creditor Meetings, Canwest Global, CMI or the CTLP Plan Entities, as applicable, would notify all counterparties to such Non-Continuing Material Contracts of the proposed disclaimer, in accordance with section 32(1) of the CCAA within the timeframe set out in the Claims Procedure Order as supplemented by the Meeting Order. The counterparties to the Non-Continuing Material Contracts were, in fact, provided with such notice and were each sent a CMI Notice of Claim, together with the applicable CMI Claims Package, on or about June 25, 2010.

82. Any claims arising as a result of the disclaimer or renegotiation of the Non-Continuing Material Contracts will constitute Restructuring Period Claims, unless specified otherwise.

83. The Plan Emergence Agreement contemplates certain events that must occur and payments that must be made prior to the Plan Implementation Date. Among other things:

- (a) the cash management services provided by the Bank of Nova Scotia (“BNS”) to the CMI Entities will be terminated and new arrangements will be entered into by Canwest Global and/or one or more of the CMI Entities other than the CTLP Plan Entities after the Plan Implementation Date on terms to be agreed prior to the Plan Implementation Date;
- (b) New Canwest and the CTLP Plan Entities will establish a new cash management system;
- (c) one (1) Business Day prior to the Plan Implementation Date, all “cash sweeps” under the CIT Facility and the CIT Credit Agreement will cease to be effective as of the close of business on such date; and
- (d) one (1) Business Day prior to the Plan Implementation Date, CTLP will hold back from cash in its account an amount equal to the CH Plan Settlement Amount, which amount shall be paid by CTLP on the Plan Implementation Date to the CH Plan Trustee pursuant to the Plan.

84. Similarly, the Plan Emergence Agreement contemplates that certain payments will be made by the Monitor, on behalf of the CMI Entities, from the Cash on the Plan Implementation Date. These payments are set out in Section 1 of the form of PIF Schedule attached thereto. The PIF Schedule has not yet been finalized and will be settled by the parties to the Plan Emergence Agreement between now and the Plan Implementation Date. The payments set out in the PIF Schedule are in respect of costs and obligations owing by the CMI Entities to, among others,:

- (a) the relevant governmental entities in respect of the amounts referred to in sections 6(3), 6(5) and 6(6) of the CCAA;
- (b) legal counsel to the CMI Entities, the Special Committee, the Directors and Officers of the CMI Entities, the Monitor, the Ad Hoc Committee and the Retirees in respect of professional fees and disbursements incurred and unpaid respectively for the period to and including the Plan Implementation Date;
- (c) the Monitor, PricewaterhouseCoopers Canada LLP and KPMG LLP in respect of professional fees and disbursements incurred and unpaid for the period to and including the Plan Implementation Date;
- (d) the CMI CRA, Genuity Capital Markets, RBC Capital Markets and Houlihan Lokey in respect of all payments due and unpaid under their respective engagement letters;
- (e) the participants in the key employee retention plans (“KERPs”) approved by this Honourable Court pursuant to the Initial Order in respect of the amounts payable to them under the KERPs;
- (f) BNS arising from the provision of cash management services to the CMI Entities;
- (g) CIBC (formerly known as CIT Business Credit Canada Inc.) arising from the CIT Credit Agreement;
- (h) the amounts payable to those employees identified on the April 28 Severance Schedule in respect of termination and severance obligations, together with

accrued and unpaid vacation pay, salary and wages with respect to such employees, less any statutory deductions; and

- (i) Shaw in respect of the expense reimbursement obligation set out in the Amended Shaw Transaction.

85. To the extent that the amount of the Cash on the Plan Implementation Date is less than the aggregate amount required to pay the above-noted obligations in full, then New Canwest and/or CTLP will fund the difference on or before the Plan Implementation Date.

86. In addition, the Plan Emergence Agreement contemplates the establishment of a fund (the “**Plan Implementation Fund**”) which is to be funded with any remaining Cash after the above-noted obligations/payments have been paid in full. To the extent that the remaining Cash is inadequate to fully fund a category of payment which will be set forth in the PIF Schedule (which schedule will contain a reserve to provide funds to pay for unforeseen or contingent events) then New Canwest and/or CTLP will pay to the Monitor the amount of any difference in respect of such category which shall be deposited in the Plan Implementation Fund. The Plan Implementation Fund is to be used by the Monitor, to pay, *inter alia*,

- (a) the costs and expenses to be incurred by the Monitor, its legal counsel and any advisors retained by the Monitor from and after the Plan Implementation Date to perform any of its statutory or Court-ordered duties, including resolving unresolved claims against the CMI Entities and making distributions under the Plan;
- (b) the amount of any Proven Post-Filing Claim held by a Post-Filing Creditor and any Post-Filing D&O Insured Claim;
- (c) the fees and expenses of any replacement administrator for the CH Plan appointed by the Superintendent of Financial Institutions to the extent that such fees and expenses are not otherwise payable from the assets in the CH Plan;
- (d) the reasonable fees and disbursements of counsel to the Directors and Officers in connection with:

- (i) determining the Affected Claims that are Unresolved Claims against the Directors and Officers;
 - (ii) determining any Post-Filing D&O Insured Claims and addressing any matters of insurance coverage and related issues; and
 - (iii) providing assistance with any issues regarding the Directors and Officers that may arise after the Plan Implementation Date relating to the wind-up, bankruptcies, dissolution, abandonment or liquidation of the remaining CMI Entities and other Canwest Global subsidiaries and issues regarding indemnification, insurance and other matters in respect of any Directors or Officers that remain in office after the Plan Implementation Date; and
- (e) The professional fees and disbursements incurred by the legal counsel and professional advisors of the remaining CMI Entities and other Canwest Subsidiaries for services provided in connection with the wind-up, bankruptcy, dissolution, abandonment or liquidation of any of the remaining CMI Entities and other Canwest Subsidiaries (other than the National Post Entities).

87. To the extent that the Plan Implementation Fund is insufficient to fund the activities of the Monitor pursuant to the Plan or the Plan Emergence Agreement, then New Canwest and/or CTLP will pay additional funds satisfactory to the Monitor and such amounts will be deposited into the Plan Implementation Fund. To the extent that there are any residual amounts remaining in the Plan Implementation Fund following payment of all amounts set out in the PIF Schedule, the Monitor shall remit any such amounts to New Canwest.

88. Under the terms of the Plan Emergence Agreement, the Monitor has no obligation to make any payments contemplated therein unless and until the Monitor is in receipt of funds adequate to effect such payments in full in the applicable account referred to in the PIF Schedule.

89. Finally, the Plan Emergence Agreement provides that on the Plan Implementation Date, concurrently with the acquisition of the New Preferred Shares and in accordance with the Minutes of Settlement, 7316712 Canada will pay Bennett Jones LLP in trust for the benefit of the Shareholder Group the costs of their advisors in connection with the June 22nd Motion.

Amendments to the Plan

90. Due to an inadvertent error in the search conducted to identify beneficial holders of the 8% Senior Subordinated Notes and in accordance with the Order of this Honourable Court dated June 29, 2010, the CMI Entities amended the Plan to change the Noteholder Voting Record Date from June 24, 2010 to June 28, 2010.

91. Certain other technical amendments to the Plan have been made (and are identified in the Plan attached as Exhibit "I") and notice of such amendments was sent to the service list in these CCAA proceedings on July 16, 2010 and posted on the website maintained by the Monitor in respect of these CCAA proceedings. In accordance with the Plan and the Meeting Order, the amendments to the Plan were approved by Shaw and the Ad Hoc Committee. CIBC also consented to the amendments to the Plan.

Mailing of the Meeting Notice and Meeting Materials

92. The Meeting Order authorized the CMI Entities to conduct the Creditor Meetings on July 19, 2010 at which time Affected Creditors in the Noteholder Class and Affected Creditors in the Ordinary Creditors Class would consider and vote on the Resolution to approve the Plan. To the best of the knowledge of the CMI Entities, the CMI Entities, on their own or through the Monitor, have complied with all of the requirements imposed on them by the Meeting Order to disseminate materials concerning the Plan and the Creditor Meetings to the Affected Creditors and all other interested persons.

93. In particular, I am advised by Osler, Hoskin & Harcourt LLP, counsel to the CMI Entities, and believe that on or about June 30, 2010, the CMI Entities delivered (i) the Information Circular; and (ii) the beneficial owner ballot ("**Beneficial Noteholder Ballot**") and with the Information Circular, the "**Noteholder Meeting Materials**") to the Beneficial Noteholder's agent, Broadridge Investor Communications Solutions, Canada, who then, in turn, delivered the Meeting Materials to those 8% Senior Subordinated Noteholders that beneficially held the 8% Senior Subordinated Notes on the Noteholder Voting Record Date (the "**Beneficial Noteholders**") through an intermediary or, in instances where the Beneficial Noteholders held their beneficial interests in the 8% Senior Subordinated Notes directly, through a participant that held their interest in the 8% Senior Subordinated Notes. In addition, I am advised by Mr. Jeffrey Rosenberg, a Managing Director of FTI, and believe that by July 2, 2010, pursuant to the terms

of the Meeting Order, the Monitor had caused to be sent by mail, courier, fax or email copies of the Information Circular and the Ordinary Creditors' Proxy (the "**Ordinary Creditors Meeting Materials**") and together with the Noteholder Meeting Materials, the "**Meeting Materials**") to each Ordinary Creditor and Convenience Class Creditor. An electronic copy of the Meeting Materials was also posted on the Monitor's website maintained for this CCAA proceeding.

94. Furthermore, I am advised by Mr. Rosenberg and believe that the Monitor published notice of the Creditor Meetings in the *National Post*, *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal* on June 30, 2010 and July 2, 2010.

The Creditor Meetings

95. The Creditor Meetings were held on July 19, 2010 in the Governor General Room at the Hilton Toronto Hotel in Toronto, Ontario. The Noteholder Meeting was held at 9:30 a.m. and the Ordinary Creditors Meeting was held at 11:30 a.m. In accordance with the terms of the Meeting Order, Mr. Greg Watson of the Monitor acted as the chair (the "**Chair**") of each of the Noteholder Meeting and Ordinary Creditors Meeting. Other representatives of the Monitor acted as scrutineers at each meeting.

(a) The Noteholder Meeting

96. Pursuant to the terms of the Meeting Order, only those Beneficial Noteholders as of the Noteholder Voting Record Date were entitled to vote or provide instructions relating to voting at the Noteholder Meeting. The Beneficial Noteholders indicated their instructions with respect to voting for or against the Resolution by completing a Beneficial Noteholder Ballot and sending such Beneficial Noteholder Ballot to their intermediary that subsequently delivered a master ballot (each, a "**Master Ballot**") to the Monitor. All Master Ballots that were received from intermediaries by the Monitor by 5:00 p.m. on July 18, 2010 were counted for voting purposes at the Noteholder Meeting.

97. I am advised by Mr. Rosenberg and believe that at least one vote was included on a Master Ballot that was counted for voting purposes at the Noteholder Meeting, thereby satisfying the requirement of a quorum of the Beneficial Noteholders at the Noteholder Meeting. No Beneficial Noteholders attended the Noteholder Meeting in Person. I am advised and believe that the Chair declared that the Noteholder Meeting was properly constituted.

98. According to the results of the Monitor's tabulation, in total, 100% in number representing 100% in value of the Beneficial Noteholders that provided a proxy, ballot or other instructions for voting or otherwise validly voted at the Noteholders Meeting approved the Resolution. I am advised by Mr. Rosenberg and believe that Beneficial Noteholders holding approximately 95% of the principal amount of the outstanding 8% Senior Subordinated Notes validly voted at the Noteholder Meeting. Pursuant to the Meeting Order, the Resolution was required to be approved by a majority in number and two-thirds in value of the 8% Senior Subordinated Noteholders holding Proven Voting Claims that provided a proxy, ballot or other instruction for voting or otherwise validly voted at the Noteholder Meeting (the "**Required Noteholder Majority**"). The Required Noteholder Majority voted in favour of the Resolution and therefore approved the Plan.

(b) The Ordinary Creditors Meeting

99. Pursuant to the terms of the Meeting Order, Ordinary Creditors were permitted to attend the Ordinary Creditors Meeting in person or could appoint another person to attend as its proxyholder. I am advised by Mr. Rosenberg and believe that 7 Ordinary Creditors attended in person with Proven Voting Claims and that the Chair held at least one proxy from an Ordinary Creditor with a Proven Voting Claim, thereby satisfying the requirement that a quorum of Ordinary Creditors be present either in person or by proxy. I am advised and believe that the Chair declared that the Ordinary Creditors Meeting was properly constituted.

100. According to the results of the Monitor's tabulation, in total, in excess of 99% in number representing in excess of 99% in value of the Ordinary Creditors and Convenience Class Creditors holding Proven Voting Claims that were present in person or by proxy and voting at the Ordinary Creditors Meeting voted (or were deemed to vote pursuant to the Plan and the Meeting Order) to approve the Resolution. Pursuant to the Meeting Order, the Resolution was required to be approved by a majority in number and two-thirds in value of the Ordinary Creditors and Convenience Class Creditors holding Proven Voting Claims that were present and voting at the Ordinary Creditors Meeting (or were deemed to vote pursuant to the Plan and the Meeting Order) (the "**Required Ordinary Creditor Majority**"). The Required Ordinary Creditor Majority voted in favour of the Resolution and therefore approved the Plan.

101. I am advised that in advance of the return date for this motion, the Monitor will deliver a report detailing the conduct and the outcome of the Creditor Meetings.

Vesting of Assets

102. The Plan provides that certain of the assets to be transferred and assigned on the Plan Implementation Date are to be vested free and clear of any liens, charges and encumbrances, including the Court Charges granted in the Initial Order and the Existing Security (as defined in the Initial Order), pursuant to vesting provisions in the proposed Sanction Order. In particular, the CMI Entities seek to vest the following assets:

- (a) all of the assets, rights and properties held by 4501063 Canada Inc., MBS Productions Inc. and Global Centre Inc., including in the case of 4501063 Canada Inc., the shares it holds of GP Inc., in CMI, in connection with the dissolutions of those entities and the distribution of their assets, rights and properties to CMI;
- (b) all of the assets, properties and undertakings listed in Schedule D.1 of the Plan in New Canwest;
- (c) all of the Trademarks, the Copyrights and Other IP, the Other Canwest Assets and any and all of the Canwest/CMI Group Intercompany Receivables owing to Canwest Global, in CMI, in connection with the transfer of the Trademarks, the Copyrights and Other IP, the Other Canwest Assets and any and all Canwest/CMI Group Intercompany Receivables owing to Canwest Global to CMI;
- (d) all of the issued and outstanding New Preferred Shares in the Shaw Designated Entity, upon payment of \$11 million in cash to the Transfer Agent, in connection with the reorganization of the capital of Canwest Global; and
- (e) all of the issued and outstanding shares of New Canwest, the New Canwest Note and the shares of CW Investments held by CMI in 7316712, in connection with the transfer and assignment by CMI of the issued and outstanding shares of New Canwest, the New Canwest Note and the shares of CW Investments held by CMI.

103. The CMI Entities intend to provide notice of this motion to all creditors whose rights will be affected by the vesting provisions in the proposed Sanction Order.

Effect of Sanction Order

104. In addition to sanctioning the Plan, the proposed Sanction Order includes, among other things, provisions dealing with the following:

- (a) authorizing and approving the assumption by CMI of all of the debts, obligations and other liabilities of the Canwest Subsidiaries as provided for in the Plan;
- (b) removing the name “Canwest” from the corporate, business, trade, or partnership names of any of the CMI Entities and the other Canwest Subsidiaries, other than the CTLP Plan Entities;
- (c) changing the registered office of the CMI Entities (other than the CTLP Plan Entities and any CMI Entity incorporated in a foreign jurisdiction) to an address in Toronto, Ontario. Changing the registered office of the CMI Entities (other than the CTLP Plan Entities and any CMI Entity incorporated in a foreign jurisdiction) will assist the proposed trustee in efficiently managing the bankruptcy estates of these entities contemplated by the Plan (including allowing the bankruptcy estates to be consolidated);
- (d) declaring that, after the Effective Time, the Applicants which are CTLP Plan Entities will no longer be Applicants in this CCAA proceedings and the Monitor will be discharged from its duties as the Monitor of the CTLP Plan Entities, provided that in connection with the CTLP Plan Entities, the Monitor’s powers and functions with respect to the resolution and administration of the Unresolved Claims, making distributions under the Plan and duties under the Plan Emergence Agreement and the CCAA, including determining, resolving and paying Unaffected Claims related to the CTLP Plan Entities, shall continue;
- (e) providing that the CMI CRA will be discharged and released from its obligations on the Plan Implementation Date;
- (f) confirming the releases contemplated in the Plan;

- (g) staying the commencing, taking, applying for or issuing or continuing any steps or proceedings taken against any of the Released Parties in respect of any matter released pursuant to the Plan; and
- (h) authorizing and directing the Monitor to apply to this Honourable Court for its discharge with respect to the remaining CMI Entities.

105. In seeking the Sanction Order, the CMI Entities have not breached any requirements under the CCAA or any Order of this Honourable Court. To the best of the knowledge of the CMI Entities, the Plan satisfies the requirement of the CCAA, including the requirements set out in section 6 of the CCAA.

Plan Sanction

106. At the commencement of this CCAA proceeding, the CMI Entities were experiencing significant declines in their advertising revenues, had defaulted under their 8% Senior Subordinated Notes, were experiencing significant tightening of credit from critical suppliers and other trade creditors, and were faced with the challenge of designing a restructuring plan that fairly balanced the interests of their Affected Creditors with the desire to have their businesses remain a viable going concern. On top of these challenges, the CMI Entities were also saddled with a Shareholders Agreement with Goldman Sachs that needed to be addressed in a satisfactory manner.

107. The Plan that was presented for creditor approval is the result of extensive negotiations between the CMI Entities, Shaw, the Ad Hoc Committee, the CMI CRA and certain other stakeholders, with the assistance of the Monitor, and their respective legal and financial advisors. The CMI Entities have sought to achieve a fair and reasonable balance between all of their Affected Creditors while providing for the financial stability and future economic viability of the business.

108. The accomplishment of this objective is demonstrated by the approval of the Plan by the Affected Creditors. The unanimous approval of the Resolution at the Noteholder Meeting and the near unanimous approval of the Resolution at the Ordinary Creditors Meeting (over 99% voted in favour) reinforces my conviction that the Plan is the most reasonable and fair solution to

the financial situation that the CMI Entities found themselves in when this CCAA proceeding commenced.

109. The CMI Entities are of the view that all stakeholders will benefit from the implementation of the Plan. That the Plan is fair and reasonable and in the best interests of the Affected Creditors is highlighted by considering the consequences associated with not implementing the Plan. Such a result would likely lead to a liquidation/sale of the assets of the CMI Entities and distribution of proceeds to creditors in accordance with their respective priorities potentially resulting in:

- (a) reduced recoveries for the Affected Creditors; and
- (b) the cessation of the CMI Entities' existence as a going concern, which would harm the CMI Entities' creditors unaffected by the Plan and other stakeholders including employees, pensioners, suppliers, advertisers and the Canadian public who rely on the CMI Entities for television news and entertainment programming.


110. After carefully considering all of the relevant factors relating to the Plan, the Board, the Special Committee, the senior management of the CMI Entities, the Ad Hoc Committee, and the CMI CRA expressed their support for the Plan and (with the exception of the Ad Hoc Committee) recommended that Affected Creditors vote in favour of the Plan.

111. In addition, the Monitor has indicated that the Plan is fair and reasonable. In its Sixteenth Report, the Monitor noted that:

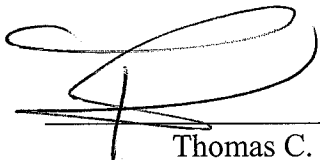
- (a) the Plan complies with the requirements of the CCAA and in particular the requirements set out in section 6 thereof;
- (b) there is no reason to believe that re-starting the equity investment solicitation process or marketing 100% of the CMI Entities' assets would result in a better (or even equally desirable) outcome;
- (c) restarting the equity investment solicitation process may lead to operational difficulties, including issues with the CMI Entities' large studio suppliers and advertisers;

- (d) it is unlikely that the recovery on a going concern liquidation/sale of the assets of the CMI Entities would result in greater recovery to the creditors of the CMI Entities;
- (e) the CMI 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 this Honourable Court;
- (f) the Plan is advantageous to the Affected Creditors of the Plan; and
- (g) the Plan is fair and reasonable as between the CMI Entities' creditors and the CMI Entities.

SWORN BEFORE ME at the City of
Winnipeg, in the Province of Manitoba,
on July 20, 2010.



Commissioner for Taking Affidavits



Thomas C. Strike

Schedule "A"**Applicants**

1. Canwest Global Communications Corp.
2. Canwest Media Inc.
3. MBS Productions Inc.
4. Yellow Card Productions Inc.
5. Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
6. Canwest Television GP Inc.
7. Fox Sports World Canada Holdco Inc.
8. Global Centre Inc.
9. Multisound Publishers Ltd.
10. Canwest International Communications Inc.
11. Canwest Irish Holdings (Barbados) Inc.
12. Western Communications Inc.
13. Canwest Finance Inc./Financiere Canwest Inc.
14. National Post Holdings Ltd.
15. Canwest International Management Inc.
16. Canwest International Distribution Limited
17. Canwest MediaWorks Turkish Holdings (Netherlands)
18. CGS International Holdings (Netherlands)
19. CGS Debenture Holding (Netherlands)
20. CGS Shareholding (Netherlands)
21. CGS NZ Radio Shareholding (Netherlands)
22. 4501063 Canada Inc.
23. 4501071 Canada Inc.
24. 30109, LLC
25. CanWest MediaWorks (US) Holdings Corp.

Schedule "B"

Partnerships

1. Canwest Television Limited Partnership
2. Fox Sports World Canada Partnership
3. The National Post Company/La Publication National Post

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
GLOBAL COMMUNICATIONS CORP., AND THE OTHER APPLICANTS LISTED ON
SCHEDULE "A"

Court File No: M38600

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF THOMAS C. STRIKE
(Sworn July 20, 2010)**

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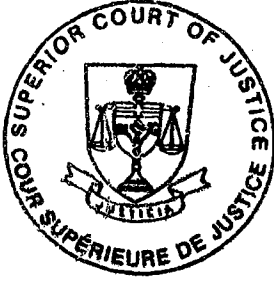
Lawyers for the Applicants

F. 1114233

**This is Exhibit "A" Referred to in the
Affidavit of THOMAS C. STRIKE
sworn before me this 20th day of July, 2010**



Commissioner for taking affidavits



Court File No. CV-09-8396-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)

TUESDAY, THE 6TH DAY

)

MADAM JUSTICE PEPALL)

OF OCTOBER, 2009

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 GLOBAL
COMMUNICATIONS CORP. AND THE OTHER APPLICANTS
LISTED ON SCHEDULE "A"

Applicants

INITIAL ORDER

THIS APPLICATION, made by Canwest Global Communications Corp. ("Canwest Global") and the other applicants listed on Schedule "A" hereto (collectively, 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 John Maguire sworn October 5, 2009 and the Exhibits thereto (the "Maguire Affidavit") and the Report of the Proposed Monitor, FTI Consulting Canada Inc. ("FTI Consulting") (the "Monitor's Pre-Filing Report"), and on being advised that the 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 the partnerships listed on Schedule "B" hereto (the "Partnerships" and collectively with the Applicants, the "CMI Entities"), the Special Committee of the Board of Directors of Canwest Global (the "Special Committee"), FTI Consulting, the *ad hoc* committee (the "Ad Hoc Committee") of holders of 8% senior subordinated notes issued by Canwest Media Inc.

(“CMI”), CIT Business Credit Canada Inc. (“CIT”) and the management directors of the Applicants (the “Management Directors”), and on reading the consent of FTI Consulting to act as the Monitor.

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 Applicants, the Partnerships shall enjoy the benefits of the protections provided to the Applicants by this Order.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that one or more of the Applicants, individually or collectively, shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “CMI Plan”) between, *inter alia*, one or more of the CMI Entities and one or more classes of their applicable secured and/or unsecured creditors as the Applicants deem appropriate.

POSSESSION OF CMI PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the CMI 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 “CMI Property”). Subject to further Order of this Court, the CMI Entities shall each continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the “CMI Business”) and the CMI Property. The CMI Entities shall each be authorized and empowered to continue to retain and employ the employees, advisors,

consultants, agents, experts, appraisers, valuers, 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, subject to the provisions on the payment of Assistants set forth in paragraph 7 hereof.

5. THIS COURT ORDERS that the CMI Entities shall be entitled to continue to utilize the CMI Entities’ centralized cash management system currently in place, as described in the Maguire Affidavit, or replace it with another substantially similar centralized cash management system satisfactory to the CMI DIP Lender (as defined below) (the “**CMI Cash Management System**”). Any present or future bank providing the CMI 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 CMI Entities of funds transferred, paid, collected or otherwise dealt with in the CMI Cash Management System, shall be entitled to provide the CMI Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the CMI Entities, pursuant to the terms of the documentation applicable to the CMI Cash Management System, and shall be, in its capacity as provider of the CMI Cash Management System, an unaffected creditor under the CMI Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the CMI Cash Management System.

6. THIS COURT ORDERS that the CMI Entities and the LP Entities (as defined in the Maguire Affidavit) shall continue to provide and pay for the Shared Services, as defined in the Maguire Affidavit, to each other and their other affiliated and related entities, in accordance with current arrangements, payment terms and business practises, except as to payment terms which may be amended to provide for revised timing of reconciliations, with such amendments to be subject to the approval of the CMI CRA (as defined below) and the prior consent of the Monitor or further Order of the Court. Notwithstanding any other provision in this Order, neither the CMI Entities nor the LP Entities shall modify, cease providing or terminate the provision of or payment for the Shared Services except with the consent of the other party receiving such Shared Services, the approval of the CMI CRA and the prior consent of the Monitor or further Order of

this Court, except with respect to portions of the CMI Business which may be shut down or reorganized in the manner contemplated by the Term Sheet attached to the Support Agreement (as defined below) attached as part of Exhibit "O" to the Maguire Affidavit.

7. THIS COURT ORDERS that, subject to availability under the CMI DIP Facility and the CMI DIP Definitive Documents (both as hereinafter defined) and subject to the applicable cash flow forecast approved by the Consenting Noteholders (as defined below) in accordance with the Use of Collateral and Consent Agreement (as defined below) (the "**Approved Cash Flow**"), the CMI 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 CMI Entities:

- (a) all outstanding and future wages, salaries and employee benefits (including, but not limited to, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, incentive plans, share compensation plans and employee assistance programs and employee or employer contributions in respect of pension and other benefits), current service, special and similar pension and/or retirement benefit payments, vacation pay, commissions, bonuses and other incentive payments, payments under collective bargaining agreements, 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;
- (b) 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;
- (c) 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 CMI Business;

- (d) the reasonable fees and disbursements of any Assistants retained or employed by the CMI 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;
- (e) any and all sums due and owing to Amex Bank of Canada (“**American Express**”), including, without limitation, amounts due and owing by the CMI Entities to American Express in respect of the Corporate Card Program and Central Billed Accounts Program as described in the Maguire Affidavit;
- (f) amounts owing for goods and services actually supplied to the CMI Entities, or to obtain the release of goods contracted for prior to the date of this Order:
 - (i) by distributors, broadcasting and/or production studios, suppliers or other entities, for television programming and other related products, with the prior consent of the Monitor, if, in the opinion of the CMI Entities, the supplier is critical to the business and ongoing operations of any of the CMI Entities;
 - (ii) by newsprint suppliers, newspaper distributors and other logistics suppliers, with the prior consent of the Monitor, if, in the opinion of the National Post Company, the supplier is critical to the business and ongoing operations of the National Post Company; and
 - (iii) by other suppliers, with the prior consent of the Monitor, if, in the opinion of the CMI Entities, the supplier is critical to the CMI Business and ongoing operations of any of the CMI Entities.

8. THIS COURT ORDERS that, subject to availability under the CMI DIP Facility and the CMI DIP Definitive Documents and subject to the Approved Cash Flow, and except as otherwise provided to the contrary herein, the CMI Entities shall be entitled but not required to pay all

reasonable expenses incurred by them in carrying on the CMI 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 CMI Property or the CMI Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services;
- (b) payment, including the posting of letters of credit, for goods or services actually supplied or to be supplied to the CMI Entities following the date of this Order; and
- (c) payment of fees to the Canadian Radio-television and Telecommunications Commission, stock exchange listing fees and other regulatory or license fees necessary for the preservation of the CMI Property or the CMI Business,

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

9. THIS COURT ORDERS that the CMI 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 CMI 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 CMI Entities in connection with the sale of goods and services by the CMI 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 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 CMI Business by the CMI Entities.

10. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with paragraph 12(c) of this Order, the CMI 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 CMI Entity and the relevant landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth 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, the relevant CMI Entity shall pay all Rent owing by the applicable CMI 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.

11. THIS COURT ORDERS that, except as specifically permitted herein, the CMI 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 CMI Entities to any of their creditors as of this date; (b) to grant no security interests, trusts, liens, charges or encumbrances upon or in respect of any of the CMI Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the CMI Business.

RESTRUCTURING

12. THIS COURT ORDERS that the CMI Entities shall, subject to such requirements as are imposed by the CCAA, subject to consulting with the CMI CRA, and subject to the terms of the Use of Collateral and Consent Agreement, the Support Agreement (as defined below), the CMI DIP Facility and the CMI DIP Definitive Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their respective businesses or operations, to dispose of redundant or non-material assets, and to sell assets or operations not exceeding \$1,000,000 in any one transaction or \$5,000,000 in the aggregate, subject to paragraph 12(e), if applicable; SWP -
- (b) terminate the employment of such of their employees or lay off or temporarily or indefinitely lay off such of their employees as the relevant CMI Entity deems appropriate on such terms as may be agreed upon between the relevant CMI Entity and such employee, or failing such agreement, to deal with the consequences thereof in the CMI Plan;
- (c) in accordance with paragraphs 13 and 14, with the prior consent of the Monitor or further Order of the Court, 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, on such terms as may be agreed upon between the relevant CMI Entity and such landlord, or failing such agreement, to deal with the consequences thereof in the CMI Plan;
- (d) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor or further Order of the Court, such of their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the CMI Entities deem appropriate, in accordance with Section 32 of the CCAA, with such disclaimers or resiliations to be on such terms as may be agreed upon between the relevant CMI Entity and such counter-parties, or failing such agreement, to deal with the

consequences thereof in the CMI Plan, provided that the CMI Entities shall not be entitled to disclaim or resiliate, in whole or in part, the Use of Collateral and Consent Agreement or the Support Agreement; and

- (e) pursue all avenues of refinancing and offers for material parts of the CMI Business or the CMI Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above),

all of the foregoing to permit the CMI Entities to proceed with an orderly restructuring of the CMI Business.

13. THIS COURT ORDERS that the CMI Entities shall provide each of the relevant landlords with notice of the relevant CMI 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 CMI 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 CMI Entity, or by further Order of this Court upon application by the relevant CMI Entity on at least two (2) days notice to such landlord and any such secured creditors. If a CMI Entity disclaims or resiliates the lease governing such leased premises in accordance with paragraph 12(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 CMI Entity's claim to the fixtures in dispute.

14. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered by a CMI Entity, 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 CMI 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 CMI Entity in respect of such lease or leased premises and such landlord shall be entitled to notify the CMI 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 CMI ENTITIES OR THE CMI PROPERTY

15. THIS COURT ORDERS that until and including November 5, 2009, 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 CMI Entities, the Monitor or the CMI CRA or affecting the CMI Business or the CMI Property, except with the written consent of the applicable CMI Entity, the Monitor and the CMI CRA (in respect of Proceedings affecting the CMI Entities, the CMI Property or the CMI Business), the CMI CRA (in respect of Proceedings affecting the CMI CRA), or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CMI Entities or the CMI CRA or affecting the CMI Business or the CMI Property are hereby stayed and suspended pending further Order of this Court. In the case of the CMI CRA, no Proceeding shall be commenced against the CMI CRA or its directors and officers without prior leave of this Court on seven (7) days notice to Stonecrest Capital Inc.

NO EXERCISE OF RIGHTS OR REMEDIES

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the CMI Entities, the Monitor and/or the CMI CRA, or affecting the CMI Business or the CMI Property, are hereby stayed and suspended except with the written consent of the applicable CMI

Entity, the Monitor and the CMI CRA (in respect of rights and remedies affecting the CMI Entities, the CMI Property or the CMI Business), the CMI CRA (in respect of rights or remedies affecting the CMI CRA), or leave of this Court, provided that nothing in this Order shall (i) empower the CMI Entities to carry on any business which the CMI Entities are not lawfully entitled to carry on, (ii) exempt the CMI 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

17. 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 CMI Entities, except with the written consent of the relevant CMI Entity and upon consultation with the CMI CRA and the consent of the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with a CMI Entity or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all programming supply, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the CMI Business or a CMI 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 CMI Entities, and that the CMI 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 CMI Entities in accordance with normal payment practices of the CMI Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable

CMI Entity (upon consultation with the CMI CRA) and the consent of the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased 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 CMI Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. 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 estates) of the Applicants with respect to any claim against such directors or officers that arose before the date hereof and that relates to any obligations of the CMI 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 CMI Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the CMI Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. THIS COURT ORDERS that the Applicants shall jointly and severally indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of any of the CMI Entities, after the date hereof, to (i) make payments in respect of the CMI Entities of the nature referred to in subparagraphs 7(a), 9(a), 9(b) and 9(c) of this Order, and (ii) make payments of amounts in respect of the CMI Entities for which the directors and officers are statutorily liable, 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 21 shall not indemnify such directors or officers from any costs, claims, charges, expenses or liabilities properly attributable to the LP Entities.

22. 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 “**CMI Directors’ Charge**”) on the CMI Property, which charge shall not exceed an aggregate amount of \$20,000,000, as security for the indemnity provided in paragraph 21 of this Order. The CMI Directors’ Charge shall have the priority set out in paragraphs 55 and 57 herein.

23. 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 CMI Directors’ Charge and (b) the Applicants’ directors and officers shall only be entitled to the benefit of the Director’s Charge to the extent they do not have coverage under a directors and officers insurance policy.

24. 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 satisfactory to the CMI Entities, the Management Directors (with respect to the CMI Directors’ Charge), the Monitor and the Ad Hoc Committee.

APPOINTMENT OF MONITOR

25. THIS COURT ORDERS that FTI Consulting is hereby appointed pursuant to the CCAA as the Monitor of the CMI Entities, an officer of this Court, to monitor the CMI Property and the CMI Entities’ conduct of the CMI Business with the powers and obligations set out in the CCAA and as set forth herein and that the CMI Entities and their shareholders, officers, directors and Assistants shall advise the Monitor of all material steps taken by the CMI Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

26. 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 CMI Entities' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the CMI Entities, the CMI Property, the CMI Business, and such other matters as may be relevant to the proceedings herein; *and with respect to any payments made pursuant to paragraph 7 (f) (iii) herein;* ^{sup}
- (c) assist the CMI Entities, to the extent required by the CMI Entities, in their dissemination to the CMI DIP Lender, the Ad Hoc Committee and their respective counsel of financial and other information, as agreed to between the CMI Entities and the CMI DIP Lender or the Ad Hoc Committee, as applicable, which may be used in these proceedings, including reporting on a weekly basis to the CMI DIP Lender and the Ad Hoc Committee;
- (d) advise the CMI Entities in their preparation of the CMI Entities' cash flow statements and reporting required by the CMI DIP Lender and the Ad Hoc Committee, which information shall be reviewed with the Monitor and delivered to the CMI DIP Lender, the Ad Hoc Committee and their respective counsel in compliance with the CMI DIP Definitive Documents, or as otherwise agreed to by the CMI DIP Lender or the Ad Hoc Committee, as applicable;
- (e) assist the CMI CRA in the performance of its duties as set out in the CMI CRA Agreement (as defined below);
- (f) advise the CMI Entities in their development and implementation of the CMI Plan and any amendments to the CMI Plan;
- (g) assist the CMI Entities, to the extent required by the CMI Entities, with the holding and administering of creditors' or shareholders' meetings for voting on the CMI Plan, as applicable;

- (h) have full and complete access to the CMI Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the CMI Entities, to the extent that is necessary to adequately assess the CMI 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 provision of the Shared Services in accordance with paragraph 6 of this Order; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

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

28. 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 CMI 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 CMI Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. THIS COURT ORDERS that the Monitor shall provide any creditor of a CMI Entity with information provided by the CMI Entity in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. 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 a CMI Entity 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 applicable CMI Entity may agree.

30. 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.

31. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to any of the CMI Entities, counsel and the financial advisor to the Special Committee, counsel to the Management Directors, RBC Dominion Securities Inc. (the "Financial Advisor"), counsel to the Ad Hoc Committee and the financial advisor to the Ad Hoc Committee (together with counsel to the Ad Hoc Committee, the "**Committee Advisors**") shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or subsequent to the date of this Order, by any of the CMI Entities, to the extent that such fees and disbursements relate to services provided to the CMI Entities or, in the case of the Committee Advisors, to the Ad Hoc Committee, as part of the costs of these proceedings. FTI Consulting, the Financial Advisor, counsel to FTI Consulting, counsel to the CMI Entities, counsel and the financial advisor to the Special Committee and counsel to the Management Directors shall keep

separate accounts for services provided in respect of the CMI Entities and any services provided in respect of entities other than the CMI Entities. The CMI Entities are hereby authorized and directed to pay the accounts of the Monitor, the Financial Advisor, counsel to the Monitor, counsel to the CMI Entities, counsel and the financial advisor to the Special Committee, counsel to the Management Directors and the Committee Advisors on a weekly basis to the extent that such accounts relate to services provided to the CMI Entities, or, in the case of the Committee Advisors, the Ad Hoc Committee. The CMI 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 LP Entities, counsel and the financial advisor to the Special Committee, counsel to the Management Directors or the Financial Advisor, to the extent that such expenses, fees, disbursements or retainers are not attributable to the CMI Entities.

32. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the CMI Entities, counsel and the financial advisor to the Special Committee, counsel to the Management Directors, the CMI CRA, the Financial Advisor and the Committee Advisors shall be entitled to the benefit of and are hereby granted a charge on the CMI Property (the "**CMI Administration Charge**"), which charge shall not exceed an aggregate amount of \$15,000,000 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 CMI Administration Charge shall have the priority set out in paragraphs 55 and 57 hereof.

CHIEF RESTRUCTURING ADVISOR

34. THIS COURT ORDERS that Hap S. Stephen be and is hereby appointed as Chief Restructuring Advisor of the CMI Entities in accordance with the terms and conditions of the agreement entered into between Canwest Global and Stonecrest Capital Inc. ("**Stonecrest**",

collectively referred to herein with Hap S. Stephen as the “CMI CRA”) dated June 30, 2009 (as amended, the “CMI CRA Agreement”), effective as of the date of this Order.

35. THIS COURT ORDERS that the CMI CRA Agreement is hereby approved and given full force and effect and the CMI CRA is hereby authorized to retain counsel as set out in the CMI CRA Agreement.

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

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

38. THIS COURT ORDERS that the CMI CRA and its directors and officers shall incur no liability or obligation as a result of Hap S. Stephen’s appointment pursuant to this Order, or the provision of services pursuant to the CMI CRA Agreement, save and except as may result from gross negligence or wilful misconduct on the part of the CMI CRA.

39. THIS COURT ORDERS that (i) the indemnification obligations of Canwest Global in favour of the CMI CRA and its officers and directors set out in the CMI CRA Agreement; and (ii) the payment obligations set out in the CMI CRA Agreement shall be entitled to the benefit of and form part of the CMI Administration Charge set out herein.

40. THIS COURT ORDERS that any claims of the CMI CRA under the CMI CRA Agreement shall be treated as unaffected in any plan of compromise or arrangement filed by the CMI Entities under the CCAA, any proposal filed by the CMI Entities under the *Bankruptcy and Insolvency Act of Canada* (the “BIA”) or any other restructuring.

DIP FINANCING

41. THIS COURT ORDERS that the Credit Agreement dated as of May 22, 2009 and amended as of June 15, 2009, June 30, 2009, July 17, 2009, July 31, 2009, August 14, 2009,

August 31, 2009, September 11, 2009 and September 23, 2009 (as so amended, the “**CIT Credit Agreement**”) between CMI, the Guarantors party thereto and CIT as agent and lender be and are hereby approved. For greater certainty, references herein to CIT shall include any permitted assignee pursuant to the CIT Credit Agreement.

42. THIS COURT ORDERS that the CMI Entities are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, pledges, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, and including the CIT Credit Agreement, the “**CMI DIP Definitive Documents**”), as are contemplated by the CIT Credit Agreement or as may be reasonably required by the CIT Credit Agreement, and all CMI DIP Definitive Documents executed and delivered prior to the date hereof be and are hereby approved. The CMI Entities are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations under and pursuant to the CMI DIP Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

43. THIS COURT ORDERS that the credit facility provided under the CIT Credit Agreement be and is hereby converted into a debtor-in-possession financing arrangement (the “**CMI DIP Facility**”) in accordance with the terms of the CIT Credit Agreement, provided that the aggregate principal amount of all borrowings under the CMI DIP Facility shall not exceed \$100,000,000. The CMI DIP Facility shall be on the terms and subject to the conditions set forth in the CIT Credit Agreement as attached to the Maguire Affidavit as Exhibit “F”, as the CIT Credit Agreement may be amended from time to time upon the written agreement of the parties thereto. CIT, in its capacity as lender under the CMI DIP Facility, shall be referred to herein as the CMI DIP Lender.

44. THIS COURT ORDERS that CMI is hereby authorized and empowered to obtain and borrow the amounts previously or hereinafter advanced pursuant to the CMI DIP Facility in order to finance the CMI Entities’ working capital requirements and other general corporate purposes and capital expenditures as contemplated by the CMI DIP Definitive Documents,

provided that borrowings under the CMI DIP Facility shall not exceed \$100,000,000 unless approved by the CMI CRA and permitted by further Order of this Court.

45. THIS COURT ORDERS that the CMI Entities shall notify counsel to the Ad Hoc Committee and the Monitor of any requested advance under the CMI DIP Facility.

46. THIS COURT ORDERS that the CMI DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**CMI DIP Charge**") on the CMI Property, as security for any and all obligations of the CMI Entities under the CMI DIP Facility and the CMI DIP Definitive Documents (including on account of principal, interest, fees and expenses), which charge shall not exceed the aggregate amount owed to the CMI DIP Lender under the CMI DIP Definitive Documents advanced on or after the date of this Order. The CMI DIP Charge shall have the priority set out in paragraphs 55 and 57 hereof.

47. THIS COURT ORDERS that the deposit accounts containing cash collateral pledged to The Bank of Nova Scotia and referred to in Section 6.11 of the Collateral Agency Agreement (as defined below) as the "Cash Management Collateral Account" (the "**Excluded Accounts**") shall not form part of the CMI Property, shall be excluded from the CMI DIP Charge, the KERP Charge, the Directors' Charge and the Administration Charge, except as provided in paragraph 48 hereof, and shall remain subject to the existing liens in favour of The Bank of Nova Scotia in connection with the CMI Entities' obligations to The Bank of Nova Scotia in connection with overdrafts and related liabilities arising from cash consolidation, electronic funds transfer arrangements, treasury, depository and cash management services or in connection with any automated clearing house transfers of funds in an aggregate amount not to exceed \$2,500,000 (the "**BNS Cash Management Obligations**").

48. THIS COURT ORDERS AND DECLARES that notwithstanding any stay of proceedings imposed by this Order, The Bank of Nova Scotia shall be entitled to seize and dispose of any collateral on deposit in the Excluded Accounts and apply such proceeds to any and all outstanding BNS Cash Management Obligations, provided that, notwithstanding anything herein, upon payment and satisfaction of the BNS Cash Management Obligations in full and the

return of any remaining collateral in the Excluded Accounts to the CMI Entities, such collateral shall then form part of the CMI Property charged by the Directors' Charge, the Administration Charge, the KERP Charge and the DIP Lender's Charge.

49. THIS COURT ORDERS that the CMI DIP Charge is in addition to the existing security (the "**Existing Security**") in favour of CIBC Mellon Trust Company (the "**Collateral Agent**") pursuant to the Intercreditor and Collateral Agency Agreement dated as of October 13, 2005 among the CMI Entities and the Collateral Agent, as amended by the Credit Confirmation and Amendment to Intercreditor and Collateral Agency Agreement dated as of May 22, 2009, and as further amended by the Credit Confirmation and Amendment to Intercreditor and Collateral Agency Agreement dated as of October 1, 2009 (the "**Collateral Agency Agreement**"). All liabilities and obligations of the CMI Entities under the CIT Credit Agreement and the \$187,263,126 principal amount secured promissory note issued to Canwest MediaWorks Ireland Holdings ("**Irish Holdco**") by CMI (the "**Secured Note**") shall be secured by the Existing Security.

50. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the CMI DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the CMI DIP Charge or any of the CMI DIP Definitive Documents;
- (b) upon the occurrence of an event of default under the CMI DIP Definitive Documents (including, without limitation, the Existing Security solely to the extent that such Existing Security secures existing and future obligations under the CIT Credit Agreement) or the CMI DIP Charge, the CMI DIP Lender may cease making advances to the CMI Entities, and upon three (3) days notice to the CMI Entities and the Monitor, may exercise any and all of its rights and remedies against the CMI Entities or the CMI Property under or pursuant to the CMI DIP Definitive Documents and the CMI DIP Charge, including without limitation, to set off and/or consolidate any amounts owing by the CMI DIP Lender to any of

the CMI Entities against the obligations of any of the CMI Entities to the CMI DIP Lender under the CMI DIP Definitive Documents or the CMI DIP Charge, to make demand, accelerate payment and 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 any of the CMI Entities and for the appointment of a trustee in bankruptcy of any of the CMI Entities, and upon the occurrence of an event of default under the terms of the CMI DIP Definitive Documents, the CMI DIP Lender shall be entitled to seize and retain proceeds from the sale of the CMI Property and the cash flow of the CMI Entities to repay amounts owing to the CMI DIP Lender in accordance with the CMI DIP Definitive Documents and the CMI DIP Charge, but subject to the priorities as set out in paragraphs 55 and 57 of this Order; and

- (c) the foregoing rights and remedies of the CMI DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any CMI Entity or the CMI Property.

51. THIS COURT ORDERS AND DECLARES that, in respect of the CMI DIP Facility, the CMI DIP Definitive Documents, the CIT Credit Agreement and amounts borrowed under the CIT Credit Agreement, the CMI DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the CMI Entities, or any of them, under the CCAA, or any proposal filed by the CMI Entities, or any of them, under the BIA. Further, the stays of proceedings provided for herein shall not apply to the CMI DIP Lender or its rights under or in respect of the CIT Credit Agreement, the CMI DIP Facility or the CMI DIP Definitive Documents.

52. THIS COURT ORDERS that the CMI Entities are hereby authorized and empowered to take all steps and actions in respect of, and to comply with all of their obligations pursuant to, the Secured Note, the \$430,556,189 unsecured promissory note dated October 1, 2009 granted by CMI to Irish Holdco in respect of the amounts advanced by Irish Holdco to CMI (the "Unsecured Note"), the Use of Cash Collateral and Consent Agreement between certain of the

CMI Entities and certain members of the Ad Hoc Committee (the “**Consenting Noteholders**”) dated September 23, 2009 (the “**Use of Collateral and Consent Agreement**”), the CCAA Support Agreement between certain of the CMI Entities and the Consenting Noteholders dated October 5, 2009 (the “**Support Agreement**”) and such other agreements, security documents, guarantees and other definitive documents as may be executed in connection with any such matters.

53. THIS COURT ORDERS that notwithstanding anything to the contrary herein, the CMI Entities shall be required to comply with their obligations under the Use of Collateral and Consent Agreement and the Support Agreement. Prior to exercising any and all rights and remedies they may have against the CMI Entities under or in respect of the Use of Cash Collateral Agreement and the Support Agreement, in accordance with the terms of such agreements, the Consenting Noteholders shall be required to obtain a further order of the Court, other than in respect of contractual termination rights under the Support Agreement.

54. THIS COURT ORDERS that, upon reasonable notice to the CMI Entities, the advisors to the Ad Hoc Committee, CIT and CIT’s advisors shall, subject to books and records that are privileged, have clear and unfettered access to the books and records of the CMI Entities and such other information that the Ad Hoc Committee and/or CIT reasonably requests.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

55. THIS COURT ORDERS that the priorities of the CMI Directors’ Charge, the CMI Administration Charge, the CMI KERP Charge (as defined below) and the CMI DIP Charge, as among them and the Existing Security, solely to the extent that such Existing Security secures existing and future obligations under the CIT Credit Agreement, shall be as follows:

First – CMI Administration Charge;

Second – The Existing Security, solely to the extent that such Existing Security secures existing and future obligations under the CIT Credit Agreement;

Third – CMI DIP Charge; and

Fourth – CMI Directors' Charge and CMI KERP Charge, save and except that these Charges shall be postponed in right of payment to the extent of the first \$85,000,000 payable under the Secured Note.

56. THIS COURT ORDERS that the filing, registration or perfection of the CMI Directors' Charge, the CMI Administration Charge, the CMI KERP Charge and the CMI DIP 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.

57. THIS COURT ORDERS that, the CMI Directors' Charge, the CMI Administration Charge, the CMI DIP Charge and the CMI KERP Charge shall constitute a charge on the CMI 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 a secured creditor or any statutory Encumbrance existing on the date of this Order in favour of any Person which is a "secured creditor," ^{if any,} in respect of ^{any of} source deductions from wages, employer health tax, workers compensation, GST/QST, PST payables, vacation pay and banked overtime for employees, amounts under the Wage Earners' Protection Program that are subject to a super priority claim under the BIA. ^{as defined in the CCAA}

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

59. THIS COURT ORDERS that the CMI Directors' Charge, the CMI Administration Charge, the CMI KERP Charge, the CMI DIP Definitive Documents and the CMI DIP Charge 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"), the rights and remedies of the CMI DIP Lender under the CMI DIP Definitive Documents, the rights and remedies of Irish Holdco under the Secured Note and the rights and remedies of the Consenting Noteholders under the Use of Collateral and Consent Agreement and the Support Agreement shall not otherwise be limited or impaired in any way, subject to the provisions of paragraph 53 herein, 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 CMI 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, perfection, registration or performance of the CIT Credit Agreement, the CMI DIP Definitive Documents, the Use of Collateral and Consent Agreement, the Support Agreement, the Secured Note or the Unsecured Note, shall create or be deemed to constitute a breach by any of the CMI Entities of any Agreement to which they are 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 CMI Entities entering into the CIT Credit Agreement or any other CMI DIP Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the CMI DIP Definitive Documents; and

- (c) the CIT Credit Agreement, the CMI DIP Definitive Documents, the Use of Collateral and Consent Agreement, the Support Agreement, the Secured Note and the Unsecured Note, the payments made by the CMI Entities pursuant to the foregoing or pursuant to the terms of this Order, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

60. 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 CMI Entity's interest in such real property leases.

APPROVAL OF FINANCIAL ADVISOR AGREEMENT

61. THIS COURT ORDERS that the letter agreement dated December 10, 2008 between Canwest Global and the Financial Advisor, as amended by a letter agreement dated January 20, 2009 and a further letter agreement dated October 5, 2009, in the form attached as Exhibit "U" to the Maguire Affidavit (the "Financial Advisor Agreement"), is hereby approved and the CMI Entities are authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the Financial Advisor Agreement.

KEY EMPLOYEE RETENTION PLANS

62. THIS COURT ORDERS that the key employee retention plans (the "CMI KERPs"), in the forms attached to the Confidential Supplement to the Monitor's Pre-Filing Report (the "Confidential Supplement"), are hereby approved and the CMI Entities are authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the CMI KERPs.

63. 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 which sets out the title

✓ and the letter agreement dated
December 10, 2008 referred to in

paragraph 61 herein

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of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

64. THIS COURT ORDERS that the key employees referred to in the CMI KERPs shall be entitled to the benefit of and are hereby granted a charge (the “**CMI KERP Charge**”) on the CMI Property, which charge shall not exceed an aggregate amount of \$5,900,000, to secure amounts owing to such key employees under the CMI KERPs.

POSTPONEMENT OF ANNUAL GENERAL MEETING

65. THIS COURT ORDERS that Canwest Global be and is hereby relieved on any obligation to call and hold an annual meeting of its shareholders until further Order of the Court.

FOREIGN PROCEEDINGS

66. THIS COURT ORDERS that the Monitor is hereby authorized, as the foreign representative of the CMI Entities, to apply for recognition of these proceedings as “Foreign Main Proceedings” in the United States pursuant to Chapter 15 of the *U.S. Bankruptcy Code*.

67. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Australia, Ireland or in any other foreign jurisdiction, to give effect to this Order and to assist the CMI 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 CMI 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 CMI Entities and the Monitor and their respective agents in carrying out the terms of this Order.

68. THIS COURT ORDERS that each of the CMI 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 any other Order issued in these proceedings.

SERVICE AND NOTICE

69. THIS COURT ORDERS that the CMI Entities or the Monitor shall (i) without delay, publish a notice containing the information prescribed under the CCAA, (ii) within five 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 any of the CMI 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, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a)(ii)(C) of the CCAA and the regulations made thereunder, provided that, for the purposes of this list, (i) with respect to the 8% senior subordinated notes issued by CMI, only the name and address of the indenture trustee of such notes and the aggregate amount owing in respect of such notes shall be listed and made publicly available and (ii) the Monitor shall not make the names and addresses of individuals who are creditors publicly available.

70. THIS COURT ORDERS that the CMI 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 CMI Entities' creditors or other interested parties at their respective addresses as last shown on the records of the CMI 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.

71. THIS COURT ORDERS that the CMI Entities, the Monitor, the CMI DIP Lender, the Ad Hoc Committee 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/cmi>.

GENERAL

72. THIS COURT ORDERS that the CMI Entities or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

73. 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 CMI Entities, the CMI Business or the CMI Property.

74. THIS COURT ORDERS that any interested party (including the CMI Entities, the CMI DIP Lender, the Ad Hoc Committee and the Monitor) 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 CMI DIP Lender shall be entitled to rely on this Order as issued for all advances made under the CIT Credit Agreement and the CMI DIP Definitive Documents up to and including the date this Order may be varied or amended.

75. 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 CIT Credit Agreement or the CMI DIP Definitive Documents, unless notice of a motion for such order is served on the Monitor and the CMI Entities, the Ad Hoc Committee and the CMI DIP Lender, returnable no later than November 5, 2009.

76. 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.



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

OCT 06 2009

PER / PAR: 

Joanne Nicoara
Registrar, Superior Court of Justice

SCHEDULE "A"**Applicants**

1. Canwest Global Communications Corp.
2. Canwest Media Inc.
3. MBS Productions Inc.
4. Yellow Card Productions Inc.
5. Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
6. Canwest Television GP Inc.
7. Fox Sports World Canada Holdco Inc.
8. Global Centre Inc.
9. Multisound Publishers Ltd.
10. Canwest International Communications Inc.
11. Canwest Irish Holdings (Barbados) Inc.
12. Western Communications Inc.
13. Canwest Finance Inc./Financiere Canwest Inc.
14. National Post Holdings Ltd.
15. Canwest International Management Inc.
16. Canwest International Distribution Limited
17. Canwest MediaWorks Turkish Holdings (Netherlands) B.V.
18. CGS International Holdings (Netherlands) B.V.

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19. CGS Debenture Holding (Netherlands) B.V.
20. CGS Shareholding (Netherlands) B.V.
21. CGS NZ Radio Shareholding (Netherlands) B.V.
22. 4501063 Canada Inc.
23. 4501071 Canada Inc.
24. 30109, LLC
25. CanWest MediaWorks (US) Holdings Corp.

SCHEDULE "B"**Partnerships**

1. Canwest Television Limited Partnership
2. Fox Sports World Canada Partnership
3. The National Post Company/La Publication National Post

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 GLOBAL COMMUNICATIONS CORP., AND THE OTHER APPLICANTS
LISTED ON SCHEDULE "A"

Court File No:

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INITIAL ORDER

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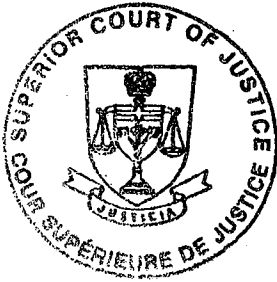
Lawyers for the Applicants

F. 1114233

**This is Exhibit "B" Referred to in the
Affidavit of THOMAS C. STRIKE
sworn before me this 20th day of July, 2010**



Commissioner for taking affidavits



Court File No. CV-09-8396-00CL

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

THE HONOURABLE
JUSTICE PEPALL

)
)
)

TUESDAY, THE 8th
DAY OF JUNE, 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 GLOBAL
COMMUNICATIONS CORP., AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

**ORDER
(Approval of Omnibus Transition and Reorganization Agreement)**

THIS MOTION, made by the Applicants listed on Schedule "A" hereto and the Partnerships listed on Schedule "B" hereto (collectively the "**CMI Entities**") for an order, *inter alia*: (i) approving the Omnibus Transition and Reorganization Agreement between Canwest Global Communications Corp. ("**Canwest Global**"), Canwest Media Inc. ("**CMI**"), Canwest Television Limited Partnership ("**Television LP**"), The National Post Company, Canwest Limited Partnership/Canwest Societe en Commandite ("**Canwest LP**"), Canwest Publishing Inc./Publications Canwest Inc. ("**CPI**"), and National Post Inc., substantially in the form attached to the affidavit of John E. Maguire sworn June 3, 2010 (the "**Maguire Affidavit**") (the "**Omnibus Transition and Reorganization Agreement**"); (ii) vesting the Trade-marks (as defined in the Maguire Affidavit) in CPI and vesting the Television LP IT Hardware (as defined in the Maguire Affidavit) in Canwest LP; (iii) for certain other relief ancillary to such approval;

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and (iv) for an extension of the Stay Period from June 15, 2010 until August 31, 2010, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the CMI Entities returnable June 8, 2010, the Maguire Affidavit and the Exhibits thereto, the Fourteenth Report of FTI Consulting Canada Inc. in its capacity as court-appointed Monitor of the CMI Entities (the "**CMI Monitor**"), including the Confidential Supplement thereto, and on hearing the submissions of counsel for the CMI Entities, the CMI Monitor, FTI Consulting Canada Inc. in its capacity as court-appointed Monitor (the "**LP Monitor**") of the LP Entities (as defined in the Maguire Affidavit), the *ad hoc* committee of holders of 8% senior subordinated notes issued by CMI, CIBC Asset-Based Lending Inc. (formerly CIT Business Credit Canada Inc.), Shaw Communications Inc., the *ad hoc* committee of holders of 9.25% notes issued by Canwest LP, The Bank of Nova Scotia in its capacity as Administrative Agent for the senior lenders to the LP Entities, and such other counsel as were present, no one else appearing although duly served as appears from the affidavits 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.
2. **THIS COURT ORDERS** that all capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Omnibus Transition and Reorganization Agreement.

APPROVAL OF OMNIBUS TRANSITION AND REORGANIZATION AGREEMENT

3. **THIS COURT ORDERS** that the Omnibus Transition and Reorganization Agreement is hereby approved and the entering into, execution and delivery of the Omnibus Transition and Reorganization Agreement by Canwest Global, CMI, Television LP and The National Post Company, and the performance by Canwest Global, CMI, Television LP and The National Post Company of the Omnibus Transition and Reorganization Agreement in accordance with the terms and conditions thereof is hereby authorized and approved. Further, the parties to the Omnibus Transition and Reorganization Agreement 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 transactions and the satisfaction of the obligations contemplated by the Omnibus Transition and Reorganization Agreement.

VESTING OF ASSETS

4. **THIS COURT ORDERS AND DECLARES** that, upon execution of the Omnibus Transition and Reorganization Agreement by the parties thereto, the Trade-marks shall vest, without further instrument of transfer or assignment, absolutely in CPI and CPI shall be the absolute owner thereof, 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 (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 October 6, 2009 as amended, the Order of Justice Pepall dated February 19, 2010 or any other order of this Honourable Court; and (ii) all charges, security interests, liens or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), or any other personal or movable property registry system (all of (i) and (ii), collectively referred to as the "Specific Encumbrances"); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Trade-marks, are hereby expunged and discharged as against the Trade-marks.

5. **THIS COURT ORDERS AND DECLARES** that, upon execution of the Omnibus Transition and Reorganization Agreement by the parties thereto, the Television LP IT Hardware shall vest, without further instrument of transfer or assignment, absolutely in Canwest LP and Canwest LP shall be the absolute owner thereof, 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, the Specific Encumbrances, and, for greater certainty, this Court orders that all of

the Encumbrances affecting or relating to the Television LP IT Hardware, are hereby expunged and discharged as against the Television LP IT Hardware.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the parties to the Omnibus Transition and Reorganization Agreement are authorized and permitted to disclose and transfer to any of the other parties to the Omnibus Transition and Reorganization Agreement upon request human resources and payroll information in their records pertaining to their 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 Omnibus Transition and Reorganization Agreement.

7. **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) ("BIA") in respect of any of the CMI Entities and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the CMI Entities;

(i) the entering into of the Omnibus Transition and Reorganization Agreement; (ii) the vesting of the Trade-marks in CPI and the Television LP IT Hardware in Canwest LP pursuant to this Order; and (iii) the performance of the Shared Services Arrangements, as amended by the Omnibus Transition and Reorganization Agreement, from and after the date of this Order, including any payments made thereunder up to the date of the bankruptcy of any party to any such agreement, shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the CMI Entities and shall not be void or voidable, nor constitute nor be deemed to be a fraudulent preference or assignment, fraudulent conveyance, or transfer at undervalue, preference or any other challengeable or voidable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS** that the obligations of the parties to the Omnibus Transition and Reorganization Agreement, and the Shared Services Arrangements, as amended by the Omnibus Transition and Reorganization Agreement, shall continue to be performed by the applicable party, any successor entity of the applicable party, or any transferee of all or substantially all of the assets of any applicable party, and shall not be disclaimed in this proceeding or in the LP Entities' CCAA proceeding or in any receivership or other debt enforcement proceeding relating to any party to any such agreement, for so long as all or substantially all of the business conducted by such party continues to operate and the applicable agreements remain outstanding.

9. **THIS COURT ORDERS** that, subject to any consent rights set out in any agreement that a party to the Omnibus Transition and Reorganization Agreement is a party to or any other order of this court, the parties to the Omnibus Transition and Reorganization Agreement are hereby authorized and permitted to enter into (i) further extensions to the Shared Services Arrangements and (ii) new commercial arrangements with another party to the Omnibus Transition and Reorganization Agreement, with the prior consent of the CMI Monitor and the LP Monitor, and with the approval of the Chief Restructuring Advisor to the CMI Entities and the Chief Restructuring Advisor to the LP Entities.

10. **THIS COURT ORDERS** that the Confidential Supplement to the Monitor's Fourteenth Report 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 which 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 the Court.

11. **THIS COURT ORDERS AND DECLARES** that the transactions contemplated by the Omnibus Transition and Reorganization Agreement 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.

EXTENSION OF STAY PERIOD

12. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order dated October 6, 2009, and as subsequently extended, is hereby extended from June 15, 2010 until

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September 8, 2010, subject to the filing of satisfactory updated cash flows which shall be filed with the Court on or before June 15, 2010.

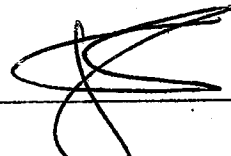
APPROVAL OF MONITOR'S ACTIVITIES

13. **THIS COURT ORDERS** that the Ninth Report of the Monitor dated January 18, 2010, the Tenth Report of the Monitor dated February 14, 2010, the Supplement to the Tenth Report of the Monitor dated February 19, 2010, the Eleventh Report of the Monitor dated March 3, 2010, the Twelfth Report of the Monitor dated March 24, 2010, the Thirteenth Report of the Monitor dated May 3, 2010 and the Fourteenth Report of the Monitor, and the activities of the Monitor described therein, are hereby approved.

14. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period January 1, 2010 to May 23, 2010, and its counsel, Stikeman Elliott LLP, for the period January 1, 2010 to May 14, 2010, all as particularized in the Affidavit of Greg Watson sworn June 3, 2010 and the Affidavit of Ashley Taylor sworn June 3, 2010 (attached to the Fourteenth Report of the Monitor), are hereby approved.

15. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may otherwise be enforceable.

16. **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. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance as may be necessary or desirable to give effect to this Order.



ENTERED AT THE REGISTRY OF THE Superior Court of Justice
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUN 08 2010

PER / PAR: JSN

- 7 -

Schedule "A"**Applicants**

1. Canwest Global Communications Corp.
2. Canwest Media Inc.
3. MBS Productions Inc.
4. Yellow Card Productions Inc.
5. Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
6. Canwest Television GP Inc.
7. Fox Sports World Canada Holdco Inc.
8. Global Centre Inc.
9. Multisound Publishers Ltd.
10. Canwest International Communications Inc.
11. Canwest Irish Holdings (Barbados) Inc.
12. Western Communications Inc.
13. Canwest Finance Inc./Financiere Canwest Inc.
14. National Post Holdings Ltd.
15. Canwest International Management Inc.
16. Canwest International Distribution Limited
17. Canwest MediaWorks Turkish Holdings (Netherlands)
18. CGS International Holdings (Netherlands)
19. CGS Debenture Holding (Netherlands)
20. CGS Shareholding (Netherlands)
21. CGS NZ Radio Shareholding (Netherlands)
22. 4501063 Canada Inc.
23. 4501071 Canada Inc.
24. 30109, LLC
25. CanWest MediaWorks (US) Holdings Corp.

Schedule "B"**Partnerships**

1. Canwest Television Limited Partnership
2. Fox Sports World Canada Partnership
3. The National Post Company/La Publication National Post

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 GLOBAL
COMMUNICATIONS CORP., AND THE OTHER APPLICANTS LISTED ON SCHEDULE "A"

APPLICANTS

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER
(Approval of Omnibus Transition and Reorganization Agreement)

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