

**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

MOTION RECORD OF THE APPLICANTS
(Returnable October 30, 2009)

October 27, 2009

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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

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(Updated as of October 23, 2009)

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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
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SCHEDULE "A"**

Applicants

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MOTION RECORD
(Returnable October 30, 2009)

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TAB 1

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

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**NOTICE OF MOTION
(Approval of Transition and Reorganization Agreement
Returnable October 30, 2009)**

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") will make a motion before a judge of the Ontario Superior Court of Justice on October 30, 2009 at 1:00 p.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 substantially in the form attached to the Motion Record, *inter alia*,
 - (a) abridging the time for service of this Notice of Motion and the Motion Record herein and dispensing with service upon any interested party other than those served;
 - (b) approving the Transition and Reorganization Agreement by and among Canwest Global, Canwest Limited Partnership / Canwest Societe en Commandite (the "Limited Partnership"), Canwest Media Inc. ("CMI"), Canwest Publishing Inc. / Publications Canwest Inc. ("CPI"), Canwest

Television Limited Partnership (“Television LP”), and The National Post Company / La Publication National Post (the “National Post Company”) dated as of October 26, 2009, including Schedule “A” to the Transition and Reorganization Agreement, being an Agreement on Shared Services and Employees (the “New Shared Services Agreement”) entered into between Canwest Global, the Limited Partnership, CMI, CPI, Television LP and the National Post Company, dated as of October 26, 2009 and Schedule “B” to the Transition and Reorganization Agreement, being the National Post Transition Agreement between the National Post Company and CPI, dated as of October 26, 2009 (the “Transition and Reorganization Agreement”);

- (c) vesting in the Transferee (as defined in Schedule “B” to the Transition and Reorganization Agreement) the National Post Company’s and Canwest Global’s right, title and interest in and to the Transferred Assets (as defined in Schedule “B” to the Transition and Reorganization Agreement) free and clear of all claims, charges, liens, security interests and encumbrances;
- (d) such other relief necessary and incidental to the approval of the Transition and Reorganization Agreement and the vesting of the Transferred Assets in the Transferee;
- (e) extending the Stay Period (as defined in the Initial Order) from November 5, 2009 to January 22, 2010;

2. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

3. On October 6, 2009, the Applicants and Partnerships (hereinafter, the “CMI Entities”) filed for and obtained 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 the Honourable Justice Pepall dated October 6, 2009 (the “Initial Order”);

4. FTI Consulting Canada Inc. was appointed as monitor (the "Monitor") of the CMI Entities pursuant to the Initial Order;

5. Prior to 2005, all of the businesses which were wholly-owned by Canwest Global, including all of the businesses now operated by the CMI Entities and all of the businesses now operated by the Limited Partnership and its subsidiaries (the "LP Entities"), were operated by a single corporate entity. As one unified business, all business critical and support services, including executive services, information technology, human resources, accounting and finance (collectively, the "Shared Services"), were shared amongst the Canwest enterprise;

6. In 2005, the Limited Partnership was formed to acquire all of Canwest Global's newspaper publishing and digital media entities (excluding the *National Post*), as well as certain of the Shared Services operations, as part of a planned income trust spin-off (the "Income Trust"). The Income Trust spin-off was completed in October 2005. The *National Post* was specifically excluded from the Income Trust spin-off because it was unprofitable and therefore unsuited for inclusion in an income trust;

7. In conjunction with the income trust spin-off, there was a recognition that the Shared Services would need to continue, but that the cost of the provision of such services should be on commercially reasonable terms. Accordingly, various inter-entity agreements were entered into which governed the provision and cost allocation of the applicable services between the CMI Entities and the LP Entities (the "Shared Services Arrangements");

8. The Limited Partnership operated as an Income Trust between October 2005 and May 2007;

9. Since its repatriation with the rest of the Canwest enterprise in 2007, the Limited Partnership has continued to participate in and be bound by the Shared Services Arrangements. This interdependence has been mutually beneficial to the LP Entities and the CMI Entities (including the National Post Company), but has also, unintentionally, resulted in certain misalignments of personnel and services;

10. In addition, and notwithstanding the fact that it was excluded from the Income Trust spin-off, the *National Post* has at all times remained intertwined with the LP Entities and they share many of the Shared Services. The multitude of operations that were, and continue to

be, conducted by the LP Entities on behalf of the *National Post* render it dependent on the Shared Services Arrangements;

11. The Limited Partnership is currently in default of its credit facilities. The Limited Partnership has recently entered into an agreement with certain of its senior lenders (the "LP Senior Secured Lenders") wherein those lenders have agreed not to take any steps to demand immediate payment or enforce their security in order to afford the Limited Partnership and its senior lenders an opportunity to attempt to negotiate a consensual pre-packaged restructuring or reorganization of the LP Entities (the "LP Forbearance Agreement");

12. The LP Forbearance Agreement is subject to the satisfaction of certain milestones, including the reaching of an agreement amending the Shared Services Arrangements and on the principal terms of a restructuring transaction involving the LP Entities;

13. The CMI Entities have negotiated a consensual "pre-packaged" recapitalization transaction (the "CMI Recapitalization Transaction") with an *ad hoc* committee (the "Ad Hoc Committee") of holders of approximately 72% of CMI's 8% senior subordinated notes due 2012. The Recapitalization Term Sheet governing the CMI Recapitalization Transaction (the "Term Sheet") requires that any arrangement in respect of the Shared Services Arrangements be satisfactory to the Ad Hoc Committee;

14. The Term Sheet also requires that a definitive agreement in respect of a transfer of the *National Post* to the Limited Partnership be entered into on terms acceptable to the Ad Hoc Committee by no later than October 15, 2009. The Ad Hoc Committee has subsequently extended the date by which such an agreement is required to close until October 30, 2009;

15. To that end, certain of the CMI Entities and the LP Entities have entered into the Transition and Reorganization Agreement subject to court approval. The Transition and Reorganization Agreement attaches the New Shared Services Agreement and the National Post Transition Agreement as schedules;

16. The New Shared Services Agreement provides for the orderly termination of the Shared Services Arrangements and, in certain cases, amends the monthly fees that are payable for the Shared Services. The New Shared Services Agreement also addresses certain employee-related matters and pension matters;

17. The National Post Transition Agreement provides for a going concern transfer of the assets and business of the National Post Company to a new wholly-owned subsidiary of CPI (the "Transferee"). Under the National Post Transition Agreement, CPI will cause the Transferee to offer employment to all of the National Post Company's employees and to assume the National Post Company's obligations and liabilities under the National Post Company's pension plan, subject to required approvals;

18. The transfer of the assets and business of the National Post Company to the Transferee is necessary for the survival of the *National Post* as a going concern. The National Post Company has never generated a profit and it continues to suffer significant operating losses. The members of the Ad Hoc Committee have, since May 2009, agreed to the funding of the National Post Company's short-term liquidity needs. The Ad Hoc Committee has made it clear that it would not continue to allow the funding of the losses of the *National Post* past October 30, 2009. In the absence of any funding for its ongoing operating losses, it is doubtful that the *National Post* could sustain its operations. In that event, the result would be a shut down of the *National Post* and the consequent loss of employment for the National Post Company's employees;

19. The CMI Entities continue to act in good faith and with due diligence in these CCAA Proceedings. The CMI Entities request an extension of the Stay Period to continue to work towards the implementation of the CMI Recapitalization Transaction and to deal with creditor claims in accordance with the Claims Procedure Order of this Honourable Court dated October 14, 2009 and other matters inherent in their proposed restructuring.

20. It is just and convenient and in the interests of all creditors and interested parties that the order sought herein be granted;

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

22. Rules 1.04, 1.05, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

23. 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 John E. Maguire, sworn October 27, 2009 and the Exhibits thereto;
2. The Fourth Report of the Monitor (to be filed);
3. The Fifth Report of the Monitor (to be filed);
4. The Initial Order dated October 6, 2009; and
5. Such further and other materials as counsel may advise and this Honourable Court may permit.

October 27, 2009

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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
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: CV-09-8396-00CL

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable October 30, 2009)

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TAB 2

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

AFFIDAVIT OF JOHN E. MAGUIRE
(Sworn October 27, 2009)

I, John E. Maguire, of the City of Winnipeg, in the Province of Manitoba, the Chief Financial Officer of the Applicant, Canwest Global Communications Corp. ("**Canwest Global**"), MAKE OATH AND SAY:

1. I am the Chief Financial Officer of Canwest Global and its principal operating subsidiary Canwest Media Inc. ("**CMI**"). I am also a director of CMI and an officer of certain of the Applicants listed on Schedule "A", including CMI. 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. In preparing this Affidavit, I have also consulted with other members of Canwest Global's senior management team and, where necessary, members of the senior management teams of Canwest Global's subsidiaries.

2. I swear this affidavit in support of the motion brought by Canwest Global and the other Applicants listed on Schedule "A" hereto and the Partnerships listed on Schedule "B" hereto (collectively, the "**CMI Entities**") seeking an Order, *inter alia*:

- (a) approving the Transition and Reorganization Agreement by and among Canwest Global, Canwest Limited Partnership / Canwest Societe en Commandite

(“**Limited Partnership**”), CMI, Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Television Limited Partnership (“**CTLP**”) and The National Post Company / La Publication National Post (the “**National Post Company**”) dated as of October 26, 2009, including Schedule “A” to the Transition and Reorganization Agreement, being an Agreement on Shared Services and Employees (the “**New Shared Services Agreement**”) entered into between Canwest Global, the Limited Partnership, CMI, CPI, CTLP and the National Post Company, dated as of October 26, 2009 and Schedule “B” to the Transition and Reorganization Agreement, being the National Post Transition Agreement (the “**National Post Transition Agreement**”) between the National Post Company and CPI, dated as of October 26, 2009 (the “**National Post Transition Agreement**”);

- (b) vesting in the Transferee (as defined below) the National Post Company’s and Canwest Global’s right, title and interest in and to the Transferred Assets (as defined in Schedule “B” to the Transition and Reorganization Agreement); and
- (c) extending the Stay Period (as defined below) from November 5, 2009 to January 22, 2010.

BACKGROUND

3. Canwest Global is a leading Canadian media company with interests in (i) free-to-air television stations and subscription-based specialty television channels and (ii) newspaper publishing and digital media operations.

4. The businesses operated by the CMI Entities include (i) Canwest’s free-to-air television broadcast business (*i.e.*, the *Global Television Network* stations); (ii) certain subscription-based specialty television channels; and (iii) the *National Post* newspaper.

5. Canwest Global’s newspaper publishing business is carried on through the Limited Partnership, the Limited Partnership’s general partner, Canwest (Canada) Inc. (“**CCI**”), and its subsidiaries (namely CPI and Canwest Books Inc. (“**CBI**”)) (collectively the “**LP**

Entities”) and the National Post Company. The Limited Partnership is the largest publisher of daily English-language newspapers in Canada.

6. Prior to 2005, all of the businesses which were wholly-owned by Canwest Global, including all of the businesses now operated by the CMI Entities and all of the businesses now operated by the LP Entities, were operated directly or indirectly by a single corporate entity, namely Canwest MediaWorks Inc. (“**MediaWorks**”) (since renamed CMI). As one unified business, all business critical and support services, including executive services, information technology, human resources, accounting and finance, were shared amongst MediaWorks and its subsidiaries.

7. In 2005, the Limited Partnership was formed to acquire all of MediaWorks’ newspaper publishing and digital media entities (excluding the *National Post*) and to operate such businesses, as well as certain of the above noted shared services operations – as part of a planned income trust spin-off of CMI’s newspaper publishing and digital media assets. The income trust spin-off was completed in October 2005. The *National Post* was specifically excluded from the income trust spin-off because, unlike Canwest Global’s other newspaper publications, it was unprofitable and therefore unsuited for inclusion in an income trust. Instead, the *National Post* remained with the other entities which were wholly-owned by Canwest Global in the form of a general partnership – the National Post Company.

8. In conjunction with the income trust spin-off, the Limited Partnership entered into a credit agreement with a syndicate of lenders, and the Bank of Nova Scotia as Administrative Agent (the “**2005 LP Credit Facility**”). The guarantors of the 2005 LP Credit Facility were comprised of the other LP Entities. Since entering into the 2005 LP Credit Facility, the Limited Partnership and its subsidiaries have been financed by independent credit facilities.

9. When the newspaper publishing and digital media entities operated by MediaWorks were spun-off to the newly formed Limited Partnership, there was a recognition that the corporate services that had previously been shared between the various entities in the Canwest enterprise (the “**Shared Services**”) would need to continue, but that the cost of the provision of such services should be on commercially reasonable terms. Accordingly, MediaWorks and the Limited Partnership formalized the existing shared services arrangements

by entering into various inter-entity agreements which governed the provision and cost allocation of the applicable services (the “**Shared Services Arrangements**”).

10. For example, the Shared Services Arrangements that were put in place formalized the provision of the following services (among others) by MediaWorks to the Limited Partnership: (i) executive advisory services; (ii) corporate and administrative services; and (iii) and the placement of insurance coverage. Similarly, the Shared Services Arrangements also formalized the provision of the following services (among others) by the Limited Partnership to MediaWorks: (i) information and technology support; (ii) human resources support; and (iii) management, invoicing, and collection of advertising revenues. It was acknowledged in the Shared Services Arrangements that the service provider (whether MediaWorks or the Limited Partnership) would be entitled to reimbursement for all costs and expenses incurred in the provision of the Shared Services. It was agreed that expenses that were shared between the service provider and the service recipient would be allocated between the parties on a commercially reasonable basis consistent with past practice. Neither the reimbursement of costs and expenses nor the payment of fees was intended to result in any material financial gain or loss to the service provider.

11. Notwithstanding that the *National Post* was segregated from the other Canwest newspaper publications as part of the income trust spin-off in 2005, it has at all times remained intertwined with the operation and publication of the newspapers owned by the Limited Partnership, and, following the income trust spin-off, the two entities continued to share many of the Shared Services. The multitude of operations that were, and continue to be, conducted by the LP Entities on behalf of the *National Post* render it dependent on the Shared Services Arrangements and the operational synergies that have been developed between the *National Post* and the family of newspaper publications and digital and online operations of the LP Entities.

12. The Limited Partnership and its subsidiaries operated as an income trust between October 2005 and May 2007. In 2007, following an announcement by the Federal government regarding the future taxation of income fund distributions, the Limited Partnership effected a going-private transaction of the income trust. The unitholders approved the going private transaction in July 2007. Since July 2007, the Limited Partnership has been a 100% wholly-owned indirect subsidiary of Canwest Global.

13. Although the Limited Partnership and its subsidiaries were repatriated with the rest of the Canwest enterprise in 2007, the LP Entities have, since that time, continued to maintain separate credit facilities from CMI and have continued to participate in and be bound by the Shared Services Arrangements. This interdependence has been mutually beneficial to the LP Entities and the CMI Entities (including the National Post Company), but has also, unintentionally, resulted in certain misalignments of personnel and services. For example, there are certain employees who are on the payrolls of the CMI Entities but who provide services exclusively to the LP Entities and there are certain employees who are on the payrolls of the LP Entities but who provide services exclusively to the CMI Entities. As well, some employees of the CMI Entities are participants of a pension plan sponsored by the LP Entities and *vice versa*.

14. Both the CMI Entities and the LP Entities have experienced significant deterioration in their financial performance over the past 12-18 months and, due to their independent credit facilities, have been forced to pursue independent, but co-ordinated, restructuring and recapitalization plans. Following the negotiation of a consensual “pre-packaged” recapitalization transaction (the “**CMI Recapitalization Transaction**”) with an ad hoc committee (the “**Ad Hoc Committee**”) representing approximately 72% of the holders of the CMI 8% senior subordinated notes due in 2012 (the “**8% Senior Subordinated Notes**”), the CMI Entities sought and were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) on October 6, 2009. The purpose, intention and expected result of the CMI Recapitalization Transaction is to ensure that as many as possible of the businesses operated by the CMI Entities continue as going concerns, thereby preserving enterprise value for stakeholders of the CMI Entities and maintaining employment for as many employees of the CMI Entities as possible.

15. The Limited Partnership is currently in default of certain of its financial covenants under its various existing credit facilities and has failed to make certain principal and interest payments in respect of those facilities. The Limited Partnership has recently entered into an agreement (the “**LP Forbearance Agreement**”) with certain of its senior lenders (the “**LP Senior Secured Lenders**”) wherein those lenders have agreed not to take any steps to demand immediate payment or enforce the security held in support of the Limited Partnership’s senior secured credit facilities in order to afford the Limited Partnership and its senior lenders an opportunity to attempt to negotiate a consensual pre-packaged restructuring or reorganization of

the LP Entities. The LP Forbearance Agreement is subject to the satisfaction of certain milestones including reaching an agreement realigning the Shared Services Arrangements and on the principal terms of a restructuring transaction involving the LP Entities.

16. Both the LP Forbearance Agreement and the CMI Recapitalization Transaction contemplate that the CMI Entities and the LP Entities are to agree on an orderly transition and disentanglement and/or realignment of the existing Shared Services Arrangements. In addition, the Term Sheet governing the CMI Recapitalization Transaction (the “**Recapitalization Term Sheet**”) originally required that a definitive agreement in respect of a transfer of the *National Post* to the Limited Partnership be entered into on terms acceptable to the Ad Hoc Committee by no later than October 15, 2009. As negotiations with the Limited Partnership to effect such a transfer had advanced but had not concluded by that date, the Ad Hoc Committee subsequently agreed to extend the date by which such an agreement is required to close until October 30, 2009.

17. To that end, and recognizing that an agreement in respect of the Shared Services Arrangements and the transfer of the *National Post* was necessary for the restructuring of both the television broadcasting and newspaper publishing sides of the Canwest enterprise, the CMI Entities and the LP Entities have entered into the Transition and Reorganization Agreement subject to the approval of this Honourable Court. The Transition and Reorganization Agreement was entered into following extensive and comprehensive negotiations between the CMI Entities, the LP Entities, their financial and legal advisors, their respective chief restructuring advisors, the Ad Hoc Committee and the LP Senior Secured Lenders and their respective financial and legal advisors. By entering into the Transition and Reorganization Agreement, the parties have established the framework to properly restructure their inter-entity arrangements for the benefit of their stakeholders. A copy of the Transition and Reorganization Agreement (including Schedule “A” and Schedule “B” attached thereto) is attached as Exhibit “A” to this Affidavit.

18. Attached as Schedule “A” to the Transition and Reorganization Agreement is the New Shared Services Agreement, which effects the intention of the CMI Entities and the LP Entities to amend and, where necessary, to properly realign the Shared Services and certain Canwest personnel, and to eliminate certain redundancies, as between them. Attached as

Schedule "B" to the Transition and Reorganization Agreement, the National Post Company and CPI have entered into the National Post Transition Agreement.

19. Under the New Shared Services Agreement, the parties have agreed that during fiscal 2010, the costs for the Shared Services Arrangements will continue in each cost centre at the existing allocations, or as amended by the New Shared Services Agreement, until certain specified dates, at which time the Shared Service will either cease to be provided to the service recipient or will be renegotiated on commercial terms, as applicable. Certain cost and expense allocations in respect of the Shared Services Arrangements will be reduced as and to the extent that the personnel providing the Shared Services Arrangements are transferred from the service provider to the service recipient. The New Shared Services Agreement also addresses certain employee-related matters, including a realignment of those employees who are currently misaligned and a transfer of certain misaligned pension plan participants to pension plans which are sponsored by the appropriate party.

20. Under the National Post Transition Agreement, the assets and business of the National Post Company will be transferred as a going concern to a new wholly-owned subsidiary of CPI (the "**Transferee**"). CPI will cause the Transferee to offer employment to all of the National Post Company's employees and to assume the National Post Company's obligations and liabilities under the National Post Company's pension plan, subject to required approvals.

21. In the course of the negotiations, it was recognized that an agreement with respect to the Shared Services Arrangements was functionally inseparable from properly realigning the *National Post*. In short, the Shared Services generally and the Shared Services with respect to the *National Post* can not be settled in isolation from each other. Accordingly, it was agreed that the consummation of an agreement with respect to a transfer of the *National Post* could only occur if it was bundled with the consummation of an agreement in respect of the Shared Services Arrangements generally.

22. In addition to the operational benefits of reintegrating the *National Post* newspaper with the other newspaper publications of the LP Entities, the transition of the *National Post* newspaper as contemplated by the terms of the National Post Transition Agreement is necessary for the survival of the *National Post* as a going concern. Since its inception in 1998, the *National Post* has never generated a profit and it continues to suffer

significant operating losses. The members of the Ad Hoc Committee have, since May 2009, agreed to the funding of the National Post Company's short-term liquidity needs. In the course of negotiating the Recapitalization Term Sheet, the Ad Hoc Committee made it clear that it would not continue to support the continued funding of the *National Post* by CMI indefinitely. To that end, the members of the Ad Hoc Committee have subsequently advised that they will not support the funding of the *National Post* by CMI past October 30, 2009. In the absence of any funding for its ongoing operating losses, it is doubtful that the *National Post* could sustain its operations. In such a scenario, the inevitable and immediate result would be the loss of employment for some or all of the *National Post*'s employees.

THE CMI ENTITIES

(a) The CMI Entities

23. The CMI Entities do not comprise the entire Canwest enterprise. Rather, the CMI Entities are comprised of Canwest Global, CMI, CTLP, the National Post Company and certain of their respective subsidiaries (most of whom are guarantors under the 8% Senior Subordinated Notes and all of whom are parties to the Support Agreement as defined below). The businesses operated by the CMI Entities include (i) Canwest's free-to-air television broadcast business (*i.e.*, the Global Television Network stations); (ii) certain subscription-based specialty television channels that are wholly-owned and operated by CTLP; and (iii) the *National Post* newspaper.

24. For greater certainty, the following entities are not among the CMI Entities: (i) Canwest Global's Canadian subscription-based specialty television channels which were acquired from Alliance Atlantis Communications Inc. in August 2007 and which are now operated by CW Investments Co. and its subsidiaries; (ii) Canwest Global's subscription-based specialty television channels which are not wholly-owned by CTLP and held in Canwest Global's Canadian Television Segment (*i.e.*, *TVtropolis*, *MysteryTV* and *MenTV*); and (iii) the LP Entities.

(b) The Initial CCAA Order

25. The CMI Entities were granted protection from their creditors pursuant to the Initial Order of the Honourable Justice Pepall dated October 6, 2009. FTI Consulting Canada

Inc. was appointed at that time to act as monitor (the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”). Pursuant to the Initial Order, a credit agreement between CMI and CIT Business Credit Canada Inc. (the “**DIP Lender**”) was converted into a debtor-in-possession financing arrangement. Also pursuant to the Initial Order, Mr. Hap S. Stephen was appointed Chief Restructuring Advisor (the “**CMI CRA**”) of the CMI Entities. The Initial Order, a copy of which is attached as Exhibit “B” to this Affidavit, granted a stay of proceedings (the “**Stay Period**”) until November 5, 2009, or such later date as this Honourable Court may order.

26. Later in the day on October 6, 2009, the Monitor obtained a Temporary Restraining Order from the United States Bankruptcy Court (Southern District of New York) under Chapter 15 of the United States Bankruptcy Code temporarily enjoining certain suppliers, including television production studios, distributors and other key suppliers, from taking any action against the CMI Entities who were party to the Chapter 15 proceedings.

27. Further details regarding the background to this CCAA Proceeding are set out in my affidavit in support of the Initial Order sworn October 5, 2009 (the “**Initial Order Affidavit**”) and, unless relevant to the present motion, are not repeated herein.

(c) **The Recapitalization Transaction**

28. The CMI Entities are pursuing a plan of arrangement (the “**Plan**”) under the CCAA in respect of the CMI Recapitalization Transaction on the basis of the Recapitalization Term Sheet that was negotiated by the CMI Entities and the Ad Hoc Committee. Each of the holders of the 8% Senior Subordinated Notes who support the Term Sheet (the “**Consenting Noteholders**”) have executed a support agreement (the “**Support Agreement**”), which attaches the Recapitalization Term Sheet as a schedule thereto. By executing the Support Agreements, the Consenting Noteholders have indicated that they intend to vote in favour of the Plan at any meeting of creditors held to consider the Plan, subject to certain conditions. Although it is attached to the Initial Order Affidavit, for ease of reference a copy of the Support Agreement, including the Recapitalization Term Sheet, is attached (without signature pages and without schedules not relevant to the instant motion) as Exhibit “C” to this Affidavit.

29. As expressed in the Recapitalization Term Sheet, “the purpose of the Recapitalization Transaction is, among other things, to restructure CMI into a viable and

competitive industry participant able to deal with the current issues facing the broadcasting industry and other competitive factors.” The CMI Entities anticipate that the CMI Recapitalization Transaction will allow a substantial number of the businesses operated by the CMI Entities, other than the National Post Company if it is not transferred to the Limited Partnership, to continue as going concerns – thereby preserving enterprise value for stakeholders and maintaining employment for as many employees of the CMI Entities as possible.

30. The Consenting Noteholders that executed the Support Agreement did so on the basis that the restructuring of the CMI Entities as provided for in the Recapitalization Term Sheet would be undertaken pursuant to the CCAA. Without the liquidity provided by the Ad Hoc Committee, which is intended to allow the CMI Entities to continue to operate pending completion of the CMI Recapitalization Transaction and which is only available within this CCAA Proceeding, the CMI Entities would be unable to continue as going concerns.

31. As noted above, the Recapitalization Term Sheet required that a definitive agreement in respect of a transfer of the assets and business of the National Post Company to the Limited Partnership be entered into on terms acceptable to the Ad Hoc Committee by no later than October 15, 2009. As negotiations with the Limited Partnership to effect such a transfer had advanced but had not concluded by that date, the Ad Hoc Committee subsequently agreed to extend the date by which such an agreement is required to close until October 30, 2009.

32. The Recapitalization Term Sheet further required that the terms and conditions of any agreement or arrangement in respect of the Shared Services Arrangements shall be satisfactory in all respects to the Ad Hoc Committee.

LP ENTITIES

(a) The Formation of the Income Trust

33. The Limited Partnership was formed in 2005 to acquire CMI’s newspaper publishing and digital media entities (excluding the National Post Company) and to operate such businesses, as well as certain shared services operations, excluding the National Post Company, as part of a planned income trust spin-off of CMI’s newspaper publishing and digital media assets.

34. On October 13, 2005, CMI completed the income trust spin-off by causing the Limited Partnership to acquire substantially all of the newspaper publishing related assets and to assume substantially all of the newspaper publishing and related operating liabilities of CMI, including CPI and CBI, but excluding the National Post Company, in exchange for units of the Limited Partnership, notes payable and convertible notes payable. On the same day, the Limited Partnership issued units to the CanWest MediaWorks Income Fund (the “**Income Fund**”) in exchange for aggregate proceeds of \$550 million, and the Income Fund in turn issued its trust units to the Canadian public. The trust units of the Income Fund were listed for trading on the Toronto Stock Exchange. In November 2005, the convertible notes were converted into additional units of the Limited Partnership. Following the conversion, CMI held a 74.2% ownership interest in the Limited Partnership and the Income Fund had a 25.8% ownership interest in the Limited Partnership.

35. The Limited Partnership operated within the Income Fund between October 2005 and May 2007. In May 2007, following an announcement by the Federal government regarding the future taxation of income fund distributions, the Limited Partnership entered into a privatization agreement with CMI, CCI, CWMW Trust (an unincorporated open-ended trust established under the laws of the Province of Ontario) and the Income Fund. The purpose of the agreement was to effect a going-private transaction of the Income Fund. The transaction was approved by unitholders of the Income Fund in July 2007. Pursuant to the privatization transaction, the Limited Partnership purchased for cancellation the 55 million partnership units held indirectly by the Income Fund for aggregate consideration of \$495 million.

36. Since July 2007, the Limited Partnership has been a 100% wholly-owned indirect subsidiary of Canwest Global.

(b) Financial Position of the LP Entities

37. The Limited Partnership is currently in default of its debt obligations due to a significant decline in the advertising revenues of it and its subsidiaries, in addition to an increase in certain of its operating costs.

38. In particular, on May 29, 2009, the Limited Partnership failed, for the first time, to make certain interest and principal reduction payments and related swap payments aggregating

approximately \$10 million in respect of its senior secured credit facilities. On the same day, the Limited Partnership announced that it would be in breach of certain financial covenants set out in its senior secured credit facilities as of May 31, 2009.

39. The defaults under the Limited Partnership's senior secured credit facilities, in addition to the failure of the Limited Partnership to make certain interest payments that were due and owing under the Limited Partnership's senior subordinated credit facility in May 2009, have caused the Limited Partnership's senior subordinated credit facility to be in default, entitling the lenders under that facility to take steps to demand immediate payment of all amounts owing under that facility.

40. Further, the defaults occurring in respect of the Limited Partnership's senior secured credit facilities have caused the Limited Partnership's related hedging arrangements to be in default. These swaps have now been terminated by the swap counterparties and, as a result, settlement (early termination) payments totalling approximately \$70 million are owed by the Limited Partnership to the swap counterparties. Demands for immediate payment have been made by the swap counterparties in that regard. The Limited Partnership has not satisfied these demands and the unpaid amounts are accruing interest daily.

41. In addition, the termination and demand for payment in respect of the Limited Partnership's hedging arrangements caused the Limited Partnership's 9.25% senior subordinated notes (the "LP Notes") to be in default. On August 1, 2009, the Limited Partnership failed to make a payment of interest totalling approximately US\$18.5 million in respect of the LP Notes, which also resulted in an Event of Default (as defined therein) under the applicable indenture.

42. On September 10, 2009, Canwest Global announced that the Limited Partnership had entered into the LP Forbearance Agreement with its senior lenders wherein those lenders had agreed not to take any steps to demand immediate payment or enforce the security held in support of the Limited Partnership's senior secured credit facilities in order to afford the Limited Partnership and the senior lenders an opportunity to attempt to negotiate a consensual pre-packaged restructuring or reorganization of the LP Entities. Mr. Gary F. Colter has been retained to serve as Restructuring Advisor to the LP Entities. The LP Forbearance Agreement is subject to the satisfaction of certain milestones including reaching an agreement on the realignment of

the Shared Services and on principal terms of a restructuring transaction. A copy of the LP Forbearance Agreement is attached as Exhibit "D" to this Affidavit.

(c) **Newspapers of the LP Entities**

43. A subsidiary of the Limited Partnership, CPI, owns all of the newspaper and online assets of the LP Entities and employs the vast majority of the LP Entities' approximately 5,400 employees. In addition, CPI has entered into substantially all of the contractual arrangements with the Limited Partnership's newsprint suppliers, newspaper distributors and other suppliers.

44. The LP Entities publish 10 metropolitan daily newspapers (nine broadsheets and one tabloid) and 2 other smaller market daily newspapers (broadsheets). The average age of the LP Entities' daily newspapers is 125 years.

45. The following table sets out the 12 daily newspapers which are owned and operated by the LP Entities and includes approximate readership statistics in 2008:

Publication	Market	Established	Average Weekly Readership*
<i>The Vancouver Sun</i>	Vancouver	1912	781,000
<i>The Vancouver Province</i>	Vancouver	1898	824,900
<i>The Montreal Gazette</i>	Montreal	1778	500,000
<i>Ottawa Citizen</i>	Ottawa	1845	404,500
<i>Edmonton Journal</i>	Edmonton	1903	463,800
<i>Calgary Herald</i>	Calgary	1883	477,900
<i>The Windsor Star</i>	Windsor	1918	195,900
<i>Times Colonist</i>	Victoria	1858	203,900
<i>The Saskatoon Star Phoenix</i>	Saskatoon	1902	132,500
<i>Regina Leader-Post</i>	Regina	1885	113,700
<i>Nanaimo Daily News</i>	Nanaimo	1874	n/a
<i>Alberni Valley Times</i>	Port Alberni	1919	n/a
TOTAL			4,098,100

* Based on NADbank Average Weekly Readership of daily paid circulation newspapers by Resident Market, NADbank 2008

46. In 2008, the LP Entities' major metropolitan daily newspapers (excluding the *National Post*) had an aggregate daily paid circulation of approximately 1.0 million copies, representing approximately 33% of Canada's daily average English-language newspaper circulation, and an estimated average weekly readership of approximately 4.1 million people.

47. In addition to daily publications, the LP Entities' also publish 22 non-daily newspapers distributed in various communities in British Columbia and Ontario, most of which are free distribution publications. The LP Entities's non-daily newspapers are also run through the main offices of Canwest's publishing group which are located in Toronto, Ontario.

48. In addition, the LP Entities publish 12 community newspapers that run two or three times per week throughout the Lower Mainland of British Columbia. On Vancouver Island, the LP Entities publish 5 bi-weekly and 2 weekly newspapers.

49. In Ontario, the LP Entities own and operate 3 community publications which reach over 30,000 homes in the Windsor-Essex County region.

THE NATIONAL POST

50. The *National Post* newspaper and its related online operations are published and operated by the National Post Company. The National Post Company is a general partnership organized under the *Partnership Act* (Ontario), R.S.O. 1990 Chapter P.5. Its units are held by CMI and National Post Holdings Ltd. ("**National Post Holdings**"), a wholly-owned subsidiary of CMI. The National Post Company and National Post Holdings are among the CMI Entities.

51. As described in greater detail in the Initial Order Affidavit, the National Post Company is a guarantor of CMI's indebtedness under CMI's credit facilities. Specifically, the National Post Company is a guarantor under the Secured Intercompany Note (as defined in the Initial Order Affidavit), the Unsecured Intercompany Note (as defined in the Initial Order Affidavit), the CIT Facility (as defined in the Initial Order Affidavit), and the 8% Senior Subordinated Notes.

52. The National Post Company is an anomalous business among the CMI Entities in that it is a newspaper publication and not a broadcasting business. While the LP Entities currently own all of Canwest Global's publishing and digital media businesses except for the

National Post, prior to 2005 the LP Entities' newspaper assets and the *National Post* were owned by a single Canwest Global entity. The Limited Partnership was formed in 2005 to acquire CMI's newspaper and digital media entities and to operate such businesses, as well as certain shared services operations - excluding the *National Post* – as part of a planned income trust spin-off of CMI's publishing and online assets. At the time of the planned income trust spin-off, the *National Post* was segregated from the other entities comprising CMI's newspaper publishing and digital media businesses because it was unprofitable and, on that basis, unsuited to be included in the Income Trust spin-off.

53. The *National Post* is one of only two national newspapers that are available across Canada. Launched in 1998, the *National Post* was built around the then existing *Financial Post*, an established business-oriented newspaper published in Toronto. The CMI Entities purchased a 50% interest in the National Post Company from Hollinger International Inc. in 2000, and acquired the remaining 50% ownership interest in 2002.

54. As a national newspaper, the *National Post* is second in its market position to *The Globe and Mail*. In 2008, NADbank estimated that the *National Post* average weekly readership was approximately 1.1 million people. In Toronto, the *National Post* also competes with the *Toronto Star* and the *Toronto Sun*. The *National Post* is printed at facilities of the LP Entities in Ottawa, Calgary and Montreal, and by third-party printing contractors in Toronto and Vancouver. The National Post Company is headquartered at 1450 Don Mills Road in Toronto, Ontario.

(a) Financial Position of the National Post Company

55. Since its inception, the National Post Company has always operated at a significant loss. Following a peak EBITDA loss of approximately \$65 million in 2001, the National Post Company has remained perennially unprofitable. In each of the four most recent fiscal years, the National Post Company has had an EBITDA loss of \$20.3 million, \$16.3 million, \$13.1 million and \$12.7 million, respectively (unless specified otherwise, all amounts noted herein are in Canadian dollars).

56. The National Post Company had total assets with a net book value of \$39.843 million (decreased from \$64.484 million) as at September 30, 2009. The largest components of

the National Post Company's net book value are intangible assets, which have a combined net book value of \$35 million and account for approximately 89% of the National Post Company's total asset value. The September 30, 2009 balances are subject to change pending finalization of the audited year-end financials.

(i) *Current Assets*

57. As at September 30, 2009, the National Post Company's current assets consisted of the following:

- Accounts receivable - \$2,698,007
- Prepaid expenses - \$1,093,498

(ii) *Non-current Assets*

58. As at September 30, 2009, the National Post Company's non-current assets (accounting for accumulated depreciation) consisted of the following:

- Leasehold improvements - \$11,271
- Computers - \$422,668
- Furniture and production equipment - \$172,010
- Intangible assets - \$35,000,000

(iii) *Liabilities*

59. As at September 30, 2009, the National Post Company had total liabilities of \$148,574,505 (decreased from approximately \$164,254,557 as at September 30, 2009). These liabilities include the following:

- Accounts payable - \$511,516
- Accrued liabilities - \$2,822,261
- Deferred revenue - \$2,756,181

- Intercompany balances - \$138,347,795
- Defined benefit and post-retirement obligations - \$4,136,752

60. With respect to inter-entity balances, for the past seven years CMI has fully funded the losses of the National Post Company, including by providing funding for its accounts payable, payroll obligations, capital expenditures and operational losses. As a result, the National Post Company is currently indebted to CMI in the amount of approximately \$139.1 million (the “CMI Payables”).

(b) Employees

61. As of October 26, 2009, the National Post Company employed 277 employees. None of these employees are unionized.

(c) The National Post Pension Plan

62. The National Post Company sponsors a defined benefit pension plan registered under the *Ontario Pension Benefits Act*, R.S.O., 1990, c. P.8 (the “**National Post Pension Plan**”).

63. Mercer (Canada) Limited is the actuary for the National Post Pension Plan. As assessed in the most recently filed actuarial valuation for the National Post Pension Plan, the National Post Pension Plan had 184 active members, 14 pensioners or deferred pensioners, and approximately 68 deferred vested and other members.

64. As of the last valuation date (December 2006), the National Post Pension Plan has a solvency deficiency of \$1,512,244, requires annual special payments of \$360,468, has an estimated annual current service cost of \$662,000, and has a winding up deficiency of \$1,627,566. It should be noted that the National Post Pension Plan has a going concern unfunded liability in addition to a solvency deficiency. Accordingly, annual special payments toward the National Post Pension Plan include payments going towards going concern unfunded liability and solvency deficiency.

(d) **Current Funding for the National Post Company**

65. The members of the Ad Hoc Committee have, since May 2009, agreed to the funding of the National Post Company's short-term liquidity needs in order to keep the business in operation notwithstanding its ongoing losses. In the course of negotiating the Recapitalization Term Sheet, the Ad Hoc Committee made it clear that it would not agree to allow CMI to continue to fund the losses of the National Post Company indefinitely. As noted above, the Recapitalization Term Sheet required that a definitive agreement in respect of a transfer of the assets and business of the National Post Company to the Limited Partnership shall have been entered into on terms acceptable to the Ad Hoc Committee no later than October 15, 2009. As negotiations with the Limited Partnership had advanced but had not concluded by that date, the Ad Hoc Committee has extended to October 30, 2009 the date by which an agreement transferring the assets and business of the National Post Company to the Limited Partnership is required to close. The members of the Ad Hoc Committee have made it clear that they will not support the funding of the losses of the National Post Company by CMI past October 30, 2009.

66. Without the support of the Ad Hoc Committee for CMI to continue funding the losses of the National Post Company, it is highly doubtful that alternative funding could be secured. In the absence of any funding for its ongoing operating losses, it is doubtful that the *National Post* could sustain its operations. In such a scenario, the inevitable and immediate result would be a shut down of the *National Post* and the consequent loss of employment for the National Post Company's employees.

SHARED SERVICES BETWEEN THE CMI ENTITIES AND THE LP ENTITIES

67. Prior to 2005, the CMI Entities and the LP Entities operated as a single integrated business. As such, all critical business and support services, including executive services, information technology, human resources, accounting and finance, were shared amongst Canwest's Canadian media businesses.

68. As described above, at the time of the income trust spin-off the business of Canwest Global developed into two distinct segments. The Limited Partnership acquired all of CMI's newspaper publishing and digital media entities (excluding the *National Post*) to take advantage of the then favourable income tax treatment of income distributions within an income

trust. As the segregation of the LP Entities was effected for income tax reasons, the operational interdependence of the businesses in both segments of the Canwest enterprise did not change. Accordingly, there was a recognition that the corporate services that had previously been shared between the various entities in the Canwest enterprise would need to continue, but that the cost of the provision of such services should be on commercially reasonable terms.

69. The resultant Shared Services Arrangements formalized the then existing shared services arrangements by having the applicable entities enter into various inter-entity agreements which governed the provision and cost allocation of the applicable services. The Shared Services Arrangements have subsisted since their inception – largely unamended – and are in full force and effect today.

70. By their terms, the Shared Services Arrangements provide generally that the service provider (whether the Limited Partnership or otherwise) is entitled to reimbursement for all costs and expenses incurred in the provision of the Shared Services. Costs and expenses that are shared between the service provider and the service recipient are allocated between the parties on commercially reasonable bases consistent with past practices. Neither the reimbursement of costs and expenses nor the payment of fees is intended to result in any material financial gain or loss to the service provider.

71. Under the Shared Services Arrangements, CMI provides the Limited Partnership with, *inter alia*, the following Shared Services based upon various fee and cost allocation agreements and practices:

- executive advisory services related to corporate development, strategic planning, capital allocation, financing, equity and noteholder relations, insurance and risk management, tax planning and certain operational matters;
- corporate and administrative services related to legal matters (including securities law compliance, corporate records maintenance, contract management and corporate secretarial services), tax compliance, financial reporting, internal audit, investor and public relations, treasury, human resources management, sales representation and capital asset management; and

- insurance coverage (comprehensive, general liability, property, etc.) for which insurance premiums are shared.

The total amount paid to CMI by the Limited Partnership in fiscal 2009 in respect of these services was approximately \$6.5 million.

72. Under the Shared Services Arrangements, the Limited Partnership provides CMI, CTLP, and the CW Media Segment (as defined in the Initial Order Affidavit) with, *inter alia*, the following Shared Services:

- financial and accounting support services, including accounts payable, accounts receivable, payroll services, cash flow management, and accounting services;
- corporate services, including human resources consulting, pension services, and other employee benefits administration;
- information technology (“IT”) infrastructure and support services, including information technology and processing and website development and maintenance services;
- support and reporting services including making available senior officers and other key personnel to participate in investor relations functions, assisting in public relations and government relations initiatives, preparing and delivering financial information, and assisting in the preparation of reporting documentation, including regulatory and tax filings and prospectuses;
- certain cross-promotional activities, such as providing advertising space in its newspapers and online media; and
- content from Canwest News Service and other editorial services.

In fiscal 2009, the aggregate amount received by the Limited Partnership from CMI, CTLP, and the CW Media Segment, in respect of these services was approximately \$16.2 million.

SYNERGIES BETWEEN THE NATIONAL POST COMPANY AND THE LP ENTITIES

73. As described above, the National Post Company is an organizational anomaly within the CMI Entities. By necessity, therefore, it has at all times retained a close connection and is intertwined with the operation and publication of the newspapers of the LP Entities, and, following the Income Trust spin-off, the CMI Entities and the LP Entities continued to share many of the Shared Services. The multitude of operations that were, and continue to be, conducted by the LP Entities on behalf of the National Post Company render it dependent on the Shared Services Arrangements and the operational synergies that have been developed between the National Post Company and the family of newspaper publications of the LP Entities. In short, the National Post Company cannot operate independently of the services it receives from the Limited Partnership.

74. For example, under the Shared Services Arrangements, the Limited Partnership provides the National Post Company with, *inter alia*, the following Shared Services:

- financial and accounting support services, including accounts payable, accounts receivable, payroll services, cash flow management, and accounting services;
- corporate services, including human resources consulting, pension services, and employee benefits administration;
- IT infrastructure and support services, including information technology and processing and website development and maintenance services (*FPinfomart.ca; NationalPost.com*);
- advisory services regarding corporate development, capital expenditures and other operational matters;
- advisory services regarding corporate development, capital expenditures and other operational matters;
- content from Canwest News Service and other editorial services;
- sales and marketing services;

- classified advertising and customer support services provided by ReachCanada call centre; and
- printing and distribution services, including outsourced printing of the National Post Company at various metropolitan newspaper printing facilities.

75. In addition to the above, the Limited Partnership also collects and invoices certain advertising and circulation revenues on behalf of the National Post Company, and subsequently advances such revenues to the National Post Company. Specifically, the Limited Partnership collects and remits the following revenues on behalf of the National Post Company:

- national advertising revenues, including the issuing of invoices and collection of receivables;
- advertising revenue generated on the *National Post* websites;
- licensing revenues for *National Post* content that is included in the *FPinfomart.ca* website; and
- collections by other newspapers (including *Montreal Gazette*) for *National Post*'s circulation and dealer receipts mainly from customers making combined payment for the *National Post* and a newspaper of the LP Entities.

76. In fiscal 2009, the total amount received by the Limited Partnership from the National Post Company in respect of these services was approximately \$21.5 million. The total amount payable by the Limited Partnership in respect of the revenues managed on behalf of the National Post Company for fiscal 2009 was approximately \$35 million to the National Post Company. Payables in respect of these Shared Services are settled on a monthly basis. As at September 30, 2009, there is a balance owing from the National Post Company to the LP Entities (the "Print Payables") in the amount of \$1,148,365 for outstanding expenses due for services rendered in accordance with the Shared Services Arrangements.

77. In addition to the above, due to the integrated operations of the National Post Company and the LP Entities, the National Post Company absorbs significant fixed costs which would otherwise be carried by the LP Entities.

78. For example, without the *National Post's* Toronto news team, the LP Entities would be forced to create and/or license Toronto-centric news content at an estimated cost of approximately \$500,000 per year. Additionally, and as further evidence of the interconnectivity, the National Post Company purchases printing and/or distribution services from the LP Entities in Ottawa, Montreal, Calgary, Edmonton and Vancouver. It is approximated that the National Post Company will purchase a total of \$11.6 million in printing and distribution services in fiscal 2010 from the LP Entities. In total, the LP Entities estimate that closure of the *National Post* would increase the LP Entities' cost burden by approximately \$14 million in the fiscal year ending August 31, 2010.

THE TRANSITION AND REORGANIZATION AGREEMENT

79. In light of the degree to which the CMI Entities and the LP Entities are intertwined by the Shared Services Arrangements, both the CMI Entities and the LP Entities recognized that an agreement in respect of the Shared Services Arrangements and the transfer of the assets and business of the National Post Company were a necessary step towards the restructuring of their integrated business operations. The reorganization and proper realignment of services, operations and employees has been the subject of extensive, lengthy and comprehensive negotiations and discussions between the CMI Entities and the LP Entities. Importantly, other key parties and stakeholders of the CMI Entities and LP Entities participated and contributed to these negotiations. Specifically, the financial, legal and Restructuring Advisors of the LP Entities and the CMI Entities participated in these negotiations and discussions. The Ad Hoc Committee and the LP Senior Secured Lenders and their respective legal and financial advisors also actively participated in these negotiations. It was recognized by all participants that an agreement with respect to the Shared Services Arrangements and a transfer of the assets and business of the National Post Company would be to the benefit of all stakeholders of the CMI Entities and the LP Entities and must occur in tandem.

80. In the course of these negotiations, the inseparable nature of the Shared Services related to the *National Post* and the other Shared Services became apparent to all participants. It was recognized that an agreement with respect to the Shared Services Arrangements was functionally inextricable from properly realigning the *National Post*. In short, the Shared Services generally and the Shared Services with respect to the *National Post* cannot be settled in isolation from the other. Accordingly, the CMI Entities, the LP Entities, the Ad Hoc Committee

and the LP Senior Secured Lenders agreed that the consummation of an agreement with respect to a transfer of the *National Post* could only occur if it was bundled with the consummation of an agreement in respect the Shared Services Arrangements generally.

81. On October 26, 2009, certain of the CMI Entities and certain of the LP Entities entered into the Transition and Reorganization Agreement. In entering into the Transition and Reorganization Agreement, the parties have established the framework to properly reorganize the provision of the Shared Services Arrangements and realign ownership of the *National Post* such that it is to be owned and operated alongside the print businesses owned by the LP Entities.

82. The Transition and Reorganization Agreement will be implemented through two sub-agreements that are attached as schedules to the Transition and Reorganization Agreement – the New Shared Services Agreement and the National Post Transition Agreement. The CMI Entities and the LP Entities believe that the framework established by the agreements will benefit their respective stakeholders.

THE NEW SHARED SERVICES AGREEMENT

83. The New Shared Services Agreement provides for the orderly termination of the Shared Services Arrangements. In that regard, certain of the CMI Entities and certain of the LP Entities have agreed to enter into the New Shared Services Agreement (subject to Court approval) which establishes how the Shared Services will be accounted for going forward.

84. Under the New Shared Services Agreement, during fiscal 2010, the costs for the Shared Services have been set at a monthly fee until certain specified dates, at which time the Shared Service will either cease to be provided to the service recipients or will be renegotiated on commercial terms, as applicable. For example, and without limiting the generality of the foregoing, the parties have agreed that, notwithstanding anything to the contrary in the Shared Services Arrangements, the following Shared Services will terminate on the dates noted below:

- (a) Business Services (*i.e.*, payroll services, accounting services and other administrative support services provided by the Limited Partnership to the CMI Entities): August 31, 2010.

- (b) Corporate Services (*i.e.*, administrative services related to human resources, pension, disability and other employee benefits administration, etc., provided by the Limited Partnership to the CMI Entities): February 28, 2010.
- (c) Digital Services (*i.e.*, services relating to hosting, development, production and maintenance of websites, and the provision of sales representation services for online advertising provided by the Limited Partnership to the CMI Entities): August 31, 2010.
- (d) IT Services listed in Schedule "B" (*i.e.*, IT technology, IT infrastructure and support services, IT consulting services, software and hardware procurement, infrastructure management and help-desk and back-up support services provided by the Limited Partnership to the CMI Entities): August 31, 2010.
- (e) IT Services listed in Schedule "C" (*i.e.*, management and support of S4M servers, storage, infrastructure architecture, and firewall and internet management services provided by the Limited Partnership to the CMI Entities) and all other IT services other than those listed in Schedule "B" of the New Shared Services Agreement: February 28, 2011.

85. With respect to Executive and Partnership Services (*i.e.*, executive advisory services and business and administrative services, including administrative services related to legal, tax compliance, treasury, investor and public relations, corporate development and audit provided by CMI to the Limited Partnership), the parties have agreed that such services shall terminate on February 28, 2010. Prior to that date, the Limited Partnership shall have the right, but not the obligation, to require CMI to provide the Executive Services until February 28, 2010, provided that the Limited Partnership will be required to pay certain prescribed amounts listed in Schedule 2.5(h) of the New Shared Services Agreement whether or not the Limited Partnership actually requires CMI to provide such Executive Services.

86. The New Shared Services Agreement also amends the termination dates of the Shared Services Arrangements as they relate to, among other things, cross-promotional advertising services, cooperation and confidentiality services, affiliation services and insurance services.

87. With respect to fees and cost allocations, the New Shared Services Agreement provides that the following amounts will be payable by the CMI Entities, on the one hand, or the LP Entities, on the other:

- (a) Affiliation Services (*i.e.*, Canwest News Services editorial content provided by the LP Entities to the CMI Entities): \$16,667 per month;
- (b) Business Services: effective November 1, 2009, \$257,232 per month provided that, if prior to the date upon which the Business Services terminate, any employee of an LP Entity who provides such services becomes an employee of a CMI Entity, the monthly fee shall be reduced on a *pro rata* basis as at the date that such employee becomes an employee of the CMI Entity, provided further that during the period from September 1, 2010 to October 31, 2010 the LP Entities shall, if requested, by the CMI Entities, provide such assistance as the CMI Entities may reasonable request in connection with their year-end financial reporting processes, such assistance to be provided by such employees of the LP Entities as the Limited Partnership and CMI may agree, and the CMI Entities shall reimburse the LP Entities for the payroll costs of such individuals incurred during that period;
- (c) Corporate Services: \$76,961.92 per month, provided that if, prior to the date upon which such Corporate Services terminate, any employee of a LP Entity who provides Corporate Services becomes an employee of a CMI Entity, the monthly fee payable to the LP Entities on account of Corporate Services shall be reduced on a *pro rata* basis as at the date that such employee becomes an employee of the CMI Entity;
- (d) Cooperation and Confidentiality Services: \$8,333.33 per month;
- (e) Digital Services: \$93,650.25 per month (for cost reimbursement) together with commissions calculated at the rate contemplated in the existing Shared Services Arrangements;
- (f) IT Services: (i) effective November 1, 2009 to August 31, 2010, \$377,748.08 per month (for cost reimbursement) and \$166,666.67 per month (for capital charges);

and (ii) effective September 1, 2010 until February 28, 2011, \$266,667.66 per month (for cost reimbursement) and \$166,666.67 per month (for capital charges), less an amount agreed between the Limited Partnership and CMI to reflect the reduction in use of capital by the LP Entities to provide IT Services; and

- (g) Executive and Partnership Services: effective November 1, 2009, \$250,000 per month irrespective of the level of Executive and Partnership Services actually provided by CMI to the Limited Partnership during the relevant month provided that if, prior to the date upon which such Executive and Partnership Services terminate, any employee of a CMI Entity who provides Executive and Partnership Services becomes an employee of a LP Entity, the monthly fee payable to the CMI Entities on account of Executive and Partnership Services shall be reduced on a *pro rata* basis as at the date such employee becomes an employee of the LP Entity.

88. In addition, the New Shared Services Agreement also addresses certain employee-related matters. In particular, due to the fact that certain individuals employed by the CMI Entities provide employment services exclusively to the LP Entities, and certain individuals employed by the LP Entities provide employment services exclusively to the CMI Entities (collectively, the “**Misaligned Employees**”), the New Shared Services Agreement provides that the Misaligned Employees will commence employment with the proper entity on substantially similar terms and conditions as their existing employment, effective November 1, 2009. The New Shared Services Agreement also recognizes that certain employees who currently provide services in connection with a party’s obligations under the existing Shared Services Arrangements may become redundant as and when the service provider ceases to provide those services to the other entity. It is the parties’ intention that the employer of the redundant employee may, at its sole discretion, continue to employ the individual and that if the employee’s employment is terminated, the service recipient may offer employment to the terminated employee, without being legally obligated to do so. With respect to certain employees providing Business Services in particular, the New Shared Services Agreement provides that on or before the applicable Shared Services Arrangement (as they relate to Business Services) terminate, CMI shall offer employment to the 17 employees of the Limited Partnership who have been identified in writing by the Limited Partnership to CMI on terms and conditions which are in the aggregate

substantially similar to the terms and conditions upon which those employees were employed immediately prior to the applicable termination date.

89. In addition to addressing Misaligned Employees, the New Shared Services Agreement also addresses certain employees who are employed by the CMI Entities but who currently participate in a pension plan sponsored by the LP Entities, and certain employees who are employed by the LP Entities who currently participate in a pension plan sponsored by the CMI Entities (collectively, the “**Misaligned Pension Plan Participants**”). Specifically, the Misaligned Pension Plan Participants consist of the following:

- 1 employee of CTLP who is a participant in the CPI Retirement Plan;
- 237 employees of the Limited Partnership who are participants in the Retirement Plan for Management and Non-Bargaining Unit Employees of Global Communications Limited; and
- 70 employees of the Limited Partnership who are participants in the Global Communications Limited Employees Pension Plan.

90. Under the New Shared Services Agreement, the parties have agreed, as soon as reasonably practicable, to take such commercially reasonable steps to remove the Misaligned Pension Plan Participants from the pension plan sponsored by the party other than such Misaligned Pension Plan Participant’s employer and enable those employees to participate in a pension plan which is sponsored by the Misaligned Pension Plan Participant’s employer. From and after the date that any of the Misaligned Pension Plan Participants cease to participate in a pension plan that is sponsored by a party other than such Misaligned Pension Plan Participant’s employer, the employer of the Misaligned Pension Plan Participant shall have no obligation to make any further payments to compensate the sponsor of the misaligned pension plan for the costs associated with that individual participating in the other party’s pension plan. The proposed transfers of the Misaligned Pension Plan Participants are subject to the approval of the relevant regulator.

91. The LP Entities, the CMI CRA and the Monitor have consented to the entering into of the New Shared Services Agreement. The Administrative Agent, acting on behalf of the

Limited Partnership's senior secured lenders, however, has indicated that it requires this Honourable Court to approve the entering into of the New Shared Services Agreement and the parties have agreed that seeking this Honourable Court's approval is appropriate in the circumstances. As set out above, it is a milestone of the LP Forbearance Agreement that the Limited Partnership enter into arrangements with respect to the restructuring or termination of the existing Shared Services Arrangements.

NATIONAL POST TRANSITION AGREEMENT

92. Under the National Post Transition Agreement, the assets and business of the National Post Company will be transferred as a going concern to a new wholly-owned subsidiary of CPI (defined above as the Transferee).

93. As noted above, the Transferee will assume substantially all of the operating liabilities (the "**Assumed Liabilities**") of the National Post Company. The Assumed Liabilities are explicitly identified in the National Post Transition Agreement and are generally comprised of the following liabilities: (i) accounts payable; (ii) accrued expenses; (iii) deferred revenue; and (iv) any amounts due to employees. In addition, the Transferee will assume all liabilities and/or obligations (including any unfunded liability) under the National Post Pension Plan and benefit plans and the obligations of the National Post Company under contracts, licences and permits relating to the business of the National Post Company. Liabilities that are not expressly assumed are excluded from the transfer, including (i) the CMI Payables; and (ii) contingent liabilities relating to existing litigation claims.

(a) The terms of the National Post Transition Agreement

94. Capitalized terms used in the following paragraphs but not otherwise defined have the meanings ascribed to them in the National Post Transition Agreement.

95. The National Post Transition Agreement provides that the National Post Company shall cause the transfer of, and CPI shall cause the Transferee to accept the Transferred Assets and the undertaking of the business of the National Post Company as a going concern.

(i) *Transition Cost*

96. The cost of the transition (the “**Transition Cost**”) is an amount that is equal to (a) the aggregate of (i) \$2,000,000; (ii) the aggregate amount of the Accrued Expenses, the Accounts Payable, the Print Payables, and the Accrued Salaries; (iii) the Deferred Revenue assumed by the Transferee; and (iv) the lesser of (A) 50% of the October Funding Amount; and (B) \$1,000,000; less (b) the amount by which the Assumed Liabilities Estimate exceeds the Maximum Amount.

(ii) *Transferred Assets*

97. The Transferred Assets consist of National Post Company’s right, title and interest in the following assets and business of the National Post Company:

- the accounts receivable;
- prepaid expenses;
- the Inventory;
- the Equipment;
- the Contracts and Licences;
- Intellectual Property;
- Goodwill;
- Print Receivables; and
- Books and Records.

(iii) *Excluded Assets*

98. The National Post Transition Agreement provides, *inter alia*, that certain of the property and assets of the National Post Company will not be assumed by the Transferee (the “**Excluded Assets**”). The Excluded Assets include the following:

- the benefit of all insurance policies related to the Business;

- all of the corporate charters, minute and share record books and corporate seals of the National Post Company; and
- amounts owing to the National Post Company by any of the CMI Entities.

(iv) *Assumed Liabilities*

- accounts payable to the extent that they have not been due for more than 90 days;
- accrued expenses to the extent that they have not been due for more than 90 days;
- deferred revenue;
- liabilities in respect of the Transferred Employees;
- the National Post Pension Plan and all rights, duties, obligations and liabilities of the National Post Company related thereto; and
- all liabilities of the National Post Company under the Contracts, Licences and Permitted Encumbrances, as well as any amounts due in respect of the National Post Company's or the NP Partners' corporate credit card programs.

(v) *Excluded Liabilities*

99. Other than the Assumed Liabilities, no other liabilities or obligations of the National Post Company are being assumed by the Transferee. The Excluded Liabilities are principally comprised of inter-entity balances owing to and from the CMI Entities, and contingent liabilities relating to existing litigation claims. The Excluded Liabilities include, without limitation, the following:

- all liabilities of the National Post Company in respect of any breach of representation, warranty or covenant contained in, or for any claim for indemnification pursuant to, any Contract or Licence to the extent that such breach or claim arose out of the performance or non-performance thereunder by the National Post Company, prior to the Closing, regardless of when such breach or claim is asserted;

- all liabilities of the National Post Company, in respect of severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the National Post Company of the employment of any Employee who does not accept the Transferee's offer of employment as set out in the National Post Transition Agreement;
- all liabilities in respect of injury to or death of Persons or damage to or destruction of property not constituting part of the Transferred Assets, including product liability Claims and worker's compensation Claims arising out of the conduct of the Business prior to the Closing Time, regardless of when any such Liability is asserted, including any Liability for consequential or punitive damages in connection with the foregoing;
- all liabilities of the National Post Company in respect of borrowed money including any related party or third party debt, but excluding the Print Payables; and
- all liabilities of the National Post Company under the CMI Payables.

(vi) *Employees and Pension Obligations*

100. Prior to the Closing, the Transferee shall offer employment to all employees of the National Post Company (including senior management of the National Post Company) on terms and conditions which are in the aggregate substantially similar to the terms and conditions on which they are employed immediately prior to the Closing.

101. Upon Closing, subject to applicable regulatory approvals, the National Post Company is to assign the National Post Pension Plan to the Transferee, and the Transferee shall assume the National Post Pension Plan and the National Post Company's rights, duties, obligations and liabilities with respect to the National Post Pension Plan.

(vii) *Conditions of Closing*

102. The National Post Transition Agreement includes certain closing conditions that are required to be satisfied on or before the time of Closing. Some of the principal conditions of closing include the following:

- The Court will approve the vesting of the Transferred Assets in the Transferee;
- CPI shall have received Transferee Senior Lender Approval (*i.e.*, the LP Entities' Senior Secured Lenders);
- the National Post Company shall have received Transferor Senior Lender Approval (*i.e.*, the Ad Hoc Committee and the DIP Lender);
- all of the representations and warranties of the National Post Company of CPI shall be true as of the Closing Date in all material respects; and
- Material Consents shall have been received.

REVIEW OF THE PROPOSED TRANSFER OF THE MONITOR

103. It is my understanding that the Monitor is reviewing the Transition and Reorganization Agreement and the Schedules attached thereto and will be providing its recommendation in a separate report to follow.

STAY EXTENSION

104. Since the granting of the Initial Order, the CMI Entities have been operating their businesses as going concerns. The CMI Entities have been and continue to act in good faith and with due diligence in pursuing the CMI Recapitalization Transaction in order to ensure that as many as possible of the CMI Entities, and the businesses they operate, continue as going concerns – thereby preserving and maximizing enterprise value and maintaining employment for as many employees as possible. With the assistance of the Monitor, the CMI Entities have communicated and dealt with numerous stakeholders from an operational perspective.

105. On October 14, 2009, the CMI Entities obtained an Order (the “**Claims Procedure Order**”) establishing a claims procedure (the “**Claims Procedure**”) for the

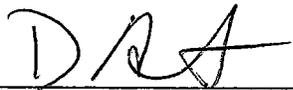
identification and quantification of certain claims against the CMI Entities and the directors and officers of the Applicants. Pursuant to the Claims Procedure Order, the CMI Entities, with the assistance of the Monitor, sent claims packages to their known creditors setting out the quantum of the known creditor's claim (as set out in the books and records of the CMI Entities) on or before October 22, 2009. The Claims Procedure Order requires such known creditors to deliver dispute notices by no later than November 19, 2009 (the "**Claims Bar Date**") in the event that the known creditor disputes the quantification of its claim by the CMI Entities. In addition, pursuant to the Claims Procedure Order, advertisements were posted in several national newspapers in Canada and the United States to alert unknown creditors of the CMI Entities that the Claims Procedure had been established. The Claims Procedure Order requires all unknown creditors of the CMI Entities who believe they have a claim against the CMI Entities to deliver a Proof of Claim by the Claims Bar Date. Subsequent to the Claims Bar Date, the Claims Procedure Order provides a further process for the CMI Entities to dispute Proofs of Claim filed by unknown creditors (a response is required by November 30, 2009) and to resolve the claims of known and unknown creditors for voting and distribution purposes.

106. As set out in the Initial Order Affidavit, the Recapitalization Term Sheet includes certain key dates with respect to key elements of the CMI Recapitalization Transaction, including (i) creditor approval of the Plan must occur no later than January 30, 2010 and (ii) the Plan implementation date must occur no later than April 15, 2010.

107. The Stay Period granted under the Initial Order currently expires on November 5, 2009. The Claims Bar Date and other key dates set out in the Claims Procedure Order arise after the current expiry of the Stay Period. Similarly, key dates with respect to the Plan and the CMI Recapitalization Transaction arise after the current expiry of the Stay Period.

108. It is my belief that the Stay Period should be extended to January 22, 2010 in order to allow for the CMI Entities to continue to work towards the implementation of the CMI Recapitalization Transaction through the development of the Plan, to deal with creditor claims as required by the Claims Procedure Order, and to deal with other matters inherent in the proposed restructuring, all in consultation with the Monitor, with the objective of obtaining the best possible result for a restructuring for the benefit of all stakeholders.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on October 27, 2009.



Commissioner for Taking Affidavits



John E. Maguire

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

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF JOHN E. MAGUIRE

SWORN BEFORE ME

ON THIS 27th DAY OF OCTOBER, 2009



A COMMISSIONER FOR TAKING AFFIDAVITS
Duncan Ault

**TRANSITION AND REORGANIZATION
AGREEMENT**

by and among

CANWEST GLOBAL COMMUNICATIONS CORP.,

**CANWEST LIMITED PARTNERSHIP / CANWEST
SOCIETE EN COMMANDITE,**

CANWEST MEDIA INC.,

**CANWEST PUBLISHING INC. / PUBLICATIONS
CANWEST INC.,**

**CANWEST TELEVISION LIMITED
PARTNERSHIP.,**

and

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST**

Dated as of October 26, 2009

TRANSITION AND REORGANIZATION AGREEMENT

TRANSITION AND REORGANIZATION AGREEMENT (this “**Agreement**”), dated as of October 26, 2009, by and among Canwest Global Communications Corp. (“**Canwest Global**”), Canwest Limited Partnership / Canwest Societe en Commandite (“**Canwest LP**”), Canwest Media Inc. (“**CMI**”), Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Television Limited Partnership (“**Television LP**”), and The National Post Company / La Publication National Post (the “**National Post Company**”) (the “**Parties**” and each, a “**Party**”).

WITNESSETH:

WHEREAS, Canwest Global is a Canadian media company with interests in (i) free-to-air television stations and subscription-based specialty television channels and (ii) publishing and digital media operations.

WHEREAS, Canwest Global’s free-to-air television broadcast business and subscription-based specialty television channels are carried on through the CMI Entities (as defined below) and Canwest Global’s publishing business is carried on through Canwest LP (Canwest LP’s general partner, Canwest (Canada) Inc.), and its subsidiaries (namely CPI, Canwest Books Inc. (“**CBI**”) and Canwest Canada Inc. collectively the “**LP Entities**”) and the National Post Company.

WHEREAS, prior to 2005 all of the businesses which were wholly-owned by Canwest Global, including all of the businesses now operated by the CMI Entities and all of the businesses now operated by the LP Entities, were operated by a single corporate entity, namely Canwest MediaWorks Inc. (“**MediaWorks**”) (since renamed CMI). As one unified business, all business critical and support services, including executive services, information technology, human resources, accounting and finance, were shared amongst MediaWorks and its subsidiaries.

WHEREAS, in 2005 Canwest LP was formed to acquire all of MediaWorks’ newspaper publishing and digital media entities (excluding the *National Post*) and to operate such businesses, as well as certain of the shared services operations, as part of a planned income trust spin-off of CMI’s newspaper publishing and digital media assets. The income trust spin-off was completed in October 2005. The *National Post* was excluded from the income trust spin-off and remained with the other entities wholly-owned by Canwest Global in the form of a general partnership – The National Post Company.

WHEREAS, when the publishing and digital media entities operated by MediaWorks were spun-off to Canwest LP, there was a recognition that the corporate services that had previously been shared between the various entities in the Canwest enterprise would need to continue, but that the cost of the provision of such services should be on commercially reasonable terms. Accordingly, MediaWorks and Canwest LP formalized the existing shared services arrangements by entering into various inter-entity agreements which governed the provision and cost allocation of the applicable services (the “**Shared Services Arrangements**”).

WHEREAS, notwithstanding that the *National Post* was segregated from the other Canwest publications as part of the income trust spin-off in 2005, it has at all times retained a close connection and been intertwined with the operation and publication of the newspapers of Canwest LP, and, following the income trust spin-off, the two entities continued to share many business critical services. The multitude of fundamental operations that were, and continue to be, conducted by the LP Entities on behalf of the *National Post* rendered it functionally dependent on the Shared Services Arrangements and the operational synergies that have been developed between the *National Post* and the family of publications of the LP Entities.

WHEREAS, in 2007 Canwest LP effected a going-private transaction of the income trust and, since July 2007, Canwest LP has been a 100% wholly-owned indirect subsidiary of Canwest Global. Although Canwest LP was repatriated with the rest of the Canwest enterprise, it has nonetheless continued to maintain a separate debt structure and credit facilities from CMI and has continued to participate in and be bound by the Shared Services Arrangements. This interdependence has been mutually beneficial to the LP Entities and CMI Entities, but has also, unintentionally, resulted in certain misalignment of personnel and services.

WHEREAS, both the CMI Entities and the LP Entities have experienced significant deterioration in their financial performance over the past 12-18 months and, due to their independent debt structures, have been forced to pursue independent restructuring and recapitalization plans. Following the negotiation of a consensual "pre-packaged" recapitalization transaction (the "**CMI Recapitalization Transaction**") with an ad hoc committee (the "**Ad Hoc Committee**") representing approximately 72% of the holders of the 8% senior subordinated notes due in 2012 (the "**8% Senior Subordinated Notes**"), CMI and certain of its affiliates (the "**CMI Entities**") sought and were granted protection under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") on October 6, 2009. The purpose, intention and expected result of the Recapitalization Transaction is to ensure that as many as possible of the businesses operated by the CMI Entities continue as going concerns thereby preserving enterprise value for stakeholders and maintaining employment for as many employees as possible.

WHEREAS, Canwest LP is currently in default of certain of its financial covenants under its existing credit arrangements and has failed to make certain principal and interest payments in respect of those arrangements. Canwest LP recently entered into a forbearance agreement (the "**LP Forbearance Agreement**") with its senior lenders (the "**LP Senior Secured Lenders**") wherein those lenders have agreed not to take any steps to demand immediate payment or enforce the security held in support of Canwest LP's senior secured credit facilities in order to afford the LP Entities and the LP Senior Secured Lenders an opportunity to attempt to negotiate a consensual pre-packaged restructuring, recapitalization or reorganization of the LP Entities (a "**Pre-Pack**"). The LP Forbearance Agreement is subject to the satisfaction of certain milestones including reaching an agreement on the realignment of the Shared Services Arrangements and the principal terms of a Pre-Pack.

WHEREAS, both the LP Forbearance Agreement and the CMI Recapitalization Transaction contemplate that the CMI Entities and the LP Entities are to agree on an orderly transition and disentanglement and/or realignment of the existing Shared Services Arrangements. In addition, the Term Sheet governing the CMI Recapitalization Transaction (the "**Recapitalization Term Sheet**") required that a definitive agreement in respect of a transfer of

the *National Post* to Canwest LP be entered into on terms acceptable to the Ad Hoc Committee by no later than October 15, 2009. As negotiations with Canwest LP to effect such a transfer had advanced but had not concluded by that date, the Ad Hoc Committee subsequently extended the date by which such an agreement is required to close until October 30, 2009.

WHEREAS, to that end, and recognizing that both an agreement in respect of the Shared Service Arrangements and the transfer of the *National Post* are necessary for the restructuring of Canwest Global, the CMI Entities and the LP Entities wish to enter into this Agreement that recognizes and acknowledges the terms of: (i) an agreement entered into by and between Canwest Global, Canwest LP, CMI, CPI, Television LP, and the National Post Company that provides for a restructuring of the Shared Services as a means to properly realign the Shared Services and personnel (the “**New Shared Services Agreement**”); and (ii) an agreement entered into by and between the National Post Company and CPI that provides for a going concern transition of the assets and business of the National Post Company (the “**National Post Transition Agreement**”).

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I

INTERPRETATION

Section 1.1. References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words “include”, “includes” and “including” when used in this Agreement shall be deemed to be followed by the phrase “without limitation”. Unless the context otherwise requires, references in this Agreement to Articles, Sections, Annexes, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement. Unless the context otherwise requires, the words “hereof”, “hereby” and “herein” and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

Section 1.2. Schedules. The schedules to this Agreement, listed below, are an integral part of this Agreement:

<u>Schedule</u>	<u>Description</u>
1	New Shared Services Agreement
2	National Post Transition Agreement

ARTICLE II

THE TRANSITION AND REORGANIZATION

Section 2.1. Subject to the terms and conditions of this Agreement, the Parties shall consummate the transactions contemplated hereby and by the New Shared Services Agreement and National Post Transition Agreement at the same time (the consummation of each scheduled agreement being a condition to the consummation of the other) in accordance with their respective terms and as soon as reasonably practicable following making of an Order from the Ontario Superior Court of Justice (Commercial List) under the CCAA authorizing the consummation of the transactions contemplated hereby (the “**Effective Time**”).

Section 2.2. As more specifically described therein, under the New Shared Services Agreement, the parties thereto have agreed that during fiscal 2010, the costs for the existing Shared Services Arrangements will continue in each cost centre at the existing allocations, as amended by the New Shared Services Agreement, until a specified date, at which time the Shared Services Arrangements will either cease to be provided to the service recipient or will be renegotiated on commercial terms, as applicable. Expense allocations will be reduced as and to the extent that the personnel providing the existing Shared Services Arrangements are transferred from the service provider to the service recipient. The New Shared Services Agreement also addresses certain employee-related matters, including a realignment of those employees who are currently misaligned and a transfer of certain misaligned pension plan participants to a pension plan which is sponsored by the appropriate party.

Section 2.3. As more specifically described therein, the National Post Transition Agreement provides that the *National Post* will be transitioned as a going concern to a newly-incorporate subsidiary of CPI (“**CPI Subco**”). CPI Subco will offer employment to all of the National Post Company’s employees and will assume the National Post Company’s obligations and liabilities under the National Post Company’s pension plan.

Section 2.4. It is the intent of the Parties that from and after the consummation of the transactions contemplated hereby and by the New Shared Services Agreement and National Post Transition Agreement, the businesses of the CMI Entities and the LP Entities will be conducted independently as separate entities.

ARTICLE III

MISCELLANEOUS

Section 3.1. Complete Agreement; Construction This Agreement, including the Schedules shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. In the event of any inconsistency between this Agreement and any Schedule hereto, the Schedule shall prevail.

Section 3.2. Counterparts. This Agreement may be executed in more than one counterparts all of which shall be considered one and the same agreement, and shall become

effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Parties.

Section 3.3. Survival of Agreement. Except as otherwise contemplated by this Agreement, the New Shared Services Agreement or the National Post Transition Agreement, all covenants and agreements of the Parties contained in this Agreement, the New Shared Services Agreement and the National Post Transition Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms.

Section 3.4. Amendments. This Agreement may not be modified or amended except by an agreement in writing signed by each of the Parties.

Section 3.5. Assignment. This Agreement shall not be assignable, in whole or in part.

Section 3.6. Successors. The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of and be enforceable by (and against) the Parties and their respective successors.

Section 3.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 3.8. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The Parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 3.9. Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

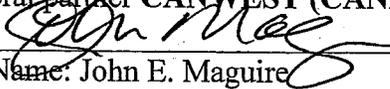
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

CANWEST GLOBAL COMMUNICATIONS CORP.

By: 
Name: John E. Maguire
Title: Chief Financial Officer

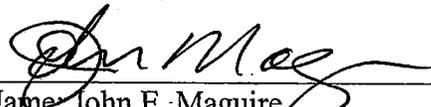
By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General Counsel

CANWEST LIMITED PARTNERSHIP / CANWEST SOCIETE EN COMMANDITE by its general partner **CANWEST (CANADA) INC.**

By: 
Name: John E. Maguire
Title: Director

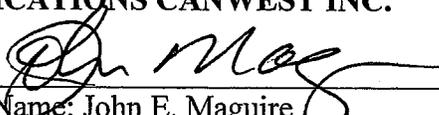
By: _____
Name: Thomas C. Strike
Title: Director

CANWEST MEDIA INC.

By: 
Name: John E. Maguire
Title: Chief Financial Officer

By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General Counsel

CANWEST PUBLISHING INC. / PUBLICATIONS CANWEST INC.

By: 
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

**CANWEST TELEVISION LIMITED
PARTNERSHIP** by its general partner
CANWEST TELEVISION GP INC.

By: 
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST** by its
partner **CANWEST MEDIA INC.**

By: 
Name: John E. Maguire
Title: Director

By: _____
Name: Richard M. Leipsic
Title: Director

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST** by its
partner **NATIONAL POST HOLDINGS LTD.**

By: _____
Name: Richard M. Leipsic
Title: President

By: _____
Name: Riva R. Richard
Title: Secretary

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

**CANWEST GLOBAL COMMUNICATIONS
CORP.**

By:

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Title: Chief Financial Officer

By:

Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

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Title: Chief Financial Officer

By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General
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its general partner CANWEST (CANADA) INC.**

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Name: Thomas C. Strike
Title: Director

CANWEST MEDIA INC.

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Name: John E. Maguire
Title: Chief Financial Officer

By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

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Name: John E. Maguire
Title: Vice-President

By: 
Name: Thomas C. Strike

**CANWEST TELEVISION LIMITED
PARTNERSHIP** by its general partner
CANWEST TELEVISION GP INC.

By: _____

Name: John E. Maguire

Title: Vice-President

By: _____

Name: Thomas C. Strike

Title: Vice-President

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PUBLICATION NATIONAL POST** by its
partner **CANWEST MEDIA INC.**

By: _____

Name: John E. Maguire

Title: Director

By: _____

Name: Richard M. Leipsic

Title: Director

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST** by its
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By: _____
Name: Richard M. Leipsic
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**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST by its
partner NATIONAL POST HOLDINGS LTD.**

By: _____
Name: Richard M. Leipsic
Title: President

By:  _____
Name: Riva R. Richard
Title: Secretary

AGREEMENT ON SHARED SERVICES AND EMPLOYEES

This Agreement is made as of October 26, 2009 between

Canwest Global Communications Corp.
 (“Canwest Global”)

and

**Canwest Limited Partnership / Canwest Societe en
 Commandite**
 (“Canwest LP”)

and

Canwest Media Inc.
 (“CMI”)

and

Canwest Publishing Inc. / Publications Canwest Inc.
 (“CPI”)

and

Canwest Television Limited Partnership
 (“Television LP”)

and

The National Post Company/La Publication National Post
 (“NP”)

RECITALS

A. Some or all of the Parties are party to the agreements listed in Schedule A hereto (as they may be amended from time to time from and after the date of this Agreement) (“**Shared Services Agreements**”) pursuant to which one or more of the Parties has agreed to provide certain services to the other.

B. It is contemplated that the Broadcast Parties and the Print Parties will be restructured under one or more CCAA Proceedings.

C. Having regard to the proposed restructurings, the Parties have agreed to an orderly termination of their shared service arrangements and, in that connection, the Parties which are party to certain of the Shared Services Agreements have agreed to alter the basis upon and term

for which services are to be provided under such Shared Services Agreements and the Parties wish to record their agreement about those arrangements.

D. The Parties also wish to record their agreement regarding certain employees of the Parties and other matters.

FOR VALUE RECEIVED, the Parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

Terms defined in the introductory section and recitals to this Agreement have the meanings ascribed to them above. In addition, in this Agreement:

- (1) **“Affiliate”** of a Party means any person that directly or indirectly Controls, is Controlled by, or is under common Control with, that Party, and for greater certainty includes a subsidiary.
- (2) **“Affiliation Services”** means Canwest News Services editorial content provided by the Print Parties to the Broadcast Parties pursuant to the Affiliation Services Agreement.
- (3) **“Affiliation Services Agreement”** means the Affiliation Services Agreement dated October 13, 2005 between CMI and Canwest LP.
- (4) **“Agent”** means The Bank of Nova Scotia, in its capacity as administrative agent under the \$1,300,000,000 credit facilities credit agreement dated July 10, 2007 between Canwest Mediaworks Limited Partnership (the predecessor name of Canwest LP), the guarantors party thereto from time to time, Scotia Capital, as sole lead arranger and book runner for “Credits A, B and C” (as defined therein), Scotia Capital and Citigroup Global Markets Inc., as co-lead arrangers and joint book runners for “Credit D” (as defined therein) and the lenders party thereto from time to time, as amended.
- (5) **“Agreement”** means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time.
- (6) **“Books and Records”** means all books, records, files and documents relating to a service provided pursuant to a Shared Services Agreement including books of account, ledgers, journals, records of accounts receivable and payable, cost and pricing information, inventory records, payroll and employee benefit records, credit information, lists of suppliers and all other correspondence, data and information in any format or media whatsoever.
- (7) **“Broadcast Business Transaction”** means any transaction or series of transactions in which Control of Canwest Global, CMI or Television LP is acquired by a person (or persons) who is not an Affiliate of a Broadcast Party or pursuant to which a person (or persons) who is not an Affiliate of a Broadcast Party acquires all or substantially all of the assets of Canwest Global, CMI or Television LP.
- (8) **“Broadcast Parties”** means Canwest Global, CMI and Television LP.

- (9) **“Business Day”** means a day on which banks are open for business in the Cities of Toronto and Winnipeg, but does not include a Saturday, Sunday or holiday in the Province of Ontario.
- (10) **“Business Services”** means the payroll services, accounting services, including accounts payable, fixed asset accounting, general ledger accounting and maintenance, internal financial reporting and accounts receivable management, and other administrative support services provided by Canwest LP to the Broadcast Parties and their Affiliates pursuant to the Canwest Services Agreement and the Television LP Services Agreement, all as more particularly described in Schedule 2.1 to the Canwest Services Agreement and Schedule 2.1 to the Television LP Services Agreement.
- (11) **“Canwest Lease”** means the lease dated October 13, 2005 between CPI, as landlord, and CMI, as tenant, with respect to the premises at 1450 Don Mills Road, Don Mills, Ontario described therein.
- (12) **“Canwest Services Agreement”** means the Canwest Services Agreement dated October 13, 2005 between CMI and Canwest LP pursuant to which Canwest LP provides to CMI and its Affiliates (other than Television LP) certain Business Services, IT Services, Digital Services and Corporate Services.
- (13) **“CCAA”** means the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c.C-36, as amended.
- (14) **“CCAA Proceeding”** means any proceeding commenced pursuant to the CCAA under which the applicant seeks an arrangement or compromise with any of its creditors and includes any orders granted with respect thereto.
- (15) **“Closing Date”** means the date upon which a Print Business Transaction is completed.
- (16) **“Control”** means, when applied to the relationship between a person and a corporation, the beneficial ownership by that person at the relevant time of shares of that corporation carrying the greater of (a) a majority of the voting rights ordinarily exercisable at meetings of shareholders of that corporation and (b) the percentage of voting rights ordinarily exercisable at meetings of shareholders of that corporation that are sufficient to elect a majority of the directors, and when applied to the relationship between a person and a partnership, limited partnership, trust or joint venture, means the beneficial ownership by that person at the relevant time of more than 50% of the ownership interests of the partnership, limited partnership, trust or joint venture or the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and the words “Controlled by”, “Controlling” and similar words have corresponding meanings; provided that a person who Controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such person and so on.
- (17) **“Cooperation and Confidentiality Agreement”** means the Cooperation and Confidentiality Agreement dated October 13, 2005 between Canwest Global, CMI and Canwest LP.

- (18) **“Cooperation and Confidentiality Services”** means services provided by Canwest LP pursuant to the Cooperation and Confidentiality Agreement.
- (19) **“Corporate Services”** means administrative services, including administrative services related to human resources, pension, disability and other employee benefits administration, business planning, cash flow management and forecasting, capital expenditure planning and forecasting provided by Canwest LP to the Broadcast Parties and their Affiliates, pursuant to the Canwest Services Agreement and the Television LP Services Agreement, all as more particularly described in Schedule 2.1 to the Canwest Services Agreement and Schedule 2.1 to the Television LP Services Agreement.
- (20) **“CPI Subco”** means 4513401 Canada Inc.
- (21) **“Cross-Promotional Advertising Services”** means cross-promotional advertising services all as more particularly described in Section 2.2 of the Sales Representation and Agency Services Agreement.
- (22) **“Digital Services”** means services related to the hosting, development, production, definition and maintenance of websites, and the provision of sales representation services for online advertising provided by Canwest LP to the Broadcast Parties and their Affiliates pursuant to the Canwest Services Agreement and the Television LP Services Agreement, all as more particularly described in Schedule 2.1 to the Canwest Services Agreement and Schedule 2.1 to the Television LP Services Agreement.
- (23) **“Emerge”**, when used in respect of a person, means the date of implementation of a plan of arrangement in connection with a CCAA Proceeding or the date of termination of a CCAA Proceeding relating to that person.
- (24) **“Executive Advisory Services Agreement”** means the Executive Advisory Services Agreement dated October 13, 2005 between CMI and Canwest LP pursuant to which CMI provides Canwest LP and its Affiliates certain executive advisory services in relation to the business affairs and operations of Canwest LP.
- (25) **“Executive and Partnership Services”** means the executive advisory services and the business and administrative services, including administrative services related to legal, tax compliance, treasury, investor and public relations, corporate development, internal audit, financial reporting and capital asset management provided by CMI to Canwest LP and its Affiliates pursuant to the Executive Advisory Services Agreement and the Partnership Services Agreement, all as more particularly described in Article 2 of the Executive Advisory Services Agreement and Schedule 2.1 to the Partnership Services Agreement.
- (26) **“Insurance Premium Sharing Agreement”** means the Insurance Premium Sharing Agreement dated October 13, 2005 between CMI and Canwest LP.
- (27) **“Insurance Services”** means services provided pursuant to the Insurance Premium Sharing Agreement.
- (28) **“IT Services”** means information technology, IT infrastructure and support services, including maintenance of internal LANs and connections to the WAN, information technology

consulting services, software and hardware procurement, customization, development, integration and configuration services, infrastructure management and help desk and back-up support services provided by Canwest LP to the Broadcast Parties and their Affiliates pursuant to the Canwest Services Agreement and the Television LP Services Agreement, all as more particularly described in Schedule 2.1 to the Canwest Services Agreement and Schedule 2.1 to the Television LP Services Agreement.

(29) **“NP Transfer Agreement”** means the National Post Transition Agreement dated as of October 26, 2009 between CPI and NP.

(30) **“Parties”** means Canwest Global, Canwest LP, CMI, CPI, Television LP and NP.

(31) **“Partnership Services Agreement”** means the Partnership Services Agreement dated October 13, 2005 between CMI and Canwest LP pursuant to which to which CMI provides to Canwest LP and its Affiliates certain business and administrative services.

(32) **“Pension Agreements”** means the Shared Services Agreements listed under the heading “Pension Services” in Schedule A hereto.

(33) **“Print Business Transaction”** means any transaction or series of transactions in which Control of Canwest LP or CPI is acquired by a person (or persons) who is not an Affiliate of a Print Party or pursuant to which a person (or persons) who is not an Affiliate of a Print Party acquires all or substantially all of the assets of Canwest LP and CPI.

(34) **“Print Parties”** means Canwest LP, CPI and CPI Subco.

(35) **“Sales Representation and Agency Services Agreement”** means the Sales Representation and Agency Services Agreement dated October 13, 2005 between CMI and Canwest LP.

(36) **“Television LP Services Agreement”** means the Broadcast Services Agreement dated January 1, 2009 between Television LP and Canwest LP pursuant to which Canwest LP provides to Television LP certain Business Services, IT Services, Digital Services and Corporate Services.

(37) **“Trademarks License Agreement”** means the Trademarks License Agreement dated October 13, 2005 between, *inter alia*, Canwest Global and Canwest LP.

Section 1.2 Actions on Non-Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

Section 1.3 Headings and References

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement,” “hereof,” “hereunder” and similar

expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections and further subdivisions of sections of this Agreement.

Section 1.4 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including without limitation."

Section 1.5 Schedules

The following Schedules attached to this Agreement form an integral part of this Agreement:

- Schedule A – Shared Services Agreements
- Schedule B – IT Services Terminating August 31, 2010
- Schedule C – IT Services Terminating February 28, 2011

ARTICLE 2– ADJUSTMENTS AND AMENDMENTS TO CERTAIN SHARED SERVICES AGREEMENTS

Section 2.1 Termination of Shared Services Provided by Canwest LP

Notwithstanding anything to the contrary in the Canwest Services Agreement or the Television LP Services Agreement, the Canwest Services Agreement and the Television LP Services Agreement shall terminate as they relate to the provision of the following services on the dates noted below:

SHARED SERVICE	TERMINATION DATE
Business Services	August 31, 2010
Digital Services	August 31, 2010
IT Services	August 31, 2010 (in respect of the IT Services listed in Schedule B)
IT Services	February 28, 2011 (in respect of the IT Services listed in Schedule C and all other IT Services other than those listed in Schedule B)
Corporate Services	February 28, 2010

Section 2.2 Termination of Executive and Partnership Services Provided by CMI

Notwithstanding anything to the contrary in the Executive Advisory Services Agreement or the Partnership Services Agreement, the Executive Advisory Services Agreement and the Partnership Services Agreement shall terminate on February 28, 2010. Prior to the effective date of termination of the Executive Advisory Services Agreement and the Partnership Services Agreement, Canwest LP shall have the right, but not the obligation, to require CMI to provide Executive and Partnership Services; provided that Canwest LP shall be required to pay amounts provided in Section 2.4(g) of this Agreement whether or not Canwest LP requires CMI to provide any Executive and Partnership Services.

Section 2.3 Termination of Other Shared Services Agreements

- (1) ***Cooperation and Confidentiality Services*** – Subject to the next sentence, notwithstanding anything to the contrary in the Cooperation and Confidentiality Agreement, the Cooperation and Confidentiality Services shall terminate on the earlier of (a) the Closing Date, (b) the date Canwest LP Emerges from its CCAA Proceeding (if commenced) and (c) August 31, 2011. For a period of two years following the date of such termination, the Print Parties will provide the Broadcast Parties, on the terms set out in the Cooperation and Confidentiality Agreement, with reasonable access to such information as the Broadcast Parties may reasonably require to satisfy the tax, financial and other reporting obligations of the Broadcast Parties (including, if required, copies of such documents provided at the expense of the Broadcast Parties), provided that (and unless Canwest LP and CMI otherwise agree) the Print Parties shall have no obligation to provide such access if, in doing so, any Print Party is likely to incur any material cost or if to do so would require a material amount of the time or effort of an employee of a Print Party, unless such cost and an agreed amount for the payroll costs of such employee is reimbursed by the Broadcast Parties.
- (2) ***Cross-Promotional Advertising Services*** - The Sales Representation and Agency Services Agreement shall terminate on August 31, 2010, notwithstanding anything to the contrary therein.
- (3) ***Affiliation Services*** - The Affiliation Services Agreement shall terminate on August 31, 2010, notwithstanding anything to the contrary therein.
- (4) ***Trademark License*** - Notwithstanding anything to the contrary in the Trademarks License Agreement, the Trademarks License Agreement shall terminate on the earlier of (a) the Closing Date, (b) the date Canwest LP Emerges from its CCAA Proceeding (if commenced), (c) August 31, 2010 and (d) such other date as the parties to such agreement may agree.
- (5) ***Insurance Services*** - Notwithstanding anything to the contrary in the Insurance Premium Sharing Agreement, the Insurance Premium Sharing Agreement shall terminate on the earlier of the (a) Closing Date, (b) the date Canwest LP Emerges from its CCAA Proceeding (if commenced), (c) the date upon which CMI and Canwest LP cease to be Affiliates, (d) August 31, 2010 and (e) such other date as the parties to such agreement may agree.
- (6) ***Canwest Lease*** - Notwithstanding anything to the contrary in the Canwest Lease, the Canwest Lease shall terminate on August 31, 2010.

Section 2.4 Certain Termination Rights Not to be Exercised

To the extent that any Shared Services Agreement permits a party thereto to terminate the agreement (a) on notice to the other party(s) for reasons other than default or (b) by reason of bankruptcy or other similar event, none of the Parties shall exercise any such rights so as to terminate any Shared Services Agreement (or part thereof) prior to the dates contemplated in Section 2.1 through Section 2.3.

Section 2.5 Amendment of Fees and Costs

The Parties acknowledge that the following amounts are payable under the Shared Services Agreements by the Broadcast Parties, on one hand, or the Print Parties, on the other:

Amounts Payable by the Broadcast Parties, collectively, to the Print Parties

- (a) with respect to **Affiliation Services**, \$16,667.00 per month;
- (b) with respect to **Business Services**, effective November 1, 2009, \$257,282.50 per month, provided that if, prior to the date upon which the Business Services terminate, any employee of a Print Party who provides Business Services becomes an employee of a Broadcast Party, the monthly fee payable to the Print Parties on account of Business Services shall be reduced on a *pro rata* basis having regard to the monthly fee payable to the Print Parties on account of Business Services and the monthly costs incurred the Print Parties which are associated with such employee, as at the date such employee becomes an employee of a Broadcast Party, provided further that during the period from September 1, 2010 to October 31, 2010 the Print Parties shall, if requested by the Broadcast Parties, provide such assistance as the Broadcast Parties may reasonably request in connection with their year-end financial reporting processes, such assistance to be provided by such employees of the Print Parties as Canwest LP and CMI may agree, and the Broadcast Parties shall reimburse the Print Parties for the payroll costs of such individuals incurred during that period.
- (c) with respect to **Corporate Services**, \$76,961.92 per month, provided that if, prior to the date upon which the Corporate Services terminate, any employee of a Print Party who provides Corporate Services becomes an employee of a Broadcast Party, the monthly fee payable to the Print Parties on account of Corporate Services shall be reduced on a *pro rata* basis having regard to the monthly fee payable to the Print Parties on account of Corporate Services and the monthly costs incurred the Print Parties which are associated with such employee, as at the date such employee becomes an employee of a Broadcast Party;
- (d) with respect to **Cooperation and Confidentiality Services**, \$8,333.33 per month;
- (e) with respect to **Digital Services**, \$93,650.25 per month (for cost reimbursement) together with commissions calculated at the rate contemplated under the relevant Shared Services Agreements;
- (f) with respect to **IT Services**:

- (i) effective November 1, 2009 until August 31, 2010, \$377,748.08 per month (for cost reimbursement) and \$166,666.67 per month (for capital charges); and
- (ii) effective September 1, 2010 until February 28, 2011, \$266,667.66 per month (for cost reimbursement) and \$166,666.67 per month (for capital charges), less an amount agreed between Canwest LP and CMI to reflect the reduction in use of capital by the Print Parties to provide IT Services having regard to the fact that the Print Parties are no longer providing the IT Services listed in Schedule B (calculated on a basis consistent with part practice);
- (g) with respect to the Canwest Lease, effective November 1, 2009 until August 31, 2010, \$10,970.00 per month;

Amounts Payable by the Print Parties, collectively, to the Broadcast Parties

- (h) with respect to **Executive and Partnership Services**, effective November 1, 2009, \$250,000 per month irrespective of the level of Executive and Partnership Services actually provided by CMI to Canwest LP during the relevant month (and, for greater certainty, irrespective of whether Canwest LP has requested that CMI provide Executive and Partnership Services during the relevant month) provided that if, prior to the date upon which the Executive Advisory Services Agreement and the Partnership Services Agreement terminate, any employee of a Broadcast Party who provides Executive and Partnership Services becomes an employee of a Print Party, the monthly fee payable to a Broadcast Party on account of Executive and Partnership Services shall be reduced on a *pro rata* basis having regard to the monthly fee payable to the Broadcast Parties on account of Executive and Partnership Services and the monthly costs incurred by the Broadcast Parties which are associated with such employee, as at the date such employee becomes an employee of a Print Party;

Other Amounts Payable between the Parties

- (i) with respect to **Cross-Promotional and Advertising Services**, at the rate and at the times contemplated under the relevant Shared Services Agreements by the Broadcast Parties to the Print Parties, on the one hand, and by the Print Parties to the Broadcast Parties, on the other; and
- (j) with respect to **Pension Services**, in accordance with the terms and conditions of the relevant Shared Services Agreement relating to Pension Services, as adjusted pursuant to Section 3.5.

The Parties acknowledge that, notwithstanding anything to the contrary in the Insurance Premium Sharing Agreement, the Print Parties currently are paying premiums for insurance coverage directly to the relevant insurance providers and not to a Broadcast Party and that, accordingly, the Print Parties have no obligation to make any payments in that respect to any Broadcast Party. If a Broadcast Party receives any refund, credit or other amount from an insurance provider or otherwise in respect of any insurance policy or coverage relating to a Print

Party, such Broadcast Party forthwith shall pay the full amount of such refund, credit or other amount to the Print Parties (to the extent a Print Party originally paid the amount refunded or credited).

Section 2.6 Amendments to Shared Services Agreement

The Shared Services Agreements shall be deemed amended to the extent necessary to give effect to Section 2.1 through Section 2.5 of this Agreement and otherwise the terms and conditions of the Shared Services Agreements shall continue, unamended. For greater certainty, CPI agrees that it will continue to provide any services under the Shared Services Agreements (as amended by this Agreement) that it has provided as a subsidiary of Canwest LP prior to the date hereof as if it were a party to such Shared Services Agreements.

Section 2.7 Termination and Transition

- (1) **Term Extensions** - The Parties may, but shall not have the obligation to, extend the term of any Shared Services Agreement beyond the end of the term of the relevant agreement on such terms and conditions as the Parties to the relevant agreement determine appropriate, subject to Section 4.1 of this Agreement.
- (2) **Obligations End** - Subject to the terms of this Agreement, from and after the termination of a Shared Services Agreement (or of that part of a Shared Services Agreement relating to a particular service), the Party providing the relevant service shall have no obligation to provide, and the Party receiving such service shall have no obligation to acquire, the relevant service.
- (3) **Transition** - It is the Parties' intention that the transition required at the end of the term of a Shared Services Agreement occur in a commercially reasonable manner, with minimal disruption to the Parties' businesses. The Parties shall develop such protocols as may reasonably be required or appropriate and otherwise cooperate to ensure that the cessation of the provision of services under a Shared Services Agreements by reason of the termination of such agreement occurs in accordance with the terms and conditions of the relevant agreement, in a commercially reasonable manner. Unless otherwise specifically provided herein or in a Shared Services Agreement, the Parties shall bear their own costs incurred in connection with the transition of any shared service or the termination of any Shared Services Agreement.
- (4) **Books and Records** - On or before the date upon which a Party's obligation to provide a service pursuant to a Shared Services Agreement terminates, the Party which provided the service shall, without further consideration, deliver to the Party to whom the service was provided all Books and Records maintained by the service provider in connection with such services, and such Books and Records shall be, and for all purposes shall be considered to have been, owned by the Party which received the relevant shared service.
- (5) **IT Hardware and Software Licenses** - The Parties will use commercially reasonable efforts to identify, by no later than November 30, 2009, all IT hardware and all software licenses that as of the date of this Agreement are (i) owned, possessed or licensed by or in the name of a Broadcast Party but used, held or maintained exclusively by or for the benefit of a Print Party, or vice-versa, or (ii) owned, possessed or licensed by or in the name of either a Broadcast Party or a Print Party, but used, held or maintained for the benefit of both a Broadcast Party and a Print Party, and:

- (a) if any such IT hardware is in the possession of a Print Party but owned by a Broadcast Party (or vice-versa), to the extent such IT hardware is not needed by the possessing Party to provide services under any Shared Services Agreement (unless the Parties agree otherwise), it shall be physically transferred to the Party that owns of such IT hardware, at the expense of such Party;
- (b) if any such IT hardware is in the possession of a Print Party but leased by a Broadcast Party (or vice-versa), the Parties shall cooperate and use commercially reasonable efforts (including negotiation of appropriate amendments with the lessor) to ensure that any Party which uses or has access to any IT hardware pursuant to a lease or sublease to which it is not a Party shall continue to be permitted to use and have access to such IT hardware to the extent required for such Party to comply with its obligations under the Shared Services Agreements, subject to the terms of the relevant lease or sublease agreement as may be amended from time to time;
- (c) if any such owned IT hardware is redundant to the owner of the hardware (including not required by the owner to provide any service under a Shared Services Agreement) and any other Party wishes to acquire such IT hardware (the “**Interested Party**”), the owner and the Interest Party shall negotiate for the transfer of such IT hardware to the Interested Party on commercially reasonable terms;
- (d) the Parties shall cooperate and use commercially reasonable efforts (including negotiation of appropriate amendments with the licensor) to ensure that any Party which uses or has access to any software pursuant to a license or sublicense to which it is not a Party shall continue to be permitted to use and have access to such software to the extent required for such Party to comply with its obligations under the Shared Services Agreements, subject to the terms of the relevant license or sublicense agreement as may be amended from time to time; and
- (e) if a Party which is not the sole licensee under any such software license wishes to obtain a license to use the software, the Parties shall cooperate and use commercially reasonable efforts (including negotiation of appropriate amendments with the licensor) to assist such Party to obtain such a license, including by way of assignment or sublicense of all or part of such existing software license subject to the terms of the relevant license or sublicense agreement as may be amended from time to time.

(6) ***Customized Software and Hardware*** – For the avoidance of doubt, the Parties acknowledge and agree that they will continue to give effect to and abide by the terms of any Shared Services Agreement which provides that the intellectual property rights in respect of software and hardware procurement, customization, development, integration and configuration services shall, as between the Parties to such Shared Services Agreement, be owned by one (or more) of the Parties to such Shared Services Agreement pursuant to the terms and conditions of the relevant Shared Services Agreement.

Section 2.8 Acknowledgment by Canwest LP of Obligation to Fund CMI KERP

As contemplated by the Initial Order (as defined in Section 4.1(a)), as agent for and on behalf of CMI, Canwest LP shall pay the aggregate sum of \$3,946,022 (the “**KERP Payment**”) to a trust established for the benefit of certain executives and employees of CMI and certain of its subsidiaries that are participants in CMI’s Key Employee Retention Plan (the “**CMI KERP**”) and that also provide services to Canwest LP, certain of Canwest LP’s subsidiaries, 4501071 Canada Inc. and Canwest (Canada) Inc. The KERP Payment shall be held in trust solely for the benefit of such employees. If the terms of the CMI KERP are amended so as to reduce the amount of any payments to persons in respect of whom Canwest LP has contributed to the CMI KERP or if the amounts actually paid to such persons are less than the amounts disclosed by CMI to Canwest LP (“**CMI KERP Reductions**”), the amount of Canwest LP’s contribution to the CMI KERP shall also be reduced by 50% of the aggregate amount of any such CMI KERP Reductions, and if any KERP Reduction takes place after amounts are contributed by Canwest LP to the CMI KERP or the trust contemplated by this Section 2.8, 50% of the aggregate amount of any such CMI KERP Reductions shall be refunded to Canwest LP.

ARTICLE 3- EMPLOYEE-RELATED MATTERS

Section 3.1 Certain Business Services Employees

(1) On or before the date upon which the Shared Services Agreements (as they relate to Business Services) terminate (the “**CWBS Termination Date**”), CMI shall offer employment, effective as of the CWBS Termination Date (or such other date as may be agreed between CMI and Canwest LP), to the 17 employees of Canwest LP identified in writing by Canwest LP to CMI on the date hereof (each a “**CWBS Employee**”) on terms and conditions which are in the aggregate substantially similar to the terms and conditions upon which the CWBS Employees are employed immediately prior to the CWBS Termination Date.

(2) If after the date of this Agreement but prior to the CWBS Termination Date (a) any CWBS Employee ceases to be an employee of Canwest LP or ceases to provide Business Services (the “**Departed Employee**”) and (b) another employee of Canwest LP is hired to replace or assumes the responsibilities of such departed CWBS Employee (the “**New Employee**”), the provisions of Section 3.1(1) shall apply *mutatis mutandis* to the New Employee (provided CMI in writing consented to the New Employee being hired or assuming the responsibilities of such departed CWBS Employee, such consent not to be unreasonably withheld) and such New Employee shall be deemed to be a CWBS Employee hereunder, provided the terms and conditions of Canwest LP’s employment of such New Employee are not substantially dissimilar to the terms and conditions upon which Canwest LP employed the Departed Employee.

Section 3.2 Redundant Employees

The Parties acknowledge that certain of their employees who provide services in connection with a Party’s obligations under a Shared Services Agreement may become redundant as and when a Party ceases to provide those services. It is the Parties’ intention (subject to Section 3.1) that the employer of the redundant employee may, at its sole discretion, continue to employ the individual and that if the employee’s employment is terminated, the Party

which was a recipient of services provided by the employee may offer employment to the terminated employee, without being legally obliged to do so.

Section 3.3 Misaligned Employees

The Parties acknowledge that certain individuals employed by a Party provide employment services exclusively for another Party pursuant to certain employee secondment and cost reimbursement arrangements established between the Parties:

- (a) with respect to the individuals identified in writing by CMI to Canwest LP on the date hereof, each of whom is employed by a Broadcast Party or NP but who provides employment services to a Print Party, effective November 1, 2009 such Print Party shall commence employment of the individual(s) on substantially similar terms and conditions as her/his/their existing employment; and
- (b) with respect to the individuals identified in writing by Canwest LP to CMI on the date hereof, each of whom is employed by a Print Party but who provides employment services to a Broadcast Party or NP, effective November 1, 2009 such Broadcast Party or NP, as the case may be, shall commence employment of the individual(s) on substantially similar terms and conditions as her/his/their existing employment.

Section 3.4 Cross-Over Employee Retirement and Pension Plan Participation

(1) **One Television LP Employee in CPI Retirement Plan** - The Parties acknowledge that one employee of Television LP currently participates in the Canwest Publications Inc Retirement Plan ("**Television LP Employee**"). As soon as reasonably practicable following the date hereof, CPI and Television LP shall take such commercially reasonable steps as are necessary or desirable to transfer the Television LP Employee from the Canwest Publications Inc Retirement Plan to a new or existing defined benefit or defined contribution plan (as determined by Television LP) sponsored by Television LP effective as of November 1, 2009.

(2) **307 Canwest LP Employees in Television LP Retirement Plans** -

- (a) The Parties acknowledge that 237 employees of Canwest LP participate in the Retirement Plan for Management and Non-Bargaining Unit Employees of Global Communications Limited (the "**Canwest LP Employees in the Television LP DC Plan**"). As soon as reasonably practicable following the date hereof, Canwest LP and Television LP shall take such commercially reasonable steps as are necessary or desirable to transfer the Canwest LP Employees in the Television LP DC Plan from the Retirement Plan for Management and Non-Bargaining Unit Employees of Global Communications Limited to a new or existing defined contribution plan sponsored by Canwest LP effective as of November 1, 2009.
- (b) The Parties acknowledge that 70 employees of Canwest LP participate in the Global Communications Limited Employees Pension Plan (the "**Canwest LP Employees in the Television LP DB Plan**"). As soon as reasonably practicable following the date hereof, Canwest LP and Television LP shall take such commercially reasonable steps as are necessary or desirable to transfer the

Canwest LP Employees in the Television LP DB Plan from the Global Communications Limited Employees Pension Plan to a new or existing defined benefit or defined contribution plan (as determined by Canwest LP) sponsored by Canwest LP effective as of November 1, 2009.

(3) The transfers contemplated in this Section 3.4 are subject to the approval of the relevant regulator and the Parties agree to meet commercially reasonable conditions set out by the relevant regulator. Such transfers shall be completed on a basis and in a manner acceptable to the sponsor of the relevant pension plan and the employer of the transferring employee (acting reasonably) and in accordance with applicable laws.

Section 3.5 Amendments to Pension Agreements

(1) The Parties acknowledge that certain payments (“**Compensation Payments**”) are made under or in connection with the Pension Agreements to compensate retirement plan sponsors for costs associated with individuals who are not employees of the sponsor participating in plans sponsored by a Party (“**Misaligned Employees**”). From and after the effective date that any Misaligned Employee ceases to participate in retirement plans that are sponsored by a Party other than such Misaligned Employee’s employer, the employer of the Misaligned Employee shall have no obligation to make a Compensation Payment in respect of such employee.

(2) The Pension Agreements shall be deemed amended to the extent necessary to give effect to Article 3 of this Agreement and otherwise the terms and conditions of the Pension Agreements shall continue, unamended.

Section 3.6 Non-Solicitation

Except as required to give effect to the provisions of this Agreement, while an individual is employed or retained by a Party to provide services in connection with a Party’s obligations under a Shared Services Agreement:

- (a) neither Print Party will, either on its own account or in conjunction with or on behalf of any other person, directly or indirectly, (i) induce, solicit or entice any such employee or independent contractor of a Broadcast Party to leave their employment with a Broadcast Party or terminate or not renew its relationship with a Broadcast Party or (ii) accept into employment, retain or otherwise engage or use the service of any such individual who as at the date of this Agreement is an employee or independent contractor of a Broadcast Party without the prior written consent of the Broadcast Party which employs or retains such individual, which consent may be withheld at the sole discretion of that Broadcast Party; and
- (b) No Broadcast Party will, either on its own account or in conjunction with or on behalf of any other person, directly or indirectly, (i) induce, solicit or entice any such employee or independent contractor of a Print Party to leave their employment with a Print Party or terminate or not renew its relationship with a Print Party or (ii) accept into employment, retain or otherwise engage or use the service of any such individual who as at the date of this Agreement is an employee or independent contractor of a Print Party without the prior written

consent of the Print Party which employs or retains such individual, which consent may be withheld at the sole discretion of that Print Party.

ARTICLE 4 – APPROVALS AND CONDITION PRECEDENT

Section 4.1 Acknowledgement and Condition The Parties acknowledge that:

- (a) on October 6, 2009 the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (Court File No. CV-09-8396-00CL) (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) in respect of the Broadcast Parties, NP and certain of their Affiliates;
- (b) section 6 of the Initial Order requires the CMI Entities and LP Entities (as each of those terms is defined in the Initial Order) to continue to provide Shared Services (as defined in the Initial Order) in accordance with current arrangements and prohibits the CMI Entities and the LP Entities from modifying, ceasing to provide or terminating the provision of or payment for Shared Services (except in limited circumstances) except with the consent of the party receiving such Shared Services, the approval of the CMI CRA (as defined in the Initial Order) and the prior consent of the Monitor (as defined in the Initial Order) or further order of the Court;
- (c) Canwest LP and CMI are party to a forbearance agreement dated August 31, 2009 (the “**Forbearance Agreement**”) with the Agent; and
- (d) Section 10 of the Forbearance Agreement prohibits Canwest LP, without the prior written consent of the Agent, from (i) agreeing to any modification, amendment, waiver, termination or replacement of any Shared Services Agreement or (ii) entering into any other agreements for shared administrative and/or advisory services with any Canwest Entity (as that term is defined in the Forbearance Agreement).

Accordingly:

- (e) the obligations of the Parties under this Agreement are subject to and conditional upon the granting of the Approval Order (as defined below) and the written consent of the Agent;
- (f) The Parties shall seek an Order of the Court in the CCAA Proceedings relating to CMI, *inter alia*: (i) approving this Agreement; (ii) authorizing the Parties to enter into and execute this Agreement on the terms hereof; (iii) declaring that this Agreement and the performance of the Shared Services Agreements, as amended by this Agreement, from and after the date of the Order including any payments made thereunder shall not be void or voidable by creditors of any of the Parties, the companies listed on Schedule “A” to the Initial Order and the entities listed on Schedule “B” to the Initial Order, and shall be deemed not to be a settlement, fraudulent preference, fraudulent conveyance or other reviewable transaction under applicable legislation with respect to any of the Parties; and (iv) that the obligations of the Parties under this Agreement and the Shared Services

Agreements, as amended by this Agreement, shall continue to be performed by the Parties, any successor entity of either of the Parties or any transferee of all or substantially all of the assets of either of the Parties, and shall not be disclaimed in the CCAA Proceeding relating to the Broadcast Parties, any CCAA Proceeding relating to the Print Parties or any receivership or other debt enforcement proceeding affecting any Party (the “**Approval Order**”); and

- (g) any further modification, amendment, waiver, termination or replacement of any Shared Services Agreement is subject to and conditional upon the prior approval of (i)(A) the CMI CRA and the Monitor or (B) further order of the Court and (ii) the written consent of the Agent.

ARTICLE 5- DISPUTE RESOLUTION

Section 5.1 Dispute Resolution

- (1) The Parties shall cooperate to implement this Agreement in a commercially reasonable manner, consistent with their past practice and the terms hereof.
- (2) If any difference, dispute or controversy arises out of or in any way connected with this Agreement, including its interpretation and construction, the proper implementation of any changes in the provision of a service under a Shared Services Agreement or the best or most effective manner in which to transition upon the termination of a Shared Services Agreement, the parties shall seek to resolve such difference, dispute or controversy amicably.
- (3) If any difference, dispute or controversy cannot be resolved amicably by the Parties, any Party may refer the matter to the Court for resolution.

ARTICLE 6- MISCELLANEOUS

Section 6.1 Proposed Change of Control Transactions

- (1) The Parties acknowledge that CPI Subco has agreed to acquire substantially all of the assets of NP and assume certain of its obligations and, in that connection, any Shared Services Agreement to which NP is a party and certain other agreements to which NP and the Broadcast Parties are party will be assigned to CPI Subco (the “**Assigned Agreement**”). Each Party which is party to an Assigned Agreement to which NP is a party hereby consents to NP assigning its rights and obligations under such agreement to Subco, to the extent required under the relevant Assigned Agreements, subject to CPI Subco assuming the obligations of NP under such agreements pursuant to an assumption agreement executed by CPI Subco in form acceptable to NP, acting reasonably.
- (2) The Parties acknowledge that a Print Business Transaction is contemplated and may occur as part of a restructuring of the Print Parties. If any Print Business Transaction occurs by way of an acquisition of assets by whatever means, whether by receivership, court-approved sale or otherwise, the acquiring person (the “**Third Party Print Assignee**”) shall agree, as a condition of such Print Business Transaction, to assume the obligations of such Print Party under the Shared Services Agreement(s) to which such Print Party is a party and under this Agreement

pursuant to the form of assumption agreement agreed in writing by the Parties on the date hereof. Provided such Third Party Print Assignee has complied with the provisions of this Section 6.1(2), each Broadcast Party which is party to the relevant Shared Services Agreement hereby consents to such assignment, to the extent required under the Shared Services Agreements, subject to the assignee assuming the obligations of the Print Parties.

(3) The Parties acknowledge that a Broadcast Business Transaction may occur as part of a restructuring of the Broadcast Parties. If any Broadcast Business Transaction occurs by way of an acquisition of assets by whatever means, whether by receivership, court-approved sale or otherwise, the acquiring person (the "**Third Party Broadcast Assignee**") shall agree, as a condition of such Broadcast Business Transaction, to assume the obligations of such Broadcast Party under the Shared Services Agreement(s) to which such Broadcast Party is a party and under this Agreement pursuant to the form of assumption agreement agreed in writing by the Parties on the date hereof. Provided such Third Party Broadcast Assignee has complied with the provisions of this Section 6.1(3), each Print Party which is party to the relevant Shared Services Agreement hereby consents to such assignment, to the extent required under the Shared Services Agreements, subject to the assignee assuming the obligations of the Broadcast Parties.

Section 6.2 Impact on Affiliates

Each of the Broadcast Parties, on one hand, and the Print Parties, on the other hand, confirm that they have authority to enter into this Agreement on behalf of any Affiliate (other than a Print Party, in the case of the Broadcast Parties, or a Broadcast Party, in the case of the Print Parties) which directly or indirectly receives the benefit of any services under any Shared Services Agreement and, to the extent any such Affiliate has any objection or concern with this Agreement, the Broadcast Parties or the Print Parties, as the case may be, assumes responsibility for responding to and, if necessary, resolving any such objection or concern at its expense.

Section 6.3 Further Assurances

Each Party shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Agreement.

Section 6.4 Amendments

No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each Party at the time of the amendment, supplement, restatement or termination.

Section 6.5 Assignment and Enurement

No Party may assign its rights, benefits or obligations under this Agreement without the prior written consent of the other Parties, provided however that NP may assign the benefit of this agreement to CPI Subco in connection with the transaction described in Section 6.1(1). This Agreement enures to the benefit of and binds the Parties and their respective successors and permitted assigns.

Section 6.6 Counterparts

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

Section 6.7 Notice

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the Parties by any other Parties, or whenever any of the Parties desires to give or serve upon any other Parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon transmission, when sent by telecopy or other similar facsimile transmission, (b) one Business Day after deposit with a reputable courier for overnight delivery with all charges prepaid, or (c) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number provided below or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice.

If to Canwest Global:

Canwest Global
c/o Canwest Media Inc.
31st Floor
Canwest Global Place
201 Portage Ave.
Winnipeg, Manitoba
R3B 3L7

Facsimile: 204.947.9841
Attention: Mr. Richard Leipsic and Mr. John Maguire

If to Canwest LP, CPI or NP:

c/o Canwest Limited Partnership
1450 Don Mills Road
Don Mills, Ontario
M3B 2X7

Facsimile: 416.442-2135
Attention: Doug Lamb, Executive Vice President and Chief Financial Officer

If to CMI or Television LP:

Canwest Media Inc.
31st Floor
Canwest Global Place
201 Portage Ave.
Winnipeg, Manitoba
R3B 3L7

Facsimile: 204.947.9841
Attention: Mr. Richard Leipsic and Mr. John Macquire

Section 6.8 Delivery by Fax

Any Party may deliver an executed copy of this Agreement by fax if that Party immediately delivers to the other parties an original executed copy of this Agreement.

Section 6.9 Entire Agreement

This Agreement and the attached Schedules together with the Transition and Reorganization Agreement entered into by the Parties as of the date hereof constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal related thereto.

Section 6.10 Conflict with Shared Services Agreements and Paramountcy

If any provision of this Agreement conflicts or is inconsistent with any provision of a Shared Services Agreement, the relevant provision of this Agreement shall prevail to the extent of such conflict or inconsistency. And, in the event of any conflict or inconsistency between the provisions of this Agreement (and any other agreement, document or instrument executed or delivered by the Parties in connection with this Agreement) and the provisions of the Transition and Reorganization Agreement referred to Section 6.9, the relevant provision of the Transition and Reorganization Agreement shall prevail to the extent of such conflict or inconsistency.

Section 6.11 Governing Law

This Agreement is governed by and is to be construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

Section 6.12 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of the provision will affect neither:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; nor
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

Section 6.13 Submission to Jurisdiction

Each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 6.14 Waivers

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all Parties to this Agreement entitled to grant the waiver. No failure to exercise and no delay in exercising any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

[Remainder of this page intentionally left blank.]

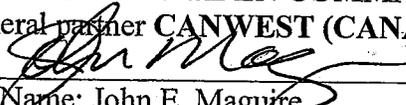
The Parties have executed this Agreement as of the first date written above.

**CANWEST GLOBAL COMMUNICATIONS
CORP.**

By: 
Name: John E. Maguire
Title: Chief Financial Officer

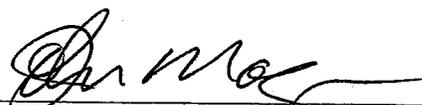
By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

**CANWEST LIMITED PARTNERSHIP /
CANWEST SOCIETE EN COMMANDITE** by
its general partner **CANWEST (CANADA) INC.**

By: 
Name: John E. Maguire
Title: Director

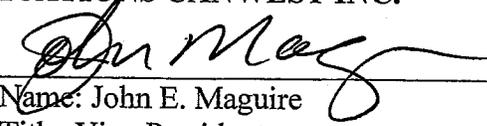
By: _____
Name: Thomas C. Strike
Title: Director

CANWEST MEDIA INC.

By: 
Name: John E. Maguire
Title: Chief Financial Officer

By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

By: 
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

**CANWEST TELEVISION LIMITED
PARTNERSHIP** by its general partner
CANWEST TELEVISION GP INC.

By: 
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST** by its
partner **CANWEST MEDIA INC.**

By: 
Name: John E. Maguire
Title: Director

By: _____
Name: Richard M. Leipsic
Title: Director

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST** by its
partner **NATIONAL POST HOLDINGS LTD.**

By: _____
Name: Richard M. Leipsic
Title: President

By: _____
Name: Riva R. Richard
Title: Secretary

The Parties have executed this Agreement as of the first date written above.

**CANWEST GLOBAL COMMUNICATIONS
CORP.**

By: _____
Name: John E. Maguire
Title: Chief Financial Officer

By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

**CANWEST LIMITED PARTNERSHIP /
CANWEST SOCIETE EN COMMANDITE** by
its general partner **CANWEST (CANADA) INC.**

By: _____
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Title: Director

By: _____
Name: Thomas C. Strike
Title: Director

CANWEST MEDIA INC.

By: _____
Name: John E. Maguire
Title: Chief Financial Officer

By: _____
Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

By: _____
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

**CANWEST TELEVISION LIMITED
PARTNERSHIP by its general partner
CANWEST TELEVISION GP INC.**

By: _____
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST by its
partner CANWEST MEDIA INC.**

By: _____
Name: John E. Maguire
Title: Director

By: _____
Name: Richard M. Leipsic
Title: Director

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST by its
partner NATIONAL POST HOLDINGS LTD.**

By: _____
Name: Richard M. Leipsic
Title: President

By: _____
Name: Riva R. Richard
Title: Secretary

The Parties have executed this Agreement as of the first date written above.

**CANWEST GLOBAL COMMUNICATION
CORP.**

By: _____

Name: John E. Maguire
Title: Chief Financial Officer

By: _____

Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

**CANWEST LIMITED PARTNERSHIP /
CANWEST SOCIETE EN COMMANDITE**
its general partner CANWEST (CANADA) II

By: _____

Name: John E. Maguire
Title: Director

By: _____


Name: Thomas C. Strike
Title: Director

CANWEST MEDIA INC.

By: _____

Name: John E. Maguire
Title: Chief Financial Officer

By: _____

Name: Richard M. Leipsic
Title: Senior Vice-President & General
Counsel

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

By: _____

Name: John E. Maguire
Title: Vice-President

By: _____


Name: Thomas C. Strike
Title: Vice-President

CANWEST TELEVISION LIMITED PARTNERSHIP by its general partner **CANWEST TELEVISION GP INC.**

By:

Name: John E. Maguire
Title: Vice-President

By:



Name: Thomas C. Strike
Title: Vice-President

THE NATIONAL POST COMPANY / L/PUBLICATION NATIONAL POST by its partner **CANWEST MEDIA INC.**

By:

Name: John E. Maguire
Title: Director

By:

Name: Richard M. Leipsic
Title: Director

THE NATIONAL POST COMPANY / L/PUBLICATION NATIONAL POST by its partner **NATIONAL POST HOLDINGS L**

By:

Name: Richard M. Leipsic
Title: President

By:

Name: Riva R. Richard
Title: Controller

**CANWEST TELEVISION LIMITED
PARTNERSHIP by its general partner
CANWEST TELEVISION GP INC.**

By: _____
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST by its
partner CANWEST MEDIA INC.**

By: _____
Name: John E. Maguire
Title: Director

By: _____
Name: Richard M. Leipsic
Title: Director

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST by its
partner NATIONAL POST HOLDINGS LTD.**

By: _____
Name: Richard M. Leipsic
Title: President

By:  _____
Name: Riva R. Richard
Title: Secretary

Schedule A – SHARED SERVICES AGREEMENTS

Principal Services Agreements (Business Services, Corporate Services, IT Services and Digital Services)

1. Broadcast Services Agreement dated January 1, 2009 between Television LP and Canwest LP
2. Canwest Services Agreement dated October 13, 2005 between CMI and Canwest LP

Affiliation Services

3. Affiliation Services Agreement dated October 13, 2005 between CMI and Canwest LP

Cross-Promotional Advertising Services

4. Sales Representation and Agency Services Agreement dated October 13, 2005 between CMI and Canwest LP

Cooperation and Confidentiality

5. Cooperation and Confidentiality Agreement dated October 13, 2005 between Canwest Global, CMI and Canwest LP

Employee Secondment and Cost Reimbursement Arrangements

6. Employee Secondment and Cost Reimbursement Arrangements among CMI, Television LP, Canwest Television GP Inc., Canwest LP, CPI and NP (undocumented)

Executive and Partnership Services

7. Executive Advisory Services Agreement dated October 13, 2005 between CMI and Canwest LP
8. Partnership Services Agreement dated October 13, 2005 between CMI and Canwest LP

Intellectual Property Arrangements

9. Trademarks License Agreement dated October 13, 2005 between Canwest Global, Canwest LP, Canwest (Canada) Inc. and Canwest Media Income Fund

Insurance Services

10. Insurance Premium Sharing Agreement dated October 13, 2005 between CMI and Canwest LP

Pension Services

11. Pension Plan Participation Agreement dated September 1, 2005 between CMI and CPI for the CanWest Publications Inc. Retirement Plan
12. Pension Plan Participation Agreement dated January 1, 2006 between Canwest LP and CPI for the CanWest Publications Inc. Retirement Plan
13. Pension Plan Participation Agreement dated October 13, 2005 between Canwest LP and CMI for the Retirement Plan for Management and Non-Bargaining Unit Employees of Global Communications Limited
14. Pension Plan Participation Agreement dated January 1, 2006 between Canwest LP and CMI for Global Communications Limited Employees Pension Plan

Rent Services

15. Canwest Lease dated October 13, 2005 between CPI (landlord) and CMI (tenant) with respect to the premises at 1450 Don Mills Road, Don Mills, Ontario described therein

SCHEDULE B – IT SERVICES TERMINATING ON AUGUST 31, 2010

IT Service	Description of Service(s)
Communications	<ul style="list-style-type: none"> • PBX administration - Avaya, Nortel, break/fix, T1 meg • VPN provision and management for employee and vendor access
Technical Services	<ul style="list-style-type: none"> • Management of Microsoft Active Directory infrastructure • Management of Microsoft Exchange and administration of mailboxes • Management and support of non-S4M databases, servers, storage and SAN (break/fix, patch, upgrade); infrastructure architecture; monitoring and reporting; performance - management and capacity planning; data center facility management; 2nd and 3rd level support for Service • Provision and management of FTP/EFTP services
Service Management	<ul style="list-style-type: none"> • Change Management, incident management and communications, OLA and SLA management
Service Desk	<ul style="list-style-type: none"> • Single point of contact ; operational ITIL to manage incidents to resolution; service requests; communication; deskside support; deskside standards; cals installations; moves/adds/changes; Mac desktop environments
Data Operations	<ul style="list-style-type: none"> • Data processing for business applications (corporate ie. Payroll, accounting, FRX) - 7/24 customer service; system availability monitoring
Architecture	<ul style="list-style-type: none"> • Business solution design development, infrastructure architecture, middleware and integration architecture ie S4M, corporate systems
Project Management	<ul style="list-style-type: none"> • Project management methodologies; project support and planning; execution and control; reporting
Security	<ul style="list-style-type: none"> • IT security policies, investigation, and management • Audit and ediscovery management services • Security awareness services • AD Account auditing and corrective/escalation management

IT Service	Description of Service(s)
	<ul style="list-style-type: none"> • Virus management • Disaster recovery and business continuity services • VPN policy management
Vendor Management	<ul style="list-style-type: none"> • Vendor management; IT Financials (operating and capital) rationalize IT spend; IT Strategic Procurement; contract negotiations; RFP process; process improvement; risk management; IT Business consulting; Account Management; General Admin
Applications	<ul style="list-style-type: none"> • "Support for the following corporate applications: cheque ; contraxx; corplink; empath; FRX; Service Desk tools; sharepoint sites; Smartstream; EE tools; Web Uploader, Web-AP, Replicon, MS Project, Biztalk, Scotia Talk, Crystal Enterprise "
Business Transformation Initiatives	<ul style="list-style-type: none"> • Business Transformation Initiatives
Digital Media Support Services	<ul style="list-style-type: none"> • Web server hosting • Content management system maintenance and support (Southparc 6) • Domain registration & management, MX record management • Integration services for ad and microsite management • Video player management • Streaming video contract, services, and management • Management of traffic and performance statistics and other site usage reports • Content integration services for other content providers through RSS or other technologies

SCHEDULE C – IT SERVICES TERMINATING ON FEBRUARY 28, 2011

IT Service	Description of Service(s)
Communications	<ul style="list-style-type: none"> • Daily ongoing management/maintenance of the network including; network designs, break/fix, capacity planning, troubleshooting; routers, backlinks, central hub; firewalls; ISP Internet service; Cisco VoIP administration • DNS host records management • MPLS network contract and system management including potential re-design or updated technology solution
Technical Services	<ul style="list-style-type: none"> • Management and support of S4M servers, storage and SAN (break/fix, patch, upgrade); infrastructure architecture; monitoring and reporting; performance - management and capacity planning; data center facility management; 2nd and 3rd level support for Service
Data Operations	<ul style="list-style-type: none"> • Data processing for S4M applications - 7/24 customer service; system availability monitoring
Security	<ul style="list-style-type: none"> • Firewall and internet management

NATIONAL POST TRANSITION AGREEMENT

Made as of October 26, 2009

Between

THE NATIONAL POST COMPANY / LA PUBLICATION NATIONAL POST

and

**CANWEST PUBLISHING INC. / PUBLICATIONS
CANWEST INC.**

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Schedule 8.1(1)(p)	-	Transferor's Pension and Benefit Plans

NATIONAL POST TRANSITION AGREEMENT

This Agreement is made as of October 26, 2009, between

**THE NATIONAL POST COMPANY / LA PUBLICATION
NATIONAL POST**, a general partnership governed by the laws of
Ontario

(the “**Transferor**”)

and

**CANWEST PUBLISHING INC. / PUBLICATIONS
CANWEST INC.**, a corporation governed by the laws of Canada

(“**CPI**”)

RECITALS

- A. The Transferor operates the Business as a partnership pursuant to the NP Partnership Agreement.
- B. The Transferor desires to sell, and CPI desires to purchase through a new wholly-owned subsidiary, the Business, as more particularly set out herein, subject to the terms and conditions hereof.

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

In this Agreement:

- (1) “**Accounts Payable**” has the meaning given to it in Section 3.1(1).
- (2) “**Accounts Receivable**” means all accounts receivable, notes receivable, loans receivable and other evidences of indebtedness and rights to receive payments of the Transferor related to the Business at the Closing Time, other than (i) the CMI Receivables and (ii) the Print Receivables, and in each case the security arrangements and collateral securing the repayment and satisfaction of the foregoing.
- (3) “**Accrued Expenses**” has the meaning given to it in Section 3.1(2).
- (4) “**Accrued Salaries**” has the meaning given to it in Section 3.1(4).

- (5) **“Administrative Agent”** means The Bank of Nova Scotia, in its capacity as Administrative Agent on behalf of the lenders under the Credit Facility.
- (6) **“Affiliate”** of a Person means any Person that directly or indirectly controls, is controlled by, or is under common control with, that Person, and for greater certainty includes a subsidiary: and “control” and any derivation thereof means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise.
- (7) **“Agreement”** means this National Post transition agreement and all schedules to this agreement.
- (8) **“Applicable Employee Laws”** means all Applicable Laws relating to employment and labour, including, without limitation, those relating to wages, hours of work, notice of termination and severance pay, employment or labour standards, collective bargaining, labour or industrial relations, pension benefits, human rights, pay equity, employment equity, workers’ compensation or workplace safety and insurance, employer health tax, employment or unemployment insurance, income tax withholdings, Canada Pension Plan, occupational health and safety and hazardous substances.
- (9) **“Applicable Law”** means, in respect of any Person, property, transaction, event or other matter, any present or future law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, treaty or Order, domestic or foreign, applicable to that Person, property, transaction, event or other matter and, whether or not having the force of law, all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction, event or other matter and regarded by such Governmental Authority as requiring compliance.
- (10) **“Approval and Vesting Order”** has the meaning given to it in Section 10.1(1)(a).
- (11) **“Assignment and Assumption Agreement”** has the meaning given to it in Section 6.5(1).
- (12) **“Assumed Liabilities”** has the meaning given to it in Section 3.1.
- (13) **“Assumed Liabilities Estimate”** has the meaning given to it in Section 9.1(3).
- (14) **“Benefit Plans”** means the group insurance, dental insurance, disability, death benefit, health and welfare, hospitalization, vacation, vacation pay, unemployment and other employee benefit plans, arrangements, policies, practices and other similar arrangements under which (i) Employees or (ii) the dependants or beneficiaries of such Employees, are entitled to payments or to which the Transferor or any Affiliate or subsidiary thereof, makes or is required to make contributions, for the benefit of such Employees or their dependants or beneficiaries, other than (a) plans established by statute or required to be maintained or contributed to under Applicable Employee Laws (b) any Pension Plans and (c) supplemental employee retirement plans or arrangements.

- (15) **“Books and Records”** means the Financial Records and all other books, records, files and papers of the Transferor related to the Business including drawings, engineering information, computer programs (including source code), software programs, manuals and data, sales and advertising materials, sales and purchase correspondence, trade association files, research and development records, lists of present and former customers, suppliers and personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media, but excluding in each case any portion thereof that does not relate to the Business.
- (16) **“Business”** means the business of owning, operating and publishing the daily newspaper known as the “National Post”, including the activities related thereto listed on Schedule 1.1(16).
- (17) **“Business Day”** means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.
- (18) **“Canwest GP”** means Canwest (Canada) Inc.
- (19) **“Canwest LP”** means Canwest Limited Partnership.
- (20) **“CBCA”** means the *Canada Business Corporations Act*.
- (21) **“CCAA”** means *Companies’ Creditors Arrangement Act* (Canada).
- (22) **“CCAA Court”** means the Ontario Superior Court of Justice (Commercial List).
- (23) **“CCAA Proceedings”** means any proceedings commenced by any of the CMI CCAA Applicants pursuant to the CCAA under which they may seek an arrangement or compromise with any of their creditors and includes any orders granted with respect thereto.
- (24) **“Claims”** includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.
- (25) **“Closing”** means the successful completion of the Transaction.
- (26) **“Closing Date”** means the day of the granting of the Approval and Vesting Order by the CCAA Court or such other day as the parties may agree but not later than the Outside Date.
- (27) **“Closing Time”** means the time of Closing on the Closing Date.
- (28) **“CMI”** means Canwest Media Inc.
- (29) **“CMI CCAA Applicants”** means Canwest Global Communications Corp., CMI, MBS Productions Inc., Yellow Card Productions Inc., Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc., Canwest Television GP Inc., Fox Sports World Canada

Holdco Inc., Global Centre Inc., Multisound Publishers Ltd., Canwest International Communications Inc., Canwest Irish Holdings (Barbados) Inc., Western Communications Inc., Canwest Finance Inc./Financiere Canwest Inc., NP Holdings, Canwest International Management Inc., Canwest International Distribution Limited, Canwest MediaWorks Turkish Holdings (Netherlands) B.V., CGS International Holdings (Netherlands) B.V., CGS Debenture Holdings (Netherlands) B.V., CGS Shareholdings (Netherlands) B.V., CGS NZ Radio Shareholdings (Netherlands) B.V., 4501063 Canada Inc., 4501071 Canada Inc., 30109, LLC, and CanWest MediaWorks (US) Holdings Corp.

(30) **“CMI Entities”** means Canwest Media Inc. and its subsidiaries other than Canwest GP, Canwest LP and its subsidiaries.

(31) **“CMI Payables”** means all Liabilities as of the Closing Time owed by the Transferor to any of the CMI Entities.

(32) **“CMI Receivables”** means all Liabilities owing to the Transferor by any of the CMI Entities.

(33) **“Contracts”** means contracts, subscriptions, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which the Transferor is bound or under which the Transferor has, or will have, any liability or contingent liability, in each case, relating exclusively to the Business, the Transferred Assets or the Assumed Liabilities (in each case, whether written or oral, express or implied), and includes quotations, orders, proposals or tenders which remain open for acceptance and warranties and guarantees.

(34) **“CPI Senior Lender Approval”** means the unconditional approval of the Transaction in writing by the Administrative Agent for and on behalf of lenders holding, in the aggregate, a minimum of 50.1% of the outstanding amount of the aggregate advances under the Credit Facility.

(35) **“Credit Facility”** means the Credit Agreement dated as of July 10, 2007 between CanWest LP (under its former name Canwest MediaWorks Limited Partnership), as borrower, the guarantors party thereto from time to time as guarantors, the lenders party thereto from time to time as lenders and the Administrative Agent, as amended from time to time to the date hereof and as may be further amended, supplemented, restated or otherwise modified from time to time.

(36) **“Deferred Revenue”** has the meaning given to it in Section 3.1(3).

(37) **“Employees”** means those: (a) individuals who are employed by the Transferor on a full-time, part-time or temporary basis immediately prior to the Closing Date (including, for greater certainty, such employees who are on leave); and (b) individuals listed at Schedule 1.1(37), whether or not they are employed by the Transferor immediately prior to the Closing Date.

(38) **“Encumbrance”** means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights, whether or not they constitute specific or floating charges as those terms are understood under the Applicable Law of the Province of Ontario.

- (39) **“Equipment”** means all machinery, equipment, office equipment, furniture, spare parts, dies, tooling, tools, computer hardware, supplies and accessories in each case of the Transferor and relating to the Business at the Closing Time.
- (40) **“Excluded Assets”** has the meaning given to it in Section 2.2.
- (41) **“Existing Shared Services Agreements”** means any written shared administrative and/or advisory service agreements existing among any of the CMI Entities or Canwest LP, CPI or their subsidiaries as supplemented by the unwritten agreements described in Schedule 1.1(41) and past practice.
- (42) **“Financial Records”** means all books of account and other financial data and information of the Transferor related to the Business or related to the Transferred Assets or the Transferred Assets, includes all records, data and information stored electronically, digitally or on computer-related media, but excludes in each case any portion thereof that does not relate to the Business.
- (43) **“GAAP”** means generally accepted accounting principles in effect in Canada as at the date of this Agreement, including the accounting recommendations published in the Handbook of the Canadian Institute of Chartered Accountants.
- (44) **“Goodwill”** means the goodwill of the Transferor related to the Business at the Closing Time including the right to represent the Transferee as carrying on the Business in continuation of, and in succession to, the Transferor.
- (45) **“Governmental Authority”** means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.
- (46) **“GST”** means goods and services or harmonized sales tax imposed under the GST Act.
- (47) **“GST Act”** means Part IX of the *Excise Tax Act* (Canada).
- (48) **“Inventory”** means all inventories of the Transferor related primarily to the Business at the Closing Time, including all finished goods, work in progress, raw materials, manufacturing supplies, spare parts, packaging materials and all other materials and supplies used or consumed in the production of finished goods.
- (49) **“Intellectual Property”** means, in whatever format, all registered trade-marks and unregistered trade-marks, trade names, logos, commercial symbols, industrial designs, copyrights, patents, licences, sublicences, proprietary computer software rights, inventions, business plans, certifications, applications, registrations, trade secrets, patterns, drawings, formulas, specifications, technical information, merchandising information and materials, research and development data, concepts, methods, procedures, designs and all other intellectual and industrial property of the Transferor pertaining primarily to or used primarily in connection with the Business and/or the Transferred Assets existing as of the Closing Date and any goodwill associated therewith, but excluding any intellectual property licensed by the Transferor from

third parties if the consent of the third party is required to an assignment of the applicable license agreement and such consent is not obtained.

(50) **“Interim Period”** means the period from the date of this Agreement to and including the Closing Date.

(51) **“Liabilities”** of a Person means all indebtedness, obligations and other liabilities of that Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due.

(52) **“Licences”** means authorizations, approvals, including environmental approvals, licences or permits issued to the Transferor relating exclusively to the Business or any of the Transferred Assets by or from any Governmental Authority.

(53) **“Material Adverse Change”** means any change that is materially adverse to the operations or condition of the Business, financial or otherwise; but shall exclude any change arising out of, resulting from or attributable to (a) an event or series of events or circumstances affecting (i) the Canadian or global economy generally or capital or financial markets generally, including changes in interest or exchange rates, (ii) political conditions generally of Canada or (iii) the newspaper industry in general, (b) a decline in the price of the products of the Business; (c) an increase in the price of raw materials used in the Business (d) the negotiation, execution, announcement or consummation of the transactions contemplated by, or the performance of obligations under, this Agreement, (e) the identity of, or the effects of any facts or circumstances relating to, CPI or its Subsidiaries, (f) any changes or prospective changes in Applicable Law or GAAP or the enforcement or interpretation thereof, (g) actions required to be taken or omitted pursuant to this Agreement or taken with CPI’s consent or not taken, in each case, because CPI unreasonably withheld, delayed or conditioned its consent, (h) the effect of any action taken by CPI or its Subsidiaries with respect to the Transaction, (i) any hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or worsening of any such hostilities, acts of war, sabotage, terrorism or military actions, (j) any change or development in the business, financial condition, results of operations or credit, financial strength or other ratings of the Transferor or any of its Affiliates, (k) any voluntary or involuntary bankruptcy, reorganization, insolvency, moratorium, rehabilitation, liquidation, conservatorship, administrative supervision or similar proceeding involving the Transferor or any of its Affiliates, (l) the credit, financial strength or other ratings of, or the value of any of the investment assets of, the Transferor, (m) any failure by the Transferor or the Business to achieve any earnings, premiums written, or other financial projections or forecasts (it being understood that the cause or causes of any such failure may be deemed to constitute in and of itself and themselves, a Material Adverse Change and may be taken into account in determining whether a Material Adverse Change has occurred or would be reasonably likely to occur), and (n) any matter set forth in Schedule 1.1(53).

(54) **“Material Consents”** means those consents listed on Schedule 1.1(54).

(55) **“Material Contracts”** means Contracts involving aggregate payments to or by the Vendor in any fiscal year in excess of \$100,000 and/or Contracts which, if breached or not transferred to the Transferee, would have a material adverse effect on the Business.

(56) **“Maximum Amount”** means \$6,300,000.

- (57) **“Monitor”** means FTI Consulting Canada Inc. in its capacity as Monitor in the CCAA Proceedings.
- (58) **“NP Holdings”** means National Post Holdings Ltd.
- (59) **“NP Partners”** means CMI and NP Holdings and **“NP Partner”** means either of them.
- (60) **“NP Partnership Agreement”** means the partnership agreement in respect of the Transferor dated August 31, 2005, between CMI (as successor by amalgamation to Global Communications Limited and Global Television Network Inc.) and NP Holdings.
- (61) **“October Funding Amount”** means the absolute value of the amount that is equal to (a) the aggregate amount of cash received by the Transferor or on behalf of the Transferor by CMI entities during the month of October 2009; less (b) the aggregate amount of disbursements made by the Transferor or on behalf of the Transferor by CMI entities in respect of the Transferor’s operating expenses during the month of October 2009.
- (62) **“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.
- (63) **“Ordinary Course of Business”** means the ordinary and usual course of the routine daily affairs of the Business, consistent with past practice, but having regard to the fact that the CMI CCAA Applicants are subject to the CCAA Proceedings.
- (64) **“Outside Date”** means October 31, 2009.
- (65) **“Party”** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **“Parties”** means every Party.
- (66) **“Pension Plans”** means all pension plans in which the Transferor participates or is otherwise required to contribute to in respect of the Transferred Employees that are “registered pension plans” as that term is defined in subsection 248(1) of the *Income Tax Act* (Canada), and which are sponsored, maintained or administered by any of the CMI Entities, or by CPI and the Canwest Limited Partnership (and their subsidiaries).
- (67) **“Permitted Encumbrances”** means the Encumbrances described in Schedule 1.1(67).
- (68) **“Person”** is to be broadly interpreted and includes an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other representatives of an individual in such capacity.
- (69) **“Personal Information”** means any factual or subjective information, recorded or not, about an individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual, but does not include the name, title or business address or telephone number of an employee of the Business.
- (70) **“Prepaid Expenses”** means prepaid expenses relating to the Business at the Closing Time.

- (71) **“Print Payables”** means all Liabilities as of the Closing Time owed by the Transferor to Canwest GP, Canwest LP, CPI or any of their subsidiaries.
- (72) **“Print Receivables”** means all Liabilities owing to the Transferor by any of Canwest GP, CPI, Canwest LP or any of their subsidiaries.
- (73) **“QST”** means provincial sales tax imposed under the QST Act.
- (74) **“QST Act”** means the *Québec Sales Tax Act*.
- (75) **“Senior Executives”** has the meaning given to it in Section 6.2(1).
- (76) **“Stayed Payables”** has the meaning given to it Section 3.3.
- (77) **“Steering Committee”** means the steering committee of the lenders under the Credit Facility formed by the Administrative Agent from time to time.
- (78) **“Subsidiary”** has the meaning given in the CBCA.
- (79) **“Taxes”** includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority, including income, capital (including large corporations), withholding, consumption, sales, use, transfer, goods and services or other value-added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and charges, and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance premiums and workers compensation premiums, together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges, whether disputed or not.
- (80) **“Transaction”** means the transaction relating to the transition of the National Post Business from the Transferor to the Transferee contemplated by this Agreement.
- (81) **“Transferee”** means 4513401 Canada Inc.
- (82) **“Transferee’s Pension Plan”** has the meaning given to it in Section 6.5(5)(b).
- (83) **“Transferor Senior Lender Approval”** means the unconditional approval of the Transaction in writing by (a) CIT Business Credit Canada Inc.; and (b) the Ad Hoc Committee of holder of 8% senior subordinated notes of CMI.
- (84) **“Transferor’s Pension Plan”** means the National Post Retirement Plan registered in Ontario under the *Ontario Pension Benefits Act* with the Financial Services Commission of Ontario - Registration No. 1075928.
- (85) **“Transfer Price/Transition Cost”** means the amount that is equal to (a) the aggregate of (i) \$2,000,000; (ii) the aggregate amount of the Accrued Expenses, the Accounts Payable, the

Print Payables, and the Accrued Salaries; (iii) the Deferred Revenue assumed by the Transferee; and (iv) the lesser of (A) 50% of the October Funding Amount; and (B) \$1,000,000; less (b) the amount by which the Assumed Liabilities Estimate exceeds the Maximum Amount.

(86) **“Transferred Assets”** means the right, title and interest of the Transferor in and to the (i) Accounts Receivable, (ii) Prepaid Expenses, (iii) Inventory, (iv) Equipment, (v) Contracts and Licences, (vi) Intellectual Property, (vii) Goodwill; (viii) Books and Records; and (ix) Print Receivables, and the interest of CanWest Global Communications Corp. in any of the registered intellectual property listed on Schedule 1.1(49), but excluding the Excluded Assets.

(87) **“Transferred Employee”** means an Employee who accepts an offer of employment by the Transferee and who begins employment with the Transferee.

Section 1.2 Best of Knowledge

Any statement in this Agreement expressed to be made to “the best of the knowledge of the Transferor” and any other references to the knowledge of the Transferor shall be understood to be made on the basis of the actual knowledge of Messrs. Thomas Strike, John Maguire and/or Richard Leipsic, after diligent inquiry, of the relevant subject matter or on the basis of such knowledge of the relevant subject matter as such Person would have had if he had conducted such diligent inquiry.

Section 1.3 Additional Rules of Interpretation

- (1) **Gender and Number.** In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and *vice versa*.
- (2) **Headings and Table of Contents.** The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (3) **Section References.** Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles, Sections or Schedules of this Agreement.
- (4) **Words of Inclusion.** Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (5) **References to this Agreement.** The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (6) **Statute References.** Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context

otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith and which are legally binding.

(7) **Document References.** All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, include all schedules and exhibits attached thereto.

(8) **Writing.** References to “in writing”, “written” and similar expressions include material that is printed, handwritten, typewritten, faxed, emailed, or otherwise capable of being visually reproduced at the point of reception.

(9) **Currency.** Unless otherwise specified, all references to money amounts are to lawful currency of Canada.

(10) **No Strict Construction.** The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(11) **Time Periods.** Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

Section 1.4 Schedules

The following are the schedules annexed to this Agreement and incorporated by reference and deemed to be part hereof:

Schedule 1.1(16)	-	Business
Schedule 1.1(37)	-	Employees
Schedule 1.1(41)	-	Existing Shared Services Agreements
Schedule 1.1(49)	-	Intellectual Property
Schedule 1.1(54)	-	Material Consents
Schedule 1.1(67)	-	Permitted Encumbrances
Schedule 4.2	-	Allocation of Transfer Price/Transition Cost for Tax Purposes
Schedule 6.7	-	Estimated Post Retirement Benefits Statement
Schedule 8.1(1)(g)	-	Contracts and Licenses
Schedule 8.1(1)(j)	-	Tangible Personal Property
Schedule 8.1(1)(l)	-	Litigation
Schedule 8.1(1)(p)	-	Transferor’s Pension and Benefit Plans

ARTICLE 2 – PURCHASE AND SALE

Section 2.1 Transferred Assets

Upon and subject to the terms and conditions of this Agreement, at the Closing Time, the Transferor shall cause the transfer of, and CPI shall cause the Transferee to accept the transfer of,

the Transferred Assets and the undertaking of the Business as a going concern, free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order, when granted.

Section 2.2 Excluded Assets

Notwithstanding anything in this Agreement to the contrary the following assets, properties, rights and interests of the Transferor (the "Excluded Assets") shall be excluded from and shall not constitute Transferred Assets:

- (1) **Insurance.** The benefit of all insurance policies related to the Business.
- (2) **Corporate Records.** All of the corporate charters, minute and share record books and corporate seals of the Transferor.
- (3) **Rights Under Agreement.** All of the Transferor's rights under this Agreement.
- (4) **CMI Receivables.** All CMI Receivables.
- (5) **Cash.** All cash, certificates of deposits, bank deposits, commercial paper, treasury bills and other cash equivalents of the Transferor.

ARTICLE 3 – ASSUMPTION OF LIABILITIES

Section 3.1 Assumed Liabilities

On the terms and subject to the conditions contained in this Agreement, CPI shall cause the Transferee, at the Closing Time, to assume and agree to pay, perform and discharge when due only the following Liabilities of the Transferor to the extent they were incurred in the Ordinary Course of Business and subject to Section 3.3 (collectively, the "Assumed Liabilities"):

- (1) **Accounts Payable.** Provided such amounts have not been due for more than 90 days, all trade and other accounts payable and other amounts related to the Business owing to any Person as of the Closing Time other than the CMI Payables, to the extent that such Liabilities would be required by GAAP to be reflected on a balance sheet of the Business as current liabilities (collectively, the "Accounts Payable").
- (2) **Accrued Expenses.** Provided such amounts have not been due for more than 90 days, all Liabilities of the Transferor in respect of operating expenses related to the Business incurred as of Closing Time but which are not yet due and payable as of the Closing Time, including accruals for vacation pay, customer rebates and allowances for product returns (collectively, the "Accrued Expenses").
- (3) **Deferred Revenue.** All Liabilities of the Transferor in respect of prepaid circulation and advertising revenues which are required by GAAP to be reflected as deferred revenue on a balance sheet of the Business (collectively, the "Deferred Revenue").

- (4) **Employees.** All Liabilities of the Transferor in respect of the Transferred Employees including wages owing up to and including the Closing Date as well as any amounts due to any Employees for their expenses under the Transferor's credit card program in accordance with the Transferor's policies for such program and expenses (the "Accrued Salaries").
- (5) **Transferor's Pension Plan.** The Transferor's Pension Plan and the Transferor's rights, duties, obligations and liabilities with respect to the Transferor's Pension Plan and its related trust or other funding medium and any of the Transferor's rights, liabilities and obligations in respect of Transferred Employees under any other Pension Plans.
- (6) **Benefit Plans.** The Benefit Plans and any of the Transferor's rights, duties, obligations and liabilities with respect to the Benefit Plans.
- (7) **Contracts, etc.** All Liabilities of the Transferor for the period from and after the Closing Date under the Contracts, Licences and Permitted Encumbrances, including all Liabilities in respect of the Transferor's or the NP Partners' corporate credit card programs provided that nothing in this Section 3.1(7) shall be construed as limiting the Liabilities assumed by the Transferee under any other provision of Section 3.1.
- (8) **Print Intercompany Liabilities.** All Liabilities of the Transferor under the Print Payables.
- (9) **Existing Shared Services.** All Liabilities of the Transferor for the period from and after the Closing Date under the Existing Shared Services Agreements as they may be restructured with the agreement of CPI provided that nothing in this Section 3.1(9) shall be construed as limiting the Liabilities assumed by the Transferee under any other provision of Section 3.1.
- (10) **Other.** All other obligations or Liabilities to be assumed by the Transferee as specifically provided for under this Agreement.

Section 3.2 Retained Liabilities

Except as specifically provided in this Agreement, neither the Transferee nor CPI shall assume and shall not be obliged to pay, perform or discharge any Liabilities of the Transferor which arise or relate to the Business or otherwise. Without limiting the generality of the foregoing, neither the Transferee nor CPI shall have any obligations in respect of any of the following Liabilities:

- (1) **Transaction Expenses.** All Liabilities for legal, accounting, audit and investment banking fees, brokerage commissions and any other expenses incurred by the Transferor with respect to the Transaction.
- (2) **Contracts, etc.** All Liabilities of the Transferor in respect of any breach of representation, warranty or covenant contained in, or for any claim for indemnification pursuant to, any Contract or Licence to the extent that such breach or claim arose out of the performance or non-performance thereunder by the Transferor, prior to the Closing Time, regardless of when such breach or claim is asserted.

- (3) **Employees.** All Liabilities of the Transferor, in respect of severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Transferor of the employment of any Employee who does not accept the Transferee's offer of employment referred to in Section 6.2.
- (4) **Product Liabilities.** All Liabilities in respect of injury to or death of Persons or damage to or destruction of property not constituting part of the Transferred Assets, including product liability Claims and worker's compensation Claims arising out of the conduct of the Business prior to the Closing Time, regardless of when any such Liability is asserted, including any Liability for consequential or punitive damages in connection with the foregoing.
- (5) **Indebtedness.** All Liabilities of the Transferor in respect of borrowed money including any related party or third party debt, but excluding any Print Payables.
- (6) **CMI Payables.** All Liabilities of the Transferor and/or the NP Partners under the CMI Payables, but excluding any amounts due pursuant to the Existing Shared Services Agreements.
- (7) **Stayed Payables.** All Liabilities in respect of Stayed Payables for which an election and consent have been delivered in accordance with Section 3.3.

Section 3.3 Stayed Liabilities

This Section 3.3 applies to the applicable Accounts Payable which are subject to a stay pursuant to the CCAA Proceedings ("**Stayed Payables**"). The Transferor may elect by notice in writing to the Transferee, prior to the time for appearing in the CCAA Court as contemplated in Section 5.1, to exclude any portion of the Stayed Payables from the Assumed Liabilities, but subject to the written consent of the Transferee acting reasonably which consent or refusal, if applicable, (i) shall be delivered by as soon as possible but in any event no later than 10 am on Thursday, October 29, 2009 (provided that such notice of election is delivered by Transferee to Transferor no later than 5pm on Wednesday, October 28, 2009) and (ii) may be for all or part of the elected Stayed Payables. If no consent or refusal is provided by Transferee to Transferor for all or part of the elected Stayed Payables, then the Transferee shall be deemed to have consented to the part for which no consent or refusal was delivered.

ARTICLE 4 – TRANSFER PRICE/TRANSITION COST

Section 4.1 Payment of the Transfer Price/Transition Cost

- (1) CPI shall, or shall cause the Transferee to, satisfy the Transfer Price/Transition Cost:
- (a) as to an amount that is equal to:
 - (i) the aggregate of (A) \$2,000,000; and (B) the lesser of (I) 50% of the October Funding Amount and (II) \$1,000,000; less
 - (ii) the amount by which the Assumed Liabilities Estimate exceeds the Maximum Amount, by payment of such amount to the Transferor on the Closing Date;

by way of wire transfer of immediately available funds or certified cheque from a major Canadian bank listed in Schedule I to the *Bank Act* (Canada); and

- (b) as to an amount equal to the total of the Accrued Expenses, Accounts Payable, the Print Payables, and the Accrued Salaries, by the assumption on the Closing Date of the Accrued Expenses, Accounts Payable, the Print Payables, the Accrued Salaries; and
- (c) as to an amount equal to the Deferred Revenue, by set-off against the amount owing by the Transferor to the Transferee under Section 7.3(2).

(2) For purposes of payment of the Transfer Price/Transition Cost pursuant to Section 4.1(1)(a), the Transferor shall provide to the Transferee a good faith estimate of the October Funding Amount calculated as near as commercially practicable to the Closing Time. The payment by the Transferee at the Closing Time shall be based on such estimate provided that the Transferor and the Transferee shall agree, acting reasonably, to arrangements for a reserve from the Transfer Price/Transition Cost in an amount not to exceed \$100,000 to be held on terms satisfactory to each acting reasonably and to be used to settle any amount due as between the Transferor and the Transferee as a result of the difference between the estimated October Funding Amount and the finally determined October Funding Amount; provided that the Transferee shall be required to overfund an amount equal to the reserve for purposes of funding any payment due from the Transferee to the Transferor. The Transferor and the Transferee shall also agree, acting reasonably, on a process for making such final determination with a view to settling the final payment on or before the date which is 10 Business Days following Closing.

Section 4.2 Allocation of Transfer Price/Transition Cost for Tax Purposes

CPI shall cause the Transferee to allocate and the NP Partners and the Transferor shall allocate the Transfer Price/Transition Cost among the Transferred Assets in a manner that is consistent with the methodology set out in Schedule 4.2. The Transferor and the NP Partners shall, and CPI shall cause the Transferee to, file in mutually agreeable form all returns and elections required or desirable under the *Income Tax Act* (Canada) or any applicable provincial taxing statute in a manner consistent with such methodology.

ARTICLE 5 – ORDERS

Section 5.1 Orders

Following, but not prior to, (i) confirmation satisfactory to the Transferor in its sole discretion that the applicable lenders have authorized the CPI Senior Lender Approval and Transferor Senior Lender Approval to be delivered on Closing, and (ii) satisfaction or waiver of the condition set out in Section 10.2(1)(f), the Transferor shall appear before the CCAA Court in respect of a motion for the Approval and Vesting Order as promptly as reasonably possible.

Section 5.2 Consultation; Notification

(1) The Transferor and CPI shall cooperate with filing and prosecuting the Approval and Vesting Order motion, and obtaining entry of the Approval and Vesting Order, and the Transferor shall deliver to CPI prior to filing, and as early in advance as is practicable to permit

adequate and reasonable time for CPI and its counsel to review and comment, copies of all of the Transferor's proposed pleadings, motions, notices, statements schedules, applications, reports and other material papers to be filed by the Transferor in connection with such motions and relief requested therein and any challenges thereto.

(2) If the Approval and Vesting Order or any other order of the CCAA Court relating to this Agreement shall be appealed by any Person (or a petition for *certiorari* or motion for rehearing, re-argument or stay shall be filed with respect thereto), the Transferor agrees to, and to cause its Affiliates to, take all commercially reasonable steps, and use their commercially reasonable efforts, including incurring reasonable expenses, to defend against such appeal, petition or motion, and CPI agrees to, and shall cause its Affiliates to, cooperate in such efforts. CPI and the Transferor shall take all commercially reasonable steps, and use their commercially reasonable efforts, to obtain an expedited resolution of such appeal; provided, however, that, subject to the conditions set forth herein, nothing in this Section 5.2 shall preclude the Parties from consummating the transactions contemplated hereby if the Approval and Vesting Order shall have been entered and shall not have been stayed, modified, revised or amended.

ARTICLE 6 – EMPLOYEE MATTERS

Section 6.1 Employee List

The Transferor will provide CPI with a complete and accurate list of all Employees forthwith following the execution of this Agreement, which will include each Employee's name, address, age, date of hire, position, compensation (including, if applicable, salary, hourly rate, annual salary, bonus, commissions), annual vacation entitlement, accrued and outstanding vacation pay, full-time/part-time status, whether the NP Employee is active or on leave and, if on leave, what type of leave and expected return to work date. The Transferor has listed on Schedule 1.1(37) all individuals who occupy positions with the Transferor but who: (a) are on the payroll of one of the other CMI Entities or Canwest LP, CPI or one of their subsidiaries; and/or (b) are currently employed pursuant to an employment contract or offer letter from one of the CMI Entities or Canwest LP, CPI or one of their subsidiaries.

Section 6.2 Offers

(1) Prior to the Closing Date, CPI shall cause the Transferee to offer employment, effective as of the Closing Date and conditional on Closing, to all Employees (including senior management of the Transferor) on terms and conditions which are in the aggregate substantially similar to the terms and conditions on which such Employees are employed immediately prior to the Closing Date, including a form of employment agreement if such Employees have an employment agreement currently; provided that (i) the senior executives who currently are entitled to each of the existing SERA, RCA and stock options (the "Senior Executives") will not be offered a SERA, RCA or stock options but may, in the Transferee's sole discretion, be offered a KERP; (ii) the offer by the Transferee to such Senior Executives will confirm that the Transferee has no liability in respect of the existing SERA, RCA and stock options without limiting any existing rights that the Senior Executives may have against CPI in respect of such SERA, RCA or stock options; and (iii) such offer will include a condition that the Senior Executives provide a confirmation and undertaking in favour of the Transferor and the NP Partners that (a) confirms that none of the Transferor or the NP Partners has any liability in

respect of the existing SERA, RCA and stock options and (b) undertakes not to assert or pursue a claim in respect of the existing SERA, RCA and stock options against any such party.

(2) CPI acknowledges and agrees that (i) the Transferor makes no representation or warranty that any Employee will accept employment with the Transferee and (ii) the acceptance by Employees of offers of employment with the Transferee shall not constitute a condition to CPI's obligation to complete the Transaction.

Section 6.3 Vacation Pay

For the avoidance of doubt, the Assumed Liabilities under Section 3.1(4) include the assumption of all accrued and unpaid vacation pay due and owing for the period up to the Closing Date to be paid to the Employees who have accepted offers of employment with the Transferee.

Section 6.4 Assignment and Assumption of Benefit Plans

(1) Effective as of the Closing Date, the Transferor shall assign and transfer to the Transferee and CPI shall cause the Transferee to assume the Benefit Plans and the Transferor's duties, obligations and Liabilities with respect to the Benefit Plans, and all agreements related thereto. Effective as of the Closing Date, CPI shall cause the Transferee to accept the assignment and transfer and assumption of the Benefit Plans and all obligations, Liabilities, duties, and responsibilities under the Benefit Plans. The Transferor agrees to do all things necessary to effect the assignment and transfer of the Benefit Plans to the Transferee. CPI shall cause the Transferee to do all things necessary to assume the Benefit Plans.

(2) Where length of service is used to determine eligibility to participate in and vesting under the Benefit Plans, Transferred Employees shall receive service credit under the Benefit Plans for their period of service with both Transferor and Transferee.

(3) Any Transferred Employee who is a participant in the Benefit Plans as at the day immediately preceding the Closing Date shall be eligible to remain a participant in and accrue benefits under the Benefit Plans on and after the Closing Date without interruption in coverage or service, in accordance with, and subject to, the terms of the Benefit Plans.

(4) Any Transferred Employee who is eligible and has chosen not to be a participant in the Benefit Plans as at the day immediately preceding the Closing Date shall be eligible to become a participant in and accrue benefits under the Benefit Plans on and after the Closing Date in accordance with, and subject to, the membership, eligibility and coverage requirements of the Benefit Plans.

(5) Up to the Closing Date, the Transferor will be responsible for all the premium calculations and deductions, communications and the completion of all forms and reports relating to the Transferred Employees in respect of the Benefit Plans. On and after the Closing Date, CPI and the Transferee will be responsible for all premium calculations and deductions, communications and the completion of all forms and reports relating to the Transferred Employees in respect of the Benefit Plans.

Section 6.5 Assignment and Assumption of Transferor's Pension Plan

- (1) Effective as of the Closing Date, the Transferor shall assign and transfer to the Transferee and CPI shall cause the Transferee to assume the Transferor's Pension Plan and the Transferor's rights, duties, obligations and Liabilities with respect to the Transferor's Pension Plan and its related trust or other funding medium (the "Fund"), and all agreements related thereto. Effective as of the Closing Date, CPI shall cause the Transferee to accept the assignment and transfer and shall assume all obligations, Liabilities, duties, rights and responsibilities required of it as the successor employer of the Transferor's Pension Plan and Fund pursuant to the terms thereof and Applicable Law ("Assignment and Assumption Agreement").
- (2) The Transferor agrees to do all things necessary to effect the assignment and transfer of its sponsorship of the Transferor's Pension Plan to the Transferee. Without limiting the generality of the foregoing, the Transferor agrees to cause to be filed with applicable federal and provincial regulatory authorities as soon as possible after the Closing Date, such documents as may be required by Applicable Law or under the terms of the Transferor's Pension Plan or Fund with respect to the assumption of sponsorship of the Transferor's Pension Plan and Fund as provided hereunder. CPI shall cause the Transferee to do all things required of it under Applicable Law to establish that it is a successor sponsor to the Transferor under the terms of the Transferor's Pension Plan as provided hereunder. Without limiting the generality of the foregoing, CPI shall cause the Transferee to file with the applicable federal and provincial authorities, as soon as possible following the Closing Date, such documentation as may be required to establish the Transferee in such capacity.
- (3) With respect to the administration of the Transferor's Pension Plan from and after the Closing Date, the Transferor shall be entitled to direct, or cause to be directed, the funding agent of the Transferor's Pension Plan in accordance with the instructions given to the Transferor by the Transferee in connection herewith.
- (4) After the sponsorship and administration of the Transferor's Pension Plan and Fund has transferred to the Transferee, the Transferor shall not have any further obligation or Liability with respect to the Transferor's Pension Plan and Fund. The Transferor shall be responsible for satisfying any and all governmental reporting and disclosure requirements applicable to Transferor's Pension Plan and Fund and for all benefit calculations, communication and completion of all other forms and reports in respects of the Transferor's Pension Plan up to the Closing Date. The Transferee shall be responsible for satisfying any and all governmental reporting and disclosure requirements applicable to Transferor's Pension Plan and Fund and for all benefit calculations, communication and completion of all other forms and reports on and after the Closing Date. The Transferor shall cooperate with the Transferee with respect to reporting such requirements in the plan year in which the Closing Date occurs. Prior to and following the Closing Date, the Transferor shall use all reasonable efforts to provide the Transferee such books, records, and other relevant data relating to the Transferor's Pension Plan and within its control or access, that the Transferee shall reasonably request.
- (5) If any Governmental Authority refuses to approve or permit the transactions contemplated herein:
 - (a) CPI shall, or shall cause the Transferee to, at its own expense, appeal such determination until all rights of appeal are exhausted or the parties agree in

writing to abandon such appeals. The Transferor shall, at its own cost, provide all such information and documentation as the Transferee may reasonably require to prosecute any such appeal, and shall co-operate with the Transferee;

- (b) if required Governmental Authority approval in respect of the Transferor's Pension Plan cannot be obtained, and the Transferee has exhausted or abandoned all appeals without obtaining the required approval, the Transferor's Pension Plan shall not be assigned to or assumed by the Transferee and CPI shall cause the Transferee to establish or amend, effective as of Closing Date, a pension plan (the "**Transferee's Pension Plan**") to provide benefits in compliance with all Applicable Laws applicable to the rights of the Transferred Employees and in respect of the employment of the Transferred Employees on and after the Closing Date on terms and conditions no less favourable, in the aggregate, than those provided under the Transferor's Pension Plan;
- (c) For certainty, in the unlikely event that the Assignment and Assumption Agreement does not receive regulatory approval, the parties agree and intend to use their best efforts to ensure that the rights of the Transferred Employees are protected in the transition from the Transferor's Pension Plan to the Transferee's Pension Plan.

Section 6.6 Benefit Plans

(1) As at Closing Date, and at its own expense, CPI shall cause the Transferee to (i) make available to each Transferred Employee and his or her eligible beneficiaries, group benefit plans to provide life insurance, health care, dental care and disability and other group non-pension benefits which have terms and conditions for the period on and after the Closing Date which are in the aggregate no less favourable than the benefits provided under the relevant Transferor's Benefit Plans, (ii) assume all the Transferor's Benefit Plans, and all liabilities and obligations thereunder, that relate to Employees of the Transferor, including any such plans, policies and arrangements that relate to Employees of the Transferor who, as of the Closing Date, are receiving or entitled to receive long-term disability or short-term disability benefits, and (iii) assume the Transferor's liabilities and obligations under any other benefit plan, policy or arrangement that relates principally to Employees of the Transferor. Any such plans assumed or established by the Transferee under this section shall be referred to herein as the "**Transferee's Benefit Plans**".

(2) Any Transferred Employee who is eligible and has chosen not to be a participant in the Transferor's Benefit Plans as at the day immediately preceding the Closing Date shall be eligible to become a participant in and accrue benefits under the Transferee's Benefit Plans on and after the Closing Date in accordance with, and subject to, the membership, eligibility and coverage requirements of the Transferee's Benefit Plans.

(3) Up to the Closing Date, the Transferor will be responsible for the administration of all the premium calculations and deductions, communications and the completion of all forms and reports relating to the Benefit Plans. On and after the Closing Date, CPI and the Transferee will be responsible for the administration of all premium calculations and deductions, communications and the completion of all forms and reports relating to the Benefit Plans.

Section 6.7 Post-Retirement Benefits

(1) Attached as Schedule 6.7 to this Agreement is a written statement (the "**Estimated Post Retirement Benefits Statement**") that sets forth the Transferor's actuarially determined estimate of future post-retirement benefit obligations as of August 31, 2009 or more currently if available, and any other post-employment benefits falling under applicable accounting standards, as at the Closing Date and provided by the Transferor to the Transferred Employees and payable on and after retirement or termination of employment, as the case may be, calculated and using actuarial assumptions in compliance with applicable accounting standards (the "**Estimated Post Retirement Benefits Amount**"); provided, however, that such Estimated Post Retirement Benefits Amount does not include the applicable amount for the Employees listed on Schedule 1.1(37).

(2) CPI shall assume liability for continuing to provide post-retirement benefits or post-employment benefits to Transferred Employees following the retirement or termination of employment of such Transferred Employees after the Closing Date.

Section 6.8 Independent Contractors

(1) The Transferor will provide CPI with a complete and accurate list of all independent contractors who provide services to the Transferor in respect of the Business, including but not limited to all freelance writers and photographers, forthwith following the execution of this Agreement, which list will include each contractor's name, address, the nature of the services provided, term of engagement, fees and any other types of compensation, number of hours of work to be performed by the contractor, and any special arrangements.

(2) Contracts with all independent contractors relating to the Business, including but not limited to freelance writers and photographers, which are assignable shall be assigned by the Transferor to the Transferee effective on the Closing Date. Where consent to assignment of any independent contractor agreement is required, the Transferor covenants to use its commercially reasonable efforts to assist the Transferee in obtaining such consent as soon as reasonably possible.

(3) In respect of independent contractor agreements relating to the Business where consent to assignment is refused or withheld, the Transferor, after advising the Transferee, shall serve notice of termination upon such independent contractors and will be responsible for any and all Claims arising from termination of such agreements, whether asserted prior to, on or after the Closing Date. The Transferor shall also be solely responsible for any and all Claims by or in respect of any: (i) independent contractors or former independent contractors of the Business; or (ii) Governmental Authority in respect of any such independent contractors or former independent contractors of the Business, in each case to the extent that such Claims are based on facts, circumstances or events that arose or existed prior to the Closing Date, and are in respect of the period prior to the Closing Date, whether such Claims are asserted prior to, on or after the Closing Date.

ARTICLE 7 – TAX MATTERS

Section 7.1 Goods and Services Tax and Québec Sales Tax

- (1) The Transferor hereby represents and warrants
 - (a) that it is duly registered for the purposes of the GST Act; and
 - (b) that it is duly registered for the purposes of the QST Act.
- (2) CPI hereby covenants that on or before the Closing Date Transferee:
 - (a) will be duly registered for the purposes of the GST Act; and
 - (b) will be duly registered for the purposes of the QST Act.
- (3) CPI hereby represents and warrants that the Transferee is acquiring under this Agreement all or substantially all of the property that can reasonably be regarded as being necessary for it to carry on the Business as a business.
- (4) The Transferor shall, and CPI shall cause the Transferee to jointly make the elections provided for under subsection 167(1.1) of the GST Act and under section 75 of the QST Act so that no GST or QST will be payable in respect of the transactions contemplated by this Agreement. CPI shall cause the Transferee to jointly complete the election forms with the Transferor (more particularly described as form GST-44 and QST form FP-2044-V) in respect of such elections and CPI shall cause the Transferee to file the said election forms no later than the due date for the Transferee's GST and QST returns for the first reporting period in which GST or QST, as applicable, would, in the absence of such elections, become payable in connection with the transactions contemplated by this Agreement.

Section 7.2 Provincial Retail Sales Taxes

On or before the Closing Date, CPI will provide the Transferor with the Transferee's retail sales tax registration number and a prescribed purchase exemption certificate for qualifying production equipment and machinery, and with respect to inventories of goods held for resale or for incorporation into goods to be held for sale for the purposes of substantiating exemptions from the Tax exigible under the *Retail Sales Tax Act* (Ontario). On the Closing Date the Transferee shall pay to the Transferor any Tax payable under such Act in connection with the acquisition of the Transferred Assets under this Agreement not covered by the purchase exemption certificate, all in accordance with the provisions of that Act, the Regulations made thereunder, and the Ministry's administrative policies.

Section 7.3 Income Tax Act Election

- (1) The Transferor shall, and CPI shall cause the Transferee to, as soon as possible after the Closing Date, jointly execute an election under section 22 of the *Income Tax Act* (Canada) and section 184 of the *Québec Taxation Act* and any other equivalent provision of a provincial taxing statute with respect to the sale of the Accounts Receivable and shall designate therein the portion of the Transfer Price/Transition Cost allocated to the Accounts Receivable pursuant to

Section 4.2 as the consideration paid by Transferee for the Accounts Receivable. CPI shall cause the Transferee to and each of the NP Partners shall file such elections forthwith after the execution thereof (and, in any event, with their respective Tax returns for the taxation year in which the Transaction occurs).

(2) As consideration for the Transferee undertaking all future obligations in connection with the Deferred Revenue, the Transferor shall pay the Transferee an amount equal to the Deferred Revenue and the Transferor and the Transferee shall jointly execute and file an election pursuant to subsection 20(24) of the Income Tax Act (Canada), and the corresponding provisions of any applicable provincial Tax legislation, in prescribed manner and within the prescribed time limits in respect of such amount paid.

Section 7.4 GST, QST

For greater certainty, CPI shall cause the Transferee to pay the Transferor an amount equal to the Transferor's "net tax" under the GST Act and the QST Act for the GST and QST reporting periods ending October 31, 2009 (the "Reporting Periods"). Alternatively, CPI shall cause the Transferee to pay (i) the "net tax" under the GST Act directly to the Canada Revenue Agency, and (ii) the "net tax" under the QST Act directly to Revenu Quebec. Such "net tax" amount shall be included in the Accounts Payable hereunder and shall be paid two (2) Business Days prior to the Transferor's filing deadline for the GST and QST returns for the Reporting Periods.

ARTICLE 8 – REPRESENTATIONS AND WARRANTIES

Section 8.1 Transferor's Representations

- (1) The Transferor represents and warrants to CPI as follows:
 - (a) **Existence** – The Transferor is a general partnership existing under the laws of Ontario. Each of the NP Partners is a corporation existing under the laws of its jurisdiction of incorporation and has the corporate power and capacity to own or lease its property and to carry on its business as now conducted in each jurisdiction in which it owns or leases property or carries on business.
 - (b) **Corporate Power and Due Authorization; Enforceability** – Subject to the issuance of the Approval and Vesting Order, the Transferor has the power and capacity through the NP Partners to enter into and perform its obligations under this Agreement. Subject to the issuance of the Approval and Vesting Order, this Agreement has been duly authorized, executed and delivered by each NP Partner and is a valid and binding obligation of each NP Partner that is enforceable against each in accordance with its terms, subject to the order of the CCAA Court dated October 6, 2009 and subject, as to enforcement, to bankruptcy, insolvency and other laws affecting creditors' rights generally and to general principles of equity.
 - (c) **Transferred Assets** – Except for the Permitted Encumbrances and for any Transferred Assets owned by other CMI Entities as described on

Schedule 1.1(49), the NP Partners, as partners of the Transferor, are the legal and beneficial owners of the Transferred Assets, free and clear of all Encumbrances. The Transferred Assets together with, as applicable, assets which are already owned by CPI and/or Canwest LP, are all of the assets and undertaking necessary for the continued conduct of the Business after Closing in substantially the same manner as the Business was conducted by the Transferor prior to Closing.

- (d) **No Contravention** – Provided the Transferor Senior Lender Approval, the CPI Senior Lender Approval, the Approval and Vesting Order and the Material Consents are obtained, none of the entering into of this Agreement, the sale of the Transferred Assets, or the performance by the Transferor or the NP Partners of any of their other obligations under this Agreement will contravene, breach or result in any default under the Transferor's or the NP Partners' organizational documents or, under any material agreement, other legally binding instrument, licence, permit, statute, regulation, order, judgment, decree or Applicable Law to which the Transferor or the NP Partners is a party or by which the Transferor or the NP Partners may be bound.
- (e) **Compliance with Applicable Law** – The Business is being conducted in compliance in all material respects with all Applicable Laws.
- (f) **Liabilities** – Except for the Assumed Liabilities and the Liabilities of the Transferor listed in Section 3.2, there are no liabilities of the Transferor or of the NP Partners related to the Business of any kind whatsoever (whether accrued, absolute, contingent or otherwise).
- (g) **Contracts, Licenses, Collective Agreements** – Schedule 8.1(1)(g) sets forth a list of the Material Contracts that have not been listed on any other schedule. A complete and correct copy of each of the Material Contracts listed on Schedule 8.1(1)(g) together with any amendments has been provided to CPI. None of the NP Partners or the Transferor is in default under any Material Contracts listed on Schedule 8.1(1)(g) and none of the NP Partners or the Transferor is aware of any material breaches thereof by any other parties thereto except where such default or breach would not cause either individually or in the aggregate a material adverse effect on the Business. Without limiting the foregoing, none of the Transferor, or the NP Partners is a party to or bound by any collective bargaining agreement, labour contract, letter of understanding, memorandum of understanding, letter of intent, voluntary recognition agreement or other legally binding commitment to any labour union, trade union, employee association or similar entity in respect of any Employees or contractors rendering services to the Transferor, nor is any of them currently conducting negotiations with any labour union, trade union, employee association or similar entity and during the period of five years preceding the date of this Agreement there has been no attempt to organize, certify or establish any labour union, employee association or similar entity in relation to any of the employees of the Transferor, or any NP Partner.

- (h) **Real Property** – None of the Transferor, or the NP Partners has any right, title or interest in any real property, except for the real property leases set out on Schedule 8.1(1)(g).
- (i) **Intellectual Property** – Schedule 1.1(49) lists and contains a complete description of all patents, trademarks, trade names, trade mark applications and registrations, trade name registrations, domain names, service marks, designs, copyrights, copyright applications and registrations and industrial designs, domestic or foreign, and other intellectual property (i) which have been registered or for which applications have been filed on behalf of the Transferor; or (ii) which relate exclusively to the Business and have been registered or for which applications have been filed on behalf of Affiliates of the Transferor; and (iii) other than listed in Schedule 1.1(49), there is no such registered intellectual property which is material to the Business.
- (j) **Tangible Personal Property** – All Equipment which is material is located at 1450 Don Mills Road, Toronto, Ontario, except for racking and newspaper boxes at retail outlets located across Canada, 3 computer servers located at facilities in Winnipeg, Manitoba and racking and newspaper boxes held in storage in a third party warehouse in Mississauga, Ontario.
- (k) **Payments** – Since March 1, 2009, other than pursuant to the Existing Shared Services Agreements, the Transferor has not made any payments in respect of the Business to the CMI Entities except in accordance with the terms and conditions of any Contracts and Licences.
- (l) **No Litigation** – Except as set out on Schedule 8.1(1)(l), there is no material action, suit, proceeding, arbitration or, to the knowledge of the Transferor, any investigation by any person, nor any arbitration, administrative or other proceeding by or before any Governmental Authority or, to the knowledge of the Transferor, pending or threatened against or affecting the Transferor in connection with the Business or any of the Transferred Assets, except, in each case, (i) the CCAA Proceedings; and (ii) any action, suit, proceeding, arbitration or investigation that, if determined adversely to the Transferor, would not have, either individually or in the aggregate, a material adverse effect on the Business.
- (m) **Ordinary Course of Business and Material Adverse Change** – Since January 1, 2009, the Transferor has conducted the Business in the Ordinary Course of Business and there has not been any Material Adverse Change, in each case having regard to the Transferor's distressed financial condition. Without limiting the foregoing, since October 1, 2009 and except for the Stayed Payables, (i) the Transferor has paid its Accrued Expenses and Accounts Payable in accordance with its practice prior to the CCAA Proceedings and (ii) the Accrued Expenses and Accounts Payable are no more aged in aggregate than at September 30, 2009.
- (n) **Income tax Act** – Each NP Partner is not a non-resident of Canada under the *Income Tax Act* (Canada).

- (o) **Environmental** – Except as would not have a Material Adverse Change, there are no hazardous substances on, in or under any property or facilities, operated by the Business (except hazardous substances used in the Ordinary Course of the Business and which have been used, stored, handled, treated and disposed of in all material respects in accordance with all applicable environmental Applicable Law).
- (p) **Transferor's Pension and Benefit Plans** –
- (i) Schedule 8.1(1)(p) lists all of the Transferor's Pension Plans and Benefit Plans.
 - (ii) The Transferor has furnished and made available to CPI true and complete copies of the written texts of the Transferor's Pension Plan and of the funding agreements thereof, as amended to date, and where no written text exists, a written summary of the material terms thereof.
 - (iii) The Transferor's Pension Plan and the Transferor's Benefit Plans have been, registered (where required), invested and administered, in all material respects, in accordance with the terms thereof and with all Applicable Employee Laws.
 - (iv) The Transferor's Pension Plan may be assigned to the Transferee as contemplated in this Agreement, subject only to approvals required by Applicable Employee Laws.
 - (v) The Transferor's Pension Plan is not a multi-employer pension plan as defined under the provisions of Applicable Employee Laws.
 - (vi) All employee data necessary to administer each of the Transferor's Benefit Plans and the Transferor's Pension Plan is, to the knowledge of the Transferor, true and correct in all material respects.
 - (vii) To the knowledge of Transferor, there are no outstanding defaults or violations by any party to any Transferor's Benefit Plan or to the Transferor's Pension Plan and no taxes, penalties or fees are owing or exigible under the Transferor's Pension Plan.
 - (viii) All contributions or premiums required to be made by the Transferor to the Transferor's Pension Plan and the Transferor's Benefit Plans under the terms of each such plan or by any Applicable Employee Laws have been made.
 - (ix) The Transferor's Pension Plan, and any related trust or other funding medium thereunder, is not subject to any pending or, to the knowledge of Transferors, threatened or anticipated, investigation, examination or other proceeding, action or claim initiated by any Governmental Authority by any Employee or beneficiary covered under Transferor's Pension Plan, or

otherwise involving any such Transferor's Pension Plan or by any other party (other than routine claims for benefits).

- (x) As at the Closing Date, none of the Benefit Plans, other than the Pension Plans provides benefits to former employees or the beneficiaries or dependants of such former employees.

(2) CPI and the Transferee are informed and sophisticated parties, and have engaged expert financial advisors, experienced in the evaluation and purchase of property and assets such as the Transferred Assets and the Assumed Liabilities as contemplated hereunder. CPI and the Transferee have undertaken such investigations and have been provided with and have evaluated those documents and information as have been provided to them by the Transferor in relation to this Agreement. CPI and the Transferee ACKNOWLEDGE AND AGREE THAT THE BUSINESS AND THE TRANSFERRED ASSETS ARE SOLD "AS IS, WHERE IS", WITH ALL FAULTS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE BUSINESS OR THE TRANSFERRED ASSETS AND WITHOUT ANY RECOURSE TO THE TRANSFERORS OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, REPRESENTATIVES OR ADVISORS, OTHER THAN FOR FRAUD OR AS OTHERWISE EXPRESSLY PROVIDED HEREIN. CPI AND THE TRANSFEEE AGREE TO ACCEPT THE BUSINESS AND THE TRANSFERRED ASSETS AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON THEIR OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE TRANSFERORS, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. Unless specifically stated in this Agreement, no representation, warranty, term or condition, understanding or collateral agreement, whether statutory (including under the *Sale of Goods Act* (Ontario)), express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given by the Transferor in this Agreement or in any instrument furnished in connection with this Agreement, as to title, outstanding liens, description, fitness for purpose, merchantability, quantity, condition, quality, value, suitability, durability, assignability or marketability thereof, or in respect of any other matter or thing whatsoever including the respective rights, titles and interests of the Transferors, if any, therein and wherever all or part of the Business or the Transferred Assets are situated, and all of the same are expressly excluded. Without limiting the generality of the foregoing, CPI and the Transferee acknowledge that none of the Transferors makes any representation or warranty with respect to: (i) any projections, estimates or budgets delivered to or made available to CPI or the Transferee of future revenues, future results of operations (or any component thereof), future collection of Accounts Receivable, future cash flows or future financial condition (or any component thereof) of the Transferred Assets, the Business or the future operations of the Business; or (ii) any other information or documents made available to CPI or the Transferee, accountants or advisors with respect to the Business or the Transferred Assets, in each case, except as expressly set forth in this Agreement.

Section 8.2 CPI's Representations

CPI represents and warrants to the Transferor that:

- (a) **Existence** – Each of CPI and the Transferee is a corporation validly existing and duly organized under the laws of its jurisdiction of incorporation and has the corporate power and capacity and is duly qualified to own or lease its property and to carry on its business as now conducted in each jurisdiction in which it owns or leases property or carries on business.
- (b) **Corporate Power and Due Authorization** – CPI has the corporate power and capacity to enter into and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by CPI and is a valid and binding obligation of CPI, enforceable against CPI in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency and other laws affecting creditors' rights generally and to general principles of equity.
- (c) **No Contravention** – None of the entering into of this Agreement, the purchase of the Transferred Assets, the payment of the Transfer Price/Transition Cost, or the performance by CPI of any of its other obligations under this Agreement or the performance by the Transferee of the acts and obligations to be performed by it under this Agreement will contravene, breach or result in any default under CPI's or the Transferee's organizational documents or, under any material agreement, other legally binding instrument, licence, permit, statute, regulation, order, judgment, decree or Applicable Law to which CPI or the Transferee is a party or by which CPI or the Transferee may be bound.
- (d) **Steering Committee Approval** – The Steering Committee has provided its written approval of the Transaction.
- (e) **Investment Canada** – Neither CPI nor the Transferee is a non-Canadian person as defined in the *Investment Canada Act*.
- (f) **No Breach of Representation and Warranty** – To the best of the knowledge of the Transferee, the Transferor is not in breach of any representation or warranty contained in Section 8.1. For purposes of the foregoing, "best of the knowledge of the Transferee" shall be understood to be made on the basis of the actual knowledge of Messrs. Doug Lamb and/or Dennis Skulsky, after diligent inquiry, of the relevant subject matter or on the basis of such knowledge of the relevant subject matter as such Persons would have had if they had conducted such diligent inquiry.

Section 8.3 No Survival of Representations and Warranties

The representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall not survive the Closing and shall merge as of Closing.

- (a) an order (the "Approval and Vesting Order") shall have been made by the CCAA Court approving this Agreement and the Transaction and vesting all the right, title and interest of:
- (i) the Transferor in the Transferred Assets held by it; and
 - (ii) the applicable title holder of the Transferred Assets listed on Schedule 1.1(49);

in each case, free and clear of all liens, security interests and other Encumbrances (including under section 146 of the *Workplace Safety and Insurance Act* (Ontario), or equivalent legislative provisions of other applicable jurisdictions), other than Permitted Encumbrances, upon the delivery of a certificate by the Monitor to the Transferee indicating that all matters to be completed prior to the consummation of the Transaction have been satisfied or waived, in a form to be agreed by the parties acting reasonably and which shall include an exemption of the transactions contemplated by this Agreement from the requirements of the *Bulk Sales Act* (Ontario);

- (b) as at the Closing Date, the Approval and Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued to restrain or prohibit the completion of the Transaction; and
- (c) as at the Closing Date, no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

(2) The parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Transferor on the one hand and CPI on the other hand.

Section 10.2 Conditions – CPI

- (1) The obligation of CPI to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:
- (a) CPI shall have received CPI Senior Lender Approval;
 - (b) the Material Consents shall have been received;
 - (c) all representations and warranties of the Transferor contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
 - (d) no material loss of or material damage to the Transferred Assets shall have occurred on or before the Closing Date;
 - (e) the Assumed Liabilities Estimate shall not, in the aggregate, exceed the Maximum Amount by more than \$2 million;

- (f) with respect to Employees, (i) the Senior Executives shall have accepted the offer contemplated by Section 6.2(1); (ii) with respect to the Employees who received the offer contemplated by Section 6.2(1), not more than 10% shall have indicated to the Transferor or the Transferee that they do not intend to accept such offers; and (iii) any Transferred Employee who currently has an employment agreement with a party other than the Transferor shall have entered into a new employment agreement with the Transferee; and
- (g) the Transferor shall have performed each of its obligations under this Agreement in all material respects to the extent required to be performed on or before the Closing Date provided that, for purposes of the condition contemplated by this Section 10.2(1)(g) only, the covenants of the Transferor in Section 9.1(2) shall not be subject to Section 9.1(1).

(2) The foregoing conditions are for the exclusive benefit of CPI. Any of the foregoing conditions may be waived by CPI in whole or in part. Any such waiver shall be binding on CPI only if made in writing.

Section 10.3 Conditions – Transferor

- (1) The obligation of the Transferor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:
 - (a) the Transferor shall have received the Transferor Senior Lender Approval;
 - (b) the Assumed Liabilities Estimate shall not, in the aggregate, exceed the Maximum Amount;
 - (c) all representations and warranties of CPI contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
 - (d) CPI shall have performed each of its obligations under this Agreement in all material respects to the extent required to be performed on or before the Closing Date; and
 - (e) The confirmation and undertakings of the Senior Executives described in Section 6.2(1)(iii) shall have been delivered to the Transferor.

(2) The foregoing conditions are for the exclusive benefit of the Transferor. Any of the foregoing conditions may be waived by the Transferor in whole or in part. Any such waiver shall be binding on the Transferor only if made in writing.

Section 10.4 Commercially Reasonable Efforts

Each of the Parties shall use commercially reasonable efforts to cause each of the conditions to be fulfilled or performed at or before the time specified for closing to the extent within the control of any of such Parties, respectively.

Section 10.5 Non-Satisfaction of Conditions

- (1) If any condition set out in this Article 10 is not satisfied or performed prior to the time specified therefor, the party for whose benefit the condition is provided may:
- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other parties and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
 - (b) elect, on written notice to the other parties, to terminate this Agreement before Closing; provided that the Parties obligations under Section 9.2 shall survive any such termination.
- (2) If the Closing has not occurred on or before the Outside Date because a condition set out in this Article 10 is not satisfied or performed or waived prior to the Outside Date, the obligations of the Transferor on the one hand and CPI on the other hand pursuant to this Agreement shall be at an end (except the obligations of the Partners under Section 9.2) and this Agreement shall automatically be terminated with effect as of the Outside Date; provided that, if a Condition is not satisfied because a Party is in breach of this Agreement, then such Party shall remain liable in respect of such breach.

ARTICLE 11 – CLOSING

Section 11.1 Closing

The completion of the Transaction shall take place at the offices of Osler, Hoskin & Harcourt LLP, 1 First Canadian Place, Toronto, Ontario at the Closing Time or as otherwise determined by mutual agreement of the parties in writing.

Section 11.2 The Transferee's Deliveries on Closing

At or before the Closing Time, the CPI shall, or in the case of clauses (a), (b), (c), (d), (f) and (g) shall cause the Transferee to, execute and deliver the following, each of which shall be in form and substance satisfactory to the Transferor, acting reasonably:

- (a) payment of the balance of the Transfer Price/Transition Cost contemplated under Article 4;
- (b) an assignment agreement with respect to the assignment of any trademarks from each of the Transferor and/or any other applicable holder listed on Schedule 1.1(49);
- (c) appropriate exemption certificates, as required by Section 7.2;
- (d) an assumption agreement in respect of the Assumed Liabilities in favour of the Transferor;

- (e) a certificate dated as of the Closing Date, confirming that all of the representations and warranties of CPI contained in this Agreement are true and correct in all material respects as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (f) the Assignment and Assumption Agreement with respect to the transfer of the Transferor's Pension Plan, and all of the Transferor's rights, duties, obligations and liabilities with respect to the Transferor's Pension Plan, from the Transferor to the Transferee;
- (g) an acknowledgement dated as of the Closing Date, that each of the conditions precedent in Sections 10.2 and 10.1 of this Agreement have been fulfilled, performed, or waived by CPI as of the Closing Date; and
- (h) such further and other documentation as is referred to in this Agreement or as the Transferor may reasonably require to give effect to this Agreement.

Section 11.3 Transferor's Deliveries on Closing

At or before the Closing Time, the Transferor shall execute and deliver the following, each of which shall be in form and substance satisfactory to CPI, acting reasonably:

- (a) an assignment agreement with respect to the assignment of any trademarks from each of the Transferor and/or any other applicable holder listed on Schedule 1.1(49);
- (b) a certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Transferor contained in this Agreement are true and correct in all material respects as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) the Assignment and Assumption Agreement with respect to the transfer of the Transferor's Pension Plan, and all of the Transferor's rights, duties, obligations and liabilities with respect to the Transferor's Pension Plan, from the Transferor to the Transferee;
- (d) an acknowledgement dated as of the Closing Date, that each of the conditions precedent in Sections 10.3 and 10.1 of this Agreement have been fulfilled, performed, or waived by the Transferor as of the Closing Date; and
- (e) such further and other documentation as is referred to in this Agreement or as CPI may reasonably require to give effect to this Agreement.

Section 11.4 Access to Books and Records

CPI shall preserve or cause the Transferee to preserve, for a period of not less than six (6) years from the Closing Date, the Books and Records in good order and shall provide the Transferor or its representatives with reasonable access thereto during regular business hours,

and a right to make copies thereof, at the Transferor's expense. For the avoidance of doubt, the Transferor shall be entitled to keep copies of the Books and Records following Closing.

Section 11.5 Personal Information Privacy

CPI shall, and shall cause the Transferee to, at all times comply with all applicable protection of personal information legislation, federal or provincial, with respect to Personal Information disclosed or otherwise provided, including any access provided to such Personal Information by the Transferor under this Agreement. CPI shall, and shall ensure that the Transferee shall, only use or disclose such Personal Information for the purposes of reasonably investigating the affairs of the Business and completing the Transaction or, in the case of the Employees, offering employment to the Employees in accordance with this Agreement. CPI, and shall ensure that the Transferee, shall safeguard all Personal Information collected from the Transferor in a manner consistent with the degree of sensitivity of the Personal Information and, furthermore, maintain at all times the security and integrity of the Personal Information. CPI covenants and agrees, on behalf of itself and the Transferee, that it will not make any copies of the Personal Information or any excerpts thereof or in any way re-create the substance or contents of the Personal Information if the Transaction is not completed for any reason, and that any and all Personal Information will be returned to the Transferor or destroyed upon the Transferor's request.

ARTICLE 12 – GENERAL

Section 12.1 Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

Section 12.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax or email, as follows:

- (a) in the case of the Transferor:

Canwest Media Inc.
31st Floor
Canwest Global Place
201 Portage Ave
Winnipeg, Manitoba R3B 3L7

Fax. 204.947.9841
Email: rleipsic@canwest.com; and
jmaguire@canwest.com

Attention: Mr. Richard Leipsic, Senior Vice President and General Counsel and
Mr. John Maguire, Chief Financial Officer

with a copy to:

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

Fax: 416.862.6666
dmarshall@osler.com

Attention: Doug Marshall

and;

(b) in the case of CPI:

c/o Canwest Limited Partnership
1450 Don Mills Road
Don Mills, Ontario
M3B 2X7

Fax: 416.442.2135
Email: dlamb@canwest.com

Attention: Doug Lamb, Executive Vice President and Chief Financial Officer

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or email before 5:00 p.m. on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax or email after 5:00 p.m. on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Section 12.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Transferor and CPI or by their respective solicitors.

Section 12.4 Amendment

No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each Person that is a party to this Agreement at the time of the amendment, supplement, restatement or termination.

Section 12.5 Waiver

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the Parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

Section 12.6 Remedies Cumulative

The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

Section 12.7 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. CPI shall not assign the benefit of this Agreement without the prior written consent of the Transferor, except to the Transferee provided that (i) CPI owns all securities of Transferee and continues to do so until the Closing time; and (ii) CPI shall remain bound by this Agreement and any such assignment shall in no way release CPI from any of its obligations hereunder.

Section 12.8 Entire Agreement

This Agreement and the attached Schedules together with the Transition and Reorganization Agreement entered into by and between Canwest Global Communications Corp., Canwest Limited Partnership / Canwest Societe en Commandite, CMI, CPI, Canwest Television Limited Partnership, and the Transferor constitute the entire agreement between the parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the parties.

Section 12.9 Paramountcy

If any provision of this Agreement conflicts with any provision of any other agreement, document or instrument executed or delivered by the Transferor and CPI in connection with the Transaction or this Agreement (other than the Transition and Reorganization Agreement referred to in Section 12.8) the relevant provision of this Agreement will prevail. And, in the event of any conflict or inconsistency between the provisions of this Agreement (and any other agreement, document or instrument executed or delivered by the Parties in connection with this Agreement) and the provisions of the Transition and Reorganization Agreement referred to in Section 12.8, the relevant provision of the Transition and Reorganization Agreement shall prevail to the extent of such conflict or inconsistency.

Section 12.10 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

Section 12.11 Governing Law and Submission to Jurisdiction

This Agreement shall be governed by and construed in accordance with the Applicable Law of the Province of Ontario and the Applicable Law of Canada applicable therein and each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 12.12 Counterparts and Facsimile

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by facsimile or electronic transmission and such transmissions shall constitute delivery of an executed copy of this Agreement to the receiving Party.

DATED at Toronto, Ontario as of the date set out above.

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST** by its
partner **CANWEST MEDIA INC.**

By: 
Name: John E. Maguire
Title: Director

By: _____
Name: Richard M. Leipsic
Title: Director

**THE NATIONAL POST COMPANY / LA
PUBLICATION NATIONAL POST** by its
partner **NATIONAL POST HOLDINGS LTD.**

By: _____
Name: Richard M. Leipsic
Title: President

By: _____
Name: Riva R. Richard
Title: Secretary

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

By: 
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

DATED at Toronto, Ontario as of the date set out above.

**THE NATIONAL POST COMPANY / LA
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partner **CANWEST MEDIA INC.**

By:

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Title: Director

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By:

Name: Richard M. Leipsic
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Title: Secretary

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

By:

Name: John E. Maguire
Title: Vice-President

By:

Name: Thomas C. Strike
Title: Vice-President

**THE NATIONAL POST COMPANY /
PUBLICATION NATIONAL POST by
partner CANWEST MEDIA INC.**

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Name: John E. Maguire

Title: Director

By: _____

Name: Richard M. Leipsic

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**THE NATIONAL POST COMPANY /
PUBLICATION NATIONAL POST by
partner NATIONAL POST HOLDINGS**

By: _____

Name: Richard M. Leipsic

Title: President

By: _____

Name: Riva R. Richard

Title: Secretary

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

By: _____

Name: John E. Maguire

Title: Vice-President

By: _____

Name: Thomas C. Strike

DATED at Toronto, Ontario as of the date set out above.

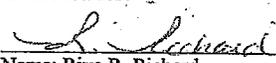
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By:  _____
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Title: Secretary

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

By: _____
Name: John E. Maguire
Title: Vice-President

By: _____
Name: Thomas C. Strike
Title: Vice-President

SCHEDULE 1.1(16) – BUSINESS

The activities of the National Post include, but are not limited to:

- Publishing a newspaper;
- Publishing Financial Post Business Magazine;
- Publishing Post Homes Magazine;
- Publishing Golf Magazine;
- Publishing Ski Magazine;
- Publishing a Holiday Gift Guide;
- Publishing Joint Venture and Special Report sections;
- Operating nationalpost.com and financialpost.com websites;
- Operating the online “Stock Market Challenge”;
- Sponsorship of major business programs including 50 Best Managed Companies, Entrepreneur of the Year, CEO of the Year;
- Running major business programs in partnership with others including Canadian General Counsel Awards (including Western General Counsel Awards);
- Sponsorship of numerous community programs;
- Sponsorship of industry and trade programs and events;
- Licensing use of content through Infomart and other relationships;
- Licensing rights to photos to third parties;
- Co-ordinating and running business events;
- Operating and licensing FPX, a homegrown stock index;

SCHEDULE 1.1(37) – EMPLOYEES

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

SCHEDULE 1.1(41) EXISTING SHARED SERVICES AGREEMENTS

Written Agreements

Canwest Media Inc. ("CMI") and Canwest Limited Partnership ("Canwest LP")

1. **Executive Advisory Services Agreement dated October 13, 2005 between Canwest MediaWorks Inc. (now CMI) and Canwest MediaWorks (Canada) Inc. (now Canwest (Canada) Inc.) ("Canwest GP") for and on behalf of Canwest MediaWorks Limited Partnership (now Canwest LP)**

Services: Under the terms of the Executive Advisory Services Agreement, CMI provides, or causes its affiliates or third parties to provide, advisory services to Canwest LP from time to time, including advice regarding corporate development and strategic planning; capital allocation; financing; equity and debt holder relations; insurance and risk management; tax planning; and certain operational matters.

2. **Partnership Services Agreement dated October 13, 2005 between CMI and Canwest GP for and on behalf of Canwest LP**

Services: Under the terms of the Partnership Services Agreement, CMI provides corporate and administrative services to Canwest LP, including legal (including securities law compliance, corporate records maintenance, contract management and corporate secretarial services); tax compliance and planning; treasury; investor and public relations; corporate development; internal audit; and certain financial reporting services. In addition, CMI provides advisory services on human resources management and capital asset management.

3. **Sales Representation and Agency Services Agreement dated October 13, 2005 between CMI and Canwest GP for and on behalf of Canwest LP**

Services: Under the terms of the Sales Representation and Agency Services Agreement, CMI provides the publishing group, on an exclusive basis, with national sales representation and certain other related services through its Canwest Media Sales division.

4. **CanWest Services Agreement dated October 13, 2005 between CMI and Canwest GP for and on behalf Canwest LP**

Services: Under the terms of the CanWest Services Agreement, Canwest LP provides business and administrative services from time to time to CMI. These services include the following: information technology and processing; human resources consulting; payroll services; accounting services; financial statement preparation; business planning; cash flow management; accounts receivable management; capital expenditure planning; pension, disability and other employee benefits administration; and website development and maintenance services. In addition to such business and administrative services, CMI may call upon Canwest LP to provide management services to CMI's broadcast or international operations from time to time, including advice regarding corporate development, corporate allocation, capital expenditure planning and other operational matters.

- 5. Canwest Lease dated October 13, 2005 between CMI, as Tenant, and CanWest MediaWorks Publications Inc. (now "Canwest Publishing Inc.") ("CPI"), as Landlord.**

Premises and Rent: CPI and CMI have entered into a lease of space measuring, in the aggregate, approximately 25,501 square feet on the first, second and third floors of the building located at 1450 Don Mills Road, Don Mills, Ontario.

- 6. National Post Affiliation and Support Services Agreement dated October 13, 2005 between The National Post Company ("NP") and Canwest GP for and on behalf of Canwest LP**

Services: Under the National Post Affiliation and Support Services Agreement, NP is entitled to receive management, administrative and support services from Canwest LP including the following: information technology and processing; human resources consulting; payroll services; accounting services; financial statement preparation; business planning; cash flow management; accounts receivable management; capital expenditure planning; pension, disability and other employee benefits administration; website development and maintenance services; and printing, distribution and circulation services. Canwest LP and NP also provide each other certain affiliation services in order that each may have the benefit of the other's editorial content, cost sharing initiatives and other affiliation initiatives on terms that are consistent with current practices. NP is part of the canada.com network and contributes editorial content to it. NP is provided with access to and provides content to CNS, FPinfomart and Canwest LP's other editorial services.

- 7. National Post Lease dated October 13, 2005 between NP, as Tenant, and CPI, as Landlord.**

Premises and Rent: CPI and NP have entered into a lease of the space currently occupied by NP at 1450 Don Mills Road, Don Mills, Ontario.

- 8. National Post Electronic Storage and Retrieval Agreement dated October 13, 2005 between NP and Canwest GP for and on behalf of Canwest LP**

Services: Under the National Post Electronic Storage and Retrieval Agreement, NP grants to Canwest LP a non-exclusive, world-wide right and license to offer and sublicense all news and editorial materials and photographs contained in the National Post newspaper and the NP's other publications in exchange for a monthly royalty and access to Canwest LP's InfomartServices.

- 9. Affiliation Services Agreement dated October 13, 2005 between CMI and Canwest GP for and on behalf of Canwest LP**

Services: Under the Affiliation Services Agreement, Canwest LP and CMI provide each other certain affiliation services in order that each may have the benefit of the other's editorial content and engage in cost sharing initiatives and other affiliation initiatives.

- 10. Trademarks License Agreement dated October 13, 2005 between Canwest Global Communications Corp. ("CGCC"), Canwest GP for and on behalf of Canwest LP, Canwest GP and Canwest MediaWorks Income Fund**

Services: Under the Trademark License Agreement, CGCC grants to Canwest LP and Canwest GP a non-exclusive, royalty-free, non-transferable license to use some or all of the Canwest trademarks in Canada and to sublicense the use of the Canwest trademarks to their subsidiaries engaged in the publishing business, all subject to the terms and conditions of the agreement.

11. Cooperation and Confidentiality Agreement dated October 13, 2005 between CGCC”, CMI and Canwest GP for and on behalf of Canwest LP

Services: Under the Cooperation and Confidentiality Agreement, Canwest LP provides certain support and reporting services to the CanWest group, including making available senior officers and other key personnel to participate in investor relations functions; assisting in public relations and government relations initiatives; preparing and delivering information and reports required by the Canwest group for their own reporting and financial needs; assisting in the preparation of other documentation for the Canwest group, including regulatory and tax filings and prospectuses; providing access to documents required for audit, tax, regulatory, litigation or due diligence purposes; assisting the Canwest group in responding to regulatory and other governmental inquiries; providing information to the Canwest group in order to meet their continuous disclosure obligations; responding to inquiries; assisting the Canwest group in defending or prosecuting legal and other proceedings; cooperating with auditors and financial advisors of the Canwest group and providing such persons with information, preparation of reports and analyses; assisting in review of financial records; and providing certificates as the Canwest group may require to comply with their reporting requirements.

In addition, Canwest LP is required to establish and maintain appropriate systems of internal financial controls, securities trading restrictions and disclosure controls with respect to its employees, officers, and directors that are consistent with those in effect from time to time in the Canwest group; coordinate the release of information to the public as the Canwest group may request; and provide the Canwest group and its employees with access to the premises and documentation.

Canwest LP also provides monthly, quarterly and annual reports, weekly sales reports and certain other reports and information to the Canwest group.

12. Pension Plan Participation Agreement dated September 1, 2005 between CMI and CPI for the CanWest Publications Inc. Retirement Plan (the “Plan”)

Services: CMI is confirmed as a participating employer under the Plan, and CPI provides administrative services for the Plan (including administrative services for participating CMI employees) as the “administrator” within the meaning of the Ontario Pension Benefits Act.

13. Pension Plan Participation Agreement dated January 1, 2006 between Canwest LP and CPI for the CanWest Publications Inc. Retirement Plan (the “Plan”)

Services: Canwest LP is confirmed as a participating employer under the Plan, and CPI provides administrative services for the Plan (including administrative services for participating Canwest LP employees) as the “administrator” within the meaning of the Ontario Pension Benefits Act.

14. Pension Plan Participation Agreement dated January 1, 2006 between NP and CPI for the National Post Retirement Plan (the “Plan”)

Services: CPI is confirmed as a participating employer under the Plan, and NP provides administrative services for the Plan (including administrative services for participating CPI employees) as the “administrator” within the meaning of the Ontario Pension Benefits Act.

15. Pension Plan Participation Agreement dated October 13, 2005 between Canwest LP and CMI for the Retirement Plan for Management and Non-Bargaining Unit Employees of Global Communications Limited (the “Plan”)

Services: Canwest LP is confirmed as a participating employer under the Plan, and CMI provides administrative services for the Plan (including administrative services for participating Canwest LP employees) as the “administrator” within the meaning of the Federal Pension Benefits Standards Act.

16. Pension Plan Participation Agreement dated January 1, 2006 between Canwest LP and CMI for the Global Communications Limited Employees Pension Plan (the “Plan”)

Services: Canwest LP is confirmed as a participating employer under the Plan, and CMI provides administrative services for the Plan (including administrative services for participating Canwest LP employees) as the “administrator” within the meaning of the Federal Pension Benefits Standards Act.

17. Insurance Premium Sharing Agreement dated October 13, 2005 between CMI and Canwest GP for and on behalf of Canwest LP

Services: Under the terms of the Insurance Premium Sharing Agreement, CMI extends the insurance coverage (including comprehensive general liability insurance, personal and property damage insurance, business interruption insurance and such other insurance coverage it deems advisable and prudent) that it negotiates and obtains for itself and its affiliates to Canwest LP, Canwest GP and its subsidiaries in return for the payment by Canwest LP of its proportionate share of insurance policy premiums attributable to such insurance coverage.

18. Broadcast Services Agreement dated January 1, 2009 between Canwest Television GP Inc. for and on behalf of Canwest Television Limited Partnership (“CTLP”) and Canwest GP for and on behalf of Canwest LP

Services: Under the terms of the Broadcast Services Agreement, Canwest LP provides business and administrative services from time to time to CTLP. These services include the following: information technology and processing; human resources consulting; payroll services; accounting services; financial statement preparation; business planning; cash flow management; accounts receivable management; capital expenditure planning; pension, disability and other employee benefits administration; and website development and maintenance services.

19. Management and Administrative Services Agreement dated August 15, 2007 between CMI and CW Media Inc. (“CW Media”)

Note: There is no direct contractual relationship between CW Media and Canwest LP. Canwest LP does, however, provide services indirectly to CW Media pursuant to the Management and Administrative Services Agreement between CMI and CW Media.

Services: Under the Management and Administrative Services Agreement, CMI has agreed to manage the business, affairs and operations of CW Media and its subsidiaries subject to the provisions of the Shareholders' Agreement between CMI and Goldman Sachs, and has the sole and exclusive control over all of our programming decision, including the selection of programs to be distributed and the terms of their distribution. The services to be provided by CMI (directly and indirectly through its service arrangements with Canwest LP) include the administration of the day-to-day operations including the maintenance of proper and complete records, the preparation of reports, conducting and coordinating relations with other persons including customers, suppliers, lawyers, auditors, technical consultants and other experts, obtaining or assisting in obtaining regulatory approvals, the management, administration, conservation, development, operation and disposal of properties and assets, arranging for necessary financing, providing for and arranging the payment of debts, liabilities and expenses and the execution of deeds, documents and instruments. CMI may also cause CW Media and its subsidiaries to provide services to the Canadian television operations of CMI.

Unwritten or Supplemental Agreements

20. Sales Representation and Agency Services Arrangement between NP and CPI

Services: Pursuant to arrangements established between CPI and NP in 2007, CPI provides NP with national sales representation and certain other related services, including accounts receivable management (billing, collection and account reconciliation), in exchange for a flat annual fee of \$200,000.

21. Employee Secondment and Cost Reimbursement Arrangements between CMI, CTLP, Canwest Television GP Inc. ("GP"), Canwest LP, CPI and NP

Services: Unwritten arrangements pursuant to which employees of one of Canwest LP, CPI, CMI, CTLP or NP (each, a "Canwest Entity") are seconded to another Canwest Entity in exchange for reimbursement by the second Canwest Entity of all employment costs relating to the employment of the seconded employees.

Note: Formal secondment arrangements were entered into in respect of a specified number employees on October 13, 2005 in connection with the establishment of the CanWest MediaWorks Income Fund. Since that time, similar unwritten arrangements have been accommodated between the Canwest Entities from time to time.

22. Accounts Receivable Management Arrangements between Canwest CMI, CTLP, GP, Canwest LP, CPI and NP

Services: In accordance with the Canwest Services Agreement, the Canwest Television Limited Partnership Services Agreement, the National Post Affiliation and Support Services Agreement and the Management and Administrative Services Agreement noted above, Canwest LP provides interactive services, including sales representation services for online advertising, to CMI, CTLP and NP and, indirectly, to CW Media. As a consequence of providing those online sales representation services, Canwest LP routinely bills and collects online advertising revenues on behalf of, and remits revenues to, CMI, CTLP, NP or CW Media, as applicable.

Similarly, in accordance with those same agreements, Canwest LP provides accounts receivable management, including billing, collection and account reconciliations, generally, to CMI, CTLP and NP and, indirectly, to CW Media. As a consequence of providing those accounts receivable management services, Canwest LP routinely collects advertising revenues on behalf of, and remits advertising revenues to, CMI, CTLP, NP or CW Media, as applicable, whether as a consequence of integrated sales initiatives or otherwise.

23. Centralized Procurement Arrangements between CMI, CTLP, GP, Canwest LP, CPI, NP

Services: Company-wide procurement services are coordinated centrally through dedicated procurement officers employed by Canwest LP. Pursuant to these arrangements, one of the Canwest Entities will enter into a supply agreement with a third party service provider (Federal Express, Purolator, Air Canada) for the benefit of multiple Canwest Entities. In accordance with the Partnership Services Agreement, the Canwest Services Agreement, the Canwest Television Limited Partnership Services Agreement, the National Post Affiliation and Support Services Agreement and the CW Media Management and Administrative Services Agreement noted above, shared expenses are broken down by the supplier and attributed to each of the Canwest Entities to the extent possible. Where such breakdowns are not reasonably obtainable, the costs of these shared procurement services are allocated internally among the Canwest Entities on a reasonable basis as between the Canwest Entities in a manner consistent with current practices.

24. Additional Unwritten Agreements

- Payments to Canwest Publishing Sales for Vancouver office rent, supplies and telephone.
- Payment to Canwest News Service for Ottawa office rent and telephone.

SCHEDULE 1.1(49) – INTELLECTUAL PROPERTY

Business Names

<i>Name Registered</i>	<i>BIN</i>	<i>Jurisdiction</i>	<i>Expiry Date</i>
Financial Post	110917788	Ontario	Aug 29, 2006
Financial Post Data Group	110917796	Ontario	Aug 29, 2006
Les Publications Financial Post	110917804	Ontario	Aug 29, 2006
National Post	130845	Prince Edward Island	Nov 14, 2009
Post	110917812	Ontario	Aug 29, 2006
The Financial Post	110917770	Ontario	Aug 29, 2006
The Financial Post Company	110917762	Ontario	Aug 29, 2006
The Financial Post Company/Les Publications Financial	110917812	Ontario	Aug 29, 2006
The National Post Company/La Publication National Post	26508	Prince Edward Island	Dec 1, 2010
The National Post Company/La Publication National Post	3349852692	Quebec	Jun 15, 2010
The National Post Company/La Publication National Post	120563382	Ontario	Jun 17, 2012
The National Post Company/La Publication National Post	3025599	Nova Scotia	Dec 31, 2009
The National Post Company/La Publication National Post	349737	New Brunswick	Jun 2, 2010
The National Post Company/La Publication National Post	251227-98	British Columbia	
The National Post Company/La Publication National Post	PT8049322	Alberta	
The National Post Company/La Publication National Post	101013697	Saskatchewan	Oct 31, 2012

Trademarks

Trademark	Goods	Status	Country	Owner on Record	Application Number	Registration Number
CANADA'S BUSINESS VOICE	Wares Services	Registered	Canada	The National Post Company	724956	438094
CANADA'S MONEY CHANNEL	wares Services	Abandoned	Canada	The National Post Company	801243	
CORPORATE PROFILER	Wares Services	Abandoned	Canada	The National Post Company	866171	
DATA-SPEED	Services	Registered	Canada	The National Post Company	482695	273736
DECISION MAKER	Wares	Registered	Canada	The National Post Company	720575	442270
FINANCIAL POST & DESIGN	Wares Services	Abandoned	Canada	CanWest Global Communications Corp.	1103315	
FINANCIAL POST FUND ADVISOR	Wares Services	Abandoned	Canada	The National Post Company	891723	
FINANCIAL POST FUND PROFILER	Wares Services	Abandoned	Canada	The National Post Company	891721	
FINANCIAL POST INVESTMENT REPORTS	Wares Services	Registered	Canada	Canwest Global Communications Corp.	719226	431471
FINANCIAL POST TRADING DESK	Services	Pending	Canada	Canwest Global Communications Corp.	1344908	
FINANCIAL POST WESTERN BUSINESS	Wares	Expunged	Canada	The National Post Company	451585	298475
FINANCIAL POST & DESIGN	Wares Services	Abandoned	Canada	Canwest Global Communications Corp.	1103315	
FP & DESIGN	Wares Services	Abandoned	Canada	CanWest Global Communications Corp.	1103314	
FP ANALYST	Wares Services	Registered	Canada	Canwest Global Communications Corp.	769106	454375

Trademark	Goods	Status	Country	Owner on Record	Application Number	Registration Number
FP CORPORATE ANALYZER	Wares Services	Registered	Canada	Canwest Global Communications Corp.	1013400	550773
FP CORPORATE PROFILER	Wares Services	Registered	Canada	Canwest Global Communications Corp.	1013399	605755
FP FACTS ON DEMAND	Services	Abandoned	Canada	The National Post Company	829449	
FP INVESTOR SUITE	Services	Abandoned	Canada	The National Post Company	879425	
FP ONLINE	Wares	Registered	Canada	Canwest Global Communications Corp.	576576	343353
FP TELEVISION	Services	Allowed	Canada	Canwest Global Communications Corp.	1330936	
FP Trading Desk	Services	Allowed	Canada	Canwest Global Communications Corp.	1344906	
FP TV	Services	Allowed	Canada	Canwest Global Communications Corp.	1331211	
FPX	Wares	Registered	Canada	The National Post Company	823106	499943
FULL COMMENT	Services	Allowed	Canada	Canwest Global Communications Corp.	1344901	
INFOPOST	Wares	Registered	Canada	The National Post Company	451317	257626
INSIDE ENTERTAINMENT	Wares Services	Abandoned	Canada	The National Post Company	1130889	
MONEY WISE	Services	Registered	Canada	The National Post Company	1122217	621144
MONEYWISE MONEYPLANNER	Wares	Expunged	Canada	The National Post Company	606250	372271

Trademark	Goods	Status	Country	Owner on Record	Application Number	Registration Number
NATIONAL POST	Wares	Registered	Canada	The National Post Company	876463	528677
NATIONAL POST. A BETTER READ.	Wares Services	Registered	Canada	The National Post Company	1257028	727619
POST TV	Wares Services	Abandoned	Canada	The National Post Company	898889	
POSTED	Services	Registered	Canada	Canwest Global Communications Corp.	1348674	735847
PRACTICALL	Services	Expunged	Canada	Canwest Global Communications Corp.	707217	424202
SMART FUNDS	Wares	Registered	Canada	The National Post Company	790411	533625
THE FINANCIAL NETWORK	Wares Services	Abandoned	Canada	The National Post Company	801245	
THE FINANCIAL POST	Wares Services	Registered	Canada	Canwest Global Communications Corp.	353737	191246
THE FINANCIAL POST MONEYWISE MAGAZINE	Wares	Expunged	Canada	The National Post Company	522851	316196
THE MONEY CHANNEL	Wares Services	Abandoned	Canada	The National Post Company	801244	
THE NEWS. YOU HAVE OUR WORD ON IT.	Wares Services	Registered	Canada	The National Post Company	1085297	584665
THE WEALTHY BOOMER	Wares Services	Allowed	Canada	Canwest Global Communications Corp.	1361448	
TRAVEL POST	Wares	Registered	Canada	The National Post Company	460453	262763
YOUR BUSINESS YOUR POST	Wares	Abandoned	Canada	The National Post Company	1180827	
YOUR CANADA YOUR POST	Wares	Abandoned	Canada	The National Post Company	1180828	

Domain Names

Domain	Ext.
clubnationalpost	.com
nationalpost	.ca
nationalpost	.com
nationalpost	.mobi
nationalpostbusiness	.com
nationalpostonline	.ca
nationalpostonline	.com
nationalpostreaderforum	.com
thenationalpost	.ca
financialpost	.com
financialpostbusiness	.ca
financialpostbusiness	.com
financialpostmagazine	.ca
financialpostmagazine	.com
financialposttelevision	.ca
financialposttelevision	.com
financialposttelevision	.net
Theampersand	.ca
Fullcomment	.ca
Fullcomment	.com
Thewealthyboomer	.net
clubpost	.ca

Domain	Ext.
fp100	.ca
fpadvisor	.ca
fpbusiness	.ca
fpinfomart	.ca
fpinfomart	.com
fpintelligence	.ca
fpintelligence	.com
fpmagazine	.ca
fpposted	.ca
fpposted	.com
fpstockchallenge	.ca
fpstockchallenge	.com
fpstockchallenge	.net
fpstockchallenge	.org
fpstockmarket	.ca
fpstockmarket	.com
fpstockmarket	.net
fpstockmarket	.org
fpstockmarketchallenge	.ca
fpstockmarketchallenge	.net
fpstockmarketchallenge	.org
fpstockstar	.com
fp television	.ca
fp television	.net

Domain	Ext.
fptradingdesk	.ca
fptradingdesk	.com
fpviewpoint	.ca
fpviewpoint	.com
npprivileges	.ca
npprivileges	.com
postedtoronto	.ca
postedtoronto	.com
postpartnerships	.com
postprivileges	.com
postpriviliges	.com
postpublications	.com
wealthyboomer	.ca
wealthyboomer	.net

SCHEDULE 1.1 (54) – MATERIAL CONSENTS

1. Consent from Inform Technologies LLC in respect of the assignment of the License Agreement between Inform Technologies LLC and the National Post Company, commencing on December 11, 2006 for the enhancement of National Post content by Inform Technologies LLC and a license to display such content on its website.
2. Consent from Toronto Star Newspapers Limited in respect of the Shipping and logistics agreement dated April 9, 2007 in respect of provision of trucking and logistic services to the National Post Company including receiving, trucking, handling, advanced shipment of magazine top-loads, purchase of storage and materials, bills of lading and emergency/rush/hot/delivery services.

SCHEDULE 1.1(67) - PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means:

1. Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, other agreements, building and other restrictions, easements, servitudes, rights of way and licences which do not in the aggregate materially adversely affect the use or value of the Transferred Assets affected thereby and provided the same have been complied with in all material respects to the Closing Date including the posting of any required security for performance of obligations thereunder.
2. Defects or irregularities in title to any real property which are of a minor nature and do not materially adversely affect the use or value of such real property affected thereby and provided the same have been complied with in all material respects to the Closing Date.
3. Inchoate statutory liens for Taxes, assessments, governmental or utility charges or levies not at due as at the Closing Date or that are being contested in good faith by appropriate proceedings, to the extent they are related to the Assumed Liabilities.
4. Statutory liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen, repairmen and other Encumbrances imposed by Law for amounts not yet due, or that are being contested in good faith by appropriate proceedings, to the extent they are related to the Assumed Liabilities.
5. Any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under Contracts, so long as the payment of such or the performance of such other obligation or act is not delinquent and provided that such liens or privileges do not materially adversely affect the use or value of the Transferred Assets affected thereby.
6. All Encumbrances affecting a landlord’s freehold interest in any leased real property.
7. Encumbrances incurred or deposits made to a Governmental Authority in connection with a governmental authorization, registration, filing, license, permit or approval.
8. Encumbrances incurred or deposits made in the Ordinary Course of Business in connection with workers’ compensation, unemployment insurance or other types of social security, to the extent they are related to the Assumed Liabilities.

SCHEDULE 4.2 – ALLOCATION OF PURCHASE PRICE FOR TAX PURPOSES

Promptly following Closing, the Transferor shall prepare a statement (the “Draft Closing Date Statement”) of all the Transferred Assets, Accrued Expenses, Accounts Payable, Print Payables, Accrued Salaries and Deferred Revenue as at the Closing Date. The Draft Closing Date Statement shall also set out the October Funding Amount.

The Closing Date Statement shall be delivered to the Transferee for the Transferee’s review and consideration and the Transferee and the Transferor shall co-operate in preparing a final statement (the “Final Closing Date Statement”) of all the Transferred Assets, Accrued Expenses, Accounts Payable, Print Payables, Accrued Salaries and Deferred Revenue as at the Closing Date and the October Funding Amount.

Once the Final Closing Date Statement has been prepared, the Transferor and the Transferee shall jointly prepare an allocation of the Transfer Price/Transition Cost in accordance with the following:

Transferred Asset	Portion of the Transfer Price/Transition Cost to be Allocated
Accounts Receivable	Amount reflected on the Final Closing Date Statement
Prepaid Expenses	Amount reflected on the Final Closing Date Statement
Inventory	Amount reflected on the Final Closing Date Statement
Print Receivables	Amount reflected on the Final Closing Date Statement
Equipment	An amount equal to the aggregate fair market value of all Equipment, provided that if the Transferor and the Transferee cannot agree on the fair market value of a particular piece of Equipment, acting reasonably, the fair market value shall be deemed to be the net book value of such piece of Equipment
Intellectual Property	An amount equal to the aggregate fair market value of all Intellectual Property, provided that if the Transferor and the Transferee cannot agree on the fair market value of a particular item of Intellectual Property, acting reasonably, the fair market value shall be deemed to be the net book value of such item of Intellectual Property

Goodwill (including the Contracts and Licences and Books and Records) An amount equal to the excess of the Purchase Price over the amounts allocated above.

SCHEDULE 6.7 – ESTIMATED POST RETIREMENT BENEFITS STATEMENT

The estimated benefit obligations of the National Post self insured non-pension benefits as at August 31, 2009 are as follows:

	Obligation	Un-amortized gains	Book value
Post retirement benefits	990,400	789,900	1,780,300
Continuation of benefits on leave	95,400	21,600	117,000
Waiver of Premium	19,300	(1,800)	17,500

SCHEDULE 8.1(1)(G) – MATERIAL CONTRACTS

1. Lease agreement between 808 – 4th Avenue SW Leaseholds Inc. as successor to United Place Inc., and the National Post Company, dated October 2, 2002 and extended on September 18, 2007, in respect of certain premises at 808 – 4th Avenue SW, Calgary, Alberta.
2. Parking License between United Place Inc. and the National Post Company dated October 2, 2002, in respect of certain parking stalls located at 808 – 4th Avenue SW, Calgary Alberta.
3. Lease agreement between Canwest Mediaworks Publications Inc. and the National Post Company, dated October 13, 2005, in respect of certain premises located at 1450 Don Mills Road, Toronto, Ontario.
4. Contract between Reuters America LLC and the National Post Company dated April 1, 2007, for the co-branding of a Reuters hosted website.
5. Contract between Forbes.com LLC and the National Post Company, dated April 11, 2008, in respect of an “As is” content license.
6. Contract between Inform Technologies LLC and the National Post Company, dated December 11, 2006, in respect of the enhancement of National Post content and a license to display such content online.
7. Contract between Factiva Limited and the National Post Company, effective as of March 1, 2003, and as amended September 21, 2004, April 18, 2008, November 19, 2008, and March 19, 2009, in respect of a subscription for global news and business information services.
8. Contract between Sun Media Corp. and the National Post Company, effective as of September 1, 2009, in respect of newspaper delivery services.
9. Contract between ZSA Legal Recruitment and the National Post Company, dated July 15, 2005, in respect of the apportionment of proceeds and expenses from various co-branded events.
10. Contract between Neutron Media Inc., doing business as Stock-Track Canada, and the National Post Company dated September 1, 2008, in respect of the development, operation and promotion of a stock portfolio simulation contest.
11. Contract between Toronto Star Newspapers Limited and the National Post Company, dated January 4, 2002, as amended on March 10, 2009, in respect of printing services.
12. Contract between Breakingviews Ltd. and the National Post Company, dated July 27, 2009, in respect of the provision of certain articles and online advertising inventory.
13. Contract between Tobmar Investments Inc. and the National Post Company dated February 11, 2008 whereby Tobmar distributed and promotes the National Post at its

Gateway retail locations through shelf positioning of the newspapers, various signage and promotional programs.

14. Contract between the Canadian Broadcasting Corporation and the National Post Company, dated September 2, 2009, granting the Canadian Broadcasting Corporation a license for the online delivery of certain Financial Post content.
15. Contract between the Canadian Broadcasting Corporation and the National Post Company, dated September 2, 2009, granting the National Post Company a license for the online delivery of certain Canadian Broadcasting Corporation sports content.
16. Contract between Bloomberg LP and the National Post Company, dated August 14, 1998 in respect of Bloomberg service software, data and equipment.
17. Publishers agreement between Dow Jones & Company, Inc. and the National Post Company, dated June 1, 2006 in respect of news services.
18. Contract between Goowy Media Inc. and the National Post Company, dated October 15, 2007 in respect of the collaboration on the development of widgets for the National Post website.
19. Contract between PA Group Sportsticker, Inc. and the National Post Company, dated January 16, 2008 in respect of webpage development and hosting services.
20. Contract between Barb Morrissey, FLS, and the National Post Company, dated August 1, 2005 in respect of newspaper distribution services.
21. Contract between Toronto Sun, a division of Sun Media Corp. ("Sun") and the National Post Company, dated September 1, 2009 in respect of newspaper distribution services.
22. Contract between Dynamex Canada Corp. and the National Post Company, dated January 3, 2005 in respect of transportation services.
23. Contract between Sun Media Corp. and the National Post Company, dated October 1, 2009 in respect of news paper distribution services.
24. Contract between ZSA Legal Recruitment and the National Post Company, dated July 15, 2005 in respect of the organization and promotion of co-branded annual General Counsel Awards.
25. Contract between Visa Canada Corporation and the National Post Company, dated January 1, 2009 in respect of the participation of the National Post in the visaperks.ca program.
26. Contract between Showwcorp Inc. and the National Post Company, dated in respect of sales commissions.
27. Contract between Questrade Inc. and the National Post Company, dated July 2, 2009, in respect of a mutual sponsorship arrangement.

28. Contract between PMB Print Measures Bureau and the National Post Company, dated September 18, 2009 in respect of the initial publication website measurement.
29. Contract between Newsworthy Ink a division of Leston Paralegal Services Limited and the National Post Company, dated May 26, 2009, in respect of Newsworthy Ink acting as the National Posts agent in respect of the acquisition of N.I.E. digital subscriptions.
30. Contract between the Golf Association of Ontario and the National Post Company dated June 11, 2009 in respect of a subscription offer arrangement.
31. Contract between Classifieds Plus, Inc. and the National Post Company dated February 7, 2008 in respect of employment liner calls.
32. Contract between Canadian Automobile Association, Alberta Motor Association, CAA Manitoba, CAA South Central Ontario, CAA North & East and CAA Niagara and the National Post Company, dated October 20, 2008, in respect of a marketing arrangement.
33. Contract between NADbank Inc. and the National Post, dated December 18, 2008 in respect of the Nadbank 2009 study.
34. Contract between Toronto Star Newspapers Limited and the National Post Company dated April 9, 2007, for trucking and logistic services.

SCHEDULE 8.1(1)(L) – LITIGATION**Ongoing Litigation**

1. Derryn Shrosbree has brought litigation against Sun Media Corporation, carrying on business as the Financial Post for negligent misrepresentation relating to an article published in the Financial Post.
2. Richard Warman has brought litigation against the National Post for defamation relating to an internet posting by Kelly McParland on nationalpost.com on November 20, 2009.
3. Arthur Kent has brought litigation against the National Post for defamation relating to an article by Don Martin first published in the Calgary Herald on February 13, 2008.
4. Richard Warman has brought litigation against the National Post for defamation relating to an article published on February 19, 2008 in the National Post.
5. Jeffrey Philip Viater has brought litigation against the National Post for defamation relating to reports concerning the Plaintiff's billing to the Attorney General's Office published in the National Post and online at canada.com.
6. Bettina and Leonardo Rizzuto have brought litigation against the National Post for defamation relating to an article published in the National Post on August 3, 2006.
7. James Hoggan has brought litigation against the National Post for defamation relating to articles by Terence Corcoran appearing in the National Post on September 16 and November 16, 2006.
8. Robert Wood has brought litigation against the National Post, amongst others, for defamation relating to a June 16, 2005 article published in the National Post.
9. The Christian Churches of God, World Conference and the Christian Churches of God, Canada have brought litigation against the National Post for defamation relating to a July 12, 2004 editorial in the National Post.
10. Douglas Erkkila has brought litigation against the National Post for defamation relating to a September 1, 2001 article in Saturday Night Magazine.
11. William McCormack has brought litigation against the National Post for defamation relating to a January 28, 1999 article appearing in the National Post.
12. Jill and Michael Hensen have brought litigation against the National Post for damages resulting from a fall suffered by Jill Hensen allegedly involving a newspaper tie in the parking lot of a 7-eleven store in London, Ontario.

Current Litigation Involving Former Employees

1. Peter Morton has brought an action for wrongful dismissal against the National Post Company for \$608,793.33 plus legal costs.

Notices of Potential Litigation Involving the National Post

1. National Photo Group, LLC has given notice to the National Post of its intention to bring an action for copyright infringement relating to the unauthorized use of its copyrighted photo of Michael Jackson on June 26, 2009.
2. Warren Kinsella has given notice to the National Post of his intention to bring an action for defamation relating to comments about him made in a June 2009 blog piece.
3. Warren Kinsella has given notice to the National Post of his intention to bring an action for defamation relating to an article posted on nationalpost.com on December 11, 2008.
4. Krestin, Jonathan, Butcher, Burns Solicitors has given notice to the National Post of its intention to bring an action for defamation relating to an article published on PF Online on December 9, 2008.
5. James Wakeford has given notice to the National Post of his intention to bring an action for defamation relating to the January 14, 2008 publication of his photograph in an article relating to medical marijuana.
6. Dr. Joel Freeman has given notice to the National Post of his intention to bring an action for defamation relating to comments in a January 30, 2008 Ottawa Citizen article.

SCHEDULE 8.1(1)(P) – SELLER’S PENSION AND BENEFIT PLANS**Pension Plans**

1. National Post Retirement Plan, Financial Services Commission of Ontario Registration Number 1075928.
2. Canwest Publications Inc. Retirement Plan, Financial Services Commission of Ontario Registration Number 1077049.

Participation Agreements related to Pension Plans

1. Canwest Media Inc. is a participating employer in the National Post Retirement Plan pursuant to a Pension Plan Participation Agreement between Canwest Media Inc. and The National Post Company effective September 1, 2005.
2. Canwest Publishing Inc. is a participating employer in the National Post Retirement Plan pursuant to a Pension Plan Participation Agreement between Canwest Mediaworks Publications Inc. and The National Post Company effective January 1, 2006.

Benefits Plans

1. The National Post Company Hospital and Major Medical Plan, Manulife Financial Contract Number ASO 84335-B.
2. The National Post Company Dental Plan, Manulife Financial Contract Number ASO 84336-B.
3. The National Post Company Group Benefits Policy for Life, Accidental Death & Dismemberment, Dependent Life and Manu-assist, Manulife Financial Policy Number GL & GH 39093-B.
4. The National Post Company Group Benefits Policy for Employee Optional Life, Spousal Optional Life and Dependent Optional Life, Manulife Financial Policy Number GL 39094-B.
5. The National Post Company Group Benefits Policy for Voluntary Accidental Death & Dismemberment, Manulife Financial Policy Number GH 39095-B.
6. The National Post Company Group Benefits Policy for Travel Accident (Accidental Death & Dismemberment), Manulife Financial Policy Number GH 39096-B.
7. The National Post Company Group Benefits Policy for Long Term Disability, Manulife Financial Policy Number GH 39097-B.
8. The National Post Company Group Benefits Policy for Optional Long Term Disability, Manulife Financial Policy Number GH 39098-B.

Additional Seller Employment Policies

1. National Post employees are entitled to vacation subject to the following table:

Service	Annual Vacation
Less than 1 year	1.25 days/month
1 to 5 years	3 weeks
6 to 10 years	4 weeks
11 to 20 years	5 weeks
21 years and beyond	6 weeks

2. Upon satisfactory proof of condition requiring leave, National Post employees are entitled to six-months of paid leave before eligibility of Long-term Disability will be assessed under the National Post Group Benefits Policy for Long Term Disability.
3. National Post employees are entitled to have their Government parental leave benefits topped up to 80% of their salary for a term of 15 weeks beginning on the third week of leave.
4. National Post employees are entitled to two bereavement days upon the death of a parent, spouse or child, and one paid vacation day to attend the funeral of an extended family member or associate.
5. National Post employees are entitled to two personal days per annum for personal reasons which do not carry-over and may only be used after all outstanding vacation days.
6. National Post employees are entitled to the following statutory holidays: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving, Christmas Day, and Boxing Day.