

**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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**RESPONDING MOTION RECORD OF THE CMI ENTITIES**

(Motion by Gluskin Sheff Regarding Stay of Proceedings)

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June 3, 2010

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**TO: THE SERVICE LIST**

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APPLICANTS

**AFFIDAVIT OF WALLY HASSEN RUECK  
(Sworn June 3, 2010)**

I, Wally Hassenrueck, of the City of Winnipeg, in the Province of Manitoba, the Director, Treasury of Canwest Global Communications Corp. ("**Canwest Global**"), MAKE OATH AND SAY:

1. I am the Director, Treasury of Canwest Global. In that capacity I have overall responsibility for risk management in a number of areas within the overall enterprise, including pensions. I am familiar with the responsibilities of pension plan sponsors and administrators, including with respect to the management of the investments of such plan funds. I am directly involved in the oversight of the investment of the assets of the Plans (as defined herein). I also have personal knowledge of the dispute between Canwest (as defined below) and Gluskin Sheff + Associates Inc. ("**Gluskin Sheff**"). As such, I have personal knowledge of the matters deposed to herein. Where I have relied upon other sources for information, I have specifically referred to such sources and verily believe them to be true.

2. On January 20, 2010 Gluskin Sheff commenced an action against Canwest Media Inc. ("**CMI**") and Canwest Publishing Inc. ("**CPI**") alleging that they breached an Investment Management Agreement (the "**IMA**") with Gluskin Sheff, in particular by not paying a performance fee Gluskin Sheff alleges it is owed. At the time the action was commenced, both CMI and CPI were protected by a stay of proceedings put in place pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The performance

fee that gave rise to the Gluskin Sheff action has been an issue between Gluskin Sheff and Canwest since approximately mid-2009.

3. By a notice of motion dated April 20, 2010, Gluskin Sheff has brought motions in the CCAA proceedings of the LP Entities and the CMI Entities (as defined below) seeking a declaration that the stays of proceedings do not apply to the Gluskin Sheff action, and related relief. I am swearing this affidavit, on behalf of both the CMI Entities and the LP Entities, in opposition to those motions.

## **BACKGROUND**

4. Canwest Global is a leading Canadian media company with interests in free-to-air television stations and subscription-based specialty television channels. Canwest Global, CMI, the Applicants listed in Schedule "A" hereto and the Partnerships listed in Schedule "B" (the "**CMI Entities**") are currently being restructured under the auspices of a proceeding commenced under the CCAA.

5. Canwest Global also has interests in newspaper publishing and digital and online media operations which are the subject of a separate proceeding commenced under the CCAA. (CPI and the other Applicants in that proceeding, together with Canwest Limited Partnership, are referred to herein as the "**LP Entities**").

6. For ease of reference, where the term "**Canwest**" is used in this affidavit it refers to the CMI Entities and the LP Entities collectively.

7. Having said that, the CMI Entities and the LP Entities are in the process of being restructured separately, so that upon emergence they will operate as stand-alone enterprises with separate ownership. At the end of this process, each of the LP Entities and the CMI Entities will have sole responsibility for the pension plans sponsored by them, and going forward LP Entity employees will only participate in pension plans sponsored by LP Entities, and CMI Entity employees will only participate in pension plans sponsored by CMI Entities. The process of "disentangling" the various business and other functions of Canwest is extremely complex. It has been ongoing for several months, and has been the subject of two agreements between the LP Entities and the CMI Entities that have been approved by the Court.

## CANWEST PENSION PLAN ADMINISTRATION

### *The Plans*

8. Certain CMI Entities act both as sponsor and administrator of a number of defined benefit (“DB”) registered pension plans and defined contribution (“DC”) registered pension plans (collectively, the “CMI Plans”).

9. Certain LP Entities act both as sponsor and administrator of a number of DB registered pension plans (the “LP Plans”, and together with the CMI Plans, the “Plans”).

10. The Plans are listed in Exhibit “A” to this affidavit.

11. The CMI Entities and the LP Entities also contribute to certain multi-employer pension plans, DC registered pension plans and non-registered pension plans which are not relevant to the issues in this motion.

12. As noted above, the Plans are subject to, and registered under, different Canadian pension benefits standards legislation.

### *The Funds*

13. In accordance with applicable pension benefits standards legislation, a pension trust fund (a “Fund”) has been established for each Plan. The assets held in respect of each Plan are held in a corresponding Fund. RBC Dexia Investor Services Trust (the “Trustee”) is the custodian of each Fund. The Trustee acts pursuant to authorized instructions from Canwest.

14. All of the Plans are invested under a “consolidated investment structure”. That is, all of the Plans hold the same investments, as described in more detail below.

### *Canwest’s Role as Administrator and Sponsor*

15. Either a CMI Entity or an LP Entity acts as administrator of each Plan.

16. Until recently, a standing committee of Canwest Global’s board of directors (the “Board Pension Committee”) assisted in the oversight and supervision of the various registered and unregistered pension plans sponsored or administered by Canwest. The Board Pension Committee fulfilled any oversight responsibilities that were delegated to it by the CMI Entities

and the LP Entities and assisted them in fulfilling their responsibilities relating to pension matters.

17. Canwest Global has also established a Management Pension Committee (the “**Management Pension Committee**”) which reported to the Board Pension Committee, and now reports to the full board. I am a member of the Management Pension Committee. The Management Pension Committee assists the CMI Entities and the LP Entities in the oversight and administration of the various pension plans, including monitoring the administration of the Plans.

18. Pursuant to applicable pension benefits standards legislation, such as the *Pension Benefits Act* (Ontario), the relevant CMI Entity or LP Entity, as administrator, is required to oversee all Plan and Fund administration matters. In particular, the administrator is responsible for investing the assets of the pension fund in a reasonable and prudent manner and in the manner prescribed by the act and regulations.

19. The administrator under each Plan must establish a Statement of Investment Policies and Procedures (“**SIP&P**”) which governs the investment of the Fund. Because all of the Funds are invested pursuant to a “consolidated investment structure”, the SIP&P for each Plan is the same in all material regards from an investment perspective. A copy of the SIP&P for the CanWest Publications Inc. Retirement Plan is attached hereto as Exhibit “B”.

20. Canwest MediaWorks Inc. (predecessor to CMI), Canwest MediaWorks Publications Inc. (predecessor to CPI) and the Trustee entered into a Master Trust Agreement (the “**Master Trust Agreement**”) dated August 10, 2007 to establish a trust (the “**Master Trust**”) for purposes of commingling a portion of the assets of all of the Plans under a consolidated investment structure. A copy of the Master Trust Agreement is attached as Exhibit “C” hereto. The Trustee is also the custodial trustee of the Master Trust.

21. The CMI Entities and the CPI Entities are also responsible for funding (i.e., making contributions to) the various Plans, in accordance with their terms and the relevant legislation. Fifteen of the seventeen Plans are DB Plans. Some of the Plans are “contributory”, in the sense that employees are required to contribute a fixed proportion of their income to the applicable Plan as set out in the Plan documents. Some of the Plans are “non-contributory”, in

the sense that employee contributions are not required. However, in relation to all of the DB Plans, the Plan sponsor (i.e., the relevant Canwest entity) is responsible for funding the cost of benefits that will accrue during the year (the “current service cost”) as well as payments in respect of solvency deficiencies (“special payments”), all in accordance with applicable pension standards legislation. For contributory DB plans the Plan sponsor is required to contribute the difference between the current service cost and the sum of employee contributions. In all cases, however, the sponsor is solely responsible for making any special payments. Accordingly, the DB Plan sponsors are ultimately responsible for ensuring that the DB Plans are fully funded in accordance with the Plan terms and governing legislation, including bearing responsibility for funding any deficits that may arise from time to time in the DB Plans.

## **CANWEST’S RELATIONSHIP WITH GLUSKIN SHEFF**

### ***The IMA***

22. In March, 2006, Gluskin Sheff and Canwest MediaWorks Inc. (predecessor to CMI) and Canwest MediaWorks Publications Inc. (predecessor to CPI) entered into an Investment Management Agreement (the “**IMA**”), a copy of which is attached as Exhibit “D” hereto. Pursuant to the IMA, Gluskin Sheff was appointed to invest a portion of all of the Plans’ assets.

23. In accordance with Section B.3 of the IMA, an account was established under the Master Trust in relation to Gluskin Sheff’s mandate. A portion of the assets of all of the Plans was credited to this account (the “**Account**”) to be invested by Gluskin Sheff.

24. Gluskin Sheff agreed to invest the monies held in the Account in a certain manner. Whether they did so in accordance with the IMA, and the consequences that flow from that, are the subject of a dispute between Gluskin Sheff and Canwest, as set out below.

25. Section D of the IMA outlined the management fees, performance fees and costs that were payable under the IMA. Section D.2 provided that Gluskin Sheff would be entitled to management fees calculated and paid monthly based upon the asset value of the Account net of fees.

26. From April 19, 2006 (the date on which Gluskin Sheff issued its first invoice for fees under the IMA) up to and including January 7, 2010 Gluskin Sheff invoiced Canwest Media



on a quarterly basis for the monthly management fees contemplated under Section D.2 of the IMA.

27. The invoices issued by Gluskin Sheff to “Canwest Media” from April 19, 2006 up to and including January 7, 2010 are attached hereto and marked as Exhibit “E” to this Affidavit. To my knowledge, Gluskin Sheff never issued invoices for monthly management fees to the Trustee for payment directly from the Account.

28. Sections D.4, D.5 and D.6 of the IMA provided that Gluskin Sheff would be entitled to an annual performance fee in certain circumstances. Such performance fee was to be paid as soon as practicable following the end of the fiscal Year of the Account (June 30). On two occasions Gluskin Sheff invoiced CMI for annual performance fees. As set out below, the invoice for a performance fee issued in July, 2009 is disputed by Canwest, and Canwest also claims it is entitled to be reimbursed for an earlier performance fee paid while the Account was not compliant with the IMA. To my knowledge, Gluskin Sheff never issued invoices for performance fees to the Trustee for payment directly from the Account.

29. Canwest would direct the Trustee to pay the management fees and annual performance fees out of the Account. Attached hereto as Exhibit “F” is an example of an instruction whereby Canwest instructed the Trustee to pay Gluskin Sheff’s fees out of the Account, and directed the proportionate share of the fee that was to be charged to each Plan.

30. Section D.3 of the IMA provides that “all maintenance and operating fees charged by brokers, custodians, banks or trust companies shall be borne by the Account”. My understanding is that brokerage fees were paid directly from the Account. No invoices for maintenance or operating fees were sent to Canwest, or submitted to Canwest for approval.

### ***The Dispute between Canwest and Gluskin Sheff***

31. I have reviewed the affidavit of Jeremy Freedman sworn in support of Gluskin Sheff’s motion. Mr. Freedman references the dispute between Canwest and Gluskin Sheff concerning whether Gluskin Sheff is entitled to a performance fee in the amount of approximately \$740,000, which was invoiced to CMI in July, 2009, as well as additional management fees.

32. I can confirm that Canwest disputes that the performance fee and management fees are owed to Gluskin Sheff due to what Canwest maintains was non-compliance with the IMA. I can also confirm that Canwest maintains that it is entitled to be reimbursed for management fees and performance fees paid to Gluskin Sheff during the period that the Account was not compliant with the IMA. I disagree with Mr. Freedman's characterization of the communications that passed between Canwest and Gluskin Sheff, and I disagree with the position of Gluskin Sheff regarding their entitlements under the IMA.

### **THE MOTION BY GLUSKIN SHEFF**

33. As I understand it, Gluskin Sheff is seeking to be exempted from the stays imposed in both the CMI Entities' CCAA proceeding and the LP Entities' CCAA proceeding.

34. As noted above, the invoice in respect of the disputed performance fee was rendered in July, 2009. As noted in Mr. Freedman's affidavit, I indicated that Canwest's position was that the fee in question was not payable as early as September, 2009.

35. The CMI Entities filed for CCAA protection on October 6, 2009. A copy of the Initial Order, without exhibits, is attached hereto as Exhibit "G". I understand from Osler, Hoskin & Harcourt LLP, ("**Osler**"), counsel for the CMI Entities and the LP Entities, that pursuant to the Initial Order, the CMI Entities gave public notice of the CCAA filing in the manner required by the CCAA.

36. I specifically disagree with the assertion by Mr. Freedman, at paragraph 27 of his affidavit, that in my dealings with him I suggested that the issues between CMI and Gluskin Sheff were outside the ambit of the CCAA proceeding. My discussions with Mr. Freedman were focussed on the compliance issues with respect to the Account. We did not discuss the ongoing CCAA proceeding one way or the other.

37. The LP Entities filed for CCAA protection on January 8, 2010. Public notice of the LP Entities' filing was also given in accordance with the LP Entities' initial order and the CCAA.

38. Counsel for Gluskin Sheff wrote to Osler on January 22, 2010 advising that it had commenced an action against CMI and CPI. A copy of that letter is attached hereto as Exhibit "H". Osler responded on January 28, 2010, confirming that the position of the CMI Entities and

the LP Entities was that the commencement of the action was a violation of the stays imposed in their respective CCAA proceedings. A copy of Osler's letter is attached hereto as Exhibit "T"

39. Gluskin Sheff's motion was brought on April 20, 2010.

### ***The Claims Procedures***

40. The CMI Entities obtained authorization to carry out a claims procedure (as amended, the "**CMI Claims Procedure**") on October 14, 2009. A copy of the order providing for the CMI Claims Procedure, and a subsequent order amending the CMI Claims Procedure, are attached hereto as Exhibit "J".

41. Pursuant to the CMI Claims Procedure the CMI Entities issued notices in various newspapers and online calling for claims against the CMI Entities.

42. The CMI Claims Procedure also required that a proof of claim form, including the CMI Entities' estimate of the claim, be sent to "CMI Known Creditors". Briefly, CMI Known Creditors are creditors who, according to the CMI Entities, have a claim against the CMI Entities. Gluskin Sheff was not considered a CMI Known Creditor because the CMI Entities did not consider that it had an outstanding claim against the CMI Entities, whether for the amount of the disputed performance fee or otherwise.

43. I am advised by Osler, and believe that Gluskin Sheff did not submit a claim in the CMI Claims Procedure before the claims bar date, and has never subsequently sought permission to do so.

44. The LP Entities obtained authorization to carry out a claims procedure (as amended, the "**LP Claims Procedure**") on April 12, 2010. A copy of the order providing for the LP Claims Procedure, and a subsequent order amending the LP Claims Procedure, are attached hereto as Exhibit "K".

45. The LP Claims Procedure was also widely publicized in various media pursuant to the relevant court orders.

46. The LP Claims Procedure contemplated that the LP Entities would send claims packages to those creditors with claims against the LP Entities according to the LP Entities'

books and records. Gluskin Sheff does not have a claim against the LP Entities according to the LP Entities' books and records, and it was therefore not sent a claims package.

47. I am advised by Osler that Gluskin Sheff did not submit a claim in the LP Claims Procedure by the claims bar date, and has never subsequently sought permission to do so.

### ***The Disruption Caused by the Gluskin Sheff Action***

48. I am advised by Osler that Gluskin Sheff is seeking either a declaration that the stays of proceedings do not apply to the Gluskin Sheff action, or an order lifting those stays. In either circumstance, the action would proceed against CMI and CPI outside of the CMI Claims Procedure and the LP Claims Procedure.

49. It is the position of Canwest that allowing Gluskin Sheff to continue with its action in this way would be disruptive, from a number of perspectives.

50. I understand that it is highly unlikely that the action would not be resolved until after the LP Entities and the CMI Entities emerge from CCAA protection. I anticipate that the period following emergence will be one of extremely intense activity, both for myself and for the two businesses, as both enterprises seek to establish themselves as independent going concerns. It will be both time-consuming and distracting to have to deal with the issues raised in the Gluskin Sheff action post-emergence, particularly as the two enterprises will by that point have gone their separate ways.

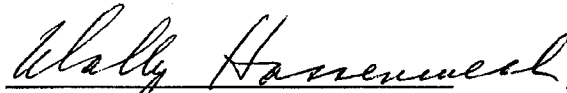
51. The purpose of establishing both the CMI Claims Procedure and the LP Claims Procedure was to ensure, to the fullest extent possible, that all claims against the respective enterprises be established and resolved before CCAA emergence. To that end, I understand that the CMI Entities have made considerable progress in resolving claims submitted pursuant to the CMI Claims Procedure, and are actively working to resolve the remaining claims. The LP Claims Process started considerably after the CMI Claims Process. Nevertheless, the LP Entities have resolved the vast majority of the claims submitted in the LP Claims Process and are actively attempting to resolve the remaining claims.

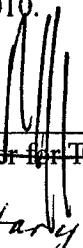
52. Having the Gluskin Sheff claims resolved outside of either claims procedure would be contrary to the overall objectives of the restructurings, and it would mean that the

Gluskin Sheff claim would be evaluated and (if applicable) remedied on an entirely different basis than the claims of other creditors who have participated in the claims procedures.

53. Accordingly, it is Canwest's position that allowing the Gluskin Sheff action to proceed would be both prejudicial to the restructuring and unfair to others with claims against the LP Entities and the CMI Entities.

SWORN BEFORE ME at the City of  
Winnipeg, in the Province of Manitoba,  
on June 3, 2010.

  
Wally Hassenrueck

  
~~Commissioner for Taking Affidavits~~  
Notary Public


**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" to the  
Affidavit of Wally Hassenrueck  
sworn before me this 3rd day of June, 2010.

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~~Commissioner for Taking Affidavits~~  
*Notary Public*



## EXHIBIT "A" – THE PLANS

<u>CMI PLANS</u>	<u>PRIMARY PENSION BENEFITS STANDARDS LEGISLATION</u>
Global Communications Limited Retirement Plan for BCTV Senior Management*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan for BCTV Staff*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan for CHBC Executives*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan CHBC Management*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan for CHBC Staff*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan for Former WIC Designated Executives*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan for Former WIC-Allarcom Employees*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan for CH Employees* <sup>1</sup>	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Retirement Plan for CICT and CISA Employees*	<i>Pension Benefits Standards Act, 1985</i> (Canada)
Global Communications Limited Employees Pension Plan	<i>Pension Benefits Standards Act, 1985</i> (Canada)
CanWest Maritime Television Employees Pension Plan	<i>Pension Benefits Standards Act, 1985</i> (Canada)

<sup>1</sup> The Global Communications Limited Retirement Plan for CH Employees was wound up effective August 31, 2009. Its assets were invested by the Gluskin Sheff prior to November 30, 2009.

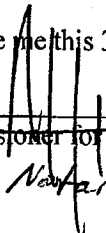
<u>CMI PLANS</u>	<u>PRIMARY PENSION BENEFITS STANDARDS LEGISLATION</u>
National Post Retirement Plan <sup>2</sup>	<i>Pension Benefits Act (Ontario)</i>
Retirement Plan for Management and Non-Bargaining Employees of Global Communications Limited	<i>Pension Benefits Act (Ontario)</i>
The Retirement Plan for Bargaining Unit Employees of Global Communications Limited	<i>Pension Benefits Act (Ontario)</i>

<u>LP PLANS</u>	<u>PRIMARY PENSION BENEFITS STANDARDS LEGISLATION</u>
CanWest Publications Inc. Retirement Plan	<i>Pension Benefits Act (Ontario)</i>
CanWest Pension Plan for Vancouver Island Employees (defined benefit component)	<i>Pension Benefits Standards Act (British Columbia)</i>
Windsor Star Group Inc. Pension Plan	<i>Pension Benefits Act (Ontario)</i>

\* The assets of some of the Plans are commingled for investment purposes pursuant to a master trust structure (the “**WIC Master Trust**”). An asterisk denotes a Plan that participates (or participated) in the WIC Master Trust.

<sup>2</sup> The National Post Retirement Plan is now sponsored and administered by National Post Inc., a subsidiary of CPI.

This is Exhibit "B" to the  
Affidavit of Wally Hassenrueck  
sworn before me this 3rd day of June, 2010.

  
~~Commissioner for Taking Affidavits~~

*Notary Public*

**Statement of Investment Policies and Procedures**  
**for the**  
**CanWest Publications Inc. Retirement Plan**

**Effective: September, 2009**

**Registration No. 1077049**

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## Section 1 – Introduction & Background

1.1 The Plan was established effective November 16, 2000 by Southam Publications Inc. (which subsequently became CanWest Publications Inc.) pursuant to the terms of the Transaction Agreement dated July 30, 2000 between Hollinger International Inc., Southam Inc., Hollinger Canadian Newspapers, Limited Partnership, HCN Publications Company, Hollinger Canadian Operating Company and CanWest Global Communications Corp. ("CGCC").

1.2 Assets and liabilities in respect of accrued benefits of certain Plan members who formerly participated in the "Hollinger Canadian Operating Company Retirement Plan" (formerly the Southam Retirement Plan) were transferred to the Fund (as defined below), effective November 16, 2000 and January 1, 2001, as applicable.

1.3 CanWest MediaWorks Publications Inc. became the sponsor and administrator of the Plan effective August 31, 2005 in conjunction with the corporate reorganization of CGCC and related companies, involving the transfer of certain newspaper business assets into an income trust. CanWest MediaWorks Publications Inc. changed its name to Canwest Publishing Inc. (the "Company") effective January, 2008.

1.4 The assets of all of the registered pension plans sponsored and maintained by the Company, Canwest Media Inc. and applicable affiliates<sup>1</sup> (the "Canwest Plans"), including the Plan, are invested under a single consolidated investment strategy (the pension funds relating to all of the Canwest Plans are collectively referred to as the "Canwest Funds").

1.5 This Statement of Investment Policies and Procedures (the "Statement") provides the framework for the investment of the assets of the Fund (the "Assets"). The goal underlying the establishment of this Statement is to ensure that the Fund is invested in a prudent manner so that it is sufficient to meet the benefit obligations of the Plan as they come due, at an acceptable cost to the Company. The prudent and effective management of the Fund will have a direct impact on the achievement of this goal.

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<sup>1</sup> With the exception of two defined contribution ("DC") registered pension plans and the DC component of the CanWest Vancouver Island Plan.

- 2 -

1.6 This Statement has been prepared in accordance with the *Pension Benefits Standards Act* (Canada) and regulations thereunder (the "PBSA") and the *Pension Benefits Act* (Ontario) and regulations thereunder (the "PBA") to provide guidelines for the prudent and effective management of the Assets.

## **Section 2 – Governance**

2.1 The Company, as administrator of the Plan and Fund, has overall responsibility for the investment of the Fund. The Company had assigned certain of its powers, duties and responsibilities to the “Board Pension Committee” (the “Pension Committee”) and the Management Pension Committee. The roles, responsibilities and duties of the Pension Committee and the Management Pension Committee are described in the Board Pension Committee Charter and the Management Pension Committee Charter. Relevant excerpts of the current copies of these Charters are attached hereto as Appendix A.

2.2 The Assets are invested by external “Investment Managers”. Some of the Investment Managers invest allocated Assets through pooled funds. In such cases, the Assets held in the pooled fund will be invested in accordance with the pooled fund’s statement of investment policies and procedures, offering memorandum and other governing documents. For greater certainty, the Investment Managers who invest allocated Assets through pooled funds will be subject to the investment constraints and restrictions (including asset mix allocations and asset class investment limits), as specified in the pooled funds’ governing documents. For greater certainty, with respect to Assets invested in pooled funds, throughout this Statement, references to asset classes, guidelines and restrictions related to such classes shall be read to apply to the Assets held in the underlying pooled fund.

2.3 The corporate trustee of the Fund (the “Trustee”) provides custodial services in relation to the Fund. The specific responsibilities of the Trustee are set out in the trust agreement relating to the Fund and related governing documentation.

2.4 The Company may retain other parties from time to time to provide services to the Company in relation to the investment of the Fund. Currently, a service provider has been retained to provide benchmarking services. An investment manager search consultant and transition manager have also been retained in the past.



### Section 3 – Type of Plan and Nature of Liabilities

3.1 The Plan is a contributory defined benefit final average earnings pension plan. The assets held in conjunction with the Plan (the "Fund") are held pursuant to a trust agreement. The Plan is registered under the PBA and the Income Tax Act (Canada).

3.2 The liabilities of the Plan are independent of the value of assets of the Fund. However, the Fund provides security that benefit entitlements will be paid, and reasonable investment returns on the Fund are needed to ensure that benefit payments under the Plan can be made at a reasonable cost to the Company. The Canwest Funds (including the Fund) are being invested on a long-term basis having regard to age and service characteristics of members of the Canwest Plans and the cash flow requirements of the Canwest Plans.

3.3 As of December 31, 2008, the Plan covered approximately 2014 active members, 48 suspended and disabled members, 348 pensioners and survivors, 80 deferred pensioners and 125 outstanding terminations. The Plan is relatively immature with only 25.6% of the Plan's going concern liabilities attributable to pensioners as of December 31, 2008.

3.4 Based on the most recent actuarial valuation, dated December 31, 2008, the financial position of the Plan on an ongoing basis was as follows:

<b>Financial Position (Going Concern)</b>	<b>\$ Amount</b>	<b>%</b>
<b>Actuarial Liabilities</b>		
Active Members including Voluntary Contributions	\$183,764,160	69.5%
Suspended and Disabled Members	\$5,325,273	2.0%
Pensioners and Survivors	\$67,632,445	25.6%
Deferred Pensioners	\$3,284,482	1.2%
Outstanding Terminations	\$4,481,416	1.7%
Total:	\$264,487,776	100.0%
Adjusted Actuarial Value of Assets	\$216,980,777	82.0%
Surplus (Deficit)	(\$47,506,999)	-18.0%

**Section 4 – Funding Policy**

- 4.1 Member contributions to the Plan are specified in the terms of the Plan.
- 4.2 The Company's contributions to the Fund are determined by the Plan's actuary. The Company's contributions may include special payments toward any unfunded liability and/or solvency deficiency as identified in a filed actuarial valuation report, as necessary.
- 4.3 The Company will maintain a Funding Policy applicable to the Plan. The Company shall have regard to the Funding Policy in preparing, reviewing and revising this Statement.

**Section 5 – Investment Objectives and Beliefs, Categories of Investments, Diversification, Asset Mix Policy and Rate of Return Expectations**

5.1 The basic objective of the Fund is to satisfy the Plan's liabilities for benefit payments on a going concern basis, at an acceptable cost to the Company.

5.2 The Fund's performance objectives recognize the long-term nature of the Plan and its liabilities. The Pension Committee recognizes that the liabilities will change over time and that the Fund's performance objectives must be periodically reviewed in light of the structure of the Plan's liabilities and funded status.

5.3 The Pension Committee shall manage the investments of the Fund with the objective of providing reasonable rates of return, consistent with available market opportunities, a quality standard of investment and moderate levels of risk.

5.4 The Pension Committee has from time to time reviewed and confirmed its investment beliefs. Currently, the Pension Committee believes:

- that equity investments will provide greater long-term returns than fixed income investments, although with greater short-term volatility;
- that it is prudent to diversify the Fund across the major asset classes;
- that diversification between domestic and foreign markets provides the potential for enhanced long-term returns while, at the same time, increasing portfolio diversification and thereby decreasing portfolio risk; and
- that Investment Managers with active mandates can reduce portfolio risk below market risk and potentially add value through security selection strategies.

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5.5 The Pension Committee believes that the "Benchmark Portfolio" invested in the following asset mix (based on market value) can, over the longer-term, achieve the stated investment objectives. The Benchmark Portfolio is a long-term target portfolio.

**Benchmark Portfolio**

<b>Asset Class</b>	<b>Weight</b>	<b>Benchmark Index</b>
Fixed Income Securities	40%	SC Universe Bond
Canadian Equities	35%	S&P/TSX Composite*
Non-Canadian Equities	25%	
- US equities		S&P 500
- international equities		MSCI World/MSCI EAFE**

\* The Canadian income trust mandate will be benchmarked against the S&P/TSX Composite index as well as the S&P/TSX Capped Income Trust index.

\*\* MSCI World index will be used for Global mandates; MSCI EAFE will be used for non-North American mandates.

Note: - Excludes temporary cash holdings arising from portfolio adjustments.  
 - Cash used as part of a bond duration strategy shall be deemed to be bonds for asset mix purposes.  
 - Equity investments include income trusts.

5.6 Having regard to the Benchmark Portfolio (set out above), the following asset mix ranges (based on market value) have been established in efforts to achieve a long-term return which is consistent with the Plan's liabilities and at a risk level acceptable for the Plan.

The market values of the individual asset class components of the Fund shall be within the following minimum and maximum aggregate investment limits.

<b>Asset Classes</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Fixed Income	30%	40%	50%
Canadian Equities	25%	35%	45%
Non-Canadian Equities	15%	25%	35%

5.7 The Pension Committee reserves the right to permit the asset mix of the Fund, on due consideration, to vary temporarily above or below the stated ranges. If a permanent deviation is contemplated, this Statement will be amended.

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5.8 The Pension Committee intends to ensure that the overall asset mix of the Fund does not deviate significantly from the ranges specified in Section 5.6. To achieve this, the Management Pension Committee will monitor the overall asset mix of the Fund on an ad hoc basis, and will rebalance the asset mix as necessary from time to time. Furthermore, as necessary, the Management Pension Committee will direct ongoing contributions to the Fund to the Investment Manager (or asset class) that is most under weight relative to its target or range (as specified in Section 5.6, above). Notwithstanding the foregoing, on at least an annual basis the Management Pension Committee will formally review the asset mix of the Fund and rebalance the Fund so that the allocation to each asset class is within the approved ranges set out in Section 5.6. Coincident with this formal annual asset mix review, the Management Pension Committee shall consider whether the asset mix set out in Section 5.6 continues to be appropriate and then report to the Pension Committee on its conclusions (such conclusions shall include recommended changes to the asset mix, as and when applicable).

5.9 The Pension Committee expects the Fund to earn a long-term rate of return, including capital gains, dividends, interest and rental income, but net of expenses, equal to the increase in the Consumer Price Index for Canada plus 4% per annum, over rolling ten year periods. In any one year, however, the annual real return may be significantly above or below 4.0%.

## Section 6 – Manager Structure and Evaluation

### Fund Manager Structure

6.1 Based on the Pension Committee's investment beliefs outlined in Section 5, above:

- the Pension Committee has considered active management versus passive management of the assets and has decided to use active management; and
- the Pension Committee has appointed multiple Investment Managers in order to achieve a diversified portfolio and reduce portfolio risks.

6.2 The current Investment Manager structure of the Plan is as follows:

Investment Manager	Mandate	% Allocation of Assets*
Jarislowsky Fraser	Canadian Equity (Pooled Fund)	17%
Foyston, Gordon & Payne	Balanced (Pooled Fund)	34%
Foyston, Gordon & Payne	Fixed Income (Segregated Account)	6%
Gluskin Sheff	Income Trust (Segregated Account)	6%
Acuity	Income Trust (Pooled Fund)	3%
Altrinsic Global Advisors	Global Equity (Segregated Account)	13%
Beutel Goodman	Fixed Income (Segregated Account)	21%

6.3 Each Investment Manager's investment mandate is attached as Appendix B. With respect to the Investment Managers who invest allocated Assets through a pooled fund, copies of the Investment Manager's investment policy statements for the pooled funds are also attached as Appendix B.

### Quantitative Performance Objectives

6.4 The Pension Committee generally expects each Investment Manager to achieve the applicable primary Return Objectives as specified in Section 6.7, and the secondary performance objective specified in Section 6.8. It is however specifically acknowledged by the Pension Committee that these objectives may not be met for any particular review period(s) due to a variety of factors, including but not limited to general market conditions.

6.5 The primary performance objective for an Investment Manager managing Assets through a balanced pooled fund shall be to manage the applicable pooled fund so that the rates of return of the pooled fund exceeds, by the amounts of the objectives shown in Section 6.7, the return that could have been earned by passively investing the Assets in each applicable asset class benchmark index, assuming quarterly rebalancing.

6.6 The primary performance objective for each other Investment Manager shall be to manage the Assets allocated to it so that the rate of return exceeds, by the amount of the objective shown in Section 6.7, the return of the applicable benchmark index.

6.7 The return objective of each asset class ("Return Objectives") are as follows:

<b>Asset Class</b>	<b>Benchmark Index</b>	<b>Objective</b>
Canadian Fixed Income	SCM Universe	+50%
Canadian Equities	S&P/TSX Composite	+2.00%
US Equities	S&P 500	+1.50%
Non-Canadian Equities	MSCI World (global mandates)	+1.50%
	MSCI EAFE (non-North American mandates)	+1.50%
Income Trust	S&P/TSX Capped Income Trust	+2.00%

(All returns shall be measured before investment management fees, but after transaction costs, and over rolling ten-year periods. All index returns shall be total returns and all foreign index returns shall be Canadian dollar returns.)

6.8 The secondary performance objective of each Investment Manager is to achieve investment performance that ranks above median in the RBC Global Services Benchmark Investment Analytics fund universe for an appropriate peer group (or other fund universe selected by the Management Pension Committee) over rolling four year periods.

6.9 The Investment Managers shall report in writing at least quarterly to the Management Pension Committee. Such quarterly reports shall, at a minimum, contain the reporting information specified in the Investment Management Agreement between the Company and the Investment Manager.

6.10 Ongoing evaluations of each Investment Manager will be conducted at least annually by the Management Pension Committee and will include:

- measurement of rates of return;
- comparison of returns to the applicable Return Objective(s);
- an assessment of performance using commonly accepted risk measures including standard deviation of returns, bear market capture, bull market capture, and Sharpe Ratio;
- consistency of the Investment Manager's portfolio activities, style and philosophy with its stated style and strategy;

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- retention of the Investment Manager's professional staff;
- replacement of the Investment Manager's staff lost by retirement, resignation, etc.;
- quality of the Investment Manager's communication with the Management Pension Committee;
- competitiveness of fees;
- characteristics of the Investment Manager's firm (e.g., ownership, growth in assets under management, client retention/loss, etc.);
- consistency of key personnel and their role in the investment decision; and
- continued suitability of the Investment Manager's style and strategy with the objectives of the Fund.

6.11 In addition to regular ongoing Investment Manager evaluations as described in Section 6.10 above, the Management Pension Committee shall review and consider the continued appointment of an Investment Manager if an Investment Manager (1) underperforms the applicable Return Objective(s) by more than 2% in any rolling 4-year period; or (2) fails to meet the Return Objective(s) over two consecutive rolling 4-year periods within a 5-year period.

6.12 The Pension Committee, having regard to the recommendations of the Management Pension Committee, may, at its discretion, terminate and replace Investment Managers from time to time and/or to change the mandate of an Investment Manager. Without limiting the generality of the foregoing, the Pension Committee may terminate or replace an Investment Manager because of its failure to meet the evaluation criteria specified in Sections 6.10 and 6.11 above. For further certainty, the Pension Committee shall not be bound to terminate or replace an Investment Manager solely on account of such Investment Manager's failure to meet its primary Return Objectives as specified in Section 6.7, and/or secondary performance objective specified in Section 6.8 or the evaluation criteria described in Sections 6.10 and 6.11; the Pension Committee shall have the discretion to consider other relevant factors including but not limited to market conditions during the relevant period during which an Investment Manager's performance is being evaluated in making a determination as to whether the termination or replacement of the Investment Manager is necessary or desirable in light of the long-term return objectives of the Fund.



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6.13 In the event that a new Investment Manager is to be selected or additional Investment Managers are required, the Management Pension Committee will undertake an Investment Manager search and it may retain the services of a third-party consultant in relation to this search, as it deems appropriate or necessary. In making a recommendation to the Pension Committee regarding the appointment of a new Investment Manager, the Management Pension Committee shall take into consideration the factors specified in Section 6.10 above (modified as applicable).

## **Section 7 – Permitted Investments, and Investment Constraints**

### **Permitted Investments**

7.1 Assets may be invested in Canadian or non-Canadian issuers and in local or foreign currencies, subject to the constraints in this Statement. Permitted asset classes and investments are shown in Appendix C. Within each asset class, the Investment Managers are required to ensure that there is appropriate diversification for that asset class.

7.2 Any investment not specifically permitted by this Statement shall be prohibited, unless the Pension Committee first approves the investment in writing.

### **Fixed Income Constraints**

7.3 Segregated fixed income securities or short-term investments must meet the following minimum quality requirements unless otherwise specifically permitted by the Pension Committee (or by the Management Pension Committee if the fixed income security or short-term investment in question is less than 5% of the book value of the Fund):

- rating of "BBB" from the Dominion Bond Rating Services or equivalent for bonds and debentures;
- rating of "R-1" from the Dominion Bond Rating Services or "A-1" from the Canadian Bond Rating Service or equivalent for short-term investments; and
- rating of "P-1" or equivalent for preferred stock.

7.4 The duration in each Investment Manager's fixed income portfolio shall not exceed or fall short of the benchmark index by more than 2 years.

### **Quantity Restrictions**

7.5 Investment in (a) any one person; (b) two or more associated persons; or (c) two or more affiliated corporations, is limited to 10% of the total book value of the Fund.

7.6 Notwithstanding Section 7.5, the following investments may exceed the 10% limit: (a) a segregated fund or mutual or pooled fund that complies with the requirements that are set out in Sections 7.5 - 7.11; or (b) any other exception listed in section 9 of Schedule III to the regulations under the PBSA.

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- 7.7 Investment in any one parcel of real property or Canadian resource property is limited to 5% of the book value of the Fund.
- 7.8 Investments in Canadian resource properties are limited in the aggregate to 15% of the book value of the Fund.
- 7.9 Investments in real property and Canadian resource properties are limited in the aggregate to 25% of the book value of the Fund.
- 7.10 Assets may not be invested in the securities of a corporation to which are attached more than 30% of the votes that may be cast to elect the directors of the corporation. This limit does not apply in respect of the shares of a real estate corporation, resource corporation or investment corporation if an undertaking is provided in accordance with the requirements of sections 12, 13 or 14, as applicable, of Schedule III to the regulations under the PBSA.
- 7.11 No more than 20% of the fixed income securities held in the Fund's portfolio shall have a "BBB" rating unless otherwise specifically permitted by the Pension Committee.
- 7.12 Loans made directly from the Fund are prohibited. Loans made through the pooled fund vehicles must be made in accordance with the pooled fund's governing documentation.

## **Section 8 – Related Party Transactions**

8.1 The term “related party” used herein means the Company and its officers, directors and employees, affiliates of the Company and all other persons defined to be a related party under the PBSA.

8.2 The Company, the Pension Committee, the Management Pension Committee and the Investment Managers may not directly or indirectly lend the Assets to, invest the Assets in the securities of, or enter into a transaction on behalf of the Plan with, a related party.

8.3 Notwithstanding Section 8.2, the Company and the Investment Managers may enter into a transaction on behalf of the Plan with a related party if: (a) the transaction is required for the operation or administration of the Plan and the terms of the transaction are not less favourable to the Plan than market terms and conditions; or (b) the transaction is immaterial to the Plan. For purposes of this Section the term “immaterial” will include transactions with a monetary value of less than 1% of the Fund.

8.4 Notwithstanding Section 8.2, Assets may be invested in the securities of a related party by Investment Managers if those securities are acquired at a “public exchange” (as defined in the PBSA) and all other investment constraints, as set out in this Statement, are otherwise complied with.

**Section 9 – Liquidity**

9.1 It is expected that contributions to the Fund and regular income (i.e., interest, coupons and dividends) generated from securities held in the Fund will be sufficient to meet most or all of the required disbursements under the Plan for the foreseeable future.

9.2 Disposing of securities from time to time can make up any shortfall. Considering the type of investments held in the Fund and the relatively small anticipated shortfalls, it is not expected that the disposal of securities will have significant implications on the investment of the Fund.

**Section 10 – Conflict of Interest****Individuals or other Bodies governed by the Guidelines**

10.1 The following guidelines apply to the Company, the Pension Committee, the Management Pension Committee, the Trustee, the Investment Managers and any employee, agent, or third-party retained by any of the foregoing to provide services to the Plan or the Fund.

**Conflict of Interest**

10.2 No person listed above may exercise his powers in his own interest or in the interest of a third person, nor may he place himself in a situation of conflict or potential conflict between his personal interest and his duties with regard to the investment of the Fund.

10.3 Every person listed above shall disclose any direct or indirect material association or material interest or involvement that would result in any actual, potential or perceived conflict of interest with regard to the investments of the Fund. Without limiting the generality of the foregoing, this would include material benefit from any asset held in the Fund, or any significant holding, or the membership on the boards of other corporations, or any actual or proposed contracts with the issuer of any securities which are or will be included in the Fund.

**Procedure on Disclosure**

10.4 An individual listed above shall disclose in writing the nature and extent of his interest to the Pension Committee immediately upon first becoming aware of the conflict. The disclosure must be made orally if the knowledge of the conflict arises in the course of discussion at a meeting.

10.5 In the event that a material conflict of interest, real or perceived, should arise in the operation of the investment process, such conflict should be disclosed in writing, or should be entered in the minutes of a meeting, to the Pension Committee.

10.6 The person or persons involved in the conflict should state the nature of the conflict and refrain from taking part, directly or indirectly, in discussions relating to the conflict. If the conflict cannot be resolved to the satisfaction of the Pension Committee, then the person or persons must withdraw from any applicable decision-making process relating to the conflict.

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10.7 If the party disclosing the conflict has the capacity to participate in or to make decisions affecting the investment of the Fund, the party may only continue to participate with the approval of the Pension Committee. The party may elect not to participate with respect to the issue in conflict. If the person disclosing the conflict has voting powers, he may continue to participate with respect to the issue only with approval of the Pension Committee or all of the other members of the Pension Committee if the party is a member of the Pension Committee. His notification shall be considered a continuing disclosure on that issue for purposes of the obligations outlined in this Statement.

**Special Rules for Investment Managers**

10.8 At a minimum, the Code of Ethics and Standards of Professional Conduct of the CFA Institute shall apply to the Investment Managers and their employees and agents involved in the management of the Fund.

10.9 Notwithstanding the foregoing, the Investment Managers who manage the pooled funds in which the Assets are invested, shall be governed by the conflict of interest provisions contained in the applicable pooled fund's statement of investment policies and procedures, offering memorandum and other governing documentation.

**Section 11 – Miscellaneous****Lending of Securities**

11.1 Securities lending shall not be permitted unless specifically authorized by the Pension Committee in writing.

11.2 Pooled funds may enter into securities lending, if their governing documentation so permits.

**Voting Rights**

11.3 All voting rights acquired through ownership of securities shall be the responsibility of the Investment Managers, to be voted as the Investment Managers determine appropriate and in the best interest of the members of the Plan. Investment Managers shall advise the Management Pension Committee when a vote is on a matter of exceptional nature.

**Borrowing**

11.4 In accordance with the terms of the governing Investment Management Agreement between an Investment Manager and the Company and/or applicable pooled fund governing documents, as applicable, an Investment Manager may be empowered to borrow funds of a short-term nature to resolve any cash flow requirements or to avoid a distress sale of securities. The borrowing of funds shall only be undertaken in accordance with applicable laws and the terms of the trust agreement.

For greater certainty, borrowing shall not be permitted in order to maintain margin.

**Valuation of Investments**

11.5 It is expected that all the securities held by the Fund will have an active market and, therefore, valuation of the securities held by the Fund will be based on their market value.

11.6 If a security held in the Fund does not have an active market, then it will be valued at least annually using accepted principles of valuation analysis.



**Derivatives**

11.7 Unless specifically approved by the Pension Committee, the Fund itself may not invest directly in derivatives. For this purpose, "derivatives" means a financial instrument whose value is derived from or based upon the value of other financial instruments or the level of a financial index, but does not include investments in bonds, debentures or preferred stock that may be exchanged for common stock.

The Pension Committee may approve investments in derivatives for one or more of the following purposes:

- to adjust the duration of the fixed income portfolio within the ranges set out in this Statement;
- to manage the currency exposure of a portfolio of foreign property;
- to reduce risk as part of a hedging strategy; or
- for replication strategies, provided that the derivative instrument may not be used to create exposure to securities which would not otherwise be permitted under this Statement or which would be outside the limits under this Statement had the exposure been obtained in the cash market.

Under no circumstances may derivative instruments be employed to create a leveraged position for the Plan, or for any speculative purposes.

For greater certainty, assets of the Fund invested through a pooled fund may be invested in derivatives if the pooled fund governing documentation permits such an investment.

**Margin Purchases**

11.8 Margin purchases are not permitted by the Fund unless specifically authorized in an individual Investment Management Agreement or otherwise in writing by the Pension Committee.

**Brokerage Costs**

11.9 When selecting brokers and dealers to execute portfolio transactions Investment Managers shall seek to obtain best execution and the most favourable net transaction price having regard to various relevant factors including the size and type of the transaction, the

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nature and character of the markets for the relevant security, the execution experience, integrity, financial responsibility and commission rates charged by available brokers or dealers.

The objective of securing the most favourable net transaction price does not obligate Investment Manager to obtain the lowest net price. Investment Managers are authorized to the extent permitted by applicable law, to pay a broker or dealer who furnishes investment decision-making and/or order execution services to an Investment Manager a commission for effecting a transaction which is higher than the commission that another broker or dealer would have charged for effecting such transaction provided that the Investment Manager determines in good faith that the excess commission is reasonable in relation to the value of such investment decision-making and/or order execution services viewed in terms of the particular transaction or the Investment Managers overall responsibilities with respect to the discretionary accounts managed by it.

**Appendix A**

**Relevant Excerpts of Board Pension Committee and  
Management Pension Committee Charters**

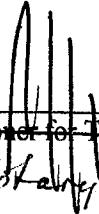
**Appendix B**  
**Investment Managers' Mandates**

## Appendix C

### Permitted Asset Classes and Investments

- B.1 Cash and cash equivalents.
- B.2 Fixed Income Securities:
  - Bonds with a term greater than one year, debentures and preferred shares
  - Real return bonds
  - Mortgages
  - Asset and mortgage backed securities
  - High yield bonds
  - Term deposits and guaranteed investment certificates
  - Insurance contracts
- B.3 Equities traded on recognized market exchanges:
  - Common stocks
  - Convertible preferred stocks
  - Convertible debt securities
  - Warrants or rights on common or preferred stocks
  - American or Global Depository Receipts and Instalment Receipts
  - Market index participation units (to facilitate large cash flows or adjust asset mix)
- B.4 Income trusts, subject to prior approval by the Pension Committee
- B.5 Real estate, subject to the prior approval by the Pension Committee
- B.6 Private placements, subject to the prior approval by the Pension Committee
- B.7 Options and future on any securities allowable under the statement, including index options and futures, are allowed only if they are not used for speculative purposes. Derivatives used for speculative purpose are not allowed.

This is Exhibit "C" to the  
Affidavit of Wally Hassenrueck  
sworn before me this 3rd day of June, 2010.

  
~~Commissioner for Taking Affidavits~~  
*Notary Public*

**MASTER TRUST AGREEMENT**

made as of

the 10<sup>th</sup> day of August, 2007

between

**CANWEST MEDIAWORKS INC.**

and

**CANWEST MEDIAWORKS PUBLICATIONS INC.**

and

**RBC DEXIA INVESTOR SERVICES TRUST**

governing the

**CanWest Master Pension Trust Fund  
(Segregated Account Investments)**

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**WHEREAS** as specified in Schedule "A", some of the Pension Funds are invested in a pooled unitized trust fund established by the Trustee pursuant to a Master Trust Agreement dated September 1, 1990, as amended (the "Master Trust Agreement"); and

**WHEREAS** the Parties entered into a Pooled Fund Trust Agreement made as of the 28<sup>th</sup> day of February, 2006 (the "Pooled Fund Trust Agreement"); and,

**WHEREAS** the Companies now desire to establish a multiple class unitized pooled fund trust to be known as the "CanWest Master Pension Trust Fund (Segregated Account Investments)" (the "Master Trust"), for the purpose of facilitating the collective investment and administration of that portion of the assets of those Plans which the Companies has determined will participate in the Master Trust; and

**WHEREAS** the Parties wish to amend and restate the terms of the Pooled Fund Trust Agreement such that it is replaced in its entirety with this Agreement; and

**WHEREAS** the Companies understand that, as a condition of establishing a multiple class unitized pooled fund trust, they will direct the Trustee in writing to file with Canada Revenue Agency, an election for the Master Trust to be treated as an Elected Master Trust for purposes of the *Income Tax Act* (Canada); and

**WHEREAS** the Companies understand and agree that the multiple class unitized pooled fund trust will remain as an Elected Master Trust throughout its existence.

**NOW THEREFORE**, in consideration of the premises and the mutual covenants herein contained, the Parties do hereby covenant and agree as follows:

### **ARTICLE I** **DEFINITIONS**

The following terms set out herein with initial capital letters shall have the meanings assigned below:

**Agent Lender:** shall mean RBC Dexia Investor Services Trust, The Royal Trust Company or any affiliates thereof as applicable.

**Allocation:** shall mean, subject to Section 4.5, the periodic distribution to the Participating Trusts of their proportionate share of the income, expenses, realized gains and realized losses of the Master Trust Fund.

**Applicable Law:** shall mean any federal or provincial pension benefits, tax or other legislation and any regulations, policies or administrative practices of any regulatory authority, as may from time to time apply to the Master Trust Fund.

**Business Day:** shall mean any day on which the Toronto Stock Exchange is open for business.

**THIS AMENDED AND RESTATED MASTER TRUST AGREEMENT** (the "Agreement")  
made as of the 10<sup>th</sup> day of August, 2007.

**BETWEEN:**

**CANWEST MEDIAWORKS INC.**, a  
company governed by the laws of Manitoba on  
behalf of the pension funds listed in Schedule  
"A" (hereinafter referred to as "MediaWorks")

OF THE FIRST PART

AND

**CANWEST MEDIAWORKS  
PUBLICATIONS INC.**, a company governed  
by the laws of Canada on behalf of the pension  
funds listed in Schedule "A1" (hereinafter  
referred to as "Publications Inc.")

OF THE SECOND PART

AND

**RBC DEXIA INVESTOR SERVICES  
TRUST**, a trust company incorporated under the  
laws of Canada (hereinafter referred to as the  
"Trustee")

OF THE THIRD PART

(each a "Party" and, collectively, the "Parties")

**WHEREAS** MediaWorks and various of its subsidiaries maintain the registered pension plans listed on Schedule "A" hereto for the purpose of providing pensions and other benefits to certain of their employees that participate in these plans; and

**WHEREAS** Publications Inc. maintains the registered pension plans listed on Schedule "A1" hereto for the purpose of providing pensions and other benefits to certain of its employees that participate in these plans (MediaWorks and Publications Inc. shall hereinafter be collectively referred to as the "Companies", and individually a "Company", and the pension plans listed on Schedule "A" and Schedule "A1" hereto shall hereinafter be collectively referred to as the "Plans", and individually a "Plan"); and

**WHEREAS** pursuant to various participating trust agreements (the "Participating Trust Agreements"), the Trustee has been appointed to hold the assets of each Plan in a trust fund (collectively, the "Pension Funds"); and

- Contract Date:** shall mean:
- (a) with respect to the purchase or sale of any bond or stock, the contractual settlement date, or three Business Days after the Trustee receives notice in writing of the trade, whichever is the later,
  - (b) with respect to the purchase or sale of any short term money market investments, the date specified by the Companies at the time at which it gave Direction to the Trustee;
  - (c) with respect to the maturity of a security, the maturing date; and
  - (d) with respect to interest and dividend payments, the due date established by the payor.
- Corporate Action:** shall mean any conversion privileges, subscription rights, warrants or other rights or options available in connection with any securities of the Master Trust Fund, including those relating to the reorganization, recapitalization, takeover, consolidation, amalgamation, merger, liquidation, filing for or declaration of bankruptcy, or plans of arrangement, of any corporation, association or other entity.
- Depository:** shall mean any authorized domestic or foreign depository or clearing or settlement agency or system (including a transnational book-based system) in the country, province, state or other political subdivision of any country in which such depository or clearing agency is located, and shall include The Canadian Depository for Securities Limited and The Depository Trust Company.
- Direction:** shall mean all directions, notices, requests, instructions and objections given in accordance with Article IX by an authorized officer, person or other representative so authorized to act on behalf of a Company, an Investment Manager or a trustee of a Participating Trust, as the case may be.
- Elected Master Trust:** shall mean this multiple class unitized pooled fund trust in respect of which the Companies will direct the Trustee to file an election as an Elected Master Trust pursuant to Section 149(1)(o.4) of the *Income Tax Act* (Canada).
- Investment Manager:** shall mean any person appointed by the Companies to manage the investment of the whole or any portion of the Master Trust Fund, who may be, but shall not be limited to, an employee of the Companies, or a subsidiary thereof, or a board or committee, the

members of which consist of one or more employees, and is responsible for directing the Trustee with respect to the investment of part or all of the Master Trust Fund.

**Master Trust Fund:** shall mean all money and assets paid and delivered to the Trustee from the Participating Trusts to be held in the Master Trust Fund, and acceptable to the Trustee, together with any earnings, profits and increments thereon and all assets from time to time substituted therefor, less authorized payments therefrom.

**Participating Trust:** shall mean any trust fund established pursuant to the terms of a Plan and in respect of which a trustee has been appointed by way of a trust agreement between the sponsor of such plan and a trustee, and pursuant to which the Trustee has been directed to invest assets in the Master Trust Fund. Notwithstanding the foregoing, for the purposes of this Agreement, the Master Trust Agreement shall be deemed to be a Participating Trust and the participating trusts that participate in the master trust established under the Master Trust Agreement shall not be considered a Participating Trust hereunder.

**Standard of Care:** shall mean the standard of care set out in Section 3.2 of this Agreement.

**Valuation Date:** shall mean the last Business Day of each month, or the last Business Day of such other period as may be agreed to between the Companies and the Trustee.

**Voting Materials:** shall mean all proxies, proxy solicitation materials and other communications received by the Trustee relating to the securities of the Master Trust Fund that call for voting.

**ARTICLE II**  
**CONTINUANCE AND ACCEPTANCE OF TRUST**

**2.1 Continuance of Trust**

The Companies hereby confirm the continuance of the Master Trust Fund for the purpose of facilitating the collective investment of such portions of the assets of the Participating Trusts as has been determined by the Companies.

All assets paid or delivered or caused to be paid or delivered by the trustees of the Participating Trusts from time to time to the Trustee to be held in the Master Trust Fund and acceptable to the Trustee, together with any earnings, profits and increments thereon and all assets from time to time substituted therefor, less any authorized payments therefrom, shall constitute the Master Trust Fund and shall be held by the Trustee in trust and applied by the Trustee in the manner and for the purposes provided in this Agreement.

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Money paid or property distributed by the Trustee in accordance with the provisions of this Agreement shall cease to form part of the Master Trust Fund upon the Trustee taking such action as is normally required for making payments or delivery of property.

**2.2 Continued Appointment and Acceptance of Trust**

The Companies hereby continues the appointment of the Trustee as trustee of, and the Trustee hereby accepts, the trust continued by this Agreement and the Trustee agrees to hold, invest and administer the Master Trust Fund subject to the terms and conditions of this Agreement and in accordance with Applicable Law.

**2.3 No Implied Duties**

The Trustee shall have only such duties and responsibilities as are specifically set forth in this Agreement and under Applicable Law.

**2.4 Fiscal Year**

The fiscal year of the Master Trust Fund shall end on the 31st day of December of each year.

**ARTICLE III  
CONCERNING THE TRUSTEE**

**3.1 Responsibilities of the Trustee**

The Trustee shall:

- 3.1.1 Hold title to all assets comprising the Master Trust Fund, for the account of the Master Trust Fund;
- 3.1.2 Keep the Master Trust Fund distinct from its own assets and those of any other person in the accounts and records kept by the Trustee and should the assets of the Master Trust Fund for any reason become mixed with the assets of the Trustee or those of any other person, the entire resulting mixed fund shall be deemed to be held by the Trustee in trust hereunder to the extent necessary to satisfy the Master Trust Fund's claim on such mixed fund. For greater certainty, the Trustee may, through the use of a Depository or sub-custodian authorized pursuant to this Agreement, commingle the Master Trust Fund with assets of other customers of the Trustee (but not with assets held for the Trustee's own account) in which case the Master Trust Fund shall be entitled, in common with those other customers, to its proportionate share of assets so held and/or the rights thereto;
- 3.1.3 Administer the Master Trust Fund so that the value of the proportionate share of each Participating Trust is maintained in accordance with the provisions of Article IV hereof;

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- 3.1.4 Subject to Applicable Law, from time to time, make all distributions, disbursements and payments out of the Master Trust Fund to such persons (including the Companies or another participating employer under any of the Plans or a Participating Trust) on the Direction of the Companies;
- 3.1.5 Notify the Companies upon the receipt by it of any assignment or attempted assignment or notice thereof or of any involuntary assignment, seizure, garnishment or any process of law or execution or notice thereof in respect of any interest in or payable out of the Master Trust Fund;
- 3.1.6 Take all reasonable steps to collect and receive all income, principal, dividends and other payments and distributions when due in respect of any assets of the Master Trust Fund and promptly credit all such receipts received by it to the Master Trust Fund;
- 3.1.7 Act in accordance with the Direction of the Companies or an Investment Manager under this Agreement;
- 3.1.8 Receive all contributions from or on behalf of the Participating Trusts under this Agreement;
- 3.1.9 Keep accurate and detailed accounts, books, statements and records of all assets, investments, receipts and disbursements and other transactions with respect to the Master Trust Fund, which accounts, books, statements and records shall be open to inspection and/or audit, with reasonable prior notice, at all reasonable times during normal business hours by any person duly authorized by a Company and accounts, books, statements and records shall not be destroyed or disposed of unless the Companies have been given 90 days prior notice of the Trustee's intention to destroy or dispose of such accounts, books, statements and records and have been given the opportunity to retain such accounts, books, statements and records or to make copies of such accounts, books, statements and records;
- 3.1.10 Furnish to the Companies or any person designated in writing by the Companies or as required by Applicable Law, within 90 days following the close of each fiscal year of the Master Trust Fund, or of such other period as may be agreed upon between the Companies and the Trustee, and within 90 days after the removal or resignation of the Trustee or termination of the Master Trust Fund, a written statement of account setting forth all investments, receipts, disbursements and other transactions effected by it during such period;
- 3.1.11 Prepare and file all information and tax returns required to be made or filed by or in respect of the Master Trust Fund by the Trustee under Applicable Law;
- 3.1.12 Pay out of the Master Trust Fund, all taxes of whatever kind that may be levied or assessed under existing or future Applicable Law upon or in



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respect of the Master Trust Fund or any money, property or securities forming a part thereof;

**3.1.13 Pay out of the Master Trust Fund**

- (a) all expenses with respect to the operation or administration of the Master Trust Fund including, without limitation, such fees or compensation of the Trustee as set out in Section 10.6 hereof;
- (b) the reasonable expenses and compensation of agents and counsel appointed by the Trustee in respect to the Master Trust Fund as provided herein; and
- (c) on a Direction of the Companies in each instance, any fees and expenses of an Investment Manager, or other provider of services, including the Trustee or its affiliates, to or in respect of the Master Trust Fund and any expenses incurred by the Companies in the administration of the Plan or Master Trust Fund;

unless such fees, compensation and expenses are first paid directly by the Companies, within such time and upon such terms as may be agreed to by the Trustee and the Companies from time to time, in which case the Companies may, pursuant to a Direction, be reimbursed therefor from the Master Trust Fund;

- 3.1.14** Forward, or arrange to have forwarded, to the Companies, or on a Direction of the Companies, to the Investment Manager of that portion of the Master Trust Fund in which the particular security is held, such Voting Materials which are actually received by the Trustee in respect of the securities held in the Master Trust Fund;
- 3.1.15** With respect to Corporate Actions, promptly forward to the Companies, or on a Direction of the Companies, to the Investment Manager of that portion of the Master Trust Fund in which the particular security is held, a summary of information which is actually received by the Trustee from sources believed by the Trustee to be reliable, and request Directions with respect to any such Corporate Action where required. For greater certainty, other than as described in this Subsection and Subsection 3.1.14 above, the Trustee shall not be obligated to forward or summarize any other shareholder communications, including shareholder mailings, notices, or reports and the Trustee shall have no responsibility or liability for ensuring the accuracy or adequacy of the summary of information;
- 3.1.16** Subject to Section 9.4, in jurisdictions where settlement practices permit, credit the Master Trust Fund, in connection with the receipt by the Master Trust Fund of interest or dividends on the sale or redemption of any security held by the Master Trust Fund, and debit the Master Trust Fund, in connection with the purchase of any security by the Master Trust Fund, on the Contract Date with respect thereto, whether or not such funds have

been received, or payment made, by the Contract Date; provided, however, that if after a reasonable time (as determined by the Trustee) following the Contract Date any such payment or receipt shall fail to take place for any reason other than the failure of the Trustee to make payment against delivery or delivery against payment, all related credits and debits shall be reversed or adjusted to reflect the failure of the transaction to take place.

**3.2 Standard of Care**

In exercising its powers and performing its duties hereunder, the Trustee shall act honestly and in good faith and shall exercise the degree of care, diligence and skill that a reasonable and prudent Canadian trust company would exercise in dealing with the property of another person and shall employ all relevant knowledge and skill which the Trustee possesses or ought to possess by reason of its profession or business (the "Standard of Care").

**3.3 Limitation of Liability**

- 3.3.1 The Trustee shall not be liable for any loss to or diminution of the Master Trust Fund resulting from any act or omission in connection with the affairs of the Master Trust Fund, except to the extent that such loss or diminution is caused by the Trustee's breach of the Standard of Care.
- 3.3.2 Except as set out in a Participating Trust Agreement, the Master Trust Agreement or hereunder, the Trustee shall have no duty or responsibility with respect to the administration of the Plans, or for the adequacy of the Master Trust Fund to meet and discharge any payments and liabilities under the Plans.
- 3.3.3 The Trustee shall not be responsible for any loss to or diminution of the Master Trust Fund resulting from the acquisition, retention, or sale of any assets of the Master Trust Fund made in accordance with the Direction of the Companies or any Investment Manager.
- 3.3.4 The Trustee shall not be liable to any person for any action in accordance with the Direction of the Companies or an Investment Manager, or failure to act in the absence of a Direction where this Agreement required a Direction to be given to the Trustee, and no person may require an accounting of the Master Trust Fund except by or through a Company. The Trustee may rely and act upon any statement, report or opinion prepared by or any advice received from the auditor of the Master Trust Fund appointed by the Companies from time to time, or from solicitors or other professional advisors of the Master Trust Fund and shall not be responsible nor held liable for any loss or damage resulting from so relying or acting if the advice was given within the area of professional competence of the person from whom it was received and the Trustee acted in good faith in relying thereon.

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3.3.5 Upon the expiration of 180 days from the date of mailing of any statements provided under Section 3.1.14, the Trustee shall be released and discharged from all liability and accountability to anyone with respect to its acts (including its failure to act) and transactions during the period covered by the statements, except with respect to those identified by a Company under Section 7.1.4 and those which constitute a breach of the Trustee's Standard of Care.

3.3.6 Provided the Standard of Care was exercised in the selection and ongoing monitoring of any counsel, auditors, advisors, or other persons employed or retained by the Trustee hereunder, the Trustee shall be fully protected in acting in good faith on the opinion or advice of or information obtained from any such counsel, auditors, advisors, or other persons in relation to any matter arising in the administration of the Master Trust Fund.

### **3.4 Indemnification of Trustee**

The Companies shall indemnify and save harmless the Trustee and its affiliates and subsidiaries, and their respective directors, officers, and employees (each an "Indemnified Party") from and against all costs, expenses (including reasonable costs of litigation and reasonable legal fees and expenses), damages, claims, actions, demands and liabilities to which the Indemnified Party may become subject, as a result of any act or omission in connection with this Agreement, except to the extent such costs, expenses, damages, claims, actions, demands or liabilities are incurred as a result of the breach of the Standard of Care, wilful misconduct or lack of good faith of the Trustee or an Indemnified Party.

For greater certainty, none of the provisions of this Agreement shall require the Trustee to expend or risk its own funds, appear in, prosecute or defend proceedings, or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless the Trustee is first indemnified to its satisfaction except to the extent such costs, expenses, or liabilities are incurred as a result of the breach of the Standard of Care, wilful misconduct or lack of good faith of the Trustee or an Indemnified Party.

### **3.5 Self-Dealing**

The Trustee's services to the Companies are not exclusive and, subject to the limitations otherwise provided in this Agreement or imposed by Applicable Law on the power and authorities of the Trustee, the Trustee may for any purpose, and is hereby expressly authorized from time to time in its discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate, including without limitation, itself and any partnership, trust or body corporate with which it may directly or indirectly be affiliated or in which it may be directly or indirectly interested, whether on its own account or for the account of another (in a fiduciary capacity or otherwise), without being liable to account therefor and without being in breach of this Agreement.

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Without limiting the generality of the foregoing, the Companies hereby authorize the Trustee to act hereunder notwithstanding that the Trustee or any of its divisions, branches or affiliates may:

- (a) provided the Master Trust Fund is not prejudiced, have a material interest in the transaction or that circumstances are such that the Trustee may have a potential conflict of duty or interest including the fact that the Trustee or any of its affiliates may:
  - (i) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same class and nature as may be held in the Master Trust Fund, whether on its own account or for the account of another (in a fiduciary capacity or otherwise);
  - (ii) act as a market maker in the securities that form part of the Master Trust Fund to which Directions relate;
  - (iii) act as financial advisor to the issuer of such securities;
  - (iv) provide brokerage services to other clients;
  - (v) act as agent for more than one client with respect to the same transaction;
  - (vi) have a material interest in the issue of securities that form part of the Master Trust Fund;
  - (vii) subject to subsection 12.4 hereof, use in other capacities, knowledge, procedures, systems, processes or other expertise gained in its capacity as Trustee hereunder, subject to the provisions hereof; provided that such use is not detrimental to the best interests of the Master Trust Fund or does not adversely affect the interests of the Master Trust Fund;
  - (viii) invest the assets of the Master Trust Fund in the securities or other assets of any of its affiliates; and
- (b) provided the Master Trust Fund is not prejudiced, earn profits from any of the activities listed herein;

without being liable to account therefor and without being in breach of this Agreement.

### **3.6 Powers Exercisable Only on Prior Agreement With the Companies**

The Trustee may:

- 3.6.1 pursuant to a separate written agreement between the Companies and the Agent Lender, participate in a securities lending program sponsored and administered by the Agent Lender which shall qualify as a "securities lending arrangement" as defined in the *Income Tax Act* (Canada), and, in connection therewith, the Trustee is authorized to release and deliver

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securities and return collateral received for loaned securities in accordance with the provisions of such securities lending program;

- 3.6.2 if, after the date of this Agreement, the Companies require transition management services to facilitate the transfer of its portfolios of securities from an existing Investment Manager to another Investment Manager, the Companies acknowledge that RBC Dexia Investor Services Trust does provide transition management services, in the capacity of a transition management service provider and the Companies may elect to engage RBC Dexia Investor Services Trust (or its successors and assigns) to act as their transition manager by entering into a written agreement with RBC Dexia Investor Services Trust (or its successors and assigns) in respect of such services.
- 3.6.3 pursuant to a separate letter of direction and indemnity, and on the subsequent Direction of the Companies or an Investment Manager write, issue, purchase, hold, sell and exchange derivative products, and enter into derivative contracts and transactions, including without limitation:
- (a) rate swap transactions, swap options, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, credit protection transactions, credit swaps, credit default swaps, credit default options, total return swaps, credit spread transactions (including any options with respect to any of these transactions and any combination of these transactions);
  - (b) repurchase transactions, reverse repurchase transactions or buy/sell back transactions;
  - (c) forward contracts;
  - (d) financial and/or stock index futures contracts;
  - (e) contracts under which the rights and/or liabilities of the parties are determined by reference to a financial and/or stock index or securities or commodities;
  - (f) contracts or other instruments or strategies the value of which is based upon the market price, value or level of an index or the market price or value of a security, commodity, economic indicator or financial instrument or bench mark, or the value of a specified account in which securities, commodities and/or derivative transactions or any combination of such transactions may be carried out;

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- (g) put and call options on securities, contracts, instruments, or derivative products; and
- (h) any transaction similar to any of those described in Paragraphs (a) to (g) above that currently or in the future becomes regularly entered into in the financial markets and that is a forward, swap, future or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or debt instruments, or economic indices or measures of economic risk or value;

whether or not such derivative products, contracts or transactions or any underlying interest are traded over-the-counter or on an exchange.

### **3.7 Powers Exercisable on Direction from the Companies or from an Investment Manager**

The Trustee may, on a Direction from the Companies or from an Investment Manager:

- 3.7.1 purchase, or otherwise acquire, any securities, currencies, or other assets and purchase, hold and retain the same in trust hereunder;
- 3.7.2 sell for cash or on credit, or partly for cash and partly on credit, convey, exchange for other securities, currencies or other assets, convert, transfer, or otherwise dispose of any securities, currencies or other assets held by it at any time (by any means considered reasonable by the Trustee) and receive the consideration and grant discharges therefor;
- 3.7.3 vote personally, or by general or by limited proxy, any securities or other assets which may be held by it at any time, and similarly to exercise personally or by general or by limited power of attorney any right appurtenant to any securities or other assets held by it at any time, or, by a Direction of the Companies, to exercise such power on a Direction of an Investment Manager;
- 3.7.4 (a) exercise any conversion privileges, subscription rights, warrants or other rights or options available in connection with any securities or other assets held at any time by the Trustee, and make any payments incidental thereto;
- (b) consent to, or otherwise participate in or dissent from, the reorganization, consolidation, amalgamation or merger of any corporation, company or association, or to the sale, mortgage, pledge or lease of the property of any corporation, company or association, any of the securities of which may be held by it at any time, and do any act with reference thereto, including the delegation of discretionary powers, the exercise of options, the making of agreements or subscriptions and the payment of

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- expenses, assessments or subscriptions which it may deem necessary or advisable in connection therewith;
- (c) renew or extend or participate in the renewal or extension of any securities or other assets, upon such terms as it may deem advisable;
  - (d) agree to a reduction in the rate of interest on any security or other asset or of any guarantee pertaining thereto, in any manner and to any extent that it may deem advisable;
  - (e) waive any default whether in the performance of any covenant or condition of any security or other asset, or in the performance of any guarantee, or enforce rights in respect of any such default in such manner and to such extent as it may deem advisable;
  - (f) exercise and enforce any and all rights of foreclosure, bid on property on sale or foreclosure, take a conveyance in lieu of foreclosure with or without paying a consideration therefor and, in connection therewith, release the obligation on the covenant secured by such security and exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect of any such security or guarantee pertaining thereto;
- 3.7.5 make, execute, acknowledge and deliver any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other documents of transfer and any and all other instruments in writing that may be necessary or proper for the accomplishment of any of the powers herein granted;
- 3.7.6 purchase, hold and sell gold, silver and such other non-income producing investments;
- 3.7.7 deposit any assets forming part of the Master Trust Fund, including securities and documents of title held by it hereunder, with any bank or other depository;
- 3.7.8 process Corporate Actions, provided that the Companies or Investment Manager have provided Directions to the Trustee within the time frames specified by the Trustee in its notice relating to such Corporate Actions. In the event that Directions have not been provided within such time frames, the Trustee shall use reasonable efforts to process such Corporate Actions but the Trustee shall have no liability for failure to process such Corporate Actions.

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**3.8 Powers Exercisable at the Discretion of the Trustee**

The Trustee shall have the power, in its discretion, to:

- 3.8.1 hold in trust any securities, currencies or other assets that it may acquire hereunder and generally, subject to the terms of this Agreement, to exercise any of the powers of an owner with respect to securities or other assets held in the Master Trust Fund;
- 3.8.2 register the securities or other assets of the Master Trust Fund in its own name as trustee, or in the names of its nominees or in the name of, or nominees of, any subcustodian or sub-subcustodian appointed under this Agreement or of any Depository authorized under this Agreement, or hold the investment in bearer form if the investment is not registrable or if it would not be in the best interest of the Master Trust Fund to do otherwise; provided always that the books and records of the Trustee shall show such securities or other assets as the property of the Master Trust Fund;
- 3.8.3 advance monies by overdraft to the Master Trust Fund, on such terms and conditions as the Trustee may determine, for the purposes of facilitating the timely settlement of security transactions, the payment of benefits and other disbursements pursuant to a Direction in writing of the Companies and for the general administrative purposes of the Master Trust Fund or to avoid the distress sale of assets of the Master Trust Fund. In order to secure the obligations of the Master Trust Fund to repay such borrowings, the principal and interest charged on such borrowing shall be paid out of the Master Trust Fund and shall constitute a charge against the Master Trust Fund until paid;
- 3.8.4 retain any uninvested cash balances held from time to time in the Master Trust Fund and in its sole discretion:
  - (a) hold the same on a pooled basis in a pooled trust fund; or
  - (b) hold such balances on deposit with a bank or such other deposit taking institution, including the Trustee or an affiliate of the Trustee in any jurisdiction, in such interest bearing account as the Trustee, in its discretion, may determine;
- 3.8.5 enter into and settle foreign exchange transactions for the purpose of facilitating the transactions of the Master Trust Fund with such counterparties as the Trustee may determine, including its affiliates;
- 3.8.6 subject to prior consultation with the Companies, and with prior written notice to the Companies, commence, defend, adjust or settle suits, administrative or legal proceedings in connection with the Master Trust Fund, and represent the Master Trust Fund in any such suits, administrative or legal proceedings and keep the Companies informed; provided, however, that the Trustee shall not be obliged or required to do



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so unless it has first been indemnified to its satisfaction against all expenses and liabilities sustained or anticipated by the Trustee by reason thereof, except where such suits, administrative or legal proceedings directly result from a breach by the Trustee of the Standard of Care;

- 3.8.7 subject to prior consultation with the Companies, and with prior written notice to the Companies, retain such external counsel, auditors, advisors, agents or other persons (who may be also be retained by the Companies) as the Trustee may deem necessary from time to time for the purpose of ~~discharging its duties hereunder~~ and in accordance with Section 3.1.13, pay out of the Master Trust Fund their reasonable expenses and compensation;
- 3.8.8 appoint subcustodians on such terms as the Trustee may in its sole discretion determine;
- 3.8.9 appoint nominees;
- 3.8.10 dispose of any assets of the Master Trust Fund on such terms as the Trustee may determine, in order to pay any outstanding obligations imposed on the Master Trust Fund or repay any outstanding loan authorized by this Agreement, provided that the Companies have been provided with prior written notice of the Trustee's intention to do so; and
- 3.8.11 do all such acts, take all such proceedings and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may, in its sole discretion, deem necessary to administer the Master Trust Fund, and to carry out the purposes of this trust.

### **3.9 Powers Inexhaustible**

The exercise of any one or more of the powers provided in this Article IV or any combination thereof from time to time shall not be deemed to exhaust the rights of the Trustee to exercise such power or powers or combination of them thereafter from time to time.

## **ARTICLE IV UNITS OF THE MASTER TRUST FUND**

### **4.1 Classes of Units**

The beneficial interest of the Master Trust Fund shall be divided into one or more class of units (each a "Class"), as directed by the Companies from time to time. Upon the establishment of a Class, the units of the Class shall be initially valued in accordance with Section 4.3. When a Class is established, the Companies shall name the Class and identify the assets and obligations (if any) of the Master Trust Fund whose values shall be allocated to the Class, which identification may be made by appointing an Investment Manager with an investment mandate over the investments of a particular Class.

**4.2 Cancellation of Classes of Units**

The Companies may, at any time and from time to time, direct that an existing Class be cancelled. Upon such Direction, the value of the units held in the cancelled Class shall be valued in accordance with Section 4.4 as of the effective date of cancellation. In conjunction with the cancellation of a Class, the Companies shall provide the Trustee with a Direction regarding the investment of the assets held in the Class.

**4.3 Initial Distribution of Units**

The initial value of units in a Class shall be established by the Trustee in consultation with the Companies. The Companies shall direct the Trustee on the percentage of each Participating Trust's interest in the Master Trust Fund that will be invested in each Class. For each Class, the Trustee shall calculate the number of units of the Class that will be initially issued to each Participating Trust, the total value of which, when multiplied by the respective unit values (established as aforesaid), shall be equal to the aggregate value of the assets of the Class. The number of units so issued shall be reported to the Companies by the Trustee. The value of units in a Class, including fractions thereof, shall be equal in value and no unit of the same Class shall have priority or precedence over another unit of the same Class.

**4.4 Subsequent Valuation of Units**

As of the close of business on each Valuation Date, the Trustee shall establish the fair market value of all assets held in the Master Trust Fund and calculate the unit value for units of each Class then outstanding, employing the methods described in Section 4.5 below, or such other method of valuation as the Trustee, in consultation with the Companies, may determine to be proper and equitable. The Trustee may cause such valuations of the assets held in the Master Trust Fund and of the units of a Class thereof to be undertaken at such other additional times as it may deem necessary for the proper and equitable administration of the Master Trust Fund. The results of such valuations shall upon completion be reported by the Trustee to the Companies, in such form of report as shall be agreed by the Companies and the Trustee.

**4.5 Fund Valuation**

The Trustee shall calculate the net asset value of the Master Trust Fund (the "Net Asset Value of the Fund") and the class net asset value per unit of each Class (the "Class Net Asset Value per Unit") on each Valuation Date in accordance with this Section 4.5. The Net Asset Value of the Fund shall be the then fair market value of the assets in the Master Trust Fund at the time the calculation is made (for greater certainty the Fair Market Value of the assets of the Master Trust Fund includes contributions made to the Master Trust Fund since the previous Valuation Date for which units of a Class have not yet been issued, less the amount of its liabilities at that time and any payments made pursuant to Section 3.1 since the previous Valuation Date).

The Class Net Asset Value per Unit shall be the quotient obtained by dividing the proportionate share of the Net Asset Value of the Fund that is attributable to the applicable Class (which, for greater certainty, shall not include any amounts on account

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of contributions made to or payments made from the Master Trust Fund since the previous Valuation Date) by the total number of outstanding units of that Class, including fractions of units. The Net Asset Value of the Fund and the Class Net Asset Value per Unit for each Class shall be computed by the Trustee as herein provided as at the Valuation Time on every Valuation Date. For purposes of this Agreement, "Valuation Time" means 4:00 p.m. Toronto time or such other time as the parties hereto shall agree is appropriate to determine the Class Net Asset Value per Unit for each Class and the Net Asset Value of the Fund.

The number of units of a Class, the fair market value of the assets of the Master Trust Fund and the amount of the liabilities of the Master Trust Fund and any Class shall be calculated by the Trustee, as follows:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Trustee determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the reasonable value thereof;
- (b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as the Trustee, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
- (c) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall be determined by the closing sale price at the Valuation Time or, if there is no closing sale price, the average between the bid and the asked price on the day on which the Net Asset Value of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
- (d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Trustee;
- (e) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of the securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Master Trust Fund's acquisition cost was of the market value of such securities at the time of the acquisition; provided that a

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gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;

- (f) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- (g) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Master Trust Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value of the Fund. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;
- (h) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at the "Valuation Time", the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect, in which case fair value shall be based on the current market value of the underlying interest;
- (i) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted and held as margin;
- (j) all Master Trust Fund assets valued in a foreign currency and all liabilities and obligations of the Master Trust Fund payable by the Master Trust Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best sources available to the Trustee including, but not limited to, the Trustee or any of its affiliates;
- (k) all expenses or liabilities (including fees payable to the Companies) of the Master Trust Fund shall be calculated on an accrual basis;
- (l) for the purpose of calculating the Class Net Asset Value per Unit, the liabilities of a Class shall comprise the liabilities of the Master Trust Fund that are allocated to that particular Class plus its proportionate (based on the market value of the assets held in the Class) share of any liabilities of the Master Trust Fund that are not allocated to any particular Class; and
- (m) the value of any security or property to which, in the opinion of the Trustee, the above valuation principles cannot be applied or are inappropriate (whether because no price or yield equivalent quotations are

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available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Trustee, in consultation with the Companies, or the Companies from time to time provides.

Where, for the purposes of the foregoing calculation of the Net Asset Value of the Fund and the Class Net Asset Value per Unit, the Trustee is provided with a value, quotation, or other information related thereto (collectively "Third Party Data") by a third party that in the opinion of the Trustee is qualified and reliable, including without limitation, the Companies or its agents, the Trustee may rely on such Third Party Data and shall not be required to make any investigation or inquiry as to the accuracy, completeness or validity of such Third Party Data. If such Third Party Data is not available to the Trustee as of a time reasonably proximate to the Valuation Date, such valuation of the securities or other assets of the Master Trust Fund shall be based on an estimate or estimates provided by the Companies. The Trustee shall have no responsibility or liability, whatsoever, for any loss or damage arising out of or in connection with the Trustee's reliance on or any failure by any such third party to provide such Third Party Data or any such estimates, provided the third party is, in the Trustee's opinion, qualified and reliable.

#### **4.6 Contributions to the Master Trust Fund; Determination of Unit Value**

The Trustee shall receive contributions from each Participating Trust from time to time, together with Directions as to the purchase of units of one or more Class. The Trustee shall issue a receipt for the contribution to the Participating Trust. On the next Valuation Date after the contribution is received, the Trustee shall issue the number of units of each Class corresponding to such Direction. The number of units of each Class issued by the Trustee shall be determined by dividing the contribution amount made to a Class by the Class Net Asset Value per Unit for the Class determined under Section 4.5 on that Valuation Date.

#### **4.7 Income and Net Realized Capital Gains**

As of the Valuation Time on the last Valuation Date of each month (or such other times as determined by the Companies) and on or before December 31 in each taxation year (herein called a "Determination Date"), the Trustee shall determine the amount of the net income and the net realized capital gains of the Master Trust Fund for the period since the then preceding Determination Date (or in the case of the first Determination Date, from the inception of the Master Trust Fund) in the manner provided in Sections 4.8 and 4.9 respectively.

#### **4.8 Determination of Net Income**

The net income of the Master Trust Fund shall be computed as of the Valuation Time on each Determination Date in accordance with the following rules:

- (a) interest shall be computed on an accrual basis;
- (b) dividends on preferred and common shares shall be recorded on the ex-dividend dates;

- (c) capital gains and capital losses shall be excluded;
- (d) all other income of the Master Trust Fund shall be computed in accordance with generally accepted accounting principles; and
- (e) all expenses and liabilities due and accruing due which are chargeable to income, if any, shall be deducted in computing net income.

#### **4.9 Determination of Net Realized Capital Gains**

The net realized capital gains of the Master Trust Fund shall be computed as of the Valuation Time on each Determination Date on the basis of capital gains net of capital losses from dispositions (as such term is defined in the *Income Tax Act (Canada)*) made during the period since the then preceding Determination Date (or in the case of the first Determination Date, from the inception of the Fund) less net unapplied capital losses realized in and carried forward from prior periods.

#### **4.10 Discretion to Alter Valuation Methods**

The Trustee may make such changes and alterations in the methods employed in the valuation of the assets of the Master Trust Fund and the units thereof as may be required so that the Master Trust Fund, to the extent possible, does not become liable for the payment of income tax under any Applicable Law, as they may be amended from time to time, provided that the methods continue to be equitable and the Companies are informed in writing in advance of the nature of the changes and alterations.

#### **4.11 Redemption of Units; Payments from the Fund**

The Companies, on behalf of a Participating Trust, may Direct the Trustee to make distributions from the Master Trust Fund from time to time pursuant to Section 3.1. On the next Valuation Date following the Direction, the Trustee shall redeem units of particular Class(es) corresponding to the Direction, or if the Direction does not specify the classes of units that are to be redeemed, from all Classes in proportion to the Participating Trust's holdings, using the unit values determined pursuant to Section 4.5 on that Valuation Date. For greater certainty, each Participating Trust shall at all times be beneficially entitled to the full value of the units held by it.

#### **4.12 Recording Holdings in Master Trust Fund**

The Trustee shall keep current and historical records of the number of units of each Class held by each Participating Trust and the value thereof, contributions made by each Participating Trust for which units have not then yet been issued and such other records as the Trustee deems appropriate or the Companies direct in accordance with Section 3.1.9.

**ARTICLE V**  
**TRUSTEE AS CUSTODIAN**

**5.1 Custody of the Master Trust Fund**

The assets of the Master Trust Fund shall be held in Canada by the Trustee or a duly appointed subcustodian, or outside Canada by the Trustee or a duly appointed subcustodian as appropriate or required by local trading or market practices.

**5.2 Depositories**

The Trustee may utilize the services of one or more Depositories on the terms of business of the operators of such Depositories, and may effect settlement and hold securities in accordance with the customary or established trading and processing practices and procedures in the jurisdiction or market in which any transaction in respect of the Master Trust Fund occurs. The Trustee shall be fully protected and absolved from any liability howsoever arising from effecting transactions and holding securities in the foregoing manner except to the extent that such liability arises out of the Trustee's breach of the Standard of Care in carrying out Directions.

For greater certainty, a Depository is not a subcustodian or an agent of the Trustee for the purposes of this Agreement, and the Trustee has no liability whatsoever for the selection or supervision of, or the acts or omissions of, Depositories unless the Trustee selects the Depositories, in which case it shall act in accordance with the Standard of Care in the selection and monitoring of the Depositories.

**5.3 Recording of Assets**

All assets of the Master Trust Fund shall at all times and in all circumstances be clearly recorded in the books and records of the Trustee so as to show that the beneficial ownership of such assets is vested in the Master Trust Fund. If more than one Class has been established hereunder, the Trustee shall also clearly record in its books and records the Class to which such assets belongs.

If assets of the Master Trust Fund are held by a subcustodian, such assets of the Master Trust Fund:

- (a) shall be identified in the books and records of the Trustee as being held on behalf of the Master Trust Fund by that subcustodian; and
- (b) shall be maintained and clearly recorded by the subcustodian in an account holding only property for clients of the Trustee, and shall be transferred or dealt with by the subcustodian only on the instructions of the Trustee.

In the event that a Depository is used to hold assets of the Master Trust Fund, such assets of the Master Trust Fund shall be identified by that Depository in its books as being held for the account of the Trustee on behalf of its clients. In the event that a subcustodian uses a Depository to hold assets of the Master Trust Fund, such assets of the Master Trust

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Fund shall be identified by that Depository in its books as being held for the account of the subcustodian on behalf of its clients.

## **ARTICLE VI THIRD PARTIES**

### **6.1 Selection and Monitoring of Subcustodians and Agents**

The Trustee shall act in accordance with the Standard of Care in the selection and monitoring of subcustodians and agents.

### **6.2 Liability for Subcustodians and Agents**

Subject to Section 6.4 and Section 6.5 hereof, if the Companies or the Master Trust Fund suffers a loss as a result of any act or omission of a subcustodian or its nominee or of any other agent appointed by the Trustee and if such loss is directly attributable to the failure of such subcustodian or agent to comply with the Standard of Care set out herein in the provision of any service to be provided by it under this Agreement, then the Trustee shall assume liability for such loss directly, and shall reimburse the Master Trust Fund accordingly.

Other than as stated above and in Section 6.1, the Trustee shall not be liable for any act or omission of any subcustodian, or other agent appointed by the Trustee.

### **6.3 Rights of Agents, Subcustodians and Nominees**

For greater certainty, any rights, powers, authorities, benefits, and limitations on liability or limitations on responsibility whatsoever granted to the Trustee under this Agreement or conferred upon the Trustee or otherwise at law shall be deemed to have been granted by the Companies to any and all agents, subcustodians and nominees appointed by the Trustee, and in furtherance thereof, any references to "the Trustee" herein shall be construed as references to such agents or subcustodians, as the context requires.

### **6.4 Loss from Agent/Subcustodian Insolvency**

For greater certainty, the Trustee shall not be responsible for any loss or diminution in respect of the Master Trust Fund resulting from the bankruptcy or insolvency of any subcustodian or other agent of the Trustee, except to the extent that the Trustee fails to meet the Standard of Care with respect to the selection and monitoring of such subcustodian or other agent.

### **6.5 Designated Markets**

Notwithstanding any other provision of this Agreement, in certain designated markets where the Trustee is providing custodial services (whether directly or through a subcustodian) in respect of the Master Trust Fund, the Trustee may not be able to accept some of the liabilities for the acts of its subcustodians which are otherwise contemplated by this Agreement. Accordingly, the Trustee will, through a side letter or side letters, substantially in the form attached as Schedule "C" hereto, specify the particular responsibilities of the Trustee which apply to the designated market or markets in



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question. The terms of such side letter as agreed to in writing by the Companies will amend the related provisions of this Agreement with respect to the responsibilities of the Trustee specified in the side letter in the designated market or markets to which the side letter applies for such time as the side letter specifies.

## **ARTICLE VII CONCERNING THE COMPANIES**

### **7.1 Responsibilities of the Companies**

The Companies shall:

- 7.1.1 Ensure that any Direction of the Companies is in accordance with the provisions of the Plans and Applicable Law;
- 7.1.2 Appoint an Investment Manager to invest the assets of the Master Trust Fund in accordance with this Agreement, Applicable Law and any investment policy or guidelines applicable to the Plans, including the appointment under Article VIII and supervision of one or more Investment Managers for all or any portion of the assets of the Master Trust Fund;
- 7.1.3 Immediately notify the Trustee of the appointment or termination of any Investment Manager and the allocation or re-allocation of the assets resulting therefrom;
- 7.1.4 Review any statement provided by the Trustee in accordance with Section 3.1.10 and notify the Trustee of any errors, omissions or discrepancies contained in such statement;
- 7.1.5 Provide the Trustee with such Directions, certificates or other documentation or information as may be reasonably required by the Trustee to fulfil its obligations under this Agreement or as the Trustee may reasonably request from time to time;
- 7.1.6 Provide the Trustee with the contact information of all Investment Managers appointed under Article VIII and of all trustees of Participating Trusts (if the Trustee is not acting as such) and cause all such Investment Managers and trustees to immediately notify the Trustee of any changes to such contact information pursuant to Section 8.2.1; and
- 7.1.7 Provide the Trustee with certified copies of the Companies' signing authorities, as set out in Schedule "B", as amended from time to time.

## **ARTICLE VIII INVESTMENTS**

### **8.1 Investment of Master Trust Fund**

The Trustee shall hold, invest and reinvest the Master Trust Fund strictly in accordance with Directions of the Companies or in accordance with Directions of any Investment

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Manager appointed by the Companies hereunder with respect to the portion of the Master Trust Fund under such Investment Manager's management. The investment of the assets of the Master Trust Fund shall not be limited in any way to investments authorized for trustees under any applicable federal, provincial or territorial legislation.

## **8.2 Appointment of Investment Manager**

8.2.1 The Companies may appoint from time to time one or more Investment Managers to manage the investment of the whole or any portion or portions of the Master Trust Fund. The appointment of any such Investment Manager shall be deemed to be effective upon the later of the date of receipt by the Trustee of a Direction notifying the Trustee of such appointment and the effective date specified therein and such appointment shall continue in force until receipt by the Trustee of a Direction containing notice to the contrary. The Trustee shall be entitled to rely conclusively on and shall be fully protected in acting in accordance with the Directions of an Investment Manager in the exercise of powers conferred upon such Investment Manager by this Agreement.

8.2.2 Unless the Companies instruct the Trustee otherwise, any such Investment Manager shall, with respect to such whole or any portion or portions of the Master Trust Fund, direct the Trustee in the exercise of the powers enumerated in Section 3.7 otherwise conferred by this Agreement, or as the Companies by Direction may specify that an Investment Manager may direct.

8.2.3 Notwithstanding any other provision of this Agreement, the Trustee may, subject to prior consultation with the Companies, dispose of any assets of the Master Trust Fund on such terms as the Trustee may determine, in order to pay any obligations imposed on the Master Trust Fund or to repay any loan authorized by this Agreement.

## **8.3 Termination of Investment Manager**

The Companies may at any time terminate the appointment of any Investment Manager, in which event the Master Trust Fund, or the portion thereof managed by such Investment Manager, shall be invested and reinvested by the Trustee as directed by the Companies, until a successor Investment Manager is appointed by the Companies with respect to all or any such portion of the Master Trust Fund.

## **ARTICLE IX** **COMMUNICATIONS**

### **9.1 Directions**

All Directions shall be given by an authorized officer, person or other representative of both MediaWorks and Publications Inc. (jointly), or their Investment Manager (on behalf of both), as the case may be in one of the methods authorized by Section 9.3 below.

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Each Company (should it give Directions hereunder) and each Investment Manager shall, from time to time, provide to the Trustee a certificate, substantially in the form set out in Schedule "B" hereto, signed by the President, a Vice-President or the Secretary of the Company or the Investment Manager, as the case may be, stating the name(s) and title(s) of the authorized officer(s), person(s) or representative(s) authorized to act on behalf of the Company or the Investment Manager, as the case may be, together with specimen signatures of all such authorized officers, persons or representatives. Each Company and each Investment Manager shall keep the Trustee informed as to any changes in its authorized signatories, and the Trustee shall be entitled to rely upon the identification of such persons as specified in each such certificate as the persons entitled to act on behalf of the Companies and such Investment Manager for the purposes of this Agreement until a later certificate respecting the same is delivered to the Trustee.

Without limiting the foregoing, in the case of Directions sent through one of the Trustee's secured access channels, including ViewFinder, or sent directly between electromechanical or electronic terminals (including, subject to Section 9.7, the internet or unsecured lines of communication), the parties acknowledge that it may not be possible for such Directions to be executed, however the Trustee shall nevertheless be protected in relying on such Directions as if they were written Directions from both MediaWorks and Publications Inc. or their Investment Manager, as the case may be, executed by an authorized signatory of both MediaWorks and Publications Inc. or their Investment Manager, as the case may be. The Trustee shall be entitled, without further inquiry or investigation, to assume that such Directions have been duly and properly issued by both MediaWorks and Publications Inc. or their Investment Manager, as the case may be, and that the sender(s) is/are duly authorized to act, and to provide Directions, on behalf of both MediaWorks and Publications Inc. and their Investment Manager, as case may be.

Without limitation, the Trustee shall:

- (a) be fully protected in acting upon any Direction believed by it to be genuine and presented by the proper person(s); and
- (b) be under no duty to make any investigation or inquiry as to any statement contained in any such Direction but may accept such statement as conclusive evidence of the truth and accuracy of such statement.

## **9.2 Limitations in respect of Directions**

The Trustee shall act in accordance with Directions, and shall be fully protected and absolved from any liability arising therefrom. Further, notwithstanding anything else in this Agreement, the Trustee shall not be required to comply with Directions to settle the purchase of any securities on behalf of the Fund unless there is sufficient cash in the Fund at the time, nor shall the Trustee be required to comply with Directions to settle the sale of any securities on behalf of the Fund unless such securities are in deliverable form. If the Trustee is not provided with Directions when required hereunder, then the Trustee shall be fully protected and absolved from any liability arising from the failure to act in the absence of Directions.

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**9.3 Methods of Communication**

All communications hereunder (including, for greater certainty, Directions) must be given by one of the following methods of communication:

- personal or courier delivery;
- prepaid ordinary mail;
- authenticated telex;
- facsimile;
- one of the Trustee's secured client access channels, including ViewFinder;
- directly between electromechanical or electronic terminals (including, subject to Section 9.7, the internet or unsecured lines of communication); or
- telephone (subject to Section 9.5).

Communications should be addressed, as applicable, as follows:

- (a) in the case of the Trustee:

RBC Dexia Investor Services Trust  
Institutional and Investor Services  
1055 West Georgia Street  
6th Floor  
Vancouver, BC  
V6E 4P3

Attention: Director, IIS Pacific Region

Telephone: (604) 257-6127  
Facsimile: (604) 257-6126

- (b) in the case of the Companies:

CanWest MediaWorks Inc.  
31<sup>st</sup> Floor, CanWest Global Place  
201 Portage Avenue, TD Centre, 31<sup>st</sup> Floor  
Winnipeg, Manitoba  
R3B 3L7

Attention: Director, Treasury

Telephone: (204) 953-7722  
Facsimile: (204) 947-9841

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CanWest MediaWorks Publications Inc.  
31<sup>st</sup> Floor, CanWest Global Place  
201 Portage Avenue, TD Centre, 31<sup>st</sup> Floor  
Winnipeg, Manitoba  
R3B 3L7

Attention: Director, Treasury

Telephone: (204) 953-7722

Facsimile: (204) 947-9841

or at such other address and number as the party to whom such communication is to be given shall have last notified to the party giving the same in the manner provided in this Section.

#### **9.4 Deemed Delivery**

Any communication delivered personally shall be deemed to have been given and received on the day it is so delivered (or if that day is not a Business Day, on the next succeeding Business Day). Subject to disruptions in the postal service, any communication sent by prepaid ordinary mail shall be deemed to have been given and received on the fifth Business Day following the date of mailing. Any communication given by authenticated telex, facsimile, one of the Trustee's secured client access channels or directly between electromechanical or electronic terminals (including, subject to Section 9.7, the internet or unsecured lines of communication) shall be deemed to have been given and received on the Business Day it is transmitted provided that it was received before 3:00 p.m. (Toronto time), and, if received after 3:00 p.m. (Toronto time), it shall be deemed to have been given and received on the Business Day following the day of transmission provided in each case that confirmation of transmission is available from the party giving the communication.

Nothing in this Agreement shall create an obligation for the Trustee to constantly monitor its electronic communication equipment, provided that reasonable monitoring is performed within business hours of the Trustee where communications are sent and the Trustee will not be held liable for an omission to act from not receiving electronically transmitted communications (including, without limitation, Directions). In the event of any disagreement as to whether electronic communications (including, without limitation, Directions) have been received by the Trustee, the sender will have the onus of proving that such electronic communications have been so received.

#### **9.5 Telephone Directions**

With respect to telephone Directions, the Companies shall endeavor to forward written Directions confirming such telephone Directions on the same day that such verbal Directions are given to the Trustee. The fact that such confirming written Directions are not received or that contrary Directions are received by the Trustee shall in no way affect the validity of any transactions effected by the Trustee on the basis of the telephone Directions.

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#### **9.6 Recording of Telephone Communications**

The Companies acknowledge and agree that all telephone communications between the parties, including, without limitation, Directions, shall be recorded by the Trustee. In the event of any disagreement as to the content of any communication given by telephone, the Trustee's recording will be conclusive and determinative of the contents of such communication.

#### **9.7 Internet**

The Companies agree that communications (including, without limitation, Directions) given through the internet, or any other electronic means of communication which is not secure, may only be validly given hereunder if the Companies have first provided the Trustee with a letter of acknowledgement satisfactory to the Trustee.

### **ARTICLE X** **RESIGNATION, REMOVAL, APPOINTMENT** **AND REMUNERATION OF TRUSTEE**

#### **10.1 Resignation**

The Trustee may resign at any time after giving 90 days advance notice in writing to the Companies.

#### **10.2 Removal**

The Companies shall have the power to remove the Trustee immediately upon notice in writing to the Trustee at any time that:

10.2.1 the Trustee shall be declared bankrupt or shall be insolvent;

10.2.2 the assets or the business of the Trustee shall become liable to seizure or confiscation by any public or governmental authority; or

10.2.3 the Trustee shall cease to be permitted to be a trustee of the Master Trust Fund in accordance with Applicable Law.

The Companies may remove the Trustee for any reason at any time upon 60 days advance notice in writing to the Trustee or upon such shorter notice as may be mutually agreed by the Companies and the Trustee.

#### **10.3 Appointment of Successor**

In the event of the resignation or removal of the Trustee under this Agreement or in the event that a vacancy shall otherwise arise in trusteeship of the Master Trust Fund, the Companies shall appoint a trustee or other funding agent as successor to the Trustee and shall ensure that such successor has the qualifications set out in Section 10.5.

Notwithstanding the foregoing, any trust company resulting from the merger or amalgamation of the Trustee with one or more trust companies and any trust company

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which succeeds to substantially all of the pension trust business of the Trustee shall thereupon become the successor trustee hereunder without further act or formality.

#### **10.4 Obligations Upon Resignation or Removal**

In the event of the resignation or removal of the Trustee, the Trustee shall, upon Direction of the Companies, transfer title to all assets comprising the Master Trust Fund and all books and records maintained by the Trustee for the purpose of its responsibilities under this Agreement to the successor appointed under Section 10.3. Upon such transfer the Trustee shall be relieved of all responsibilities under this Agreement in respect of the period following such transfer.

#### **10.5 Qualifications of Trustee**

No person shall at any time be eligible to be appointed as successor to the Trustee other than a person permitted in accordance with Applicable Law.

#### **10.6 Fees and Expenses of the Trustee and Others**

The Trustee shall be entitled to such compensation as may from time to time be mutually agreed upon in writing by the Trustee and the Companies. Such compensation and all other disbursements made and expenses incurred in the performance of the duties of the Trustee hereunder or arising out of the trust created hereunder shall constitute a charge upon the Master Trust Fund and shall be paid out of the Master Trust Fund unless such compensation, disbursements and expenses shall be paid by the Companies within 90 days of the date the Trustee sends to the Companies an invoice or account for same.

### **ARTICLE XI** **AMENDMENT AND TERMINATION**

#### **11.1 Amendment**

The Companies reserve the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee, provided that no such amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent.

#### **11.2 Termination**

This Agreement may be terminated at any time by an instrument in writing executed by the Companies and the Trustee.

Upon such termination, the Master Trust Fund shall be paid out by the Trustee on Direction of the proper authorization of the Companies provided that:

11.2.1 any fees and expenses payable under this Agreement from the Master Trust Fund shall first be deducted and paid;

11.2.2 no such payment, except one made under Section 11.2.1, shall be made without satisfactory evidence being provided to the Trustee that such

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approvals of appropriate federal or provincial authorities, as may be required under Applicable Law, have been obtained; and

11.2.3 the provisions of this Agreement shall survive any termination until all assets comprising the Master Trust Fund have been paid out or distributed.

## **ARTICLE XII** **MISCELLANEOUS**

### **12.1 Severance of Illegal or Invalid Provision**

If any term, provision or part of this Agreement shall be held illegal, invalid or unenforceable in whole or in part for any reason by a Court of competent jurisdiction, such determination shall not affect the validity or enforcement of any other term, provision or part of this Agreement and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable term, provision or part had never been inserted herein.

### **12.2 Assignment**

Subject to Section 10.3 hereof, this Agreement may not be assigned by the Trustee without the consent in writing of the Companies, not to be unreasonably withheld, but may be assigned by the Companies to a successor to the business of the Companies or to a corporation with which the Companies may amalgamate or merge or a corporation resulting from any restructuring or reorganization of the Companies.

### **12.3 Interpretation**

Unless the context requires otherwise, any terms or provisions importing the plural shall include the singular and vice versa and any terms or provisions importing the masculine gender shall include the feminine gender and vice versa.

### **12.4 Confidentiality**

Subject to Subsection 3.5(a)(vii) hereof, the Trustee shall hold in confidence all information relating to the Trust Fund and may only release such information to others where required by Applicable Law or pursuant to a Direction of the Companies.

### **12.5 Execution in Counterparts**

This Agreement may be executed in counterparts each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one agreement.

### **12.6 Governing Law**

This Agreement shall be construed, administered and enforced according to the laws of the Province of Ontario and the laws of Canada applicable therein.



**12.7 Force Majeure**

The Trustee shall not be liable or responsible for any loss or damages, whatsoever, resulting from official action (including nationalisation and expropriation), currency restrictions or devaluations, acts or threat of war or terrorism, insurrection, revolution or civil disturbance, acts of God, strikes or work stoppages, inability of any settlement system to settle transactions, interruptions in postal, telephone, telex and/or other communication systems or in power supply, or any other event or factor beyond the reasonable control of the Trustee.

**12.8 Entire Agreement**

This Agreement and any schedules or exhibits hereto and any side letter executed in accordance with Section 6.5 hereof constitute the whole and entire agreement between the parties in respect of the subject matter hereof and cancel and supersede any prior written or verbal agreements including undertakings, declarations or representations made with respect thereto.

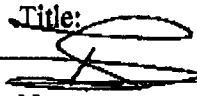
**IN WITNESS WHEREOF** the Parties have caused this Agreement to be executed by their respective duly authorized officers effective as of the day and year first above written.

**CANWEST MEDIAWORKS INC.**

By: 

Name:

Title:

By: 

Name:

Title:

**CANWEST MEDIAWORKS PUBLICATIONS INC.**

By: 

Name:

Title:

By: 

Name:

Title:

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**RBC DEXIA INVESTOR SERVICES  
TRUST**

By: Juby Ladha **JUBY LADHA**  
Name: **MANAGER**

Title:  
By: Tim Pardee **TIM PARDEE**  
Name: **REGIONAL HEAD, WESTERN CANADA**  
Title:

TOR\_A2G:2573729.2

**SCHEDULE "A"****LIST OF PLANS MAINTAINED BY  
CANWEST MEDIWORKS INC.****PLAN NAME****Global Communications Limited Master Trust<sup>1</sup>****National Post Retirement Plan****Retirement Plan for Bargaining Unit  
Employees of CanWest Television Inc.****Retirement Plan for Management and Non  
Bargaining Unit Employees of CanWest Television Inc.  
Global Communications Limited Employees Pension Fund****CanWest Maritime Television Employees  
Pension Fund (Global Atlantic)**

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<sup>1</sup> As at August 10, 2007 the following pension plans participated in the Global Communications Limited Master Trust:

Global Communications Limited Retirement Plan for Former WIC Allarcom Employees  
Global Communications Limited Retirement Plan for BCTV Senior Management  
Global Communications Limited Retirement Plan for BCTV Staff  
Global Communications Limited Retirement Plan for CHBC Executives  
Global Communications Limited Retirement Plan for CHBC Management  
Global Communications Limited Retirement Plan for CHBC Staff  
Global Communications Limited Retirement Plan for Former WIC Designated Executives  
Global Communications Limited Retirement Plan for CH Employees  
Global Communications Limited Retirement Plan for CICT and CISA Employees

**SCHEDULE "A1"****LIST OF PLANS MAINTAINED BY  
CANWEST MEDIWORKS PUBLICATIONS INC.****PLAN NAME**

- ✓ CanWest Publications Inc. Retirement Plan
- ✓ CanWest Pension Plan for Vancouver Island  
Employees (defined benefit component)
- ✓ CanWest Windsor Star Group Inc. Pension Plan

**SCHEDULE "B"**

**CERTIFICATE OF AUTHORIZED SIGNATORIES**

[to be attached]

**SCHEDULE "C"**

**DESIGNATED MARKETS SIDE LETTER**

Date: Oct 10, 2007

Re: Trust Agreement dated August 10<sup>th</sup> 2007 (the "Trust Agreement") between CanWest MediaWorks Inc. and CanWest MediaWorks Publications Inc. (the "Companies") and RBC Dexia Investor Services Trust ("Trustee") in relation to the fund on behalf of which the Companies act or are authorized to act (the "Fund")

In order to provide services to the Companies pursuant to the Trust Agreement, the Trustee is required to engage subcustodians in certain markets, which the Trustee has identified as being high risk and has designated as "Designated Markets" by listing them in Appendix I to this letter. A Designated Market is a market where the risks of engaging a subcustodian are significantly greater than they would be in more established markets.

Due to the higher risks involved in engaging subcustodians in Designated Markets, the Trustee cannot accept the same level of responsibility for subcustodians in Designated Markets as it would in more established markets. This letter agreement describes the level of responsibility that the Trustee will accept for the subcustodians that it engages in Designated Markets.

Under the Trust Agreement, the Trustee is responsible for the negligence and wrongful acts of its subcustodians. However, where the Trustee engages a subcustodian in a Designated Market, you acknowledge and agree that the Trustee will not be responsible for the negligence or wrongful acts of such subcustodians and that will not be considered to be a breach by the Trustee of its standard of care for purposes of the Trust Agreement. Notwithstanding this, the Trustee will continue to accept responsibility for the selection and on-going monitoring of its subcustodians in all markets, including Designated Markets, in accordance with its standard of care.

From time to time, the Trustee may add to or delete markets from the list of Designated Markets attached as Appendix I to this letter agreement. The Trustee will provide you with written notice of these changes. You will have 60 days from the date of this notice to raise concerns regarding any new Designated Market which is added to the list. After this 60-day period, that added market will be deemed to be a Designated Market for the purposes of this letter agreement.

Finally, you acknowledge that you (and/or other managers of or advisors to the Fund) are responsible for apprising yourselves of the specific risks to the Fund involved in the investment and reinvestment of the Fund's property in all markets in which the Fund's property is located from time to time.

Please indicate your agreement with the above terms and conditions by countersigning and return to us the attached copy of this letter agreement.

Sincerely,

RBC Dexia Investor Services Trust

By

  
**TIM PARDEE**  
 REGIONAL HEAD, WESTERN CANADA

By *muWeinmuller* **Maria Weinmuller**  
Manager

By countersigning this letter agreement in the space(s) provided below, the Companies hereby agree to the foregoing terms and conditions of this letter agreement.

CanWest MediaWorks Inc.

By \_\_\_\_\_

By \_\_\_\_\_

CanWest MediaWorks Publications Inc.

By \_\_\_\_\_

By \_\_\_\_\_

**APPENDIX I**  
**LIST OF DESIGNATED MARKETS**

**Argentina**

**Russian Federation**

**Date:**