



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

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

APPLICANTS

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

A LEGAL PROCEEDING has been commenced by the Applicants. The claim made by the Applicants appears on the following pages.

THIS APPLICATION will come on for a hearing before a Judge on January 8, 2010; or as soon after that time as the application can be heard at the Court House, 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the rules of court, serve it on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

If you wish to oppose this application but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

Date: January 8, 2010

Issued by:



Local registrar

**Joanne Nicoara**  
Registrar, Superior Court of Justice

Address of court office:  
330 University Ave.  
Toronto, ON M5G 1R7

**TO: THE SERVICE LIST**

## APPLICATION

1. The Applicants, Canwest Publishing Inc./Publications Canwest Inc. (“CPI”), Canwest Books Inc. (“CBI”) and Canwest (Canada) Inc. (“CCI”), make application for an Initial Order substantially in the form attached as Schedule “A” hereto, among other things:

- (a) abridging the time for service of this Notice of Application and dispensing with service on any person other than those served;
- (b) declaring that the Applicants are parties to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) applies;
- (c) declaring that Canwest Limited Partnership (the “**Limited Partnership**”) shall enjoy the benefits of the protections provided to the Applicants under the Initial Order;
- (d) appointing FTI Consulting Canada Inc. (“**FTI Consulting**” or the “**Monitor**”) as officer of this Honourable Court to monitor the assets, businesses and affairs of the Applicants and the Limited Partnership (collectively, the “**LP Entities**”);
- (e) staying all proceedings taken or that might be taken in respect of the LP Entities, their directors and officers and FTI Consulting;
- (f) approving the Support Agreement dated as of January 7, 2010 between the LP Entities and the LP Administrative Agent (as defined below)(the “**Support Agreement**”) and authorizing and directing the LP Entities to pay and perform all of their indebtedness, liabilities and obligations under and pursuant to the Support Agreement;

- (g) authorizing and approving the Sale and Investor Solicitation Process (as further set out below, the “SISP”) and directing and authorizing the LP Entities to proceed with the SISP;
- (h) authorizing the Applicants to file the plan of compromise or arrangement between the LP Entities and the LP Secured Lenders (the “**Senior Lenders’ CCAA Plan**”), and authorizing the LP Entities to seek approval of the Senior Lenders’ CCAA Plan, including the procedures contemplated for the classification of claims and the voting on and eventual sanction of the Senior Lenders’ CCAA Plan in the manner set out in Schedule “A”;
- (i) authorizing the LP Entities to obtain and borrow under a credit facility to finance their working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed CDN\$25 million unless permitted by further Order, with such credit facility to be on the terms and subject to the conditions set forth in a commitment letter dated as of January 7, 2010, to be filed;
- (j) granting the following charges over the property of the LP Entities, with relative priority as set out in Schedule “A”:
  - (A) a charge in favour of the lenders under the credit facility referred to in (i);
  - (B) a charge in favour of the proposed monitor, counsel to the monitor and counsel to certain other parties;
  - (C) a charge in favour of the financial advisor to the LP Entities;
  - (D) a charge in favour of the directors and officers of the Applicants;and

- (E) a charge in favour of certain essential employees of the LP Entities to secure amounts owing to them under the LP MIP (as defined below);
- (k) sealing the Confidential Supplement (as defined below) pending further Order of the Court; and
- (l) granting such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:

- (a) the Applicants are companies to which the CCAA applies;
- (b) the Limited Partnership carries on operations integral and closely related to the businesses of the Applicants and it is therefore appropriate to extend the protections of the Order sought to the Limited Partnership;
- (c) Canwest Global Communications Corp. ("**Canwest Global**"), the ultimate parent company of the LP Entities, is a Canadian media company with interests in: (i) newspaper publishing and digital media and on-line operations; and (ii) free-to-air television stations and subscription-based specialty television channels;
- (d) the LP Entities own and operate the newspaper publishing and digital media and on-line operations of Canwest Global;
- (e) the LP Entities employ approximately 5,300 employees, all of whom work in Canada and approximately 1,300 of whom work in Ontario;
- (f) beginning in May, 2009 the Limited Partnership has been in default of certain credit and other facilities, and more particularly:
  - (A) under a credit agreement dated as of July 10, 2007 between the Limited Partnership, The Bank of Nova Scotia, as Administrative Agent (the "**LP Administrative Agent**") for a syndicate of lenders

(collectively, the “**LP Secured Lenders**”) and CCI, CPI and CBI, as guarantors (the “**LP Credit Agreement**”) under which the Canadian dollar equivalent of approximately \$953.3 million (exclusive of unpaid interest) is currently outstanding;

- (B) in respect of related foreign currency and interest rates swaps, pursuant to which repayment of approximately \$68.9 million has been demanded by the swap counterparties;
- (C) under a senior subordinated credit agreement dated as of July 10, 2007 between the Limited Partnership, The Bank of Nova Scotia, as Administrative Agent for a syndicate of lenders (collectively, the “**LP Subordinated Lenders**”) and CCI, CPI and CBI, as guarantors (the “**LP Senior Subordinated Credit Agreement**”) under which \$75 million (exclusive of unpaid interest) is currently outstanding; and
- (D) under a note indenture dated as of July 13, 2009 between the Limited Partnership, the Bank of New York Trust Company of Canada as trustee, and CPI and CBI (the “**LP Note Indenture**”) under which the Canadian dollar equivalent of \$438 million (exclusive of unpaid interest) is currently outstanding;
- (g) the LP Entities have no ability to remedy the foregoing defaults;
- (h) in order to permit the businesses of the LP Entities to continue to operate as going concerns and in an effort to preserve the greatest number of jobs and maximize value for the stakeholders of the LP Entities, the Limited Partnership and the LP Secured Lenders have negotiated a pre-arranged support transaction (the “**Support Transaction**”) pursuant to which an entity capitalized by the LP Secured Lenders and the *pari passu* swap counterparties (“**Aquireco**”) will acquire substantially all of the assets of the LP Entities;

- (i) the LP Entities and the LP Secured Lenders have entered into a Support Agreement dated as of January 7, 2009 that sets forth the terms of certain agreements and arrangements between the LP Entities and the LP Administrative Agent in respect of the Support Transaction and pursuant to which, subject to the approval of this Honourable Court, the LP Entities have agreed, *inter alia*, to commence this CCAA proceeding and to use commercially reasonable efforts to implement the Support Transaction, conduct the SISP and obtain an order sanctioning the Senior Lenders' CCAA Plan;
- (j) in an effort to ensure that the Support Transaction represents the greatest possible benefit to all of the stakeholders of the LP Entities, RBC Capital Markets Inc., as financial advisor to the LP Entities and under the supervision of the Monitor, will conduct a comprehensive sale and investor solicitation process (the "SISP") on the terms set forth in Schedule "A" to the draft Initial Order in an effort to attract a higher or better offer from a third party (a "Superior Offer") than the one contained in the Support Transaction;
- (k) the Limited Partnership entered into an agreement dated as of October 1, 2009 with RBC Dominion Securities Inc. (the "Financial Advisor") relating to the provision of investment banking services to the LP Entities (the "Financial Advisor Agreement"), and the Financial Advisor will conduct the SISP under the supervision of the proposed monitor and in consultation with the LP Entities and its advisors;
- (l) subject to Court approval or the identification of a Superior Offer in the SISP, the Support Transaction is to be approved by the LP Secured Lenders pursuant to the Senior Lenders' CCAA Plan;
- (m) in order to facilitate and encourage the continued participation of certain of the LP Entities' senior executives and other key employees who are required to guide the LP Entities through a successful restructuring and preserve enterprise value, the LP Entities have developed a "Management

Incentive Plan” (“**LP MIP**”). The LP MIP will provide the participants thereunder with payments as an incentive to continue their employment throughout the full term of the CCAA proceedings;

- (n) un-redacted copies of the LP MIP and the Financial Advisor Agreement will be attached as a confidential supplement to the Proposed Monitor’s pre-filing report (the “**Confidential Supplement**”);
- (o) the Confidential Supplement contains sensitive financial and personal information relating to certain of the LP Entities’ employees and the provision of services by the Financial Advisor that is inappropriate for disclosure, and sealing the Confidential Supplement pending further Order of this Court is appropriate in the circumstances;
- (p) the LP Entities have arranged for debtor in possession financing which they may need to use to fund ongoing working capital requirements during the pendency of this proceeding, which facility has only been made available on condition that the lenders thereunder be granted a charge over the property of the LP Entities;
- (q) the LP Entities require a stay of proceedings and the other relief sought to allow them to commence the SISP and implement the Support Transaction or an alternative transaction contemplated by a Superior Offer;
- (r) the provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;
- (s) Rules 2.03, 3.02, 14.05(2) and 16 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 106 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and
- (t) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:



- (a) the Affidavit of Thomas Strike, sworn January 7, 2010, and the exhibits attached thereto;
- (b) the Pre-Filing Report of FTI Consulting dated January 7, 2010 and the appendices attached thereto; and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

January 8, 2010

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**TO: THE SERVICE LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985, c.C-36,  
AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANWEST  
PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND  
CANWEST (CANADA) INC.

Court File No:

CV-10-8533-00CL

APPLICANTS

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

Proceeding commenced at Toronto

**NOTICE OF APPLICATION**

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