

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

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

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

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

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

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

21. THIS COURT ORDERS that the Applicants shall jointly and severally indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of any of the CMI Entities, after the date hereof, to (i) make payments in respect of the CMI Entities of the nature referred to in subparagraphs 7(a), 9(a), 9(b) and 9(c) of this Order, and (ii) make payments of amounts in respect of the CMI Entities for which the directors and officers are statutorily liable, which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or

director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct. For greater certainty, the indemnity provided by this paragraph 21 shall not indemnify such directors or officers from any costs, claims, charges, expenses or liabilities properly attributable to the LP Entities.

22. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "CMI Directors' Charge") on the CMI Property, which charge shall not exceed an aggregate amount of \$20,000,000, as security for the indemnity provided in paragraph 21 of this Order. The CMI Directors' Charge shall have the priority set out in paragraphs 55 and 57 herein.

23. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary (a) no insurer shall be entitled to be subrogated to or claim the benefit of the CMI Directors' Charge and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Director's Charge to the extent they do not have coverage under a directors and officers insurance policy.

24. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the terms and conditions with respect to any release and discharge of the Charges (as defined herein) shall be satisfactory to the CMI Entities, the Management Directors (with respect to the CMI Directors' Charge), the Monitor and the Ad Hoc Committee.

#### **APPOINTMENT OF MONITOR**

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

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

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

- (h) have full and complete access to the CMI Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the CMI Entities, to the extent that is necessary to adequately assess the CMI Entities' business and financial affairs or to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) monitor and, if necessary, report to the Court on any matters pertaining to the provision of the Shared Services in accordance with paragraph 6 of this Order; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

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

28. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the CMI Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing

herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the CMI Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. THIS COURT ORDERS that the Monitor shall provide any creditor of a CMI Entity with information provided by the CMI Entity in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by a CMI Entity is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the applicable CMI Entity may agree.

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

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

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

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

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the CMI Entities, counsel and the financial advisor to the Special Committee, counsel to the Management Directors, the CMI CRA, the Financial Advisor and the Committee Advisors shall be entitled to the benefit of and are hereby granted a charge on the CMI Property (the "CMI Administration Charge"), which charge shall not exceed an aggregate amount of \$15,000,000 as security for their reasonable professional fees and disbursements incurred at their respective standard rates and charges in respect of such services, both before and after the making of this Order in respect of these proceedings. The CMI Administration Charge shall have the priority set out in paragraphs 55 and 57 hereof.

#### **CHIEF RESTRUCTURING ADVISOR**

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

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

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

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

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

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

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

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

#### **DIP FINANCING**

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

First – CMI Administration Charge;

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

Third – CMI DIP Charge; and

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

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

57. THIS COURT ORDERS that, the CMI Directors' Charge, the CMI Administration Charge, the CMI DIP Charge and the CMI KERP Charge shall constitute a charge on the CMI Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, notwithstanding the order of perfection or attachment, except for any validly perfected purchase money security interest in favour of a secured creditor or any statutory Encumbrance existing on the date of this Order in favour of any Person which is a "secured creditor," <sup>any of</sup> ~~if any,~~ in respect of <sup>any of</sup> ~~source~~ deductions from wages, employer health tax, workers compensation, GST/QST, PST payables, vacation pay and banked overtime for employees, amounts under the Wage Earners' Protection Program that are subject to a super priority claim under the BIA. <sup>as defined in the CCAA</sup>

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

59. THIS COURT ORDERS that the CMI Directors' Charge, the CMI Administration Charge, the CMI KERP Charge, the CMI DIP Definitive Documents and the CMI DIP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees"), the rights and remedies of the CMI DIP Lender under the CMI DIP Definitive Documents, the rights and remedies of Irish Holdco under the Secured Note and the rights and remedies of the Consenting Noteholders under the Use of Collateral and Consent Agreement and the Support Agreement shall not otherwise be limited or impaired in any way, subject to the provisions of paragraph 53 herein, by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the CMI Entities, or any of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the CIT Credit Agreement, the CMI DIP Definitive Documents, the Use of Collateral and Consent Agreement, the Support Agreement, the Secured Note or the Unsecured Note, shall create or be deemed to constitute a breach by any of the CMI Entities of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the CMI Entities entering into the CIT Credit Agreement or any other CMI DIP Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the CMI DIP Definitive Documents; and

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

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

#### APPROVAL OF FINANCIAL ADVISOR AGREEMENT

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

#### KEY EMPLOYEE RETENTION PLANS

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

63. THIS COURT ORDERS that the Confidential Supplement be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice which sets out the title

and the letter agreement dated December 10, 2008 referred to in paragraph 61 herein  
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of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

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

#### **POSTPONEMENT OF ANNUAL GENERAL MEETING**

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

#### **FOREIGN PROCEEDINGS**

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

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

68. THIS COURT ORDERS that each of the CMI Entities and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and any other Order issued in these proceedings.



**SERVICE AND NOTICE**

69. THIS COURT ORDERS that the CMI Entities or the Monitor shall (i) without delay, publish a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the CMI Entities of more than \$5,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a)(ii)(C) of the CCAA and the regulations made thereunder, provided that, for the purposes of this list, (i) with respect to the 8% senior subordinated notes issued by CMI, only the name and address of the indenture trustee of such notes and the aggregate amount owing in respect of such notes shall be listed and made publicly available and (ii) the Monitor shall not make the names and addresses of individuals who are creditors publicly available.

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

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

**GENERAL**

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

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

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

75. THIS COURT Orders that, notwithstanding the immediately preceding paragraph, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the CIT Credit Agreement or the CMI DIP Definitive Documents, unless notice of a motion for such order is served on the Monitor and the CMI Entities, the Ad Hoc Committee and the CMI DIP Lender, returnable no later than November 5, 2009.

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



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

OCT 06 2009

PER / PAR: 

Joanne Nicoara  
Registrar, Superior Court of Justice

## **SCHEDULE "A"**

### **Applicants**

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

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

**SCHEDULE "B"**

**Partnerships**

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

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

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

Court File No:

APPLICANTS

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**INITIAL ORDER**

**OSLER, HOSKIN & HARCOURT LLP**  
Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8

Lyndon A.J. Barnes (LSUC#: 13350D)  
Tel: (416) 862-6679

Edward A. Sellers (LSUC#: 30110F)  
Tel: (416) 862-5959

Jeremy E. Dacks (LSUC#: 41851R)  
Tel: (416) 862-4923

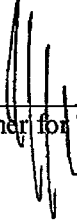
Fax: (416) 862-6666

Lawyers for the Applicants

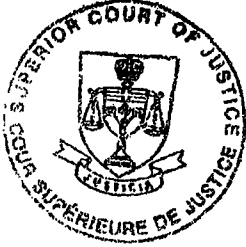
F. 1114233

# TAB C

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

  
\_\_\_\_\_  
Commissioner for Taking Affidavits





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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
  
MADAM JUSTICE PEPALL

)  
)  
)

MONDAY, THE 29<sup>th</sup> DAY  
  
OF MARCH, 2010

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CANWEST GLOBAL  
COMMUNICATIONS CORP. AND THE OTHER APPLICANTS  
LISTED ON SCHEDULE "A"

Applicants

**ORDER  
(Stay Extension Motion)**

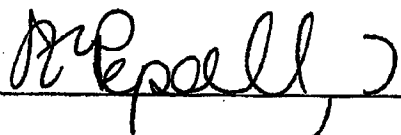
**THIS MOTION**, made by Canwest Global Communications Corp. ("Canwest Global") and the other Applicants listed on Schedule "A" hereto (collectively, the "Applicants") and the Partnerships listed on Schedule "B" hereto (the "Partnerships" and, together with the Applicants, the "CMI Entities"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion of the CMI Entities, the Affidavit of John E. Maguire sworn March 23, 2010, the 12<sup>th</sup> Report of FTI Consulting Canada Inc. in its capacity as court-appointed monitor of the CMI Entities (the "Monitor"), and on hearing from counsel for the CMI Entities, the Monitor, the *ad hoc* committee of holders of 8% senior subordinated notes issued by Canwest Media Inc., ~~SIT Business Credit Canada Inc.~~, Shaw Communications Inc., and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed.

STP

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this Motion is properly returnable today and any further service of the Notice of Motion and the Motion Record is hereby dispensed with.

2. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order dated October 6, 2009, and as subsequently extended, is hereby extended from March 31, 2010 until June 15, 2010.



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

MAR 29 2010

PER / PAR: JSN

Joanne Nicoara  
Registrar, Superior Court of Justice

**Schedule "A"**

**Applicants**

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

**Schedule "B"**

**Partnerships**

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

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

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

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

APPLICANTS

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**  
(Stay Extension Motion)

**OSLER, HOSKIN & HARCOURT LLP**  
Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8

Lyndon A.J. Barnes (LSUC#: 13350D)  
Tel: (416) 862-6679

Jeremy E. Dacks (LSUC#: 41851R)  
Tel: (416) 862-4923

Shawn T. Irving (LSUC#: 50035U)  
Tel: (416) 862-4733

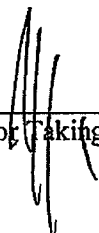
Fax: (416) 862-6666

Lawyers for the Applicants

F. 1114233

# TAB D

This is Exhibit "D" to the  
Affidavit of John E. Maguire  
sworn before me this 3rd day of June, 2010.

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

*Execution Version*

**TRANSITION AND REORGANIZATION  
AGREEMENT**

by and among

**CANWEST GLOBAL COMMUNICATIONS CORP.,**

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

**CANWEST MEDIA INC.,**

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

**CANWEST TELEVISION LIMITED  
PARTNERSHIP.,**

and

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

**Dated as of October 26, 2009**



## TRANSITION AND REORGANIZATION AGREEMENT

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

### WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE I

### INTERPRETATION

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

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

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

## ARTICLE II

### THE TRANSITION AND REORGANIZATION

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

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

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

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

## ARTICLE III

### MISCELLANEOUS

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

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

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

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

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

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

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


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

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

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

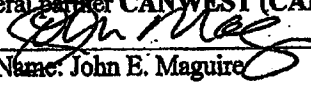
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

**CANWEST GLOBAL COMMUNICATIONS  
CORP.**

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

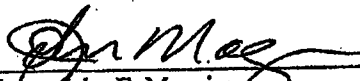
By: \_\_\_\_\_  
Name: Richard M. Leipsic  
Title: Senior Vice-President & General  
Counsel

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

By:   
Name: John E. Maguire  
Title: Director


By: \_\_\_\_\_  
Name: Thomas C. Strike  
Title: Director

**CANWEST MEDIA INC.**

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


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

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

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


By: \_\_\_\_\_  
Name: Thomas C. Strike  
Title: Vice-President

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

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

By: \_\_\_\_\_  
Name: Thomas C. Strike  
Title: Vice-President

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

By:   
Name: John E. Maguire  
Title: Director

By: \_\_\_\_\_  
Name: Richard M. Leipsic  
Title: Director

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

By: \_\_\_\_\_  
Name: Richard M. Leipsic  
Title: President

By: \_\_\_\_\_  
Name: Riva R. Richard  
Title: Secretary

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

**CANWEST GLOBAL COMMUNICATIONS  
CORP.**

By:

Name: John E. Maguire  
Title: Chief Financial Officer

By:

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

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

By:

Name: John E. Maguire  
Title: Director

By:

Name: Thomas C. Strike  
Title: Director

**CANWEST MEDIA INC.**

By:

Name: John E. Maguire  
Title: Chief Financial Officer

By:

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

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

By:

Name: John E. Maguire  
Title: Vice-President

By:

Name: Thomas C. Strike  
Title: Vice-President



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

By: \_\_\_\_\_

Name: John E. Maguire  
Title: Vice-President

By: \_\_\_\_\_

Name: Thomas C. Strike  
Title: Vice-President

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

By: \_\_\_\_\_

Name: John E. Maguire  
Title: Director

By: \_\_\_\_\_

Name: Richard M. Leipsic  
Title: Director

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

By: \_\_\_\_\_

Name: Richard M. Leipsic  
Title: President

By: \_\_\_\_\_

Name: Riva R. Richard  
Title: Secretary

**WITNESS WHEREOF**, the Parties have caused this Agreement to be signed by their duly authorized officers and year first above written.

**CANWEST GLOBAL COMMUNICATIONS  
CORP.**

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

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

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

By: \_\_\_\_\_  
Name: John E. Maguire  
Title: Director

By: \_\_\_\_\_  
Name: Thomas C. Strike  
Title: Director

**CANWEST MEDIA INC.**

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

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

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

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

By: \_\_\_\_\_  
Name: Thomas C. Strike

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

By: \_\_\_\_\_

Name: John E. Maguire  
Title: Vice-President

By: \_\_\_\_\_

Name: Thomas C. Strike  
Title: Vice-President

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

By: \_\_\_\_\_

Name: John E. Maguire  
Title: Director

By: \_\_\_\_\_

Name: Richard M. Leipsic  
Title: Director

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

By: \_\_\_\_\_

Name: Richard M. Leipsic  
Title: President

By: \_\_\_\_\_

Name: Riva R. Richard

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

By:

\_\_\_\_\_  
Name: John E. Maguire  
Title: Vice-President

By:

\_\_\_\_\_  
Name: Thomas C. Strike  
Title: Vice-President

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

By:

\_\_\_\_\_  
Name: John E. Maguire  
Title: Director

By:

\_\_\_\_\_  
Name: Richard M. Leipsic  
Title: Director

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

By:

\_\_\_\_\_  
Name: Richard M. Leipsic  
Title: President

By:

\_\_\_\_\_  
Name: Riva R. Richard  
Title: Secretary

## **AGREEMENT ON SHARED SERVICES AND EMPLOYEES**

This Agreement is made as of October 26, 2009 between

**Canwest Global Communications Corp.**  
**("Canwest Global")**

and

**Canwest Limited Partnership / Canwest Societe en  
Commandite**  
**("Canwest LP")**

and

**Canwest Media Inc.**  
**("CMI")**

and

**Canwest Publishing Inc. / Publications Canwest Inc.**  
**("CPI")**

and

**Canwest Television Limited Partnership**  
**("Television LP")**

and

**The National Post Company/La Publication National Post**  
**("NP")**

### **RECITALS**

- A. Some or all of the Parties are party to the agreements listed in Schedule A hereto (as they may be amended from time to time from and after the date of this Agreement) ("**Shared Services Agreements**") pursuant to which one or more of the Parties has agreed to provide certain services to the other.
- B. It is contemplated that the Broadcast Parties and the Print Parties will be restructured under one or more CCAA Proceedings.
- C. Having regard to the proposed restructurings, the Parties have agreed to an orderly termination of their shared service arrangements and, in that connection, the Parties which are party to certain of the Shared Services Agreements have agreed to alter the basis upon and term

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

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

**FOR VALUE RECEIVED**, the Parties agree as follows:

## ARTICLE 1 – INTERPRETATION

### Section 1.1 Definitions

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

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

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

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



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

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

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

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

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

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

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

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

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

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

#### **Section 1.2 Actions on Non-Business Days**

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

#### **Section 1.3 Headings and References**

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

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

**Section 1.4 Extended Meanings**

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

**Section 1.5 Schedules**

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

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

**ARTICLE 2- ADJUSTMENTS AND AMENDMENTS  
TO CERTAIN SHARED SERVICES AGREEMENTS**

**Section 2.1 Termination of Shared Services Provided by Canwest LP**

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

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

**Section 2.2 Termination of Executive and Partnership Services Provided by CMI**

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

### **Section 2.3 Termination of Other Shared Services Agreements**

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

#### **Section 2.4 Certain Termination Rights Not to be Exercised**

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

#### **Section 2.5 Amendment of Fees and Costs**

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

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

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

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

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

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

***Other Amounts Payable between the Parties***

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

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

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

#### **Section 2.6 Amendments to Shared Services Agreement**

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

#### **Section 2.7 Termination and Transition**

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

- (a) if any such IT hardware is in the possession of a Print Party but owned by a Broadcast Party (or vice-versa), to the extent such IT hardware is not needed by the possessing Party to provide services under any Shared Services Agreement (unless the Parties agree otherwise), it shall be physically transferred to the Party that owns of such IT hardware, at the expense of such Party;
  - (b) if any such IT hardware is in the possession of a Print Party but leased by a Broadcast Party (or vice-versa), the Parties shall cooperate and use commercially reasonable efforts (including negotiation of appropriate amendments with the lessor) to ensure that any Party which uses or has access to any IT hardware pursuant to a lease or sublease to which it is not a Party shall continue to be permitted to use and have access to such IT hardware to the extent required for such Party to comply with its obligations under the Shared Services Agreements, subject to the terms of the relevant lease or sublease agreement as may be amended from time to time;
  - (c) if any such owned IT hardware is redundant to the owner of the hardware (including not required by the owner to provide any service under a Shared Services Agreement) and any other Party wishes to acquire such IT hardware (the "Interested Party"), the owner and the Interest Party shall negotiate for the transfer of such IT hardware to the Interested Party on commercially reasonable terms;
  - (d) the Parties shall cooperate and use commercially reasonable efforts (including negotiation of appropriate amendments with the licensor) to ensure that any Party which uses or has access to any software pursuant to a license or sublicense to which it is not a Party shall continue to be permitted to use and have access to such software to the extent required for such Party to comply with its obligations under the Shared Services Agreements, subject to the terms of the relevant license or sublicense agreement as may be amended from time to time; and
  - (e) if a Party which is not the sole licensee under any such software license wishes to obtain a license to use the software, the Parties shall cooperate and use commercially reasonable efforts (including negotiation of appropriate amendments with the licensor) to assist such Party to obtain such a license, including by way of assignment or sublicense of all or part of such existing software license subject to the terms of the relevant license or sublicense agreement as may be amended from time to time.
- (6) **Customized Software and Hardware** – For the avoidance of doubt, the Parties acknowledge and agree that they will continue to give effect to and abide by the terms of any Shared Services Agreement which provides that the intellectual property rights in respect of software and hardware procurement, customization, development, integration and configuration services shall, as between the Parties to such Shared Services Agreement, be owned by one (or more) of the Parties to such Shared Services Agreement pursuant to the terms and conditions of the relevant Shared Services Agreement.

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

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

## **ARTICLE 3- EMPLOYEE-RELATED MATTERS**

### **Section 3.1 Certain Business Services Employees**

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

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

### **Section 3.2 Redundant Employees**

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



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

### **Section 3.3 Misaligned Employees**

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

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

### **Section 3.4 Cross-Over Employee Retirement and Pension Plan Participation**

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

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

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

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

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

### **Section 3.5 Amendments to Pension Agreements**

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

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

### **Section 3.6 Non-Solicitation**

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

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

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

#### ARTICLE 4 – APPROVALS AND CONDITION PRECEDENT

##### Section 4.1 Acknowledgement and Condition The Parties acknowledge that:

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

##### Accordingly:

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

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

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

## ARTICLE 5- DISPUTE RESOLUTION

### Section 5.1 Dispute Resolution

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

## ARTICLE 6- MISCELLANEOUS

### Section 6.1 Proposed Change of Control Transactions

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

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

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

#### **Section 6.2 Impact on Affiliates**

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

#### **Section 6.3 Further Assurances**

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

#### **Section 6.4 Amendments**

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

#### **Section 6.5 Assignment and Enurement**

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

### **Section 6.6 Counterparts**

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

### **Section 6.7 Notice**

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

#### **If to Canwest Global:**

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

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

#### **If to Canwest LP, CPI or NP:**

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

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

If to CMI or Television LP:

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

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

**Section 6.8 Delivery by Fax**

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

**Section 6.9 Entire Agreement**

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

**Section 6.10 Conflict with Shared Services Agreements and Paramountcy**

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

**Section 6.11 Governing Law**

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

**Section 6.12 Severability**

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

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

**Section 6.13 Submission to Jurisdiction**

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

**Section 6.14 Waivers**

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

*[Remainder of this page intentionally left blank.]*



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

**CANWEST GLOBAL COMMUNICATIONS  
CORP.**

By: 

Name: John E. Maguire  
Title: Chief Financial Officer

By: \_\_\_\_\_

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

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

By: 

Name: John E. Maguire  
Title: Director

By: \_\_\_\_\_

Name: Thomas C. Strike  
Title: Director

**CANWEST MEDIA INC.**

By: 

Name: John E. Maguire  
Title: Chief Financial Officer

By: \_\_\_\_\_

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

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


By: 

Name: John E. Maguire  
Title: Vice-President

By: \_\_\_\_\_


Name: Thomas C. Strike  
Title: Vice-President

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

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

By: \_\_\_\_\_  
Name: Thomas C. Strike  
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PUBLICATION NATIONAL POST by its  
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By: \_\_\_\_\_  
Name: Richard M. Leipsic  
Title: Director

**THE NATIONAL POST COMPANY / LA  
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By: \_\_\_\_\_  
Name: Richard M. Leipsic  
Title: President

By: \_\_\_\_\_  
Name: Riva R. Richard  
Title: Secretary

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Title: President

By:   
Name: Riva R. Richard  
Title: Secretary

## **Schedule A – SHARED SERVICES AGREEMENTS**

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

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

### **Affiliation Services**

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

### **Cross-Promotional Advertising Services**

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

### **Cooperation and Confidentiality**

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

### **Employee Secondment and Cost Reimbursement Arrangements**

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

### **Executive and Partnership Services**

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

### **Intellectual Property Arrangements**

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

### **Insurance Services**

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



**Pension Services**

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

**Rent Services**

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

**SCHEDULE B – IT SERVICES TERMINATING ON AUGUST 31, 2010**

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

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

**SCHEDULE C – IT SERVICES TERMINATING ON FEBRUARY 28, 2011**

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

EXECUTION COPY

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**NATIONAL POST TRANSITION AGREEMENT**

Made as of October 26, 2009

Between

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

and

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

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



## NATIONAL POST TRANSITION AGREEMENT

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

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

(the "Transferor")

and

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

("CPI")

### RECITALS

A. The Transferor operates the Business as a partnership pursuant to the NP Partnership Agreement.

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

FOR VALUE RECEIVED, the parties agree as follows:

### ARTICLE 1 – INTERPRETATION

#### Section 1.1 Definitions

In this Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

### Section 1.2 Best of Knowledge

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

### Section 1.3 Additional Rules of Interpretation

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

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

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

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

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

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

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

#### **Section 1.4 Schedules**

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

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

## **ARTICLE 2 -- PURCHASE AND SALE**

### **Section 2.1 Transferred Assets**

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

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

### Section 2.2 Excluded Assets

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

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

## ARTICLE 3 – ASSUMPTION OF LIABILITIES

### Section 3.1 Assumed Liabilities

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

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

(4) **Employees.** All Liabilities of the Transferor in respect of the Transferred Employees including wages owing up to and including the Closing Date as well as any amounts due to any Employees for their expenses under the Transferor's credit card program in accordance with the Transferor's policies for such program and expenses (the "Accrued Salaries").

(5) **Transferor's Pension Plan.** The Transferor's Pension Plan and the Transferor's rights, duties, obligations and liabilities with respect to the Transferor's Pension Plan and its related trust or other funding medium and any of the Transferor's rights, liabilities and obligations in respect of Transferred Employees under any other Pension Plans.

(6) **Benefit Plans.** The Benefit Plans and any of the Transferor's rights, duties, obligations and liabilities with respect to the Benefit Plans.

(7) **Contracts, etc.** All Liabilities of the Transferor for the period from and after the Closing Date under the Contracts, Licences and Permitted Encumbrances, including all Liabilities in respect of the Transferor's or the NP Partners' corporate credit card programs provided that nothing in this Section 3.1(7) shall be construed as limiting the Liabilities assumed by the Transferee under any other provision of Section 3.1.

(8) **Print Intercompany Liabilities.** All Liabilities of the Transferor under the Print Payables.

(9) **Existing Shared Services.** All Liabilities of the Transferor for the period from and after the Closing Date under the Existing Shared Services Agreements as they may be restructured with the agreement of CPI provided that nothing in this Section 3.1(9) shall be construed as limiting the Liabilities assumed by the Transferee under any other provision of Section 3.1.

(10) **Other.** All other obligations or Liabilities to be assumed by the Transferee as specifically provided for under this Agreement.

### **Section 3.2 Retained Liabilities**

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

(1) **Transaction Expenses.** All Liabilities for legal, accounting, audit and investment banking fees, brokerage commissions and any other expenses incurred by the Transferor with respect to the Transaction.

(2) **Contracts, etc.** All Liabilities of the Transferor in respect of any breach of representation, warranty or covenant contained in, or for any claim for indemnification pursuant to, any Contract or Licence to the extent that such breach or claim arose out of the performance or non-performance thereunder by the Transferor, prior to the Closing Time, regardless of when such breach or claim is asserted.

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

#### **Section 3.3 Stayed Liabilities**

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

### **ARTICLE 4 – TRANSFER PRICE/TRANSITION COST**

#### **Section 4.1 Payment of the Transfer Price/Transition Cost**

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

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

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

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

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

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

### **ARTICLE 5 – ORDERS**

#### **Section 5.1 Orders**

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

#### **Section 5.2 Consultation; Notification**

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

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

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

## ARTICLE 6 – EMPLOYEE MATTERS

### Section 6.1 Employee List

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

### Section 6.2 Offers

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

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

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

### **Section 6.3 Vacation Pay**

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

### **Section 6.4 Assignment and Assumption of Benefit Plans**

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

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

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

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

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



**Section 6.5 Assignment and Assumption of Transferor's Pension Plan**

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

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

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

#### Section 6.6 Benefit Plans

- (1) As at Closing Date, and at its own expense, CPI shall cause the Transferee to (i) make available to each Transferred Employee and his or her eligible beneficiaries, group benefit plans to provide life insurance, health care, dental care and disability and other group non-pension benefits which have terms and conditions for the period on and after the Closing Date which are in the aggregate no less favourable than the benefits provided under the relevant Transferor's Benefit Plans, (ii) assume all the Transferor's Benefit Plans, and all liabilities and obligations thereunder, that relate to Employees of the Transferor, including any such plans, policies and arrangements that relate to Employees of the Transferor who, as of the Closing Date, are receiving or entitled to receive long-term disability or short-term disability benefits, and (iii) assume the Transferor's liabilities and obligations under any other benefit plan, policy or arrangement that relates principally to Employees of the Transferor. Any such plans assumed or established by the Transferee under this section shall be referred to herein as the "Transferee's Benefit Plans".
- (2) Any Transferred Employee who is eligible and has chosen not to be a participant in the Transferor's Benefit Plans as at the day immediately preceding the Closing Date shall be eligible to become a participant in and accrue benefits under the Transferee's Benefit Plans on and after the Closing Date in accordance with, and subject to, the membership, eligibility and coverage requirements of the Transferee's Benefit Plans.
- (3) Up to the Closing Date, the Transferor will be responsible for the administration of all the premium calculations and deductions, communications and the completion of all forms and reports relating to the Benefit Plans. On and after the Closing Date, CPI and the Transferee will be responsible for the administration of all premium calculations and deductions, communications and the completion of all forms and reports relating to the Benefit Plans.

### **Section 6.7 Post-Retirement Benefits**

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

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

### **Section 6.8 Independent Contractors**

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

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

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

## ARTICLE 7 - TAX MATTERS

### Section 7.1 Goods and Services Tax and Québec Sales Tax

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

### Section 7.2 Provincial Retail Sales Taxes

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

### Section 7.3 Income Tax Act Election

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