

EXHIBIT “C”

This is Exhibit "C" to the
Affidavit of THOMAS C. STRIKE
sworn before me this 12th day of February, 2010.


Commissioner for Taking Affidavits

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

APPLICANTS

**AFFIDAVIT OF JOHN E. MAGUIRE
(Sworn October 5, 2009)**

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

INTRODUCTION

1. This Affidavit is made in support of an Application by Canwest Global and the other Applicants listed on Schedule "A" hereto (together, the "Applicants") for relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). While the partnerships listed on Schedule "B" hereto (the "Partnerships") are not Applicants in this proceeding, the Applicants seek to have a stay of proceedings and other benefits of an Initial Order under the CCAA extended to the Partnerships as they carry on operations integral to the business of the Applicants.

2. I am the Chief Financial Officer of Canwest Global and its principal operating subsidiary Canwest Media Inc. ("CMI"). I am also a director of CMI and an officer of certain of the Applicants listed on Schedule "A", including CMI and Canwest Television GP Inc. ("Canwest Television GP"). As such, I have personal knowledge of the matters deposed to herein. Where I have relied upon other sources for information, I have specifically referred to such sources and verily believe them to be true. In preparing this Affidavit, I have also consulted

with other members of Canwest Global's senior management team and, where necessary, members of the senior management teams of Canwest Global's subsidiaries.

3. Canwest Global is a leading Canadian media company with interests in (i) free-to-air television stations and subscription-based specialty television channels and (ii) newspaper publishing and digital media operations. With respect to its television operations, Canwest Global, principally through its subsidiary Canwest Television Limited Partnership ("CTLP"), owns and operates the *Global Television Network* (as defined below), which is comprised of 12 free-to-air television stations and covers approximately 98% of Canada's English-language television market. Canwest Global, through its subsidiaries, also owns and operates a portfolio of leading subscription-based national specialty television channels, including 17 leading specialty television channels which are held jointly with Goldman Sachs Capital Partners ("Goldman Sachs") and which include *Food Network Canada*, *HGTV Canada*, *Slice* and *History Television*.

4. With respect to its newspaper publishing operations, Canwest Global, principally through its subsidiary Canwest Limited Partnership (the "**Limited Partnership**"), is the largest publisher of daily English-language newspapers in Canada which have an estimated average daily circulation of approximately 1.0 million copies and an estimated average weekly readership of approximately 4.1 million people. Canwest Global, through the Limited Partnership, also publishes a number of community newspapers and other publications and has extensive online and digital media operations. In addition, Canwest Global, through its indirect ownership interest in The National Post Company/La Publication National Post (the "**National Post Company**"), publishes the *National Post* national newspaper and related online operations.

5. Until recently, Canwest Global, indirectly through its subsidiary CanWest MediaWorks Ireland Holdings ("**CMIH**"), was also the majority and controlling shareholder of Ten Network Holdings Limited ("**Ten Holdings**"), which is the owner and operator of various businesses in Australia, including *Ten Television Network*, a free-to-air television network, and Eye Corp Pty. Limited, a multi-national out-of-home advertising business. As described in greater detail below, CMIH recently sold its interest in Ten Holdings.

6. The entities seeking relief in this CCAA proceeding do not comprise the entire Canwest Global enterprise. Relief is sought only on behalf of Canwest Global, CMI, CTLP, the National Post Company and certain of their respective subsidiaries (all of whom are guarantors

under CMI's 8% Senior Subordinated Notes (as defined below) and are parties to the Support Agreement (as defined below)). The businesses operated by the Applicants and Partnerships seeking CCAA protection (collectively, the "CMI Entities") include (i) Canwest's free-to-air television broadcast business (i.e., the *Global Television Network* stations); (ii) certain subscription-based specialty television channels that are wholly owned and operated by CTLP (defined below as the "CMI Owned Specialty Channels"); and (iii) the *National Post*.

7. For greater certainty, the following entities and businesses are not included in this CCAA proceeding, nor is a stay of proceedings sought in respect of them: (i) Canwest Global's Canadian subscription-based specialty television channels which are held jointly with Goldman Sachs (acquired from Alliance Atlantis Communications Inc. ("Alliance Atlantis") in August 2007) and which are now operated by Canwest Global's indirect subsidiary CW Investments Co. ("CW Investments") and its subsidiaries; (ii) Canwest Global's subscription-based specialty television channels which are held in the Canadian Television Segment (as defined below) but not wholly owned by CTLP (i.e., *TVtropolis*, *MysteryTV* and *MenTV*); and (iii) the entities in Canwest's publishing and digital media business in Canada (with the exception of the *National Post*), namely the Limited Partnership, Canwest Publishing Inc./Publications Canwest Inc. ("CPI"), Canwest Books Inc. ("CBI"), and Canwest (Canada) Inc. ("CCI") (collectively, the "LP Entities").

8. Hereinafter, where reference is made to the Canwest Global enterprise as a whole, which includes all of the CMI Entities, together with Canwest Global's other subsidiaries which are not Applicants or Partnerships in this CCAA proceeding, the term "Canwest" will be used.

9. As of October 1, 2009, Canwest employed the full-time equivalent ("FTE") of approximately 7,400 employees around the world. Of that number, approximately 1,700 FTE employees are employed by the CMI Entities, the vast majority of whom work in Canada, with approximately 850 FTE employees working in Ontario.

10. Over the past year, the CMI Entities have experienced significant and sudden declines in their advertising revenues reflecting the weakening economic environment in Canada. The weakening economy has caused many of the CMI Entities' advertising customers to reduce the amounts that they spend on advertising, resulting in decreased demand for advertising and lower advertising rates. The decrease in advertising revenue (which accounts for approximately

77% of Canwest's total Canadian revenues) has had a significantly negative impact on the cash flow positions of the CMI Entities, causing them to be at various times in default of their credit facilities, note indenture and guarantee obligations.

11. In particular, in February 2009, CMI breached, for the first time, certain financial covenants set out in its then current senior secured credit facility. Following the initial default, CMI received a waiver of the borrowing conditions from its then current senior lenders to allow the CMI Entities an opportunity to pursue a possible refinancing or recapitalization transaction. The waiver was extended on six separate occasions over the following three months.

12. On March 15, 2009, CMI failed to make an interest payment in the amount of US\$30.4 million which was due in respect of its US\$761,054,211 aggregate principal amount of 8% senior subordinated notes due 2012 (the "**8% Senior Subordinated Notes**"). Under the terms of the applicable note indenture, CMI had 30 days to "cure" its default and make the required interest payment to the holders of the 8% Senior Subordinated Notes (the "**8% Senior Subordinated Noteholders**"). On April 14, 2009, immediately before the "cure" period was set to expire, CMI entered into the first of a series of extension agreements with an *ad hoc* committee of the 8% Senior Subordinated Noteholders holding approximately 72% of the 8% Senior Subordinated Notes (the "**Ad Hoc Committee**"), wherein the parties agreed that the 8% Senior Subordinated Noteholders who were party to that extension agreement would not demand immediate payment of the principal amount of the outstanding 8% Senior Subordinated Notes during the applicable extension period. Had the waiver agreements and extension agreements not been provided, and had a demand for immediate payment been made by either The Bank of Nova Scotia ("**BNS**"), as Administrative Agent, on behalf of CMI's then current senior lenders, or on behalf of the 8% Senior Subordinated Noteholders, neither CMI nor any of the guarantors under the then current senior secured credit facility or note indenture would have been in a position to repay the amounts owing under the then current senior secured credit facility or the 8% Senior Subordinated Notes.

13. On May 20, 2009, after a series of lengthy negotiations with the Ad Hoc Committee, CMI announced that it had entered into an agreement (as amended, the "**Note Purchase Agreement**") with certain members of the Ad Hoc Committee wherein CMI and its subsidiary CTLP agreed to issue the U.S. dollar equivalent of \$105 million principal amount of

12% senior secured notes (the "12% Secured Notes") to those members of the Ad Hoc Committee (the "12% Secured Notes Purchasers") for an aggregate purchase price of \$100 million. On the same day, CMI announced that it would be entering into an agreement with CIT Business Credit Canada Inc. ("CIT") wherein CIT would provide a senior secured revolving asset-based loan ("ABL") facility in an amount up to \$75 million to CMI (the "CIT Facility"). Both transactions closed on May 22, 2009. These transactions were entered into to provide CMI with sufficient cash to operate its business in the ordinary course until it could enter into further agreements to effect a consensual recapitalization transaction for the CMI Entities. CMI also used the proceeds from the issue and sale of the 12% Secured Notes and from the CIT Facility to, among other things, repay its then current senior lenders all amounts owing under the then current senior credit facility and to settle certain related swap obligations.

14. Due to the size of the indebtedness owing to the 8% Senior Subordinated Noteholders, the continued forbearance of the members of the Ad Hoc Committee with respect to CMI's interest payment default and as a result of the additional liquidity provided to the CMI Entities as a result of the Note Purchase Agreement, the Ad Hoc Committee was provided with the opportunity to negotiate with the CMI Entities a creditor-sponsored "pre-packaged" recapitalization transaction for the CMI Entities. The CMI Entities recognized that any consensual recapitalization transaction would necessarily require the support of the members of the Ad Hoc Committee. In that regard, the Note Purchase Agreement and the CIT Facility contained certain milestones for the achievement of an agreement in principle and the execution of definitive documents with respect to a restructuring or recapitalization transaction involving the CMI Entities. The time frames for satisfying these milestones were extended on numerous occasions while the parties negotiated a possible recapitalization transaction.

15. On September 22, 2009, the board of directors of Canwest Global (the "Board") authorized the sale of all of the shares of Ten Holdings owned by CMIH (the "Ten Shares") on the recommendation of a Special Committee of the Board struck to explore strategic alternatives for Canwest (the "Special Committee"), and with the consent of CIT, the Ad Hoc Committee and the 12% Secured Notes Purchasers. Canwest pursued a sale of the Ten Shares in order to enhance the ability of the CMI Entities to enter into a consensual recapitalization transaction with the Ad Hoc Committee by: (i) providing additional liquidity to CMI for general corporate purposes and to fund the CMI Entities' operations pending completion of a recapitalization

transaction; (ii) repaying all outstanding amounts owing under the CIT Facility, excluding outstanding letters of credit in the amount of approximately \$10.7 million; (iii) repaying all of the amounts owing to the 12% Secured Notes Purchasers; and (iv) depositing amounts with the trustee for the 8% Senior Subordinated Notes (the "**Indenture Trustee**") for the purpose of reducing the aggregate principal amount owing under the 8% Senior Subordinated Notes. Pursuant to an underwriting agreement dated September 24, 2009 (the "**Underwriting Agreement**"), the sale of the Ten Shares was effected in a block trade executed on the Australian Stock Exchange on September 25, 2009 and settled on October 1, 2009, realizing gross proceeds of approximately \$634 million (the "**Ten Proceeds**").

16. In light of the sale of the Ten Shares, the CMI Entities and the members of the Ad Hoc Committee (representing approximately 72% of the aggregate principal amount of the outstanding 8% Senior Subordinated Notes) executed a Use of Cash Collateral and Consent Agreement (the "**Cash Collateral and Consent Agreement**") dated September 23, 2009 that set out, among other things, the manner in which the Ten Proceeds would be used by the CMI Entities.

17. In accordance with the terms of the Cash Collateral and Consent Agreement, after satisfying certain transactional costs associated with the sale of the Ten Shares, the Ten Proceeds were loaned by CMIH to CMI in exchange for a secured promissory note (the "**Secured Intercompany Note**") in the amount of \$187,263,126 and an unsecured promissory note (the "**Unsecured Promissory Note**") in the amount of \$430,556,189. The Ten Proceeds advanced to CMI pursuant to the Secured Intercompany Note were applied as follows: (i) US\$94,916,583 to repay in full all amounts outstanding under the 12% Secured Notes; and (ii) \$85,000,000 to fund general liquidity and operating costs of CMI, including repaying the full balance outstanding under the CIT Facility of approximately \$23 million, excluding outstanding letters of credit in the amount of approximately \$10.7 million which are currently cash collateralized. The balance of the net Ten Proceeds, US\$399,625,199, was advanced to CMI pursuant to the Unsecured Promissory Note and was then deposited by CMI with the Indenture Trustee in payment of outstanding interest (other than an interest payment due September 15, 2009) and to reduce the principal outstanding under the 8% Senior Subordinated Notes. Following the distribution of the Ten Proceeds, the outstanding remaining principal amount owing under the 8% Senior Subordinated Notes is US\$393,197,106.

18. Coincidentally with entering into the Underwriting Agreement for the sale of the Ten Shares and the execution of the Cash Collateral Agreement, the members of the Ad Hoc Committee delivered an offer in respect of a recapitalization transaction to the CMI Entities in the form of a Support Agreement executed by approximately 72% of the 8% Senior Subordinated Noteholders (the "**Support Agreement**"). The Support Agreement had attached to it a Restructuring Term Sheet (the "**Term Sheet**") which contained the summary terms and conditions of a going concern recapitalization transaction involving the CMI Entities (the "**Recapitalization Transaction**"). Pursuant to the conditions of this offer, the Support Agreement was not capable of being accepted by the CMI Entities until the Ten Proceeds were distributed in accordance with the Cash Collateral and Consent Agreement. On October 5, 2009, after the completion of the distribution of the Ten Proceeds, on the recommendation of the Special Committee, the Board approved (and the boards of the other CMI Entities as applicable also approved) the acceptance of the Support Agreement. The Support Agreement and Term Sheet represent the culmination of many months of arm's length negotiations between the CMI Entities and the Ad Hoc Committee.

19. The Support Agreement provides that the CMI Entities will pursue a plan of arrangement or compromise on the terms set out in the Term Sheet (the "**Plan**") in order to implement the Recapitalization Transaction as part of this CCAA proceeding. The Support Agreement also provides that each 8% Senior Subordinated Noteholder that is a signatory thereto (the "**Consenting Noteholders**") will vote its 8% Senior Subordinated Notes in favour of the Plan at any meeting of creditors. Under the Recapitalization Transaction, it is proposed, *inter alia*, that creditors of the CMI Entities whose claims are compromised under the Plan, including the 8% Senior Subordinated Noteholders, will receive common shares of a restructured Canwest Global ("**Restructured Canwest Global**"). It is proposed that existing shareholders of Canwest Global will receive in aggregate 2.3% of the shares of Restructured Canwest Global.

20. The Support Agreement provides that the CMI Entities will make the within application under the CCAA in order to implement the Recapitalization Transaction. The Consenting Noteholders who executed the Support Agreement and the Cash Collateral and Consent Agreement executed such agreements on the basis that a restructuring of the CMI Entities as proposed would be undertaken pursuant to the CCAA. Without the liquidity provided by the Consenting Noteholders under the Cash Collateral and Consent Agreement, which is

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intended to allow the CMI Entities to continue to operate pending completion of a recapitalization and which is only available within a CCAA proceeding, the CMI Entities would be unable to continue as going concerns and are thus insolvent. In addition, CMI did not make, and does not have the necessary liquidity to make, an interest payment in the amount of US\$30.4 million that was due and payable on September 15, 2009 under the 8% Senior Subordinated Notes and therefore cannot satisfy its debts as they become due. None of the other CMI Entities which are guarantors of the 8% Senior Subordinated Notes can make such payment and are thus insolvent. Further, the assets of the CMI Entities are not sufficient to discharge all of their liabilities and the CMI Entities are thus also insolvent on a balance sheet basis.

21. Accordingly, and for the reasons set out herein, the CMI Entities are insolvent and a restructuring of their long-term debt and balance sheets is urgently required and should be pursued in order to preserve their enterprise value.

22. The CMI Entities have reached an agreement on a consensual restructuring transaction with the Ad Hoc Committee. The CMI Entities are seeking a stay of proceedings under the CCAA in order to allow them to proceed to develop the Plan in order to implement the Recapitalization Transaction which, if approved by the creditors and this Honourable Court, would significantly reduce the amount of their indebtedness, allow for a going concern emergence for a substantial number of the businesses operated by the CMI Entities and maintain employment for as many as possible of their approximately 1,700 employees in Canada.

23. As set out below, pursuant to the terms of the CIT Credit Agreement (as defined below) and subject to the conditions therein, the CIT Facility increases from up to \$75 million to up to \$100 million and converts into a debtor-in-possession financing arrangement for the CMI Entities upon a CCAA filing (the "DIP Facility"). Based upon the additional liquidity provided by the Ten Proceeds that have been loaned to CMI by CMIH and the CMI Entities' cash flow projections, the CMI Entities do not expect to draw on the DIP Facility during the early stages of this CCAA proceeding. However, should the need arise, the DIP Facility will be available to be accessed to provide additional liquidity to allow the CMI Entities to develop and implement the Plan.

24. The CMI Entities are also seeking this Honourable Court's authorization for the proposed Monitor to apply for recognition of this CCAA proceeding as "Foreign Main

Proceedings” under Chapter 15 of the United States Bankruptcy Code (the “**Bankruptcy Code**”), initially only in respect of certain of the Applicants (the “**Chapter 15 Proceedings**”), to ensure, *inter alia*, that a continued supply of television programming from certain U.S. entities is not interrupted.

CORPORATE STRUCTURE OF CANWEST GLOBAL

25. Canwest Global is a public company continued under the *Canada Business Corporations Act*, R.S., 1985, c. C-44 (the “**CBCA**”).

26. Canwest Global’s authorized capital consists of an unlimited number of preference shares, multiple voting shares, subordinate voting shares and non-voting shares. The multiple voting shares carry ten votes per share and the subordinate voting shares carry one vote per share. Non-voting shares do not carry voting rights, except at meetings where the holders of such shares would be entitled, by law, to vote separately as a class.

27. The multiple voting shares are convertible into subordinate voting shares or non-voting shares on a one-for-one basis at any time at the option of the holder. The subordinate voting shares are convertible into non-voting shares on a one-for-one basis at any time at the option of the holder. The non-voting shares are convertible into subordinate voting shares on a one-for-one basis provided that the holder is Canadian.

28. Canwest Global is a “constrained-share company” which means that at least 66 2/3% of its voting shares must be beneficially owned by persons who are Canadian. There is no limit on the number of non-voting shares that non-Canadians may hold. Canwest Global’s subordinate voting shares are publicly traded on the Toronto Stock Exchange (“**TSX**”) under the symbol “**CGS**” and its non-voting shares are currently listed for trading on the TSX under the symbol “**CGS.A**”. Canwest Global’s multiple voting shares are not listed for trading.

29. As at September 28, 2009, Canwest Global had the following shares issued and outstanding: 76,785,976 multiple voting shares; 99,250,614 subordinate voting shares; and 1,609,949 non-voting shares. Canwest Global had no preference shares outstanding as at that date.

30. Mr. David A. Asper, Ms. Gail S. Asper and Mr. Leonard J. Asper (collectively, the "Aspers"), each of whom is an officer and director of Canwest Global, each beneficially own 25,595,325 multiple voting shares of Canwest Global, representing in aggregate all of the multiple voting shares of the company. In addition, the Aspers collectively own 6,995,546 subordinate voting shares of Canwest Global (approximately 7%). An additional 246,359 subordinate voting shares are held by the Asper Charitable Trust, doing business as The Asper Foundation.

31. The Aspers and certain of their respective wholly-owned holding corporations have entered into a shareholders' agreement under which the parties have granted certain rights and undertaken certain obligations to each other with respect to the holding and disposition of securities in Canwest Global (the "Shareholders' Agreement"). In addition, each of the parties to the Shareholders' Agreement has agreed to, *inter alia*, vote such securities held by it in favour of individuals nominated by the Aspers (or their representatives) as directors of Canwest Global and who together constitute at least a majority (but as close to a simple majority as possible) of the directors of Canwest Global.

32. According to its public disclosure, as at November 5, 2008, Fairfax Financial Holdings Limited, through its subsidiaries, owned approximately 22% of the total outstanding subordinate voting shares of Canwest Global.

33. Canwest Global owns 100% of CMI. CMI has direct or indirect ownership interests in all of the other CMI Entities. Until recently, CMI also directly held 99.999% of the partnership units of the Limited Partnership. On or about October 5, 2009, CMI transferred its entire interest in the Limited Partnership to 4501071 Canada Inc. ("4501071 Canada"), a wholly-owned subsidiary of CMI, in return for nominal consideration. The transfer of CMI's partnership units in the Limited Partnership was effected to give greater flexibility and certainty to both CMI and the Limited Partnership in light of the fact that the recapitalization of the CMI Entities is not occurring at the same time as the recapitalization or restructuring of the LP Entities (described below).

34. A copy of Canwest's corporate organization chart dated October 5, 2009 is attached as Exhibit "A" to this Affidavit. The CMI Entities are located at pages 1, 2, 3, and 7 of Exhibit "A".

CORPORATE DECISION MAKING

35. In April and May 2009, Canwest Global and certain of the CMI Entities, in addition to certain of Canwest Global's other subsidiaries, took steps to consolidate and streamline corporate decision making in the Canwest enterprise. To do so, the shareholder of each of CMI, 4501071 Canada, CCI, CPI, National Post Holdings Ltd. ("**National Post Holdings**"), 4501063 Canada Inc. ("**4501063 Canada**") and Canwest Television GP entered into unanimous shareholder declarations which removed the rights, powers and duties of the directors of the relevant subsidiary to manage, or supervise the management, of the business and affairs of the subsidiary companies. By executing the unanimous shareholder declarations, the applicable shareholder of each subsidiary company has assumed managerial responsibilities from the subsidiary's directors. To complete the corporate initiative, Canwest Global concurrently executed a unanimous shareholder declaration which removed the directorial powers from the directors of CMI. The ultimate effect of the various unanimous shareholder declarations was to consolidate decision making of the CMI Entities and the LP Entities with Canwest Global through the Board.

CHIEF PLACE OF BUSINESS

36. The chief place of business of the CMI Entities is the Province of Ontario. The CMI Entities' television business, which includes the *Global Television Network* and the CMI Owned Specialty Channels (and all of Canwest's specialty television channels owned by CW Investments) is based principally at 121 Bloor Street East and 81 Barber Greene Road in Toronto, Ontario. The National Post Company is headquartered at 1450 Don Mills Road in Toronto, Ontario. All national advertising rates, and national sales policies and guidelines for Canwest's Canadian television operations are managed from Canwest's central national sales offices at 121 Bloor Street East in Toronto, Ontario. The *Global Television Network's* national television newscast, *Global National* is located in Ottawa, Ontario. In addition, Canwest Global's Chief Executive Officer resides in Toronto.

37. Moreover, as at October 1, 2009, the CMI Entities employed approximately 850 FTE employees in Ontario, which was more people than the CMI Entities employed in any other province at that date.

CANWEST'S BUSINESS OPERATIONS

38. Since the completion of the sale of the Ten Shares, Canwest's business operations consist solely of its (a) television business and (b) newspaper publishing and digital media business.

A. TELEVISION BUSINESS

i. Description of Industry

39. The Canadian television broadcasting market is comprised of a number of English and French language networks, stations and channels that operate in different market segments. These networks include free-to-air or broadcast networks, including government-owned or "public" networks, such as the *Canadian Broadcasting Corporation (CBC)*, as well as privately-owned networks, such as *CTV* and the *Global Television Network*. In addition, the Canadian television market includes subscription-based specialty television channels, such as *Showcase*, *TSN* and *Space*, and premium pay television channels, such as *The Movie Network* and *Movie Central*, which provide special interest programming, such as news, sports, arts, lifestyle, children's and other entertainment and information programming. The television stations of Canadian broadcast networks and certain U.S. broadcast networks are available over-the-air to substantially all Canadian households. Pay television, specialty television and certain U.S. stations are only available to households that subscribe to cable, direct-to-home satellite, multi-point distribution systems or telephony television services for subscription fees.

40. Companies operating in the market for the distribution of television signals (other than over-the-air) are known in Canada as Broadcast Distribution Undertakings ("BDUs"). A relatively small number of dominant BDUs, including Rogers Communications, Shaw Communications, Bell TV (formerly Bell ExpressVu), StarChoice, Videotron and Cogeco, currently hold a combined BDU market share of approximately 90%. Specialty television broadcasters, such as Canwest, enter into carriage agreements with BDUs in order to distribute their specialty television channels to the public.

41. As of February/March 2009, approximately 11.1 million Canadian households subscribed to cable or satellite television services. Of those 11.1 million Canadians, approximately 32% or 3.6 million subscribers received analog television services and

approximately 68% or 7.5 million subscribers received digital television services via digital set-top boxes provided by their BDUs.

42. As of August 31, 2009, there were approximately 158 specialty television channels available in Canada, including approximately 50 analog and 108 digital television channels.

ii. Regulatory Environment

43. Canadian television broadcasting, including both free-to-air and specialty television broadcasting, is regulated principally by the *Broadcasting Act (Canada)*, 1991, c.11 (the “**Broadcasting Act**”) and the regulations made thereunder. The Canadian Radio-television and Telecommunications Commission (“**CRTC**”) administers the Broadcasting Act, grants and reviews television broadcasting licences and approves certain changes in corporate ownership and control. In addition, the CRTC establishes and oversees compliance with regulations and policies concerning television broadcasting, including various programming requirements.

44. Typically, the CRTC issues television licences for terms of up to seven years. All television licences are subject to certain conditions, including minimum Canadian content requirements. The current free-to-air television licence renewals have been shortened to one-year transitional licences, given the economic environment and the uncertainty surrounding the future of the current free-to-air television business model in Canada.

45. Under the Broadcasting Act, the CRTC is authorized to issue, amend, renew, suspend or revoke television licences. The CRTC will only issue, amend or renew television licences to eligible “Canadian” entities. A corporation is deemed to be a “Canadian” entity if: (a) it is incorporated or continued under the laws of Canada or a province thereof; (b) its chief executive officer is a resident Canadian; (c) not less than 80% of its directors are resident Canadians; (d) Canadian persons beneficially own and control not less than 80% of its issued and outstanding voting shares and not less than 80% of the votes attached to those shares; and (e) it is not otherwise effectively controlled by non-Canadian persons.

46. If a television licensee is a subsidiary corporation, its parent corporation must also be incorporated or continued under the laws of Canada or a province thereof, and Canadian persons must beneficially own and control not less than 66 2/3 % of its issued and outstanding

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voting shares and not less than 66 2/3 % of the votes attached to those shares. In addition, unless Canadian persons own and control not less than 80% of the issued and outstanding voting shares and not less than 80% of the votes of the parent corporation, and unless its chief executive officer and 80% of its directors are resident Canadians, neither the parent corporation, nor its directors, may exercise any control or influence over any programming decisions of the CRTC-licensed subsidiary.

47. The CRTC similarly imposes restrictions on the transfer of ownership and control of television licences. A holder of a television licence must obtain approval from the CRTC prior to any act, agreement or transaction that directly or indirectly would result in a material change in ownership or effective control of the licensee, or of a person who has, directly or indirectly, effective control of the licensee. Transferees of ownership or control of a licensee must demonstrate to the CRTC that the transfer is in the public interest.

iii. Overview of Canwest's Television Business

48. Canwest is one of the largest owners and operators of commercial free-to-air television stations and specialty television channels in Canada. Canwest's television broadcast business is notionally divided between the Canadian Television Segment (as defined below) and the CW Media Segment (as defined below).

(a) Canadian Television Segment

49. Canwest's Canadian television segment consists of the following television stations and specialty channels (collectively, the "Canadian Television Segment"):

- (a) 12 free-to-air television stations which are wholly-owned and operated by CTLP which comprise the *Global Television Network*;
- (b) three subscription-based specialty television channels which are wholly-owned and operated by CTLP (*DejaView*, *MovieTime* and *Fox Sports World*) (collectively, the "CMI Owned Specialty Channels");
- (c) two subscription-based specialty television channels which are partially-owned and operated by CTLP (*TVtropolis*, *Mystery TV*); and

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- (d) one subscription-based specialty television channel which is partially-owned but not operated by CTLP (*MenTV*).

The CMI Owned Specialty Channels are included among the businesses seeking relief in this CCAA proceeding. Conversely, the three above-noted subscription-based specialty television channels which are not wholly-owned by CTLP (namely *TVtropolis*, *MysteryTV* and *MenTV*) are not part of this CCAA proceeding.

50. Until recently, CTLP was also the owner of five free-to-air television stations which operated under the *E!* brand (the "*E! Stations*"). The *E!* Stations delivered *E!*-branded entertainment programming and targeted a younger audience than did the *Global Television Network*. After engaging in a comprehensive sales and marketing process with the assistance of RBC Capital Markets, Canwest's financial advisor, on August 31, 2009, CTLP completed the sale of two of the five *E!* Stations (*CHCH-TV* in Hamilton and *CJNT-TV* in Montreal) to Channel Zero Inc. ("**Channel Zero**"), and permanently closed a third *E!* Station (*CHCA-TV* in Red Deer) after concluding that there were no viable options for that station. The fourth *E!* Station (*CHBC-TV* in Kelowna) was rebranded into a *Global Television Network* affiliate effective September 1, 2009. On September 4, 2009, Canwest Global announced that CTLP had entered into an agreement to sell the remaining *E!* Station (*CHEK-TV* in Victoria) to a local investor group.

51. The *Global Television Network* broadcasts to the major metropolitan areas in Canada, including Toronto/Hamilton, Montreal, Vancouver/Victoria, Kelowna, Ottawa, Calgary, Edmonton, Quebec City, Halifax, Regina, Saskatoon and Winnipeg. It is estimated that the *Global Television Network* reaches approximately 32.2 million individuals (which comprise approximately 98% of the total Canadian television audience). In each of the markets in which it operates, the *Global Television Network* ranked second in its extended market area for the Spring 2009 ratings season with audience shares ranging from 4.3% to 9.3%.

52. The *Global Television Network* broadcasts many of the most popular television programs in Canada. Among the many "hit" shows in its current program schedule are established programs such as *House*, *Lie to Me*, *Survivor*, *Heroes*, *The Simpsons*, *Family Guy*, *The Office*, *NCIS*, *Brothers and Sisters*, *24*, and *Bones*. The *Global Television Network* also broadcasts world class sporting events such as the *Masters Golf Tournament*, the *PGA Tour*, and the *Wimbledon Tennis Championships* and produces and broadcasts *Global National*, Canada's

only dinner-hour national newscast. *Global National's* base of operations is in Ottawa, Ontario. The *Global Television Network's* headquarters is located in Toronto, Ontario.

53. Substantially all of the non-Canadian produced television programming rights acquired for broadcast on stations held in the Canadian Television Segment have been purchased by either CMI (prior to January 1, 2009) or CTLP (since January 1, 2009). Programming rights are purchased from major television studios, distributors and other suppliers in the United States (or their related Canadian entities), such as, among others, Sony Pictures Television Canada (a branch of Columbia Pictures Industries, Inc.), Twentieth Century Fox/Incendo Television Distribution Inc. (as agent for Twentieth Century Fox Film Corporation, carrying on business in Canada as Twentieth Century Fox Television Canada), and CBS International Television Canada (a division of CBS Canada Holdings Co.). As at January 1, 2009, all programming rights previously acquired by CMI were assigned by CMI to CTLP pursuant to the transactions contemplated by the shareholders agreement with Goldman Sachs that governs CW Investments.

54. By purchasing exclusive Canadian broadcasting rights to non-Canadian produced programming, Canwest is able to control the distribution and exhibition of those programs in Canada. Programming is often purchased for exhibition on multiple media platforms, including telecast rights for Canwest's analog and digital specialty television channels as well as its free-to-air television stations. Some of Canwest's programming agreements with the major U.S. television studios and distributors are for multi-year program supply. These programming agreements (called, amongst other things, "output" agreements) generally require suppliers to provide, and Canwest to buy, pre-agreed amounts of programming over one or more years. First-run foreign programming (mostly U.S. broadcast network primetime programming) is purchased and/or selected principally in May of each year with payment due when the shows are broadcast on a U.S. broadcast network and within 30 days of receipt of invoice.

55. In addition to first run television programming, CTLP also purchases strips (also known as "reruns") from many of the same U.S. distributors or their related Canadian affiliates. Strips are available in respect of television series that have aired for several seasons. Payments are made over multiple years commencing with the start of the term. Movies are also purchased from certain of the U.S. distributors through "output" deals. Prices are determined by box-office

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revenue for blockbuster hits, and at negotiated prices for non-blockbuster titles. Payment is generally made in quarterly instalments over two to three year periods.

56. As opposed to first run foreign programming, Canadian-produced television programming is either commissioned by CTLP for production from outside producers, produced internally in the case of news programming, or acquired after production, whether directly from producers or distributors or as part of an existing library. Acquired Canadian television program rights are typically paid for in equal quarterly installments commencing when CTLP takes delivery of the program. In the case of commissioned programs (*i.e.*, those originally produced programs where CTLP works with the program's producer to create the television program), CTLP typically pays a program licence fee in accordance with a standard templated payment schedule that matches payment installments with the producer's achievement of specified production and delivery milestones, generally with 85-95% of the payments made prior to completion and delivery of the program. The cost of internally-produced news programming is incurred as the programming is made.

57. The free-to-air television stations in the Canadian Television Segment derive their revenue primarily from the sale of commercial air time to national, regional and local advertisers. Demand for television advertising is driven primarily by advertisers in the packaged goods, automotive, retail and entertainment industries and is strongly influenced by general economic conditions. For fiscal 2008 (year-ended August 31, 2008), the CMI Entities derived approximately 88% of the advertising revenue relating to its Canadian free-to-air television stations from sales to national advertisers and the balance from sales to regional and local advertisers. National sales are driven predominantly (94%) from Canwest's national television sales office in Toronto, Ontario. All national rates, sales policies and guidelines are managed from this office. The CMI Owned Specialty Channels derive their revenue from a combination of the sale of national advertising airtime and subscriber fees. Subscriber fee revenue is received from the BDUs pursuant to carriage agreements and recorded monthly based upon subscriber levels.

(b) CW Media Segment

58. The other segment in Canwest's television business is comprised of a portfolio of 17 specialty television channels which were acquired jointly with Goldman Sachs from Alliance

Atlantis in August 2007 (hereinafter "CW Media" or the "CW Media Segment"). In particular, the CW Media Segment consists of: (i) 13 wholly-owned and partially-owned specialty television channels that are operated by CW Investments and its subsidiaries (including *Showcase*, *Slice*, *HGTV Canada*, *History Television* and *Food Network Canada*); and (ii) 4 other specialty television channels in which CW Investments has 50% or lesser ownership interests and does not operate (consisting of *Historia*, *Series +*, *DUSK* (formerly *Scream*) and *One: the Body, Mind and Spirit Channel*).

59. Until recently, CMI held its interest in CW Investments, consisting of a 67% voting interest and a 35% equity interest, directly through its 100% ownership interest in 4414616 Canada Inc. ("4414616 Canada"). On or about October 5, 2009, the shares of CW Investments held by 4414616 Canada were distributed to CMI pursuant to a liquidation and dissolution of 4414616 Canada. Goldman Sachs holds the remaining 33% voting interest and 65% equity interest in CW Investments. Neither CW Investments nor any of its subsidiaries are Applicants in this CCAA proceeding, nor is a stay sought in respect of any of those entities.

60. As discussed in greater detail below, subject to regulatory approval and prior contractual restrictions, Canwest has committed to Goldman Sachs that it will use commercially reasonable efforts to combine the Canadian Television Segment with the CW Media Segment (together being the "Combined Operations") in 2011. In 2011, Canwest's ownership interest in the Combined Operations is to be determined based upon a formula which will be derived from the segmented operating profit of the Combined Operations at the time of combination less the indebtedness of the CW Media Segment at that time. Goldman Sachs' share will be determined based upon a specified rate of return which varies based on the segmented operating profit of the Combined Operations.

B. PUBLISHING BUSINESS

61. Canwest, principally through its subsidiary the Limited Partnership, owns, operates and publishes ten major metropolitan daily newspapers (nine broadsheets and one tabloid), two small market daily newspapers (broadsheets), 22 non-daily newspapers and certain community newspapers. The average age of Canwest's daily newspapers is 125 years.

62. The Limited Partnership also owns and operates over 80 websites, including the web portal *canada.com*, *FPinfomart.ca* and *FP DataGroup*, in addition to certain other internet and digital online operations. Canwest's online operations are used, *inter alia*, to leverage Canwest's entertainment, news and editorial content across multiple media platforms.

63. Included in Canwest's overall publishing business, but not owned or operated by the Limited Partnership or any of the other LP Entities, is the National Post Company, which publishes the *National Post*, one of Canada's two national daily newspapers. The National Post Company is a general partnership with units held by CMI and National Post Holdings.

64. As a national newspaper, the *National Post* is second in its market position to *The Globe and Mail*. Nadbank 2008 estimated that the *National Post* average weekly readership was approximately 1.1 million people. In Toronto, the *National Post* also competes with the *Toronto Star* and the *Toronto Sun*. The *National Post* is printed at Canwest's facilities in Ottawa, Calgary and Montreal, and by third-party printing contractors in Toronto and Vancouver.

65. The National Post Company and National Post Holdings are the only entities in Canwest's newspaper and online publishing business that are guarantors under the 8% Senior Subordinated Notes and the CIT Facility and are therefore included in this CCAA proceeding.

THE FINANCIAL POSITION OF CANWEST

66. Canwest Global reports its financial results on a consolidated basis. Canwest Global released Canwest's interim consolidated financial statements for the three and nine months ended May 31, 2009 ("Q3 2009") (with comparables for the same period in fiscal 2008) on July 10, 2009 (the "Q3 2009 Report"). A copy of the Q3 2009 Report is attached as Exhibit "B" to this Affidavit. A copy of Canwest's audited consolidated financial statements for the fiscal year-ended August 31, 2008 is attached as Exhibit "C" to this Affidavit.

A. Assets

67. As at May 31, 2009, Canwest Global had total consolidated assets with a net book value of \$4.855 billion (decreased from \$6.515 billion as at August 31, 2008) (unless specified otherwise, all amounts noted herein are in Canadian dollars). This included consolidated current assets of \$1.103 billion and consolidated non-current assets of \$3.752 billion.

i. Current Assets

68. As at May 31, 2009, Canwest Global's consolidated current assets consisted of the following:

- Cash and cash equivalents - \$118,997,000
- Restricted cash - \$46,918,000
- Accounts receivable - \$549,960,000
- Inventory - \$8,177,000
- Investment in broadcast rights - \$324,487,000
- Future income taxes - \$15,607,000
- Other current assets - \$38,916,000

69. Broadcast rights represent the right to exhibit various forms of television programming. In accordance with its accounting policy, Canwest Global amortizes its investment in broadcast rights over the programs' anticipated periods of use. As such, the portion of Canwest Global's investment in broadcast rights which it anticipates will be broadcast over the succeeding 12 months is recorded as a current asset and the remaining portion is recorded as a non-current asset.

70. As at May 31, 2009, the restricted cash held in accounts (the "Collateral Accounts") at BNS totalled approximately \$46.9 million. Currently, the only restricted cash in the BNS Collateral Accounts consists of \$2.5 million to secure BNS against any unfunded obligations related to its provision of banking and cash management services to CMI (discussed below under "The Cash Management System"). The draft Initial Order provides that the Collateral Accounts shall, while any cash management obligations to BNS remain, not form part of the "CMI Property" as defined in the draft Initial Order and shall be excluded from the Court-ordered charges proposed to be created by the Initial Order.

ii. Non-Current Assets

71. As at May 31, 2009, Canwest Global's consolidated non-current assets consisted of the following:

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- Other investments - \$8,983,000
- Investment in broadcast rights - \$208,913,000
- Property and equipment - \$655,011,000
- Future income taxes - \$230,573,000
- Other assets - \$32,398,000
- Intangible assets - \$1,479,640,000
- Goodwill - \$1,136,692,000

72. With respect to property and equipment, Canwest Global held the following consolidated long-term assets as at May 31, 2009:

	Cost	Accumulated Amortization	Net Book Value
Land	\$59,277,000	-	\$59,277,000
Buildings	\$211,286,000	\$63,436,000	\$147,850,000
Machinery and equipment	\$929,737,000	\$514,144,000	\$415,593,000
Leasehold and land improvements	\$55,334,000	\$23,043,000	\$32,291,000
TOTAL	\$1,255,634,000	\$600,623,000	\$655,011,000

73. As at May 31, 2009, the net book value of property and equipment located in Canada was \$568,857,000 and in Australia was \$86,154,000.

74. Intangible assets consisted primarily of assets which have indefinite lives. They included broadcasting licences, site licences, newspaper mastheads, brands, circulation lists, and subscriber and customer relationships.

75. As at May 31, 2009, goodwill (the portion of the book value of the company not directly attributable to its otherwise identifiable assets) consisted of the following:

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Operating segment	Total
Publishing	\$541,619,000
Television – Canadian Television Segment	-
Television – CW Media Segment	\$477,547,000
Television – Australia	\$30,752,000
Out-of-Home – Australia	\$86,774,000
TOTAL	\$1,136,692,000

B. Liabilities

76. As at May 31, 2009, Canwest Global had total consolidated liabilities of \$5.846 billion (decreased from approximately \$5.948 billion as at August 31, 2008). These liabilities consisted of consolidated current liabilities of \$3.217 billion and consolidated non-current liabilities of \$2.629 billion.

i. Current Liabilities

77. As at May 31, 2009, Canwest Global's consolidated current liabilities included the following:

- Accounts payable and Accrued liabilities - \$600,437,000
- Income taxes payable - \$28,839,000
- Broadcast rights payable - \$139,320,000
- Deferred Revenue - \$39,789,000
- Future income taxes - \$49,338,000
- Current portion of long-term debt and obligations under capital leases - \$2,339,337,000
- Current portion of hedging derivative instruments - \$20,269,000

78. The current portion of long-term debt consisted of the debt obligations of the CMI Entities and the LP Entities. As described herein, as at May 31, 2009, CMI was a party to the CIT Facility and the Note Purchase Agreement, both of which matured within 12 months. CMI was also in default of the 8% Senior Subordinated Notes. The Limited Partnership was in default

of its senior secured credit facilities and senior subordinated credit facility, which defaults resulted in a default under its note indenture, permitting the lenders under those facilities and/or the holders of the Limited Partnership's 9.25% senior subordinated notes to take steps to demand immediate payment of those debts. As a result, an aggregate principal amount of \$2.334 billion of indebtedness (\$954 million for CMI and \$1.38 billion for the Limited Partnership) was due within one year and accordingly was categorized as "current" for accounting purposes.

ii. Non-Current Liabilities

79. As of May 31, 2009, Canwest Global's consolidated non-current liabilities consisted of the following:

- Long-term debt - \$1,359,849,000
- Hedging derivative instruments - \$83,456,000
- Derivative instruments - \$16,004,000
- Obligations under capital leases - \$3,950,000
- Other long-term liabilities - \$188,534,000
- Future income taxes - \$147,285,000
- Deferred gain - \$164,727,000
- Puttable interest in a subsidiary - \$604,422,000
- Minority interest - \$60,613,000

80. Canwest's "puttable interest in a subsidiary" reflects the carrying amount according to Generally Accepted Accounting Principles for certain put and call options that have been agreed to by CMI and Goldman Sachs with respect to Goldman Sachs' interest in the common shares of CW Investments. The put and call options are designed to allow Goldman Sachs to exit from its investment in CW Investments and are exercisable in 2011, 2012 and 2013, subject to certain contractual restrictions.

81. Specifically, in each of 2011, 2012 and 2013, CMI will have the right to purchase (or at its option, it may cause CW Investments to purchase) up to 100% of Goldman Sachs' interest in CW Investments (determined based upon a formula which varies based upon the

adjusted operating profit of the Combined Operations at that time, less CW Media Segment's financial indebtedness at that time), subject to CW Investments remaining below a specified maximum consolidated leverage ratio if less than 100% of the Goldman Sachs interest is acquired by CW Investments (the "call right"). In the event that CMI does not exercise the call right with respect to at least 50% of Goldman Sachs' interest in 2011, Goldman Sachs will have the right to require CW Investments to acquire interests, which, together with any interests purchased pursuant to CMI's call right in 2011, would equal up to 50% of Goldman Sachs' interest, subject to CW Investments remaining below a specified maximum consolidated leverage ratio (the "put right"). If, because of this maximum leverage ratio, CW Investments is unable to purchase all of the interests that Goldman Sachs elects to sell pursuant to this put right in 2011, Goldman Sachs will have the right to require CW Investments to acquire any such remaining interests (referred to as the "put shortfall shares") in 2012, subject to CW Investments remaining below a specified maximum consolidated leverage ratio. Finally, Goldman Sachs will have a further put right to require CW Investments to purchase any remaining interests that it holds (including any remaining put shortfall shares) in 2013, subject to CW Investments being financially able to purchase such interest.

82. In addition, in the event that CMI or CW Investments has not acquired 100% of the Goldman Sachs' interest by the expiry date of the last put-right in 2013, then Goldman Sachs will be entitled to sell all of the shares of CW Investments, subject to a right of first offer in favour of CMI, failing which Goldman Sachs will have the right to require CW Investments to effect an initial public offering of CW Investments in respect of its shares in order to effect its exit.

C. Revenues

83. Canwest has been experiencing deteriorating financial results over the past several months. For the nine months ended May 31, 2009, Canwest Global's consolidated revenues decreased by \$163 million, or 7%, to \$2.243 billion as compared to \$2.406 billion for the same period in fiscal 2008. Consolidated revenues for the nine months ended May 31, 2008 did not include revenues from the CW Media Segment for September 1, 2007 to December 31, 2007, the period during which it was equity accounted, pending the CRTC approval of the transfer of effective control of the assets that were acquired from Alliance Atlantis in August 2007. On a "pro forma" basis (i.e. including the operations of the CW Media Segment), consolidated

revenues decreased by \$272 million or 11%. Canwest Global's consolidated operating income before amortization decreased by \$209 million, or 42%, to \$285 million for the nine months ended May 31, 2009 as compared to \$494 million for the same period in fiscal 2008. On a "same store" basis (*i.e.*, including the operations of the CW Media Segment), operating income before amortization decreased by \$253 million, or 47%. For the nine months ended May 31, 2009, Canwest Global reported a consolidated net loss of \$1.578 billion, or a loss of \$8.89 per share, compared to a consolidated net loss of \$22 million, or \$0.12 per share, for the same period in fiscal 2008.

84. With respect to Canwest Global's most recent Q3 2009 consolidated financial results (*i.e.*, three months ended May 31, 2009), consolidated revenues decreased by \$119 million, or 14%, from \$846 million in Q3 2008 to \$727 million in the same period in fiscal 2009. Consolidated operating income before amortization declined by 63% from \$178 million in Q3 2008 to \$66 million in Q3 2009. Canwest suffered a consolidated net loss of \$110 million in Q3 2009 as compared to a consolidated net loss of \$28 million in Q3 2008. This quarterly consolidated net loss amounted to \$0.62 per share as compared to a year-earlier loss of \$0.16 per share.

85. During the three months ended May 31, 2009, Canwest Global recorded an impairment charge of \$247 million for goodwill in its publishing business. During the nine months ended May 31, 2009, Canwest Global recorded a goodwill impairment charge of \$1.158 billion. The impairment charge was primarily due to an impairment of goodwill in Canwest's publishing (\$1.142 billion) business due to lower future profit expectations as a result of the current outlook for the advertising market for these operations. In addition, Canwest Global recorded other impairment charges of \$99 million for mastheads in its publishing business and \$86 million for broadcast licences in the Canadian Television Segment. The goodwill impairment charges are a preliminary assessment that will be finalized in Canwest Global's fiscal 2009 year-end financial statements. As a result, the goodwill impairment could change and the change could be material.

86. With respect to the CMI Entities in particular, CMI reported that revenues for its Canadian television operations decreased by \$8 million, or 4%, to \$175 million during Q3 2009, as compared to \$183 million for the same period in fiscal 2008. This reflected a 5% decline in

free-to-air television advertising revenue resulting from the current economic downturn. Operating profit in Q3 2009 was \$21 million, as compared to \$39 million in the same period of the previous fiscal year.

D. Secured Debt and Credit Facilities

87. As more fully described below, as at May 31, 2009, the CMI Entities had indebtedness (excluding accrued and unpaid interest) totalling approximately \$954 million:

Entity	Description of Debt	Maturity (Fiscal year)	Amount Available/On Maturity	Principal Outstanding as at May 31, 2009	Book Value of Debt as at May 31, 2009	Book Value of Debt as at August 31, 2008
CMI	2005 Credit Facility**	2011	-	-	-	-
	12% Senior Secured Notes	2010	US\$93,959,000	US\$93,959,000	\$96,792,000	-
	CIT Facility - revolver	2009	\$75,000,000	\$16,121,000	\$16,121,000	-
	8% Senior Subordinated Notes	2012	US\$761,054,000	US\$761,054,000	\$841,209,000	\$828,755,000
TOTAL					\$954,122,000	\$828,755,000

* reflects the effect of debt issuance costs and certain fair value and hedging adjustments

** as described below, all amounts owing under the 2005 Credit Facility were repaid by CMI on May 22, 2009.

88. By way of background, as at May 31, 2009, the other subsidiaries of Canwest Global which are not Applicants in this CCAA proceeding had short-term and long-term indebtedness totalling approximately \$2.742 billion. This consisted of short-term and long-term indebtedness at (i) the Limited Partnership totalling approximately \$1.377 billion; (ii) CW Media totalling approximately \$829 million; and (iii) Ten Holdings totalling approximately \$536 million.

89. As of the date of this Affidavit and after the application of the Ten Proceeds in accordance with the Cash Collateral and Consent Agreement, there are: (i) no amounts owing

under the 12% Secured Notes; (ii) no amounts owing under the CIT Facility, other than outstanding letters of credit in the amount of approximately \$10.7 million, (iii) US\$393,197,106 principal amount owing under the 8% Senior Subordinated Notes, and (iv) US\$30.4 million interest payment due September 15, 2009 owing under the 8% Senior Subordinated Notes.

i. The 2005 CMI Credit Facility

90. As noted above, until recently, CMI was a party to a credit agreement (executed in October 2005) with a syndicate of lenders, BNS, as Administrative Agent, and certain guarantors, which initially provided CMI with access to a revolving credit facility of up to \$500 million (the "2005 CMI Credit Facility"). In early 2009, availability under the 2005 CMI Credit Facility was permanently reduced to \$112 million.

91. In the first quarter of fiscal 2009, CMI announced that it may not be able to comply with certain of the financial covenants contained in the 2005 CMI Credit Facility. On February 2, 2009, Canwest Global announced that the Administrative Agent, on behalf of the syndicate of lenders, had agreed to waive certain borrowing conditions under the 2005 CMI Credit Facility until February 27, 2009. The waiver was extended on six separate occasions.

92. As described below, in May 2009, CMI entered into an agreement with certain members of the Ad Hoc Committee wherein CMI and CTLP agreed to issue the 12% Secured Notes to the 12% Secured Notes Purchasers for an aggregate purchase price of \$100 million. CMI also entered into the CIT Facility. CMI used the proceeds from the issue and sale of the 12% Secured Notes and from the CIT Facility, to, among other things, repay its then current senior lenders all amounts owing under the 2005 CMI Credit Facility and to settle certain related foreign currency and interest rate swap obligations.

ii. 8% Senior Subordinated Notes

93. CMI (through its predecessor 3815668 Canada Inc.) is a party to a trust indenture, (as amended and supplemented, the "CMI Indenture") dated as of November 18, 2004 with certain guarantors (the "CMI Indenture Guarantors") and The Bank of New York (now The Bank of New York Mellon) as Indenture Trustee in connection with the issuance of the 8% Senior Subordinated Notes in an aggregate principal amount of US\$761,054,211. The 8% Senior Subordinated Notes bear interest of 8% (paid semi-annually) and mature in September

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2012. The 8% Senior Subordinated Notes can be redeemed at par at CMI's option on or after September 15, 2011 and have been guaranteed by the CMI Indenture Guarantors (which include all of the CMI Entities other than Canwest Global and 30109, LLC ("30109")). A list of the CMI Indenture Guarantors is attached as Exhibit "D" to this Affidavit. Of the CMI Indenture Guarantors, CMIH and Canwest Ireland Nominee Limited are not Applicants in this CCAA proceeding.

94. Upon signing the CMI Indenture, CMI entered into a foreign currency and interest rate swap (the "CMI Foreign Currency and Interest Rate Swap") in the amount of US\$761 million until September 2012 resulting in a fixed currency exchange rate of US\$1:\$1.1932 and a floating interest rate based upon 90-day banker's acceptance rates from time to time plus a margin. In June 2008, CMI amended the CMI Foreign Currency and Interest Rate Swap resulting in a floating interest rate based upon 90-day banker's acceptance rates plus a margin on a notional amount of US\$601 million and a fixed interest rate of 7.9% on a notional amount of US\$160 million. The CMI Foreign Currency and Interest Rate Swap was unwound on March 9, 2009, realizing net proceeds in the amount of approximately \$105 million, which were used, in part, to reduce then outstanding amounts owing under the 2005 CMI Credit Facility. As a result, the 8% Senior Subordinated Notes are no longer hedged against foreign currency fluctuations and have reverted to a fixed rate of interest of 8% per annum.

95. The 8% Senior Subordinated Notes are unsecured obligations of CMI and the CMI Indenture Guarantors. They are expressly subordinated to all Senior Indebtedness (as defined in the CMI Indenture) of CMI and the CMI Indenture Guarantors, which would include Indebtedness (as defined in the CMI Indenture) under the CIT Facility, all hedging obligations of CMI and the CMI Indenture Guarantors, all reimbursement obligations of CMI and the CMI Indenture Guarantors in respect of amounts paid under letters of credit, banker's acceptances, or other similar instruments, and any other Indebtedness that does not by its terms provide that such Indebtedness is to rank *pari passu* with, or subordinate to, the 8% Senior Subordinated Notes. The 8% Senior Subordinated Notes rank *pari passu* to all other Indebtedness of CMI that does not constitute Senior Indebtedness.

96. An event of default under the CMI Indenture occurs when CMI or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X under the *U.S. Securities*

Act of 1933) commences a voluntary insolvency proceeding. Consequently, the commencement of this CCAA proceeding constitutes an event of default under the CMI Indenture. Absent a stay of proceedings, the result of this event of default is stated to be that all principal, premium, if any, and interest now outstanding with respect to the 8% Senior Subordinated Notes would be due and payable immediately without any declaration or other act.

97. Under the terms of the CMI Indenture, CMI is required to make interest payments to the 8% Senior Subordinated Noteholders twice annually. On March 11, 2009, Canwest Global announced that CMI would not be making an interest payment of approximately US\$30.4 million owing to the 8% Senior Subordinated Noteholders on March 15, 2009. Under the terms of the CMI Indenture, CMI had a 30-day window to “cure” the default, failing which the 8% Senior Subordinated Noteholders would be entitled to take steps to demand payment of the principal amount of the outstanding notes, totalling approximately US\$761 million, plus unpaid interest and default interest thereon.

98. On April 14, 2009, immediately before the “cure” period was to expire, CMI entered into an extension agreement (the “**Extension Agreement**”) with 8% Senior Subordinated Noteholders who are members of the Ad Hoc Committee. Under the terms of the Extension Agreement, the members of the Ad Hoc Committee agreed not to demand payment of the principal amount of the outstanding 8% Senior Subordinated Notes for a 7-day period ending on April 21, 2009. Subsequent extension agreements were entered into by the parties on April 22, 2009, May 5, 2009, May 19, 2009, June 15, 2009, June 30, 2009, July 17, 2009, July 31, 2009, August 14, 2009, August 28, 2009, September 11, 2009 and September 23, 2009. The most recent extension agreement (dated September 23, 2009) expires on the date by which a Definitive Agreement (as defined in the Cash Collateral and Consent Agreement) is required to be entered into pursuant to the Cash Collateral and Consent Agreement and is attached (without signature pages) as Exhibit “E” to this Affidavit.

99. CMI has also not made the interest payment of approximately US\$30.4 million which was due pursuant to the CMI Indenture on September 15, 2009. As set out herein, CMI and the CMI Indenture Guarantors do not have sufficient liquidity to make such payment prior to the expiry of the 30-day cure period.

100. Following the public announcement of the sale of the Ten Shares, CMI conducted a consent solicitation to solicit consents from the 8% Senior Subordinated Noteholders to amend certain sections of the CMI Indenture in order to permit the sale of the Ten Shares and the application of the Ten Proceeds as set out in the Cash Collateral and Consent Agreement. The requisite level of approval with respect to these matters under the CMI Indenture is 8% Senior Subordinated Noteholders holding a majority of the principal amount of outstanding 8% Senior Subordinated Notes. The members of the Ad Hoc Committee agreed in advance to provide their consents so that the success of the consent solicitation was assured. The consent solicitation was outstanding for a period of five business days and it concluded before the time of settlement of the sale of the Ten Shares. Upon receipt of the requisite consents, a tenth supplemental indenture to the CMI Indenture was executed to effect the amendments necessary to permit the sale of the Ten Shares and the use of the Ten Proceeds as contemplated in the Cash Collateral and Consent Agreement.

101. In order to facilitate the deposit of the applicable Ten Proceeds to the Indenture Trustee on behalf of the 8% Senior Subordinated Noteholders, the Ad Hoc Committee agreed to deliver a notice of acceleration in respect of the 8% Senior Subordinated Notes and make a demand for immediate repayment of all amounts owing. It was agreed in advance of the delivery of the notice of acceleration that the acceleration would be rescinded immediately after the deposit to the Indenture Trustee was complete. To that end, a notice of acceleration was delivered to the Indenture Trustee effective October 1, 2009 and the aforementioned deposit was made to the Indenture Trustee, on behalf of the 8% Senior Subordinated Noteholders, by CMI on the same day. After the deposit was made, the acceleration was rescinded.

102. Following the distribution of the Ten Proceeds in accordance with the Cash Collateral and Consent Agreement, the outstanding remaining principal amount owing under the 8% Senior Subordinated Notes is US\$393,197,106.

iii. The May 2009 Refinancing Transactions

(a) The 12% Secured Notes

103. As noted above, CMI and CTLP entered into the Note Purchase Agreement with the 12% Secured Notes Purchasers on May 20, 2009. The transactions contemplated by the Note

Purchase Agreement closed on May 22, 2009. Pursuant to the terms of the Note Purchase Agreement, CMI and CTLP issued the 12% Secured Notes (which at the time had a face value of the U.S. dollar equivalent of \$105 million) for net proceeds of the U.S. dollar equivalent of \$100 million (approximately US\$89 million). The subsidiaries of CMI who are guarantors under the CMI Indenture, in addition to Canwest Global and 30109, also guaranteed the obligations of CMI and CTLP under the Note Purchase Agreement (the "CMI Secured Notes Guarantors"). The 12% Secured Notes bore interest at a rate of 12% per annum.

104. The proceeds from the 12% Secured Notes were used to (i) repay any outstanding obligations under the 2005 CMI Credit Facility, which repayment included the replacement or cash collateralization of any letters of credit issued thereunder and the repayment of related hedging obligations; (ii) pay legal fees and expenses incurred in connection with issuance of the 12% Secured Notes; (iii) provide cash collateral to BNS to be held in the Collateral Accounts in connection with cash management obligations; and (iv) provide for the CMI Entities' short-term working capital liquidity needs and general operating expenses.

105. Among other things, CMI and CTLP agreed in the Note Purchase Agreement to comply with certain milestones in connection with a possible recapitalization transaction of the CMI Entities within certain time frames. The milestones included the following time frames (which dates were extended pursuant to the amending agreements):

- (a) to reach an agreement in principle with members of the Ad Hoc Committee on or before October 6, 2009, pursuant to which such members agree to a restructuring transaction that would address the treatment of the 8% Senior Subordinated Noteholders and other related matters; and
- (b) to execute and deliver a definitive restructuring agreement on or before October 6, 2009.

Failure to meet either of these deadlines would have resulted in an Event of Default (as defined therein) under the Note Purchase Agreement.

106. As described below, all amounts owing to the 12% Secured Noteholders under the 12% Secured Notes were paid and satisfied following the sale of the Ten Shares and the distribution of the Ten Proceeds in accordance with the Cash Collateral and Consent Agreement.

(b) The CIT Facility

107. CMI entered into a credit agreement with CIT, the same entities who are guarantors under the CMI Indenture, in addition to Canwest Global and 30109 (collectively, the "CIT Facility Guarantors"), and certain lenders from time to time (the "CIT Facility Lenders") on May 22, 2009, as amended on June 15, 2009, June 30, 2009, July 17, 2009, July 31, 2009, August 14, 2009, August 28, 2009, September 11, 2009 and September 23, 2009 (the "CIT Credit Agreement"). The CIT Credit Agreement provides CMI with a revolving ABL credit facility of up to \$75 million, bears interest at prime rate or base rate plus an applicable margin and matures (a) on October 15, 2009, if the Restructuring Event Date (defined as the date on which CMI and the CIT Facility Guarantors apply for relief via an Initial Order under the CCAA) has not occurred; and (b) if the Restructuring Event Date has occurred, the date which is the earliest of (i) the date which is 12 months after the Restructuring Event Date; (ii) the date on which a plan of arrangement under the CCAA has been implemented, having regard to all requisite CRTC approvals being in place; and (iii) the date of termination of the CIT Credit Agreement. Availability under the CIT Facility is calculated based upon the value of the assets that are included in the borrowing base set out in the CIT Credit Agreement. A copy of the CIT Credit Agreement and the amendments are attached (without schedules and signature pages) as Exhibit "F" to this Affidavit.

108. Similar to the Note Purchase Agreement, the CIT Credit Agreement provides that CMI will complete certain milestones in connection with a possible recapitalization transaction of the CMI Entities within certain time frames. It is an Event of Default (as defined therein) if any of the milestones are not achieved within the time frames contemplated. The milestones and time frames required to be met in the CIT Credit Agreement are substantially similar to those set out in the Note Purchase Agreement with some additional milestones set out in the CIT Credit Agreement.

109. Subject to certain conditions set out in the CIT Credit Agreement, including the issuance of an Initial Order under the CCAA which is approved by the CIT Facility Lenders, the CIT Facility will increase from up to \$75 million to up to \$100 million and will convert to a debtor-in-possession facility in the event that CMI seeks relief under the CCAA. The amount of the outstanding borrowings under the revolving CIT Facility fluctuates. As at October 1, 2009,

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prior to the distribution of Ten Proceeds, approximately \$23 million was owing under the CIT Facility, excluding letters of credit in the amount of approximately \$10.7 million.

110. The CIT Facility is secured by first-priority perfected liens in all of the property, assets, and undertaking of CMI and CMLP and the guarantors (including the CMI Entities) of such facilities (the "CMI Collateral"). The security for the 2005 CMI Credit Facility granted in favour of CIBC Mellon Trust Company ("CIBC Mellon") (the "Existing Security"), including under a General Security Agreement, pursuant to an Intercreditor and Collateral Agency Agreement dated October 13, 2005 (the "Collateral Agency Agreement") setting out the terms of such agency for the benefit of the creditors noted therein, is now held by CIBC Mellon to secure the CIT Facility and the obligations under the Secured Intercompany Note. A copy of the Collateral Agency Agreement made as of October 13, 2005 (without signature pages) is attached as Exhibit "G" to this Affidavit. A copy of the Credit Confirmation and Amendment to Intercreditor and Collateral Agency Agreement dated as of May 22, 2009 (without signature pages) is attached as Exhibit "H" to this Affidavit.

111. CMI has also entered into a blocked account agreement with CIT, which provides that all deposits of the CMI Entities subject to the CIT Credit Agreement are deposited in blocked accounts and at the end of each day, the amounts in these accounts are applied against the amounts outstanding under the CIT Facility. This arrangement is discussed below under the heading "Cash Management System".

112. As described below, all outstanding amounts owing under the CIT Facility (excluding outstanding letters of credit in the amount of approximately \$10.7 million) were repaid following the sale of the Ten Shares and the distribution of the Ten Proceeds in accordance with the Cash Collateral and Consent Agreement. In the event that this Honourable Court grants the Initial Order, the CIT Facility increases to up to \$100 million and converts to a DIP Facility to be available to the CMI Entities.

iv. The September 2009 Transactions

(a) Distribution of Ten Proceeds

113. The sale of the Ten Shares was announced in a news release dated September 23, 2009 which is attached as Exhibit "I" to this Affidavit. As noted above, pursuant to the

Underwriting Agreement, the sale of the Ten Shares was effected in a block trade that was completed on September 25, 2009, settled on October 1, 2009 and resulted in the Ten Proceeds of approximately \$634 million accruing to CMIH, which owned the Ten Shares prior to their sale. CMI and the members of the Ad Hoc Committee (representing approximately 72% of the aggregate principal amount of the outstanding 8% Senior Subordinated Notes, which are guaranteed by CMIH) executed the Cash Collateral and Consent Agreement on September 23, 2009 that, among other things, set out the manner in which CMIH would be permitted to apply the Ten Proceeds notwithstanding the 8% Senior Subordinated Noteholders' direct claim against CMIH for such proceeds on account of CMIH's guarantee of the 8% Senior Subordinated Notes.

114. In accordance with the terms of the Cash Collateral and Consent Agreement, after satisfying certain transactional costs associated with the sale of the Ten Shares, the net Ten Proceeds were loaned by CMIH to CMI in exchange for the Secured Intercompany Note and the Unsecured Promissory Note. The Ten Proceeds advanced by CMIH to CMI under the Secured Intercompany Note were applied as follows: (i) US\$94,916,583 to repay in full all amounts outstanding under the 12% Secured Notes; and (ii) \$85 million to fund general liquidity and operating costs of CMI, including repaying the full balance outstanding under the CIT Facility of approximately \$23 million, excluding outstanding letters of credit in the amount of approximately \$10.7 million which are currently cash collateralized. The balance of the Ten Proceeds, US\$399,625,199, was advanced by CMIH to CMI pursuant to the Unsecured Promissory Note and then deposited by CMI with the Indenture Trustee on account of certain outstanding interest and to reduce the principal outstanding under the 8% Senior Subordinated Notes.

115. The Cash Collateral and Consent Agreement includes certain covenants of Canwest with respect to reporting to the Ad Hoc Committee and various restrictive covenants, including in respect of compliance with cash flow forecasts attached thereto. In addition, the Cash Collateral and Consent Agreement includes events of default similar to the covenants and events of default set out in the Note Purchase Agreement in recognition of the fact that the Consenting Noteholders are permitting \$85 million of the Ten Proceeds to be used by the CMI Entities for liquidity purposes, notwithstanding their direct claim against CMIH for such proceeds on account of CMIH's guarantee of the 8% Senior Subordinated Notes. A copy of the

Cash Collateral and Consent Agreement is attached (without signature pages) as Exhibit "J" to this Affidavit.

(b) The Secured Intercompany Note

116. The Secured Intercompany Note issued by CMI to CMIH is in the amount of \$187,263,126 and bears interest at a rate of 3% per annum, which is payable in arrears on the first anniversary date of the Secured Intercompany Note and each subsequent anniversary date thereafter. The Secured Intercompany Note has been guaranteed by the same parties that guaranteed the CIT Facility and the 12% Secured Notes other than CMIH. A copy of the Secured Intercompany Note is attached (without signature pages) as Exhibit "K" to this Affidavit.

117. Under the terms of the Secured Intercompany Note, CMI has promised to pay CMIH, upon the earlier of a demand made by CMIH and the date on which an "Event of Default" (as defined therein) is declared under the Use of Cash Collateral Agreement, all amounts owing under the Secured Intercompany Note. In the event that CMI or one of the other CMI Entities issues new equity for valuable consideration to a third party that is not an "affiliate", CMI is required to make a repayment of the Secured Intercompany Note in an amount equal to the lesser of the "Principal Amount" (as defined therein) and the net proceeds raised through the issuance of such new equity.

118. The Secured Intercompany Note is secured by a perfected lien in all of the CMI Collateral, including pursuant to the terms of the Existing Security granted in favour of CIBC Mellon, but subject to the interests of CIT and the Revolving Credit Lenders (as defined therein) on the terms set forth in the additional Credit Confirmation and Amendment to Intercreditor and Collateral Agency Agreement dated as of October 1, 2009. A copy of the Credit Confirmation and Amendment to Intercreditor and Collateral Agency Agreement dated as of October 1, 2009 (without signature pages) is attached as Exhibit "L" to this Affidavit.

(c) The Unsecured Promissory Note

119. The Unsecured Promissory Note issued by CMI to CMIH in the amount of \$430,556,189 and bears interest at 3% per annum which is payable in arrears on the first anniversary of the Unsecured Promissory Note and each subsequent anniversary date thereafter. The Unsecured Promissory Note has been guaranteed by the same parties that guaranteed the

CIT Facility and the 12% Secured Notes other than CMIH. A copy of the Unsecured Promissory Note is attached (without signature pages) as Exhibit "M" to this Affidavit.

120. Under the terms of the Unsecured Promissory Note, CMI has promised to pay CMIH, upon the earlier of a demand made by CMIH and the date on which an "Event of Default" (as defined therein) is declared under the Use of Cash Collateral Agreement, all amounts owing under the Unsecured Promissory Note. The obligations under the Unsecured Promissory Note may not be prepaid.

121. CMI has covenanted and agreed, and CMIH has agreed, that the payment of all amounts owing under the Unsecured Promissory Note is expressly and irrevocably subordinated and postponed in right of payment to the prior payment in full of all amounts owing under the CIT Credit Agreement. However, CMI is permitted to pay interest owing in arrears (as described above) under the Unsecured Promissory Note.

122. In the event that any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceeding relating to the CMI Entities are commenced, including this CCAA proceeding, it is agreed that CIT will first be entitled to receive payment in full of any amounts owing under the CIT Facility before CMIH is entitled to receive any payment or distribution of any kind, which may be payable or deliverable in respect of the amounts owing under the Unsecured Promissory Note.

E. Distributions

123. CMI had historically received distributions from the Limited Partnership and Ten Holdings. Distributions from the Limited Partnership were historically made monthly and distributions from Ten Holdings were historically made semi-annually in January and July of each year. In the first four months of fiscal 2009, CMI received \$45 million in distributions from the Limited Partnership and in January 2009, Ten Holdings distributed the Australian dollar equivalent of \$9 million to CMI. However, based upon the current defaulted status of the Limited Partnership's secured and subordinated credit facilities, CMI does not expect to receive any further distributions for the Limited Partnership for the foreseeable future and, as a result of the sale of the Ten Shares, CMI will not receive any further distributions from Ten Holdings.

EMPLOYEES

124. As noted above, as of October 1, 2009, Canwest employed approximately 7,400 FTEs employees around the world. Of that number, the CMI Entities employed approximately 1,700 FTE employees, with approximately 850 FTE employees located in Ontario. As employees of a federally regulated entity, the employees in Canwest's Canadian television broadcasting business are subject to the provisions of the *Canada Labour Code*.

125. Over 50% of the employees in the Canadian Television Segment are unionized and are employed under a total of 12 collective agreements. None of the approximately 250 employees of the National Post Company are unionized. Eleven of the 12 Canadian television collective agreements are negotiated with the Communications, Energy and Paper-workers Union of Canada ("CEP"). These 11 collective agreements are all in expired status. On November 6, 2007, the Canadian Industrial Relations Board ("CIRB") amalgamated these 11 bargaining units into three new geographical bargaining units: British Columbia (Vancouver and Kelowna), Alberta (Calgary, Edmonton and Lethbridge) and Eastern Canada (Saskatoon to Halifax). New collective agreements have not been concluded for any of these three bargaining units. The other Canadian television bargaining unit is at *CKMI-TV* in Montreal and is represented by the Canadian Union of Public Employees ("CUPE"). This agreement expires December 31, 2010.

126. As at October 1, 2009, the unionized employees in the Canadian Television Segment had filed approximately 95 separate grievances against Canwest, 20 of which are currently at the arbitration stage. In addition, Canwest is involved in proceedings with the CEP at the *Canada Industrial Relations Board* regarding the scope of certain bargaining rights.

PAYROLL OBLIGATIONS

127. The CMI Entities' gross payroll obligations (including salaries for full-time and part-time workers, salaries for freelancers and temporary workers, commissions and bonuses) for their Canadian employees for their 2008 fiscal year were approximately \$176 million.

128. The CMI Entities also offer benefits to their eligible salaried and hourly employees, including benefits provided through group insurance programs. These benefits include, but are not limited to, employee medical, dental, disability, life insurance and similar

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benefit plans, share compensation plans, automobile allowances, and employee assistance programs. The total amounts paid by the CMI Entities for group benefits (excluding share compensation plans and employee assistance programs) for hourly and salaried employees during its 2008 fiscal year (excluding all statutory withholdings) totalled approximately \$28 million.

PENSION, POST RETIREMENT AND POST EMPLOYMENT BENEFITS

129. The CMI Entities currently maintain in the aggregate for their unionized and non-unionized Canadian employees 10 defined benefit pension plans registered under the federal *Pension Benefits Standards Act*, 1985, c. 32 (2nd Supp.) (the "PBSA") (the "Federal DB Pension Plans") and 1 defined benefit pension plan registered under the *Ontario Pension Benefits Act*, R.S.O., 1990, c. P.8 (the "Ontario DB Pension Plans") (collectively, the "DB Pension Plans"). As noted below, one of the Federal DB Pension Plans (CH Employees Plan) is currently being terminated. The DB Pension Plans are as follows:

Federal DB Pension Plans

- Global Communications Limited Retirement Plan for BCTV Senior Management ("BCTV Senior Management Plan")
- Global Communications Limited Retirement Plan for BCTV Staff ("BCTV Staff Plan")
- Global Communications Limited Retirement Plan for CHBC Executives ("CHBC Executives Plan")
- Global Communications Limited Retirement Plan CHBC Management ("CHBC Management Plan")
- Global Communications Limited Retirement Plan for CHBC Staff ("CHBC Staff Plan")
- Global Communications Limited Retirement Plan for WIC Designated Executives ("WIC Plan")
- Global Communications Limited Retirement Plan for CH Employees ("CH Employees Plan")
- Global Communications Limited Retirement Plan for CICT and CISA Employees ("CICT Plan")
- Global Communications Limited Employees' Pension Plan ("Global Plan")

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- CanWest Maritime Television Employees Pension Plan (“**Maritime T.V. Plan**”)

Ontario DB Pension Plan

- National Post Retirement Plan (“**National Post Plan**”)

130. In addition, the CMI Entities maintain and contribute to the following four defined contribution pension plans (collectively, the “**DC Pension Plans**”):

- Retirement Plan for Bargaining Unit Employees of Global Communications Limited
- Retirement Plan for Management and Non-Bargaining Unit Employees of Global Communications Limited
- Global Communications Limited Retirement Plan for Former WIC-Allarcom Employees
- Pension Plan for Employees of CanWest Interactive Inc.

131. Mercer (Canada) Limited (“**Mercers**”) is the actuary for the DB Pension Plans. Using the numbers from the last filed actuarial valuation for each DB Pension Plan, excluding plan participants at the recently closed *CHCA-TV* and sold *CHCH-TV* and *CHEK-TV*, the DB Pension Plans had, in the aggregate, approximately 1,237 active members, approximately 121 pensioners (*i.e.*, persons receiving a pension), and approximately 313 deferred vested and other members.

132. The annual special payments and current service costs for each of the registered DB Pension Plans and the date of the valuation report that determined these amounts are as follows:

Plan	Surplus Deficiency as of Last Valuation Date	Annual Special Payments	Estimated Annual Current Service Cost	Last Valuation Date	Waiting List Participants as of Last Valuation Date
1. BCTV Senior Management Plan**	\$506,837	NIL	NIL ^o	12/31/06	\$516,837
2. BCTV Staff Plan ^o	\$3,689,850 ^v	\$902,376	\$674,073	12/31/08	\$5,729,912
3. CHBC Executives Plan ^o	\$101,556	\$55,692	NIL*	12/31/08	\$220,489

4. CHBC Management Plan**	\$418,057	\$278,460	\$64,557	12/31/08	\$1,268,384
5. CHBC Staff Plan	\$845,670	\$317,136	\$163,403	12/31/08	\$1,541,770
6. WIC Plan	NIL	NIL	NIL*	12/31/08	NIL
7. CH Employees Plan ^o †	NIL ^v	NIL	\$515,000	12/31/06	\$2,290,994
8. CICT Plan ^o	\$2,322,215 ψ	\$511,944	\$451,327	12/31/08	\$4,703,824
9. Global Plan [*]	\$3,041,860 ψ	\$2,119,080	\$2,498,617	01/01/09	\$12,644,621
10. Maritime T.V. Plan [*]	\$909,068 ψ	\$438,192	\$118,204	01/01/09	\$2,279,749
11. National Post Plan [*]	\$1,512,244	\$360,468	\$662,000	12/31/06	\$1,627,566
TOTAL	\$13,347,357	\$4,983,348	\$5,147,181		\$32,824,146

- ⊕ The Solvency Deficiencies assume that the solvency assets include the present value of 5 years of previously established special payments (with the exception of the four plans marked ψ)
- ψ These plans have applied for the solvency relief funding measures recently enacted under the Regulations to the *Pension Benefits Standards Act, 1985* (Canada). Under these solvency relief measures, the amortization period for payment of solvency deficits is extended from five to ten years for 2009.
- Estimated Annual Current Service Cost is based on the rule for computing the Employer's current service costs (as reflected in the valuation report) updated to reflect a recent estimate of active membership in the plan, and corresponding current payroll and employee contribution levels
- * No current service costs because plan has no active members accruing benefits
- ** Designated Plan for *Income Tax Act* (Canada) purposes and hence special funding rules apply
- ⊗ The value of benefits that will accrue on behalf of active members (current service cost) can be estimated as 9.26% of 2009 pensionable earnings determined in accordance with the most recent funding valuation. Due to Designated Plan rules, the employer is currently not permitted to remit contributions in respect of current service cost
- † The CMI Entities have terminated this plan.
- Plans have going concern unfunded liability in addition to solvency deficiency. Special payments include payments towards going concern unfunded liability and solvency deficiency
- ◇ Wind-up deficiencies include the maximum liabilities payable upon wind-up as if the Company continues operations
- ∇ These plans have a solvency/wind-up excess as of the last funding valuation date

133. The DB Pension Plans are valued on a regular basis, in accordance with the requirements of their respective governing legislation. Eight of the DB Pension Plans filed

valuations in July 2009, effective as of either December 31, 2008 or January 1, 2009. As a result of the recent economic decline, the corresponding negative results in the financial markets, and the decline in long-term bond rates, the new valuations reflected an increase in the aggregate solvency deficiencies for the eight DB Pension Plans of approximately \$7.7 million dollars and an increase in the aggregate annual special payments for those plans of approximately \$2 million.

134. Four of the eight DB Pension Plans that filed valuation reports in July 2009 have applied for the solvency relief funding measures recently enacted under Regulations to the PBSA. Under these solvency relief measures, the amortization period for payment of solvency deficits is extended from five to ten years for 2009. For years following 2009, the ten year solvency amortization period can only be continued if either (i) the CMI Entities obtain the consent of the members and former members of the plan – consent is deemed to be obtained if no more than one-third of members and no more than one-third of former members object to the ten year amortization, or (ii) the CMI Entities are able to obtain an irrevocable letter of credit to cover the difference in solvency payments between the five and ten year amortization periods. If the CMI Entities are not able to meet either of these conditions, then the DB Pension Plans would have to revert to solvency funding using a five year amortization schedule commencing in 2010, which would increase the CMI Entities total annual special payments to these plans by approximately \$1.7 million, assuming no other changes to the plans' funded status.

135. Canwest Global maintained the Canwest Global Communications Corp. and Related Companies Retirement Compensation Arrangement Plan (the "CGCC RCA") for certain of its current and former management employees. A November 2008 valuation (the "CGCC RCA Valuation") estimated that the settlement liabilities under the CGCC RCA for the period ending December 31, 2009 were approximately \$47 million. The CGCC RCA Valuation estimated that net assets (after provision for expenses) available to provide benefits would be approximately \$5.7 million. Until recently, the difference between the net assets and estimated settlement liabilities (approximately \$41 million) had been secured by an irrevocable letter of credit (the "CGCC RCA Letter of Credit") held by Royal Trust Corporation of Canada ("Royal Trust") – the trustee of the CGCC RCA. In May 2009, CGCC terminated the CGCC RCA, causing active participants to cease earning any further benefits. In June 2009, Royal Trust demanded payment under the CGCC RCA Letter of Credit and after payment was made

the process of distributing the assets of the CGCC RCA to those persons who were entitled to benefits under the CGCC RCA commenced. On September 4, 2009, a partial distribution of assets was made to various individuals who were entitled to benefits under the CGCC RCA. A second distribution of assets will take place after refundable taxes held by the Canada Revenue Agency in relation to the CGCC RCA are refunded to Royal Trust.

136. The CMI Entities also provide post-employment and post-retirement benefits to certain of their employees, most notably health, dental and term life insurance benefits. The aggregate annual cash contribution in the 2008 fiscal year to provide these post-employment and post-retirement benefits was approximately \$0.4 million. The aggregate accrued benefit obligation relating to these benefits as at the end of the fiscal 2008 year totalled approximately \$16.7 million.

TERMINATION OF THE CH EMPLOYEES PLAN

137. As noted above, following the sale of *CHCH-TV* to Channel Zero, the CMI Entities commenced terminating the CH Employees Plan. On June 30, 2009, CMI notified the Office of the Superintendent of Financial Institutions ("OSFI") of CMI's intention to do so effective August 31, 2009. The CH Employees Plan was terminated effective August 31, 2009.

138. In a letter dated August 10, 2009, OSFI directed CMI to prepare a valuation report for the CH Employees Plan effective as of December 31, 2008 and to file such report by August 31, 2009. CMI responded to OSFI in a letter dated August 27, 2009, advising that it was not feasible to prepare a file a valuation report in 21 days as requested and that the need to prepare such a report would delay completion of the termination report for the CH Employees Plan. CMI accordingly asked OSFI to advise whether OSFI still required a valuation report to be prepared for the CH Employees Plan as of December 31, 2008. By letter dated September 15, 2008, OSFI acknowledged the length of time it would take to prepare a valuation report but still required that CMI prepare a valuation report for the CH Employees Plan as of December 31, 2008, as this report would establish additional amounts to accrue from January 1, 2009 that would need to be funded. OSFI stated that CMI was required to file the valuation report immediately. CMI has instructed the actuary for the CH Employees Plan to give top priority to the completion of the December 31, 2008 valuation so that CMI can comply with the OSFI request as soon as possible.

CASH MANAGEMENT SYSTEM

139. In the ordinary course of their businesses, the CMI Entities use a centralized cash management system which is maintained at BNS to monitor account activity and account balances for each entity (the "Cash Management System").

140. The Cash Management System consists of 55 Canadian dollar accounts and 8 U.S. dollar accounts. Until recently, 35 of the Canadian dollar accounts and 7 of the U.S. dollar accounts in the Cash Management System operated under a mirror netting arrangement (the "Mirror Netting Arrangement"), which was supported by a swingline facility connected to the 2005 CMI Credit Facility. The Mirror Netting Arrangement allowed the balances in the accounts operating under that arrangement to be automatically (rather than manually) netted on a daily basis. The net position was used to determine the daily surplus or overdraft position. The overdraft position resulted in a swingline facility drawdown. The non-mirror netting accounts were, and continue to be, maintained in a surplus position.

141. Since entering into the CIT Facility in May 2009, a number of CMI's Canadian and U.S. dollar accounts have been moved outside of the Mirror Netting Arrangement. Under the new arrangement with CIT, the Canadian and U.S. dollar deposit accounts maintained at BNS are consolidated on a daily basis into one of two concentration accounts maintained at BNS. CIT withdraws funds from the concentration accounts on a daily basis to reduce the revolving loan balance under the CIT Facility. When CMI requires cash to fund operations, a drawdown from the CIT Facility is made. All funds drawn from the CIT Facility are deposited into Canadian and U.S. dollar operating accounts maintained at BNS. The Mirror Netting Arrangement continues to operate, but is no longer supported by a swingline facility. As a result, all remaining accounts in the Mirror Netting Arrangement must be maintained in a net cash surplus position.

142. The Cash Management System is managed centrally using oversight procedures and controls implemented by CMI's treasury department located in Winnipeg, Manitoba. On a daily basis, the treasury department and the accounting department reviews the account balances and activity, inter-entity fund transfers, and availability under the CIT Facility. Based upon this information, CMI's treasury department is able to assess whether any drawdown under the CIT Facility is required and prepares the required drawdown notice.

143. By centralizing control over its cash management arrangements, the CMI Entities are able to facilitate cash forecasting and reporting, monitor collection and disbursement of funds, and maintain control over the administration of various bank accounts required to effect the collection, disbursement and movement of cash.

SHARED SERVICES

144. Over the past several years, Canwest has attempted to streamline processes and gain synergies by sharing certain administrative, advisory and other business critical services between various corporate entities. Most of these inter-entity arrangements (the "Shared Services") are governed by various inter-entity agreements (the "Inter-Entity Agreements").

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

146. In particular, CMI provides CTLP, CW Media and the Limited Partnership with, *inter alia*, the following Shared Services based upon various fee and cost allocation agreements and practices:

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

147. The total amount paid to CMI by the Limited Partnership in fiscal 2008 in respect of these services was approximately \$6.1 million. The actual cost for fiscal 2009 was \$6.5 million.

148. The Limited Partnership provides CMI, CTLP, and CW Media with, *inter alia*, the following Shared Services:

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

In fiscal 2008, the aggregate amount received by the Limited Partnership from CMI, CTLP, and CW Media, in respect of these services was approximately \$14.8 million. The actual cost for fiscal 2009 was approximately \$16.2 million.

149. The Limited Partnership also provides the National Post Company with, *inter alia*, the following Shared Services:

- financial and accounting support services, including accounts payable, accounts receivable, payroll services, cash flow management, and accounting services;
- corporate services, including human resources consulting, pension services, and employee benefits administration;
- IT infrastructure and support services, including information technology and processing and website development and maintenance services (*FPinfomart.com*; *NationalPost.com*);

- advisory services regarding corporate development, capital expenditures and other operational matters;
- content from Canwest News Service and other editorial services;
- sales and marketing services;
- office space at 1450 Don Mills Road, Toronto, Ontario;
- classified advertising and customer support services provided by ReachCanada call centre; and
- printing and distribution services, including outsourced printing of the *National Post* at various metropolitan newspaper printing facilities.

In fiscal 2008, the total amount received by the Limited Partnership from the National Post Company in respect of these services was approximately \$22.6 million. The actual cost for fiscal 2009 was \$21.5 million.

150. In addition to the above, the Limited Partnership manages, invoices and collects certain advertising and circulation revenues on behalf of the National Post Company, CW Media and CTLP. The Limited Partnership is required to make payment to the applicable Canwest entity based on gross actual sales and collections. The total amount payable by the Limited Partnership in respect of these services for fiscal 2009 was approximately \$40 million (approximately \$35 million to the National Post Company, \$1.9 million to CTLP and \$3.1 million to CW Media).

151. With respect to other Canwest entities, Canwest Global grants to CMI and the Limited Partnership a non-exclusive, royalty-free, non-transferable licence to use some or all of the Canwest trademarks in Canada and to sublicense the use of the Canwest trademarks to its subsidiaries. CTLP provides a variety of management services, including program acquisition and scheduling, to the various operating units within the CW Media Segment and to certain of the entities in the Canadian Television Segment that are not Applicants in this CCAA proceeding.

152. During the course of this CCAA proceeding, it is proposed that the CMI Entities and the LP Entities continue to provide, receive, collect and pay for the Shared Services in the ordinary course and in accordance with current arrangements, payment terms and business

practices, except as to payment terms which may be amended to provide for revised timing of reconciliations. The CMI Entities have taken steps to bring amounts owing to the LP Entities for Shared Services current and regularize payment terms to net 30 days. It is proposed in the draft Initial Order that the CMI Entities and the LP Entities be prohibited from modifying, ceasing to provide or terminating the provision of or payment for the Shared Services except with the consent of the other party receiving such Shared Services, the approval of the CMI CRA and the prior consent of the Monitor or further Order of the Court, except with respect to portions of the CMI Entities' business which may be shut down or reorganized in the manner contemplated by the Term Sheet.

153. The Shared Services provided and received by the CMI Entities are greatly beneficial to them and the other Canwest entities and are therefore integral to maintaining the enterprise value of Canwest as a whole. It is intended that all pre-filing amounts owing by the CMI Entities for Shared Services will be paid in the ordinary course during this CCAA proceeding.

ISSUES IN THE MEDIA INDUSTRY

154. The CMI Entities generate the majority of their revenue from the sale of advertising (approximately 77% of Canwest's Canadian total revenue on a consolidated basis). In recent months, many segments of the media industry have experienced significant and sudden declines in advertising revenues reflecting the weakening economic environment in Canada and the other countries in which Canwest operated until recently. These conditions have caused many advertising customers to reduce the amounts that they spend on advertising, resulting in a decrease in demand for advertising and lower advertising rates.

155. At present, the outlook for the advertising market in Canada remains difficult and the weakness in advertising revenues is resulting in an increasingly challenging operating environment.

156. The CMI Entities expect the difficult advertising market to continue into fiscal 2010. Since the CMI Entities' businesses are characterized by generally high fixed operating costs, primarily for television programming and staffing, a decline in advertising revenue has had a disproportionately negative effect on their consolidated operating results.

EFFORTS TO RESPOND TO DETERIORATING ECONOMIC CONDITIONS

157. Over the past several years, the CMI Entities have undertaken a number of steps to improve operational efficiencies and the strength of their respective balance sheets. For example, in 2007, Canwest Global announced that the CMI Entities would centralize certain broadcast functions by developing four state of the art broadcast centres to support the production needs of their free-to-air television stations and to enable the transition to high definition television broadcasting.

158. In response to the current economic conditions, Canwest's television business and Canwest's publishing business have recently commenced workforce reductions of their operations, through voluntary buyouts, attrition and reductions. With respect to Canwest's television business in particular, Canwest has eliminated certain activities non-core to the Canadian television business. The National Post Company has also instituted changes to accelerate profitability, including focussing on profitable markets, reducing unproductive and deeply discounted circulation and utilizing new technology to better target key high value readers while increasing web engagement with its brands. These combined initiatives are expected to reduce annualized operating costs by approximately \$61 million across the Canwest enterprise and reduce head count by approximately 540 employees, or 5% of the workforce.

159. Other cost savings initiatives have also been implemented by the CMI Entities, including the elimination of positions across all departments, hiring and salary freezes, freezes on discretionary spending (including travel, meals, entertainment, and training) and a review and decrease of broadcast capital spending.

160. On March 9, 2009, Canwest Global completed the sale of *The New Republic*, an American magazine which is focused upon politics and the arts. Prior to the sale, *The New Republic* was Canwest's principal enterprise in the United States.

161. On May 28, 2009, CMI sold its indirect interest in certain Turkish radio stations to Spectrum Medya A.S.

162. As set out above, as of September 4, 2009, Canwest no longer operates the *E!* Stations in Canada and on October 1, 2009, CMIH completed the sale of its interest in Ten Holdings.

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163. In terms of regulatory initiatives, the CMI Entities have been engaged in efforts to encourage the CRTC to, among other things, require BDUs to pay fees to free-to-air television broadcasters for the carriage of their channels in local markets (known as “fee-for-carriage”), similar to the current CRTC requirement that BDUs pay fees to specialty television broadcasters to carry their specialty television channels. It is anticipated that CRTC hearings on this issue will commence prior to the end of 2009.

APPOINTMENT OF SPECIAL COMMITTEE, RESTRUCTURING ADVISOR AND RECAPITALIZATION OFFICER

164. In addition to the above, on February 19, 2009, the board of directors of Canwest Global struck a special committee of directors (the “**Special Committee**”) with a mandate to explore and consider strategic alternatives in order to maximize value in light of the financial difficulties being experienced by Canwest. The Special Committee is comprised of Mr. Derek Burney (Chair), Mr. David Kerr, Mr. David Drybrough, Ms. Margot Micallef and Mr. Frank King.

165. The mandate of the Special Committee includes, among other things, responsibility for overseeing and directing the implementation of a restructuring and/or recapitalization transaction with respect to all, or part, of the business and/or capital structure of Canwest.

166. On or about April 21, 2009, Mr. Thomas Strike was appointed by the Special Committee as Canwest Global’s Recapitalization Officer (“**Recapitalization Officer**”). Mr. Strike is also the President, Corporate Development & Strategy Implementation of Canwest Global. Mr. Strike’s responsibilities as Recapitalization Officer include, among other things, (i) developing, for consideration by the Special Committee, strategic alternatives for the operational and financial restructuring of Canwest Global and its subsidiaries; (ii) developing a restructuring plan or plans for presentation to lenders, creditors and other stakeholders; and (iii) negotiating all necessary agreements with equity sponsors, lenders, creditors, stakeholders and other interested parties that may be necessary or desirable in connection with any restructuring. In this role, Mr. Strike reports directly and exclusively to the Special Committee.

167. The mandate of the Special Committee was revised to include selecting one or

Special Committee with respect to the formulation and implementation of a restructuring and/or recapitalization plan for the CMI Entities. To that end, on June 30, 2009, Mr. Hap S. Stephen, Chairman and Chief Executive Officer of Stonecrest Capital Inc. ("Stonecrest"), was appointed to serve as the Restructuring Advisor for Canwest other than the LP Entities (the "Restructuring Advisor"). The Restructuring Advisor reports directly and exclusively to the Special Committee. It is proposed that the Restructuring Advisor will be named as the CMI Entities' Chief Restructuring Advisor (the "CMI CRA") in the event that this Honourable Court grants the Initial Order. Upon the occurrence of that event, Mr. Stephen, as the CMI CRA, will assume primary responsibility for the development and implementation of the Recapitalization Transaction. The draft Initial Order sets out certain matters that will require the approval of the CMI CRA or consultation with the CMI CRA during this CCAA proceeding. Mr. Strike will continue to act as the Recapitalization Officer for the CMI Entities and will report directly to the CMI CRA. A copy of the retainer agreement signed by Mr. Stephen, on behalf of Stonecrest, as amended, is attached as Exhibit "N" to this Affidavit.

RECENT FINANCIAL PRESSURES EXPERIENCED BY THE CMI ENTITIES

168. Notwithstanding the proactive steps which have been taken to improve their respective balance sheets, over the past several months, the CMI Entities have experienced significant tightening of credit from critical suppliers and other trade creditors as a result of the continued and publicized uncertainty surrounding the stability of the Canwest business. Certain of these creditor actions are detailed below:

- CMI has learned that a number of the financial institutions that normally provide financing for the production of Canadian television programs that the Canadian Television Segment and/or the CW Media Segment have committed to broadcast upon completion have been refusing to provide interim financing to the programs' producers. It is CMI's understanding that these financial institutions are reluctant to provide financing because they are uncertain whether the Canadian Television Segment and/or the CW Media Segment will be in a financial and/or operational position to meet their licence fee commitments.

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- Certain Canadian television producers/studios have recently asked the CMI Entities to put funds in escrow or to make advance payments or issue them letters of credit prior to moving forward on productions that have been committed to air on Canwest's Canadian television stations or channels. Certain producers have also requested other alterations to existing contracts. In the event that these Canadian production studios refuse to move forward on productions, the Canadian Television Segment and/or the CW Media Segment will not have programs to broadcast on its television stations and channels to meet their respective Canadian content requirements. Certain productions have been put on hold by their producers pending a resolution of the current issues surrounding the Canwest enterprise.
- Major U.S.-based television studios amended customary contractual terms by demanding that, as a condition precedent to renewing certain output agreements for the 2009/2010 television season, the CMI Entities deliver and maintain in full irrevocable standby letters of credit to secure payments owing under the renewed output agreements. These actions caused a significant strain on the CMI Entities' cash flow as it forced the CMI Entities to in effect pre-pay for a portion of this season's television programming months before receiving any advertising revenues associated with such programming. Certain U.S.-based studios have also required that the CMI Entities pay in full or in part all amounts past due, currently due or to become due under its existing output agreements on or before a specified date.
- The CMI Entities have received calls from a number of major advertising agencies which represent their major advertising clients expressing concerns about the stability of Canwest's Canadian businesses and advising that their clients' plans to reduce their advertising spending with the CMI Entities based upon the current financial uncertainty. In fact, the CMI Entities have recently learned that at least two of their significant long-term advertising customers have decided not to renew their existing advertising sales contracts because of the uncertainty surrounding the CMI Entities.

- One of the companies that prints the *National Post* unilaterally decided to cease printing the newspaper effective July 1, 2009.
- Certain of Canwest's credit card processors (companies responsible for processing credit card payments received from, *inter alia*, subscribers and advertisers) have requested that they be allowed to hold back amounts in reserve or, in certain cases, extend the payment cycle. Collectively these companies process approximately \$350 million in annual revenue on Canwest's behalf.
- Petro-Canada has cancelled all credit cards that it had issued to employees of the CMI Entities in Kelowna, Toronto and Montreal.

169. Standard & Poor's Ratings Services ("S&P") has lowered its long-term corporate credit rating for CMI from 'CCC' to 'D' due to the financial difficulties noted above. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired.

THE RECAPITALIZATION TRANSACTION

(i) The Support Agreement

170. As set out above, the Support Agreement provides that the CMI Entities will pursue the Plan on the basis set out in the Term Sheet. It also provides that the Consenting Noteholders will vote their 8% Senior Subordinated Notes in favour of the Plan at any meeting of creditors. The obligation of the Consenting Noteholders to support the Recapitalization Transaction is subject to certain conditions set out in the Support Agreement and the Term Sheet.

171. The Support Agreement may be terminated by Consenting Noteholders holding a majority of the aggregate principal amount of the 8% Senior Subordinated Notes held by all Consenting Noteholders, in their sole discretion, upon the occurrence of certain events, including:

- (a) failure of the CMI Entities to initiate proceedings under the CCAA by October 15, 2009 or failure to file the Plan with the Court within 30 days after filing under the CCAA;

- (b) if the Plan is not implemented by April 15, 2010;
- (c) failure of the CMI Entities to comply in all material respects with their covenants or upon breach of any representation or warranty by the CMI Entities;
- (d) if the Ad Hoc Committee determines, acting reasonably, that the conditions precedent to the implementation of the Recapitalization Transaction cannot reasonably be expected to be satisfied;
- (e) an event of default under the CIT Credit Agreement; and
- (f) an event of default under the Cash Collateral and Consent Agreement.

172. The Support Agreement may be terminated by Canwest Global, on behalf of the CMI Entities, in its sole discretion upon the occurrence of certain events, including if Canwest Global determines, acting reasonably, that the conditions precedent to the implementation of the Recapitalization Transaction cannot reasonably be expected to be satisfied. A copy of the Support Agreement, including the Term Sheet, is attached (without signature pages) as Exhibit "O" to this Affidavit.

(ii) The Restructuring Term Sheet

173. The Recapitalization Transaction, as set out in the Term Sheet, provides for a comprehensive corporate restructuring of the CMI Entities and the satisfaction of certain creditor claims against the CMI Entities. As set out in the Term Sheet, "the purpose of the Recapitalization Transaction is, among other things, to restructure CMI into a viable and competitive industry participant able to deal with the current issues facing the broadcasting industry and other competitive factors."

174. Under the Recapitalization Transaction, it is proposed, *inter alia*, that creditors of the CMI Entities whose claims are compromised under the Plan (the "Affected Creditors") will receive percentages of the shares of Restructured Canwest Global based on the percentage of such creditors' claims relative to the total claims proven against CMI or CTLP, as applicable.

175. Other essential elements of the proposed Recapitalization Transaction include the following:

- the share capital of Restructured Canwest Global will be comprised of the following four classes of shares: (i) multiple voting shares (the “**Multiple Voting Shares**”) issued to the New Investors (as described below), (ii) class A subordinated voting shares (the “**Class A Subordinated Voting Shares**”) issued to the New Investors, Affected Creditors and existing shareholders of Canwest Global that are Canadians within the meaning of the *Direction to the CRTC (ineligibility of Non-Canadians)* (the “**Direction**”), (iii) non-voting shares (the “**Non-Voting Shares**”) issued to Affected Creditors and existing shareholders of Canwest Global that are not Canadians within the meaning of the Direction, and (iv) class B subordinated voting shares (the “**Class B Subordinated Voting Shares**”) issued to Affected Creditors and existing shareholders of Canwest Global that are not Canadians within the meaning of the Direction;
- it is intended that the Class B Subordinated Voting Shares and Non-Voting Shares, together as a stapled security, and the Class A Subordinated Voting Shares of Restructured Canwest Global, will be listed on the Toronto Stock Exchange;
- one or more Canadians (the “**New Investors**”) will invest at least \$65 million in Restructured Canwest Global in consideration for Class A Subordinated Voting Shares in the capital of Restructured Canwest Global or a combination of Class A Subordinated Voting Shares and Multiple Voting Shares, in each case, representing an equity interest in Restructured Canwest Global that is acceptable to CMI and the Ad Hoc Committee;
- on completion of the Recapitalization Transaction, the CIT Facility will be extended or replaced by a similar facility on terms to be agreed by CMI and the Ad Hoc Committee;
- the terms and conditions of any arrangement or agreement with respect to the Shared Services between the CMI Entities and the LP Entities, either in current form or as amended or replaced, shall be satisfactory to the Ad Hoc Committee and CMI and there shall be no material adverse effect on CMI’s operations in

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connection with any disposition, recapitalization or restructuring of the LP Entities;

- as a result of the guarantee of the 8% Senior Subordinated Notes executed by CMIH and having regard to the Secured Intercompany Note and the Unsecured Promissory Note, the 8% Senior Subordinated Noteholders shall be entitled to claim recovery for the full amount of principal (approximately US\$761 million) and accrued interest of the 8% Senior Subordinated Notes from CMI without deduction for amounts recovered from the sale of the Ten Shares;
- the 8% Senior Subordinated Noteholders shall be entitled to claim against CTLP, as guarantor, the amount of \$800 million, an amount which reflects the 8% Senior Subordinated Noteholders' full claim less an estimated recovery from CMI of \$100 million (without deduction for amounts recovered from other guarantors);
- no more than 18.5% of the outstanding equity shares of Restructured Canwest Global will be issued to Affected Creditors (other than the 8% Senior Subordinated Noteholders);
- existing shareholders of Canwest Global will receive in aggregate 2.3% of the shares of Restructured Canwest Global;
- Restructured Canwest Global will, upon completion of the Recapitalization Transaction, own at least 35.33% of the shares of CW Investments and the shareholders agreement with Goldman Sachs relating to CW Investments shall have been revised in a manner agreed to by CMI and the Ad Hoc Committee, subject to CRTC approval if required;
- a definitive agreement in respect of the transfer of the business of *The National Post* to the LP Entities shall have been entered into on terms agreed to by CMI and the Ad Hoc Committee by no later than October 15, 2009;
- there shall have been no default or event of default under the CIT Facility or the Cash Collateral and Consent Agreement;

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- there shall not exist or have occurred any material adverse effect to the business, affairs, results of operations or financial condition of the CMI Entities;
- the size and composition of the board of directors of Restructured Canwest Global shall be acceptable to the Ad Hoc Committee;
- the 8% Senior Subordinated Noteholders that executed the Support Agreement in favour of the Recapitalization Transaction shall receive additional consideration, in the form of additional Non-Voting Shares and Class B Subordinated Voting Shares or Class A Subordinated Voting Shares, as applicable, of Restructured Canwest Global, representing, in aggregate, the Canadian dollar equivalent of US\$5 million, in consideration for entering into the Support Agreement; and
- the key elements of the Recapitalization Transaction shall have occurred by the following dates set out in the Term Sheet:
 - (i) CCAA initial hearing date – no later than October 15, 2009
 - (ii) Claims process hearing date – no later than October 22, 2009
 - (iii) Creditor approval – no later than January 30, 2009; and
 - (iv) Plan implementation date – no later than April 15, 2010.

INSOLVENCY OF THE CMI ENTITIES

176. As discussed above, as a result of the significant decline in advertising revenues, in February 2009 CMI breached certain of the financial covenants set out in the 2005 CMI Secured Credit Facility and in March 2009 failed to make a US\$30.4 million interest payment which was due in respect of the 8% Senior Subordinated Notes. CMI subsequently received a series of waivers of the borrowing conditions from its then current secured lenders and entered into a series of extension agreements with the Ad Hoc Committee wherein the parties agreed that the 8% Senior Subordinated Noteholders who were parties to that agreement would not demand immediate payment of the principal amount of the outstanding 8% Senior Subordinated Notes during the extension periods in order to allow the CMI Entities to pursue a recapitalization transaction. Had a demand for immediate payment been made by either the then current CMI

senior lenders or on behalf of the 8% Senior Subordinated Noteholders in lieu of entering into waiver and extension agreements, neither CMI nor any of the other CMI Entity guarantors would have been in a position to repay the amounts owing under the 2005 CMI Credit Facility or under the 8% Senior Subordinated Notes.

177. In May 2009, CMI and CTLP issued the 12% Secured Notes. On the same day, CMI entered into the CIT Facility. CMI used the proceeds from the issue and sale of the 12% Secured Notes and from the CIT Facility, to, among other things, repay its then current senior lenders all amounts owing under the 2005 CMI Credit Facility and to settle related foreign currency and interest rate swap obligations.

178. In late September 2009, the Ten Shares were sold and the net Ten Proceeds were used to retire the 12% Secured Notes and to repay the full balance outstanding under the CIT Facility of approximately \$23 million, excluding outstanding letters of credit in the amount of approximately \$10.7 million which are currently cash collateralized.

179. The Support Agreement provides that the CMI Entities will make the within application under the CCAA in order to implement the Recapitalization Transaction. The Consenting Noteholders who executed the Support Agreement and the Cash Collateral and Consent Agreement executed such agreements on the basis that a restructuring of the CMI Entities would be undertaken pursuant to the CCAA. Without the liquidity provided by the Consenting Noteholders under the Cash Collateral and Consent Agreement, which is intended to allow the CMI Entities to continue to operate pending a restructuring under the CCAA and which is only available within a CCAA proceeding, the CMI Entities would be unable to continue as going concerns and are thus insolvent. In addition, CMI did not make and does not have the necessary liquidity to make an interest payment in the amount of US\$30.4 million that was due and payable on September 15, 2009 under the 8% Senior Subordinated Notes and therefore cannot satisfy its debts as they become due. None of the other CMI Entities, which are guarantors of the 8% Senior Subordinated Notes, can make such payment and are thus insolvent. Further, the assets of the CMI Entities are not sufficient to discharge all of their liabilities and the CMI Entities are thus insolvent on a balance sheet basis.

The DIP Facility

180. Subject to certain conditions in the CIT Credit Agreement, the CIT Facility converts into the DIP Facility for the CMI Entities upon a CCAA filing. As set out above, the CIT Facility will increase from up to \$75 million to up to \$100 million upon such conversion. Prior to entering into the CIT Facility, the CMI Entities sought proposals from other third party lenders for a credit facility that would convert to a DIP facility should the CMI Entities be required to file for creditor protection under the CCAA. The CIT Facility was the best proposal submitted and was entered into accordingly.

181. The DIP Facility is to be secured by a Court-ordered security interest, lien and charge on the CMI Collateral (the "DIP Charge"). It is a condition precedent to the conversion to the DIP Facility that the Initial Order under the CCAA be in form and substance satisfactory to CIT. The DIP Charge is to have priority over all other security interests, charges and liens other than the Administration Charge (defined below) and the Existing Security (to the extent that the Existing Security secures existing and future obligations under the CIT Credit Agreement), except for any validly perfected purchase money security interests in favour of a secured creditor and statutory encumbrances in favour of any entity which is a secured creditor as set out in the draft Initial Order.

182. Based upon the CMI Entities' cash flow forecasts and the additional liquidity provided pursuant to the Cash Collateral and Consent Agreement, the CMI Entities do not anticipate drawing on the DIP Facility during the early stages of this CCAA proceeding. However, the CMI Entities' cash flow projections indicate that the total amount of cash on hand will be down to approximately \$10 million by late December 2010. This is not a sufficient cushion for an enterprise of this magnitude. Accordingly, the CMI Entities are seeking approval of the proposed DIP Facility to accommodate any additional liquidity requirements during this CCAA proceeding. The proposed DIP Facility will provide additional assurances to the creditors of the CMI Entities that they will be able to operate as going concerns while pursuing the implementation and completion of a viable Plan.

183. As the proposed DIP Facility is simply a conversion of the pre-existing CIT Facility, it is the CMI Entities' belief that there will be no material prejudice to any of their creditors. Moreover, in the circumstances, conversion of the CIT Facility into the DIP Facility is a viable funding mechanism for the CMI Entities during this CCAA proceeding should

the net Ten Proceeds advanced to CMI pursuant to the Cash Collateral and Consent Agreement provide insufficient liquidity during this CCAA proceeding. In addition, creditors are benefiting from the full paydown of amounts owing under the CIT Facility, other than the outstanding letters of credit.

184. There are currently approximately \$10.7 million in outstanding letters of credit issued pursuant to the CIT Facility. These letters of credit are secured by the Existing Security in favour of CIBC Mellon pursuant to the Collateral Agency Agreement. It is proposed in the Initial Order that the Existing Security, solely to the extent that such Existing Security secures existing and future obligations under the CIT Credit Agreement, rank subsequent to the Administration Charge and in priority to the DIP Charge, the Directors Charge, and the KERP Charge (all as defined below).

THE LIMITED PARTNERSHIP'S FINANCIAL SITUATION

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

186. In particular, on May 29, 2009, the Limited Partnership failed, for the first time, to make certain interest and principal reduction payments and related swap payments aggregating approximately \$10 million in respect of its senior secured credit facilities. On the same day, the Limited Partnership announced that it would be in breach of certain financial covenants set out in its senior secured credit facilities as of May 31, 2009. Since that time, the Limited Partnership has failed on make principal, interest and fee payments which were due and payable in respect of its senior secured credit facilities on several additional occasions.

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

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

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

190. On September 10, 2009, Canwest Global announced the Limited Partnership had entered into an agreement with certain of its senior lenders wherein those lenders agreed not to take any steps to demand immediate payment or enforce the security held in support of the Limited Partnership's senior secured credit facilities in order to afford the Limited Partnership and the senior lenders an opportunity to attempt to negotiate a consensual pre-packaged restructuring, recapitalization or reorganization of the LP Entities (the "LP Forbearance Agreement"). The LP Forbearance Agreement is subject to the satisfaction of certain milestones including reaching an agreement on the principal terms of a recapitalization transaction. A copy of news releases dated September 10, 2009 and September 30, 2009 dealing with the LP Forbearance Agreement are attached as Exhibit "P" to this Affidavit.

COST SHARING ARRANGEMENT

191. The CMI Entities and the LP Entities have agreed that it is appropriate for the CMI Entities to bear the costs and expenses of the restructuring of the businesses operated by the CMI Entities and for the LP Entities to bear the costs and expenses of the restructuring of the businesses operated by the LP Entities. Although no formal cost sharing agreement has been executed, the CMI Entities and the LP Entities are operating under this principle and the draft Initial Order provides that the CMI Entities shall not make any payments to or in satisfaction of

any liabilities or obligations of the LP Entities, save and except for payments in respect of Shared Services.

FOREIGN SUBSIDIARY APPLICANTS

192. As reflected in the organization chart previously attached at Exhibit "A", certain of the CMI Entities are foreign wholly-owned subsidiaries of CMI, namely: Canwest Irish Holdings (Barbados) Inc., Canwest International Communications Inc., Canwest MediaWorks Turkish Holdings (Netherlands) B.V., CGS International Holdings (Netherlands) B.V., Canwest International Management Inc., Canwest International Distribution Limited, CGS Debenture Holding (Netherlands) B.V., CGS Shareholding (Netherlands) B.V., CGS NZ Radio Shareholding (Netherlands) B.V., Canwest MediaWorks (US) Holdings Corp. and 30109 (collectively, the "Foreign Subsidiary Applicants"). Each of the Foreign Subsidiary Applicants has assets situated in Canada. Specifically, on April 3, 2009, the majority of the Foreign Subsidiary Applicants opened Canadian dollar bank accounts at BNS in Toronto, Ontario and deposited funds in those accounts. Canwest MediaWorks (US) Holdings Corp. and 30109 opened Canadian dollar bank accounts at BNS on October 2, 2009 in Toronto, Ontario and deposited funds in those accounts. The Foreign Subsidiary Applicants continue to maintain funds on deposit in those accounts.

193. The Foreign Subsidiary Applicants are seeking relief under the CCAA because each is a guarantor under the 8% Senior Subordinated Notes, the CIT Credit Agreement (and thus the DIP Facility) and are parties to the Support Agreement and the Cash Collateral and Consent Agreement.

PAYMENTS DURING THIS CCAA PROCEEDING

194. During the course of this CCAA proceeding, the CMI Entities intend to make payments for goods and services supplied post-filing as set out in the cash flow projections described below and as permitted by the draft Initial Order.

195. As discussed above, employees of the CMI Entities are compensated in various ways, including by way of salaries, commissions and bonuses. It is contemplated in the cash flow projections that arrears of salaries, commissions, bonuses and outstanding employee expenses will be paid or reimbursed in the ordinary course and that compensation programs for

active employees will continue in the ordinary course post-filing. The cash flow projections also contemplate the continued payment of current service and special payments with respect to the active DB Pension Plans. The cash flow projections do not contemplate termination and severance payments, salary continuance or benefits being paid to previously terminated employees or non-union retirees.

196. It is also contemplated in the cash flow projections that the CMI Entities will have the ability, with the consent of the Monitor, to continue to make payments, including payments in arrears, to independent contractors and freelancers who provide services post-filing, as independent contractors and freelancers are integral to the CMI Entities' operations.

197. In addition, the CMI Entities are proposing in the Initial Order that they be authorized, with the consent of the Monitor, but not required, to make certain payments, including payments owing in arrears, to third parties that provide goods or services that are integral to their businesses.

A. Television Programming Suppliers

198. As noted above, the CMI Entities are dependent, in part, upon programming that it acquires from various distributors, production studios and other suppliers in the United States (or through their Canadian affiliates, agents, branches or divisions) and elsewhere. It is also dependent on programming acquired from Canadian production studios, in part, to fulfil Canadian content requirements. Programming rights represent a significant cost for the CMI Entities and are crucial to the success of any television enterprise.

199. The going-concern enterprise value of Canwest's television business (including the CW Media Segment) is predicated on having a continuous and undisturbed flow of programming, including first-run prime-time programming provided by U.S. studios, distributors or other suppliers (or through their Canadian affiliates, agents, branches or divisions), and Canadian-produced programming to meet Canadian content requirements stipulated by the CRTC. It is crucial to the CMI Entities' audience and advertisers that acquired first-run programs are aired within their very limited "shelf-life" as first-run programs which, in the case of acquired primetime U.S. broadcast network programming, means that the CMI Entities must be able to procure and retain programming rights and procure and retain the rights to "simulcast"

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such programming with their initial U.S. broadcast network telecast. Simulcasting refers to the CRTC-mandated requirement that BDUs with over 2,000 subscribers substitute the Canadian network television signal, including commercials that air on such networks, for the signal of the identical programming broadcast by a U.S. station at the same time. If the CMI Entities lose access to television programming rights and thereby also loses the ability to simulcast one or more programs with their respective U.S. network airings, the going-concern enterprise value of Canwest's Canadian television business (including the CW Media Segment) will likely be materially negatively affected. CMI and CTLP expect that the U.S. and Canadian studios that provide them with their television programming will honour their contractual arrangements with the CMI Entities as long as all post-filing payments are made in the normal course. However, in order to ensure a continuous supply of programming, the CMI Entities are seeking in the Initial Order to be, with the consent of the Monitor, entitled but not required to pay pre-filing amounts owing in respect of television programming if, in the opinion of the CMI Entities, the supplier is critical to the business and ongoing operations of any of the CMI Entities. As of August 31, 2009, there was approximately \$50 million in commitments made to television distributors, production studios and other suppliers by CMI and CTLP in respect of television programming.

B. Newsprint Suppliers

200. The National Post Company is dependant upon a continuous and uninterrupted supply of newsprint from its newsprint suppliers. The purchase of newsprint represents one of the National Post Company's most significant operating costs. A significant amount of the newsprint used by the National Post Company is acquired through rolling purchase orders as opposed to longer-term contractual arrangements. Should there be an interruption in the supply of newsprint, the National Post Company will not have sufficient inventory of newsprint on-hand to enable it to continue publishing until it is able to resource newsprint supply. It is therefore crucial that the National Post Company have access to a continuous flow of newsprint to enable it to continue publishing newspapers. A cessation of the supply of newsprint to the National Post Company, resulting in its inability to publish, would have a devastating effect on the National Post Company. As of September 29, 2009, there was approximately \$0.1 million owing to newsprint suppliers by the National Post Company in respect of newsprint purchases.

201. The National Post Company expects that its newsprint suppliers will honour their

However, in order to ensure a continuous supply of newsprint, the National Post Company is seeking in the Initial Order to be, with the consent of the Monitor, entitled but not required to pay pre-filing amounts owing in arrears, to its newsprint suppliers, if, in the opinion of the National Post Company, the newsprint supplier is critical to the business and ongoing operations of the National Post Company.

C. Newspaper Distributors

202. The National Post Company is similarly dependent upon third parties to distribute its newspapers through its network of independent newspaper distributors. Generally speaking, newspapers are shipped from the printers to depot drop locations or single copy retail outlets by independent trucking companies in each market. Newspaper distribution is carried out primarily by independent carriers who deliver the newspapers to individual subscribers. The newspaper distributors handle all manners of delivery, including corporate delivery, home delivery, bulk drop offs and deliveries to vending boxes.

203. An interruption in the delivery of newspapers would significantly impair the enterprise value of the National Post Company. As a result, the National Post Company is seeking in the Initial Order to be, with the consent of the Monitor, entitled but not required to pay pre-filing amounts owing in arrears, to its newspaper distributors and other logistics suppliers if, in the opinion of the National Post Company, the distributor or logistic supplier is critical to the business and ongoing operations of the National Post Company.

D. American Express

204. The CMI Entities have implemented certain policies whereby its employees can seek reimbursement for business-related expenses. The expenses are generally incurred by employees of the CMI Entities in the ordinary course of performing their job functions. Included in this category are the following Amex Bank of Canada ("American Express") corporate card programs and accounts which are used by employees of the CMI Entities for business related expenses: (i) American Express Corporate Card Program; and (ii) American Express Central Billed Accounts.

205. The American Express Corporate Card Program allows employees of the CMI Entities to use corporate cards to charge business related travel and entertainment expenses. It is

essential to the continued operation of the businesses of the CMI Entities that they be permitted to continue reimbursing employees for such expenses, whether such expenses were incurred before or after the commencement of this CCAA proceeding.

206. The American Express Central Billed Accounts program is used by employees of the CMI Entities to charge the same types of expenses as are incurred in respect of the American Express Corporate Card Program (*i.e.*, employee business travel). Use of the American Express Central Billed Accounts is an integral part of the CMI Entities' cash management and account functions, and the ability of the employees of the CMI Entities to continue to use the Central Billed Accounts for business travel is essential to the continued operation of their businesses.

E. Other Goods and Services Providers

207. In addition to the above, the CMI Entities also maintain relationships with certain other goods and services providers which, while no less integral to the continued operations and viability of the enterprise as a whole, have not been formalized into contractual arrangements. There are also goods and services providers who may be beyond the reach of the stay of proceedings in this CCAA proceeding and the proposed Chapter 15 Proceedings.

208. In order to maintain enterprise value, the CMI Entities seek the ability to pay other suppliers, subject to the consent of the Monitor, any further amounts, costs or expenses whenever incurred, if in the opinion of the CMI Entities, the supplier is critical to the business and ongoing operations of the CMI Entities.

DIRECTORS' AND OFFICERS' PROTECTION

209. A successful restructuring of the CMI Entities will only be possible with the continued participation of their respective boards of directors, management and employees. These personnel are essential to the viability of the continuing businesses of the CMI Entities. With the exception of Canwest Global, the directors of the Applicants consist entirely of management directors (the "Management Directors") who have years of experience in the Canadian television and publishing industries and with the Canwest businesses. This specialized expertise and the relationships that the Management Directors have forged with the CMI Entities' suppliers, employees and other stakeholders cannot be easily replicated or replaced.

210. I am advised by Edward Sellers of Osler, Hoskin & Harcourt LLP, counsel for the CMI Entities, and believe that, in certain circumstances, directors can be held personally liable for certain obligations of a company owing to (i) employees, including unpaid wages, certain pension amounts and accrued vacation pay; and (ii) the federal and provincial governments, including payroll remittances, sales taxes, goods and services tax ("GST"), withholding taxes and workers' compensation remittances. In addition, because Canwest's Canadian television business is governed by the *Canada Labour Code* as a "federal undertaking", the directors of certain of the Applicants can also be personally liable for unpaid severance and termination pay in respect of employees who are employed in the television business. The Province of Saskatchewan has similar legislation regarding director liability for unpaid severance and termination pay. The CMI Entities have worked closely with independent counsel for the Management Directors and the proposed Monitor in an attempt to quantify these potential director liabilities. The CMI Entities estimate that the amount of the Directors' Charge (defined below) will not cover all of the directors' and officers' liabilities in the worst case scenario.

211. Canwest Global maintains directors' and officers' liability insurance (the "**D&O Insurance**") for the directors and officers of Canwest Global and its subsidiaries (including the directors and officers of the CMI Entities). The current D&O Insurance policy provides \$30 million in coverage plus \$10 million in excess coverage for a total of \$40 million in coverage. The D&O Insurance originally expired on August 31, 2009. The D&O Insurance policy was subsequently extended for two months in light of Canwest's current financial situation. As of the date of the swearing of this Affidavit, Canwest Global has been unable to obtain additional or replacement D&O Insurance coverage. In addition, there are also contractual indemnities which have been given to the directors by the CMI Entities. Canwest, on an enterprise basis, does not have sufficient funds to satisfy those indemnities should the directors of the Applicants be found responsible for the full amount of the potential directors' liabilities.

212. The directors of Canwest Global and the other Applicants, including the Management Directors, have indicated that, due to the potential for significant personal liability, they cannot continue their service and involvement in this restructuring unless the Initial Order under the CCAA grants a charge on the assets, property and undertaking of the CMI Entities (the "**CMI Property**"), in priority to all other charges except the Administration Charge and the DIP Charge (but postponed in right of payment to the first \$85 million payable under the Secured

Intercompany Note), *pari passu* with the KERP Charge (as defined below), as security for the Applicants' indemnification obligations for the potential liabilities imposed upon their directors and officers as set out above. In light of the agreed-upon Recapitalization Transaction for the CMI Entities, the Management Directors, CIT and the Ad Hoc Committee have agreed to a Directors' Charge (as defined below) that is less than the total potential liability on a total shutdown scenario. It is proposed that the directors and officers of the Applicants be granted a directors' and officers' charge in the amount of \$20,000,000 (the "Directors' Charge") over the CMI Property. The CMI Entities believe the Directors' Charge is fair and reasonable in the circumstances.

213. The Directors' Charge is necessary so that the Applicants may benefit from their directors' and officers' experience with the CMI Entities and, more generally, with the media industry, and so their directors can guide the CMI Entities' restructuring efforts. It is critical to these restructuring efforts that the Management Directors remain with the CMI Entities in order to continue their focus on achieving one or more restructuring transactions to benefit Canwest's stakeholders. The Directors' Charge will also provide a level of assurance to the employees of the CMI Entities that obligations for accrued wages, accrued vacation pay, pension benefits and severance and termination pay will be satisfied, in addition to those withholding and tax obligations owing to the federal and provincial authorities.

KEY EMPLOYEE RETENTION PLANS

214. In order to facilitate and encourage the continued participation of certain of the CMI Entities' senior executives and other key employees who are required to guide the CMI Entities through a successful restructuring and preserve enterprise value, the CMI Entities have developed a "Key Employee Retention Plan" (the "CMI Master KERP"). The CMI Master KERP will provide the participants thereunder (the "KERP Participants") with payments as an incentive to continue their employment with the CMI Entities through the full term of this CCAA proceeding. In total, there are 20 KERP Participants comprised of the following: (i) three of the Management Directors (the "Senior Management KERP Participants"), (ii) four key executives employed by the CMI Entities (the "Management KERP Participants"), and (iii) 13 other key employees employed by the CMI Entities (the "Key Employees") who have extensive knowledge of the CMI Entities and expertise in corporate structuring transactions.

215. The payments to the KERP Participants (other than the Senior Management KERP Participants) will be calculated as a percentage of the KERP Participants' base compensation and will be paid in two tranches: the first payment will be made on the last regular payroll period occurring in December 2009 and the second and final payment will be made on the date upon which the CMI Entities emerge from this CCAA proceeding (the "Emergence Date"). The payments to the Senior Management KERP Participants will take the form of two lump sum payments which have been agreed to by the Senior Management KERP Participants and the CMI Entities and will be paid at the same time as the payments to the other KERP Participants.

216. It is proposed that the KERP Participants be granted a charge (the "KERP Charge") over the CMI Property in the amount of the financial obligation owing by the CMI Entities under the CMI Master KERP which will rank in priority after the Administration Charge, the Existing Security (solely to the extent that such Existing Security secures existing and future obligations under the CIT Credit Agreement) and the DIP Charge and *pari passu* with the Directors' Charge and ahead of all other liens and encumbrances (except for any validly perfected purchase money security interest in favour of a secured creditor and statutory encumbrances in favour of any entity which is a secured creditor as set out in the draft Initial Order), save and except that it shall be postponed in right of payment to the first \$85 million payable under the Secured Intercompany Note. The proposed KERP Charge has been calculated with reference to the amount payable by the CMI Entities to each of the KERP Participants under the CMI Master KERP and is calculated at \$5.9 million.

217. Within the auspice and authority of the CMI Master KERP, the CMI Entities have also developed independent retention plans for the Senior Management KERP Participants (the "Senior Management KERPs") and for the Management KERP Participants (the "Management KERP"). The Senior Management KERP Participants and the Management KERP Participants are responsible for providing services to, and overseeing and implementing the restructuring of, the CMI Entities (and the LP Entities).

218. The Senior Management KERPs and the Management KERP provide that the existing terms of employment shall continue for all of the participants thereunder during this CCAA proceeding. However, any incentives which are based upon restructuring transactions and

termination and severance entitlements pursuant to the Senior Management KERP Participants' or the Management KERP Participants' existing employment agreements and any bonus, incentive compensation plan, supplemental deferred compensation plan, savings plan, vacation pay, option or restricted share unit plan, or any similar arrangement that may be in effect between a Senior Management KERP Participant and CMI shall be terminated with effect as of the approval by this Honourable Court of the CMI Master KERP. With respect to Management KERP Participants, incentives based upon restructuring transactions are pursuant to the Management KERP, and termination and severance and other terms of their existing employment agreements remain in effect.

219. The Senior Management KERPs also provide that the employment of the Senior Management KERP Participants shall terminate on the Emergence Date, unless otherwise agreed to by the parties. It is contemplated that each of the Senior Management KERP Participants will, at Restructured Canwest Global's option, enter into a consulting agreement (each a "**Consulting Agreement**") with Restructured Canwest Global on certain terms set out in the Senior Management KERP, in which case the second and final payment under the Senior Management KERPs will be reduced by the amount of aggregate consulting fees provided for in the applicable Consulting Agreement. The Consulting Agreement shall commence on the Emergence Date and continue for a period of 12 months. The Senior Management KERP Participants will be entitled to an annual fee payable monthly on the last business day of each month. Restructured Canwest Global will not be required to enter into a Consulting Agreement with a Senior Management KERP Participant if it instead offers that Participant full-time employment on substantially similar terms for an indefinite term commencing immediately following the Emergence Date, on terms acceptable to the Senior Management KERP Participant, in his sole discretion.

220. As a condition of receiving the Senior Management KERPs, the three Senior Management KERP Participants will continue to serve as directors and/or officers of the CMI Entities on which they currently serve, subject to certain rights set out in the Senior Management KERP. The Senior Management KERP Participants will resign as a director and/or officer of all such entities on the Emergence Date and will be provided with a full release in respect of his/her acting as a director and/or officer.

221. The Management KERP provides that the employment of the Management KERP Participants shall continue unamended with CMI or, in the alternative, be assigned to any other subsidiary of Restructured Canwest Global on terms and conditions (including salary, incentive compensation, benefits and termination and severance entitlements) substantially similar to those currently available to the Management KERP Participants, following the Emergence Date.

222. The CMI Master KERP, the Senior Management KERPs and the Management KERP have been approved in form and substance by the Ad Hoc Committee, the CMI CRA, the Board, the Special Committee, Canwest Global's Human Resources Committee of the Board, and FTI as proposed Monitor.

223. As noted above, because of the independent nature of the debt structure utilized by CMI and the Limited Partnership, this CCAA filing has necessitated a division between the CMI Entities and the LP Entities. Since all three Senior Management KERP Participants and certain of the Management KERP Participants and other Key Employees have provided, and will continue to provide, services to both the CMI Entities and the LP Entities, it is appropriate to provide for a fair sharing of the cost of the KERPs between the CMI Entities and the LP Entities. Accordingly, the LP Entities have agreed to contribute a net amount of \$3,946,022 to a trust to be administered by the CMI Entities and distributed to the KERP participants. This is more cost effective than establishing two parallel structures. Both the amounts and the structure have been agreed and approved by the Ad Hoc Committee, the CMI CRA, the Board, the Special Committee, Canwest Global's Human Resources Committee and the proposed Monitor.

224. All of the KERP Participants have been essential to the restructuring initiatives taken to date and all are critical to the completion of a successful restructuring of the CMI Entities. The three Senior Management KERP Participants are seasoned executives who have extensive experience in corporate and banking affairs, together with the broadcasting and publishing industries. It is likely that the Senior Management KERP Participants will consider other employment options if the Senior Management KERPs are not granted and secured by the KERP Charge. Doing so would undoubtedly distract from the restructuring process that is underway with respect to the CMI Entities. The Management KERP Participants and the other Key Employees are similarly crucial to the restructuring of the CMI Entities as they perform critical functions regarding operations and management of the CMI Entities on a day-to-day

basis. It would be extremely difficult at this stage of the restructuring process to find adequate replacements for those employees.

225. Accordingly, it is the belief of the CMI Entities that the CMI Master KERP, as structured, not only provides appropriate incentives for the KERP Participants to remain in their current positions, but also ensures that they are properly compensated for their assistance in the reorganization process. Copies of the CMI Master KERP, the Senior Management KERP funded by Canwest Global, the Senior Management KERP funded through the trust by the LP Entities (as described above) and the Management KERP, redacted to remove individually identifiable information and compensation information, are attached as Exhibits "Q", "R", "S" and "T" to this Affidavit, respectively. The compensation information related to specifically identifiable employees is commercially sensitive information and it would be harmful to the CMI Entities and its employees if it was publicly disclosed in the marketplace. Copies of the full unredacted CMI Master KERP, the Senior Management KERPs and the Management KERP will be attached to a Confidential Supplement to the proposed Monitor's pre-filing report.

FINANCIAL ADVISOR AGREEMENT APPROVAL

226. On or about December 10, 2008, Canwest Global, on behalf of itself and its subsidiaries, entered into an agreement with RBC Dominion Securities Inc., a member company of RBC Capital Markets, relating to RBC Capital Markets' provision of investment banking services to Canwest Global and its subsidiaries. That agreement was amended by a letter agreement dated January 20, 2009 and a further letter agreement dated October 5, 2009 (the agreement, as amended, is referred to as the "Financial Advisor Agreement"). A copy of the Financial Advisor Agreement is attached as Exhibit "U" to this Affidavit (redacted in respect of the December 10, 2008 letter agreement). All current or future payment obligations as of the date of filing are as set out in the letter agreement dated October 5, 2009.

227. The Financial Advisor Agreement provides, *inter alia*, that if, during the term of RBC Capital Markets' engagement or during the period of 12 months following termination of its engagement, Canwest Global or any of its wholly-owned subsidiaries commences, or there are commenced against Canwest Global or any of its wholly-owned subsidiaries, proceedings under corporate, restructuring, arrangement, reorganization or similar laws of any jurisdiction, Canwest Global will, subject to the discretion of the relevant court, engage RBC Capital Markets

on terms and conditions identical to the terms and conditions set out in the Financial Advisor Agreement. As such, the draft Initial Order provides for the approval of the Financial Advisor Agreement.

228. It is my belief, and the belief of senior management of the CMI Entities, that RBC Capital Markets' significant investment banking experience and expertise, its extensive knowledge of the capital markets and its capabilities in the area of debt restructuring have greatly benefited the CMI Entities. The proposed Recapitalization Transaction set out in the Term Sheet would not have been achievable without the advice and assistance of RBC Capital Markets and in particular the enormous dedication of the time and resources of the RBC Capital Markets' team to the development of the strategic alternatives and the development and analysis of recapitalization proposals. RBC Capital Markets was also instrumental in assisting the CMI Entities in achieving the various waivers and extension agreements described herein and in the implementation of the disposition of certain assets as described in this Affidavit.

229. RBC Capital Markets has spent approximately ten months working closely with senior management of the CMI Entities and their other advisors. RBC Capital Markets has greatly assisted the CMI Entities in their restructuring efforts to date and has gained a thorough and intimate understanding of the businesses operated by the CMI Entities. If the CMI Entities were deprived of the benefit of RBC Capital Markets' continued advice and assistance and were required to retain a new financial advisor, it would likely take a significant period of time for such financial advisor to acquire a similar working knowledge of the business and would make it extremely difficult to implement the Recapitalization Transaction in the currently contemplated time frame. Thus, the CMI Entities believe that the continued involvement of RBC Capital Markets is essential to the completion of the Recapitalization Transaction.

230. It is also my belief that the quantum and nature of the remuneration provided for in the Financial Advisor Agreement is fair and reasonable. Specifically, the restructuring fees payable to RBC Capital Markets are only payable if a restructuring transaction is completed and the quantum of those fees is dependent on the amount of existing indebtedness that is restructured.

MONITOR

231. FTI Consulting Canada Inc. ("FTI") has consented to act as the monitor (the "Monitor") of the CMI Entities under the CCAA.
232. The CMI Entities, with the assistance of FTI, have prepared a consolidated 13-week cash flow projection (the "Cash Flow Projection"), as required by the CCAA. A copy of the Cash Flow Projection is attached as Exhibit "V" to this Affidavit.
233. FTI will also be filing an initial report with the Court as prospective monitor in conjunction with the CMI Entities' request for relief under the CCAA.

ADMINISTRATION CHARGE

234. It is contemplated in the draft Initial Order that the Monitor and its counsel, counsel to the CMI Entities, counsel and the financial advisor to the Special Committee, counsel to the Management Directors, the CMI CRA, RBC Capital Markets and counsel and the financial advisor to the Ad Hoc Committee will be granted the right to receive a first priority Court-ordered charge on the CMI Property for services rendered to the CMI Entities (the "Administration Charge") up to a maximum amount of \$15 million in respect of their respective fees and disbursements.
235. As such, it is proposed that the priorities of the Administration Charge, the DIP Charge, the Directors' Charge, the KERP Charge and the Existing Security (solely to the extent that such Existing Security secures existing and future obligations under the CIT Credit Agreement) be as follows:

First – 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 – DIP Charge; and

Fourth – Directors' Charge and 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 Intercompany Note.

236. It is proposed that the charges requested to be created by the Initial Order will not rank in priority to validly perfected purchase money security interests in favour of secured creditors and statutory encumbrances in favour of any entity which is a secured creditor as set out in the draft Initial Order. As CIT and CMIH have been given notice of this CCAA proceeding, based on the books and records of the company, and to the best of my knowledge, secured creditors who are likely to be affected by the proposed charges have been given notice of this CCAA proceeding.

237. The draft Initial Order also provides that the names and addresses of individuals who are creditors of the CMI Entities are not required to be included on the list prepared by the proposed Monitor in accordance with Section 23(1)(a)(ii)(c) of the CCAA. The CMI Entities believe that the identity and privacy of their former employees and retirees and other individuals who are creditors should be respected and wish to prevent any harm that may arise to their former employees and retirees and other individuals who are creditors from having their names and addresses included on such list.

POSTPONEMENT OF ANNUAL MEETING OF SHAREHOLDERS

238. As noted above, Canwest Global is a public company continued under the CBCA. As such, Canwest Global is required pursuant to section 133(1)(b) of the CBCA to call an annual meeting of its shareholders by no later than February 28, 2010, being six months after the end of its preceding financial year which ended on August 31, 2009. Canwest Global generally strives to hold its annual meetings in January. Its last annual meeting was held on January 14, 2009.

239. The management of Canwest Global and the other CMI Entities are presently devoting their efforts to stabilizing the business of the CMI Entities with a view to implementing the Plan in accordance with the terms of the Support Agreement and the Term Sheet.

240. Preparing the proxy materials required for an annual meeting of shareholders (which must be commenced in early October 2009, sent to the Board in early November 2009 and mailed and received by shareholders by late November 2009) and holding the annual meeting of shareholders would divert the attention of senior management of the CMI Entities away from such tasks, would require significant resources and could impede the CMI Entities' ability to achieve their restructuring under the CCAA.

241. Further, under section 106(6) of the CBCA, if directors of Canwest Global are not elected at an annual meeting, the incumbent directors will continue to hold office until their successors are elected.

242. Financial and other information is and will continue to be available to the public through the CMI Entities' court filings which will be easily accessible on the proposed Monitor's website (<http://cfcanada.fticonsulting.com/cmi>) and through other public records. For example, it is anticipated that Canwest Global will continue to issue and file with the securities regulatory authorities annual and quarterly financial statements, in accordance with past practice.

243. Under the circumstances, I believe it is impractical for Canwest Global to call and hold an annual meeting of shareholders during this CCAA proceeding.

CHAPTER 15 PROCEEDINGS

244. As noted above, in order to obtain the exclusive rights to broadcast many of the most popular prime-time television programs in its current program schedule, CMI or its predecessor companies (as assigned to CTLP) and CTLP have entered into multi-year and other programming agreements and arrangements with certain production studios, distributors and other suppliers that produce and distribute such programs in the United States. Generally speaking, whether the CMI Entities' contractual counterparty is a U.S. entity or a Canadian affiliate or division of a U.S. entity, the CMI Entities receive the broadcast signal for a particular first-run prime-time U.S. broadcast network program by satellite feed from the United States shortly before the scheduled time of exhibition. In order to maintain the *status quo* with respect to these programming agreements and arrangements, and specifically to prevent any of the distributors, production studios or other suppliers from unilaterally terminating or attempting to terminate the programming agreements due to the commencement of this CCAA proceeding, the CMI Entities are seeking in the Initial Order to have the Monitor authorized to commence proceedings under Chapter 15 of the Bankruptcy Code with respect to the Applicants. It is contemplated that initially Chapter 15 recognition as "foreign main proceedings" will be sought only with respect to certain of the Applicants (the "**Chapter 15 Proceedings**"). It is proposed that the Monitor be authorized to file additional Chapter 15 Proceedings as to any of the other

Applicants as, if and when such additional proceedings might be beneficial to protecting the CMI Entities and their businesses.

245. Specifically, the CMI Entities are seeking to initiate the Chapter 15 Proceedings at the outset with respect to Canwest Global, CMI, 4501063 Canada, Canwest Television GP, and Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc. (the “**Chapter 15 Entities**”). In addition, it is proposed that the Monitor will ask that this Honourable Court’s Initial Order be enforced in the United States as to the Chapter 15 Entities, including the portions of the Initial Order that protect CTLP (as it holds significant assets and programming procurement arrangements that are integral to the business of the Applicants and the CW Media Segment) and protect the officers and directors of the Chapter 15 Entities from being distracted by the types of claims that the Initial Order enjoins (each only to the extent and for the time that the Initial Order is a continuing Order of this Honourable Court). As stated above, the Chapter 15 Entities are generally the parties that entered into the programming agreements and arrangements which have now been assigned to CTLP. Canwest Television GP is the general partner of CTLP and 4501063 Canada is its direct parent.

246. The initial effect of the Chapter 15 Proceedings would be to give effect to the Initial Order in the United States as it relates to the Chapter 15 Entities and the protection of CTLP and stay any actions, including contractual termination rights by parties to the programming agreements and arrangements, that may be taken by any contractual counterparty against the Chapter 15 Entities and CTLP. It is proposed that the Monitor would be appointed as the foreign representative of the Chapter 15 Entities in respect of the Chapter 15 proceedings.

247. In all of the circumstances, including those set out below, the centre of main interest (the “**COMI**”) of each of the Chapter 15 Entities is in Canada:

- (a) each of the Chapter 15 Entities is incorporated or organized under the laws of Canada or provinces of Canada;
- (b) the registered office of each of the Chapter 15 Entities is located in Canada;
- (c) Canwest’s television operations operated by the Chapter 15 Entities are headquartered in Toronto, Ontario;

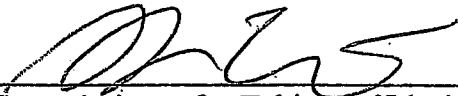
- (d) the books and records of each of the Chapter 15 Entities are maintained in Winnipeg, Manitoba and Toronto, Ontario;
- (e) the assets of each of the Chapter 15 Entities are primarily located in Canada;
- (f) the corporate tax returns of each of the Chapter 15 Entities are filed in Canada;
- (g) corporate governance of each of the Chapter 15 Entities is conducted from Canada. Meetings of the Board are primarily held in Canada and all of the directors and executive management of each of the Chapter 15 Entities are resident in Canada;
- (h) substantially all of the employees of the Chapter 15 Entities are located in Canada and are paid on Canadian payroll;
- (i) the compensation and benefits paid to substantially all of the employees of the Chapter 15 Entities are regulated in Canada;
- (j) certain of the Chapter 15 Entities own real property assets located in Canada;
- (k) the human resources functions of the Chapter 15 Entities are administered in Canada;
- (l) Canwest Global's subordinate voting shares and its non-voting shares are publicly traded on the TSX;
- (m) 66 2/3% of each of the Chapter 15 Entities' voting shares must be held by Canadian persons; and
- (n) all of Canwest Global's multiple voting shares are held by Canadian persons.

CONCLUSION

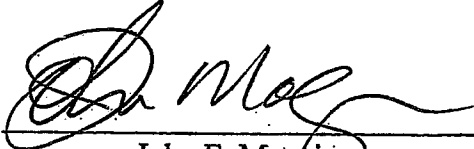
248. I am confident that granting the Initial CCAA Order sought by the CMI Entities is in the best interests of the CMI Entities and their respective stakeholders. The CMI Entities require the stay of proceedings to pursue and implement the Recapitalization Transaction in an attempt to complete a going concern restructuring for their businesses. The Ad Hoc Committee and CIT support this application and CMI's pursuit of a restructuring transaction in this CCAA proceeding. The funding available to CMI pursuant to the Cash Collateral and Consent Agreement is only available as part of this CCAA proceeding.

249. Without the breathing space afforded by a stay of proceedings and the opportunity to effect the Recapitalization Transaction, the CMI Entities face a cessation of going concern operations, the liquidation of their assets and the loss of employment for the approximately 1,700 employees of the CMI Entities who work in Canada. The granting of the requested stay of proceedings will assist in permitting an orderly restructuring of the CMI Entities, with minimal short-term disruptions to their businesses.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
October 5, 2009.



Commissioner for Taking Affidavits
SHAWN T. IRVING



John E. Maguire

Schedule "A"**Applicants**

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

EXHIBIT ‘D’

This is Exhibit "D" to the
Affidavit of THOMAS C. STRIKE
sworn before me this 12th day of February, 2010.


Commissioner for Taking Affidavits

Execution Copy

CCAA SUPPORT AGREEMENT

This support agreement (the “**Support Agreement**”) dated October 5, 2009 between: (a) Canwest Global Communications Corp. (“**Canwest Global**”), (b) Canwest Media Inc. (“**CMI**”), (c) Canwest Television Limited Partnership (“**CTLP**”), by its general partner, Canwest Television GP Inc., (d) the entities listed in Schedule A (each a “**CMI Subsidiary**” and, collectively, the “**CMI Subsidiaries**” and, together with Canwest Global, CMI and CTLP, the “**Companies**”), and (e) each of the other signatories hereto (subject to Section 15(a), each a “**Consenting Noteholder**” and, collectively, the “**Consenting Noteholders**”), each being a holder of the 8.0% senior subordinated notes due 2012 issued by CMI (collectively, the “**8% Notes**”), regarding the principal aspects of a recapitalization of the Companies (the “**Recapitalization**”), as more fully described in the term sheet attached hereto as Schedule B (the “**Term Sheet**”, with the terms set forth therein being the “**Recapitalization Terms**”), which Recapitalization and Term Sheet are intended to form the basis of a plan of arrangement (the “**Plan**”), under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and related transactions involving the Companies and certain of their subsidiaries in proceedings under the CCAA (the “**Recapitalization Proceedings**”) in the Ontario Superior Court of Justice (the “**Court**”).

Capitalized terms shall have the meaning ascribed thereto in Schedule C or, where not otherwise defined herein, shall have the meaning ascribed thereto in the Term Sheet. The Consenting Noteholders, Canwest Global, CMI, CTLP and the CMI Subsidiaries are collectively referred to as the “**Parties**”.

1. **Recapitalization**

The Recapitalization Terms as agreed among the Parties are set forth in the Term Sheet, which is incorporated herein and made a part of this Support Agreement. In the case of a conflict between the provisions contained in the text of this Support Agreement and the Term Sheet, the provisions of this Support Agreement shall govern. The Support Agreement and the Term Sheet are herein collectively referred to as this “**Agreement**”.

2. **The Consenting Noteholders’ Representations and Warranties**

Each Consenting Noteholder hereby represents and warrants, severally and not jointly, to each of the other Parties (and acknowledges that each of the other Parties is relying upon such representations and warranties) that:

- (a) As of September 23, 2009, it either (i) was the sole legal and beneficial owner of the principal amount of 8% Notes, as had been disclosed to Goodmans and FTI Consulting Inc. (“**FTI**”) on a confidential basis, or (ii) had the investment and voting discretion with respect to the principal amount of 8% Notes as had been disclosed to Goodmans and FTI on a confidential basis and had the power and authority to bind the beneficial owner(s) of such 8% Notes to the terms of this Agreement; and each Consenting Noteholder had authorized and instructed Goodmans to advise Canwest Global of the aggregate holdings of the 8% Notes by such Consenting Noteholder as of such date (the “**Relevant Notes**”; the Relevant Notes, together with the aggregate amount owing in respect of the

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Relevant Notes, including accrued and unpaid interest and any other amount that such Consenting Noteholder is entitled to claim pursuant to the Relevant Notes under the Plan, its "Debt");

- (b) To the best of its knowledge after due inquiry (or, where applicable, to the best of the knowledge of its Investment Advisor), there is no proceeding, claim or investigation pending before any court, regulatory body, tribunal, agency, government or legislative body, or threatened against it or any of its properties that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on its ability to execute and deliver this Agreement and to comply with its terms;
- (c) Its Debt (or, where applicable, to the best of the knowledge of its Investment Advisor, the Consenting Noteholder's Debt) is not subject to any liens, encumbrances, obligations or other restrictions that could adversely affect the Consenting Noteholder's ability to perform its obligations under this Agreement;
- (d) It is a sophisticated party with sufficient knowledge and experience to properly evaluate the terms and conditions of this Agreement; it (or its Investment Advisor) has conducted its own analysis and made its own decision to enter into this Agreement (or its Investment Advisor made the decision for the Consenting Noteholder to enter into this Agreement) and it (or its Investment Advisor) has obtained such independent advice in this regard as deemed appropriate; and it (or its Investment Advisor) has not relied on the analysis or the decision of any Person other than its own independent advisors (it being recognized that legal and financial advisors (the "Committee Advisors") to the ad hoc committee of Noteholders (the "Ad Hoc Committee") to which certain of the Consenting Noteholders belong as of the date hereof, are not, by virtue of advising the Ad Hoc Committee, advisors to any Noteholders, including such Consenting Noteholder, on an individual basis);
- (e) The execution, delivery and performance by the Consenting Noteholder of this Agreement:
 - (i) are within its corporate, partnership, limited partnership or similar power, as applicable;
 - (ii) have been duly authorized by all necessary corporate, partnership, limited partnership or similar action, as applicable, including all necessary consents of the holders of its equity interests where required; and
 - (iii) do not require the consent of, authorization by, approval of or notification to any Governmental Entity, other than the Regulatory Authorities (except that this representation shall not apply to a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor).
- (f) This Agreement constitutes a valid and binding obligation of such Consenting Noteholder enforceable in accordance with its terms, except as enforcement may

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be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or by general principles of equity, whether asserted in a proceeding in equity or law; and

- (g) It has disclosed (or, where applicable, to the best of the knowledge of its Investment Advisor, the Consenting Noteholder has disclosed) to Canwest Global all material written agreements between itself and any other Consenting Noteholder or any New Investor, in its capacity as such, in connection with the Recapitalization Transaction.

3. The Companies' Representations and Warranties

Each of the Companies hereby represents and warrants to each Consenting Noteholder (and each of the Companies acknowledges that each Consenting Noteholder is relying upon such representations and warranties) that:

- (a) The execution, delivery and performance by each of the Companies of this Agreement:
 - (i) are within its respective corporate, partnership, limited partnership or similar power, as applicable;
 - (ii) have been duly authorized by all necessary corporate, partnership, limited partnership or similar action, as applicable, including all necessary consents of the holders of its equity interests, where required;
 - (iii) do not (A) contravene its respective certificate of incorporation, by-laws or limited partnership agreement or other constating documents, (B) violate any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its properties or assets, (C) conflict with or result in the breach of, or constitute a default under, any of its material contractual obligations (other than under the 8% Notes or the 8% Note Indenture and as contemplated by Section C.4 of the Term Sheet), or (D) result in the creation or imposition of any lien or encumbrance upon any of the property of the Companies; and
 - (iv) do not require the consent of, authorization by, approval of or notification to any Governmental Entity, other than the Regulatory Authorities and the Court;
- (b) This Agreement constitutes a valid and binding obligation of such Company enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or by general principles of equity, whether asserted in a proceeding in equity or law;
- (c) To the best of the knowledge after due inquiry of Thomas Strike, John Maguire and Richard Leipsic (the "**Relevant Company Personnel**"), there is no proceeding, claim or investigation pending before any court, regulatory body,

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tribunal, agency, government or legislative body, or threatened against it or any of its properties that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on its ability to execute and deliver this Agreement and to comply with its terms;

- (d) As of the date hereof, except as disclosed in the Information or the Plan, since September 1, 2008 there has not been (i) any Material Adverse Effect, (ii) any transaction which is material to Canwest Global and its Subsidiaries (taken as a whole) or CMI and its Subsidiaries (taken as a whole), (iii) any obligation, direct or contingent (including any off-balance sheet obligations), incurred by Canwest Global and its Subsidiaries or CMI and its Subsidiaries which is material to Canwest Global and its Subsidiaries (taken as a whole), (iv) any material change in the capital or outstanding indebtedness of Canwest Global and its Subsidiaries (taken as a whole) or CMI and its Subsidiaries (taken as a whole), as the case may be, or (v) other than in connection with the reorganization of certain broadcasting assets as contemplated by the shareholders agreement in respect of CW Investments Co., any dividend or distribution of any kind declared, paid or made on the capital stock of Canwest Global or CMI. As of the date hereof, each of Canwest Global and CMI has filed with the Canadian Securities Administrators and the Commission all documents required to be filed by it under the Securities Legislation, as applicable; and
- (e) Each of Canwest Global, CMI, CTLP and Canwest Media Works Ireland Holdings (“**Irish Holdco**”) has authorized, issued and outstanding capitalization as set forth in Schedule D. No order halting or suspending trading in securities of Canwest Global or CMI nor prohibiting the sale of such securities has been issued to and is outstanding against Canwest Global or CMI, and to the knowledge of the Relevant Company Personnel and the directors and officers of Canwest Global or CMI, as applicable, other than enquiries by the Toronto Stock Exchange, no investigations or proceedings for such purpose are pending or threatened.

4. **Consenting Noteholders’ Covenants and Consents**

- (a) Each Consenting Noteholder consents and agrees to the terms of, and the transactions contemplated by, this Agreement.
- (b) Each Consenting Noteholder agrees not to sell, assign, pledge or hypothecate (except with respect to security generally applying to its investments which does not adversely affect such Consenting Noteholder’s ability to perform its obligations under this Agreement) or otherwise transfer (a “**Transfer**”), between the date of this Agreement and the Termination Date, any Relevant Notes (or any rights in respect thereof, including, but not limited to, the right to vote) held by such Consenting Noteholder as of the date hereof, except to a transferee, who (i) is already a signatory Consenting Noteholder hereunder (an “**Existing Signatory**”); or (ii) contemporaneously with any such Transfer, agrees to be fully bound as a signatory Consenting Noteholder hereunder in respect of the 8% Notes that are the subject of the Transfer by executing and delivering to the Companies a joinder to this Agreement, the form of which is attached hereto as

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Schedule E. For greater certainty, where the transferee is not an Existing Signatory, such transferee shall be bound by the terms of this Agreement only in respect of the Relevant Notes that are the subject of the Transfer, and not in respect of any other 8% Notes of the transferee. Each Consenting Noteholder hereby agrees (or, in the case of a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, its Investment Advisor hereby agrees) to provide Canwest Global and Goodmans with written notice (and a fully executed copy of the joinder to this Agreement) within one (1) Business Day following any Transfer to a transferee that is not an Existing Signatory of any Relevant Notes (or any rights in respect thereof, including the right to vote) held by such Consenting Noteholder as of the date hereof.

- (c) As long as this Agreement has not been terminated in accordance with the terms hereof, each Consenting Noteholder agrees that, until the Termination Date, it shall:
- (i) vote (or cause to be voted) all of its Debt in all votes and in each vote in favour of the approval, consent, ratification and adoption of the Recapitalization and the Plan (and any actions required in furtherance thereof);
 - (ii) to the extent it effects a Transfer of any of its Relevant Notes in accordance with Section 4(b) hereof after 5:00 p.m. (Toronto time) on the record date for the meeting of creditors to be held to consider the Recapitalization and the Plan and is entitled to vote on the adoption and approval of the Recapitalization and the Plan, vote all of the Relevant Notes that are the subject of the Transfer on behalf of the transferee in all votes and in each vote in favour of the approval, consent, ratification and adoption of the Recapitalization and the Plan (and any actions required in furtherance thereof);
 - (iii) support the approval of the Plan as promptly as practicable by the Court (but in no case later than any voting deadline);
 - (iv) execute any and all documents and perform any and all commercially reasonable acts required by this Agreement to satisfy its obligations hereunder (except that this covenant shall be limited, as it applies to a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, to an agreement to provide all information reasonably requested by the Companies or the advisors to the Ad Hoc Committee in connection with such documents or acts);
 - (v) on or prior to the time at which the Recapitalization is completed, make or assist the Companies to make all necessary notifications to Governmental Entities and use commercially reasonable efforts to obtain or assist the Companies to obtain any and all required regulatory approvals and/or material third party approvals in connection with the Recapitalization in each case at the Companies' expense (except that this covenant shall not

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apply to a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor);

- (vi) not take any action, directly or indirectly, against Irish Holdco except as expressly contemplated in the Term Sheet or pursuant to the Cash Collateral Agreement; and
 - (vii) not take any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the consummation of, the Recapitalization, except as required by applicable law or by any stock exchange rules, by any other regulatory authority having jurisdiction over the Consenting Noteholder or by any court of competent jurisdiction; provided that, each Consenting Noteholder may participate in discussions or negotiations with any Person that are materially inconsistent with, or are intended or likely to interfere with the consummation of, the Recapitalization, provided that such Consenting Noteholder provides prompt written communication indicating the identity of any Person engaged in the discussions or negotiations and all material terms and details thereof, including all updates and any changes to the material terms and details of any such discussions or negotiations.
- (d) Upon the request of FTI or the Monitor from time to time, each Consenting Noteholder agrees to confirm to FTI or the Monitor its aggregate holdings of Relevant Notes on a confidential basis. Each Consenting Noteholder agrees to advise FTI or the Monitor as promptly as reasonably practicable if it becomes aware (or, in the case of a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, its Investment Advisor becomes aware) that Supporting Consenting Noteholders hold less than two-thirds of the aggregate principal amount of outstanding Notes. FTI or the Monitor will be authorised to disclose to the Companies from time to time the total percentage of outstanding Notes held by the Supporting Consenting Noteholders at that time or to advise the Companies at any time if the Supporting Consenting Noteholders hold less than two-thirds of the aggregate principal amount of outstanding Notes.

5. Companies' Covenants and Consents

- (a) Once this Agreement has become effective and binding on all of the Parties, the Companies will, in a timely manner, cause to be issued a press release or other public disclosure that discloses the material provisions of the Recapitalization Terms, subject to the terms of Section 7 hereof.
- (b) Subject to any order of the Court, the Companies shall (i) pursue, support and use commercially reasonable efforts to complete the Recapitalization in good faith, (ii) do all things that are reasonably necessary and appropriate in furtherance of, and to consummate and make effective, the Recapitalization, including, without limitation (A) commencing the Recapitalization Proceedings on or before October 15, 2009, (B) taking all steps reasonably necessary and desirable to obtain an order of the Court, reasonably acceptable in all material respects to the counsel to

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the Ad Hoc Committee, approving the Plan within the timeframes contemplated by this Agreement, (C) taking all steps reasonably necessary and desirable to cause the Plan Implementation Date to occur within the timeframes contemplated by this Agreement and (D) use commercially reasonable efforts to satisfy the conditions precedent set forth in the Term Sheet, (iii) as soon as practicable following the date hereof, in cooperation with the Ad Hoc Committee and its advisors, make all such filings and seek all such consents, approvals, permits and authorizations with any Governmental Entities or third parties whose consent is required in connection with the Recapitalization and use commercially reasonable efforts to obtain any and all required regulatory and/or material third party approvals for or in connection with the Recapitalization and (iv) not take any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the consummation of, the Recapitalization, except as required by applicable law or by any stock exchange rules, by any other regulatory authority having jurisdiction over the Companies or by any court of competent jurisdiction; provided that, the Companies may participate in discussions or negotiations with any Person that are materially inconsistent with, or are intended or likely to interfere with the consummation of, the Recapitalization, provided that the Companies provide prompt written communication indicating the identity of any Person engaged in the discussions or negotiations and all material terms and details thereof, including all updates and any changes to the material terms and details of any such discussions or negotiations.

- (c) The Companies shall provide draft copies of all motions or applications and other documents the Companies intend to file with the Court to counsel to the Ad Hoc Committee at least three days prior to the date when the Companies intend to file such document (except in exigent circumstances where the Companies shall provide the documents within such time prior to the filing as is practicable) and such filings shall be in form and substance acceptable to the counsel to the Ad Hoc Committee, acting reasonably. The initial order shall be submitted to the Court in the form attached as Schedule F and shall be subject to any amendments that are required by the Court that are acceptable to the Ad Hoc Committee and the Companies (and, with respect to the directors' and officers' charge, the management directors). The claims procedure order shall be submitted to the Court substantially in the form attached as Schedule G and shall be subject to any amendments that are required by the Court that are acceptable to the Ad Hoc Committee and the Companies.
- (d) Following reasonable advance notice, the Companies shall, to the extent permitted by law and the terms of any contractual obligation of confidentiality, and subject to and in accordance with the terms of the applicable Advisor Confidentiality Agreement or Noteholder Confidentiality Agreement, as the case may be:
 - (i) provide to each Confidentiality Agreement Signatory reasonable access to the data room established by Canwest Global in connection with the Recapitalization; and

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- (ii) make the officers and legal and financial advisors of the Companies available on a reasonable basis for any discussions with any Confidentiality Agreement Signatory.
- (e) CMI shall pay the fees of any legal or financial advisor to the Ad Hoc Committee within 5 Business Days of the receipt of any invoice from any such party.
- (f) Neither Canwest Global, CMI, CTLP nor the other CMI Subsidiaries shall participate in any material discussions with (i) the Canadian Radio-Television and Telecommunications Commission with respect to the Recapitalization Transaction, (ii) any of the stakeholders in CW Investments Co. and the CW Media group of companies with respect to the Recapitalization Transaction, or (iii) any party (other than legal and financial advisors to the Companies) with respect to the Recapitalization Transaction, in each case without providing reasonable notice to the Consenting Noteholders and an opportunity for a representative from the Ad Hoc Committee or its legal counsel or financial advisor to participate in such discussions. Canwest Global, CMI and CTLP agree to cooperate and facilitate discussions between the Ad Hoc Committee and stakeholders in CW Investments Co. and the CW Media group of companies (including The Goldman Sachs Group, Inc. and its Affiliates), as soon as practicable when requested by the Consenting Noteholders.

6. Conditions to Recapitalization

The Recapitalization Transaction, in addition to the conditions set out in the Term Sheet, shall be subject to the satisfaction of the following conditions prior to or at the time on which the Recapitalization is implemented, each of which is for the exclusive benefit of the Consenting Noteholders:

- (a) All securities of Canwest Global, when issued and delivered in accordance with the Plan, shall have been duly authorized and shall be validly issued and shall be fully paid and non-assessable; and
- (b) When Canwest Global issues and delivers the securities issued and delivered in accordance with the Plan, such securities shall be offered and sold (i) pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended, and of any state securities law and the respective rules and regulations thereunder, and (ii) pursuant to exemptions from the prospectus and registration requirements of applicable Canadian Securities Legislation.

7. Public Disclosure

- (a) No press release or other public disclosure concerning the transactions contemplated herein shall be made by the Companies without the prior consent of the Ad Hoc Committee (such consent not to be unreasonably withheld) except as, and only to the extent that, the disclosure is required by applicable law or by any stock exchange rules on which its securities or those of any of its affiliates are traded, by any other regulatory authority having jurisdiction over the Companies,

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or by any court of competent jurisdiction; provided, however, that the Companies shall provide the Ad Hoc Committee with a copy of such disclosure in advance of any release and an opportunity to consult with the Companies as to the contents and to provide comments thereon; and provided further that the Companies shall, after providing the Ad Hoc Committee with copies of the press release or other public disclosure (and all related documents) in advance and an opportunity to consult with the Companies as to the contents and permitting the Ad Hoc Committee to provide comments thereon to the Companies, make prompt disclosure of the material terms of this Agreement.

- (b) Notwithstanding the foregoing and subject to Section 14, no information with respect to each of the Consenting Noteholder's specific ownership of Relevant Notes, the principal amount of Relevant Notes held by a Consenting Noteholder or the identity of any individual Consenting Noteholder or its Investment Advisor shall be disclosed by the Companies, except as may be required by applicable law or by any stock exchange rules on which its securities or those of any of its affiliates are traded, by any other regulatory authority having jurisdiction over the Companies, or by any court of competent jurisdiction; *provided*, however, that the aggregate amount of Relevant Notes held by the Ad Hoc Committee and the Consenting Noteholders may be disclosed.
- (c) Each Consenting Noteholder agrees (or, in the case of a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, its Investment Advisor agrees) that, except as otherwise specified in this Agreement, in a Noteholder Confidentiality Agreement (or, in the case of a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, in a confidentiality agreement binding upon the Investment Advisor), prior to making any public announcement or statement or issuing any press release or any other public disclosure with respect to this Agreement, the Plan, the Recapitalization or any negotiations, terms or other facts with respect thereto, it shall, to the extent practicable under the circumstances, provide Canwest Global with a copy of such disclosure in advance of any release and an opportunity to consult with the Ad Hoc Committee as to the contents and to provide comments thereon; provided, however, that each of the Companies acknowledges and agrees that whether or not any revisions to the disclosure will be made as a result of such comments will be determined solely by the Consenting Noteholder (or, if applicable, the Investment Advisor).

8. Further Assurances

Each Party shall do all such things in its control, take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other Party the benefits of this Agreement (except that this covenant shall not apply to a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor).

9. Consenting Noteholder Termination Event

This Agreement may be terminated by the delivery to the Companies and the Ad Hoc Committee of a written notice in accordance with Section 15(p) hereof by Consenting Noteholders holding no less than a majority of the aggregate principal amount of the Relevant Notes held at such time by the Consenting Noteholders (unless otherwise provided in this Section 9), in the exercise of their sole discretion, upon the occurrence and, if applicable, continuation of any of the following events:

- (a) failure of the Companies to commence the Recapitalization Proceedings on or before October 15, 2009;
- (b) failure of the Companies to file the Plan with the Court within 30 days after the commencement of the Recapitalization Proceedings, which shall be materially consistent with this Agreement and otherwise in form and substance reasonably acceptable to the counsel to the Ad Hoc Committee;
- (c) the Plan Implementation Date shall not have occurred on or before the Outside Date;
- (d) failure by any of the Companies to comply in all material respects with, or default by any of the Companies in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement, which is not cured within five Business Days after the receipt of written notice of such failure or default;
- (e) if any representation, warranty or other statement of any of the Companies made or deemed to be made in this Agreement shall prove untrue in any material respect as of the date when made;
- (f) the issuance of any preliminary or final decision, order or decree by a Governmental Entity, the making of an application to any Governmental Entity, or the announcement, threat or commencement of an action or investigation by any Governmental Entity, in consequence of or in connection with the Recapitalization Transaction, which restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Recapitalization Transaction or any part thereof or requires or purports to require a variation of the Recapitalization Transaction;
- (g) if the Recapitalization Proceedings are dismissed, terminated, stayed or converted to a proceeding under the *Bankruptcy and Insolvency Act* (Canada) or *Winding-Up and Restructuring Act* (Canada), unless such dismissal, termination, stay or conversion, as applicable, is made with the prior written consent of the counsel to the Ad Hoc Committee;
- (h) other than in relation to Canwest Limited Partnership ("Canwest LP"), its subsidiaries and its general partner, Canwest (Canada) Inc., the appointment of a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator

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or administrator in the Recapitalization Proceedings, unless such appointment is made with the prior written consent of the counsel to the Ad Hoc Committee;

- (i) the amendment, modification or filing of a pleading by the Companies seeking to amend or modify the Plans or any documents related thereto, in a manner not reasonably acceptable to the counsel to the Ad Hoc Committee;
- (j) if the Ad Hoc Committee determines, acting reasonably, that the conditions precedent to the implementation of the Recapitalization set out in the Term Sheet and herein that are in its favour cannot reasonably be expected to be satisfied; or
- (k) the occurrence of one or more of the following: (i) a default under any indebtedness in an amount exceeding \$5,000,000 of CW Investments Co. or any of its subsidiaries; (ii) once appointed, the resignation or replacement of the chief restructuring advisor (the "**Chief Restructuring Advisor**") or the amendment of any duties of the Chief Restructuring Advisor (in each case to the extent not approved by the Ad Hoc Committee), subject to the ability to appoint a new Chief Restructuring Advisor acceptable to the Ad Hoc Committee within 10 days of a resignation; (iii) an "Event of Default" as defined in the CIT Credit Agreement; or (iv) an "Event of Default" as defined in the Cash Collateral Agreement, provided that an Event of Default arising from a breach of Section 5(b) of the Cash Collateral Agreement shall not constitute a termination event hereunder, unless the result of such breach causes another termination event.

If this Agreement is terminated by the Consenting Noteholders pursuant to this Section 9, this Agreement shall be automatically and simultaneously terminated as to any other Party that is a signatory to this Agreement. Notwithstanding any provision in this Agreement to the contrary, upon the written consent of Consenting Noteholders holding at least two-thirds of the aggregate principal amount of the Relevant Notes held at such time by the Consenting Noteholders, the dates set forth in this Section 9 may be extended prior to or upon each such date and such later dates agreed to in lieu thereof and shall be of the same force and effect as the dates provided herein; provided, however, in the event that the Outside Date is extended beyond May 31, 2010, any Objecting Noteholder that has objected in writing to such extension of the Outside Date may terminate its obligations under this Agreement upon five Business Days' written notice to the other Parties to this Agreement.

10. Companies Termination Event

- (a) This Agreement may be terminated by the delivery to the Consenting Noteholders of a written notice in accordance with Section 15(p) by Canwest Global on behalf of the Companies, in the exercise of its sole discretion, upon the occurrence and continuation of any of the following events:
 - (i) the issuance of any preliminary or final decision, order or decree by a Governmental Entity, the making of an application to any Governmental Entity, or the announcement, threat or commencement of an action or investigation by any Governmental Entity, in consequence of or in connection with the Recapitalization Transaction, which restrains,

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impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Recapitalization Transaction or any part thereof or requires or purports to require a variation of the Recapitalization Transaction;

- (ii) if Canwest Global determines, acting reasonably, that the conditions precedent to the implementation of the Recapitalization set out in the Term Sheet and herein that are in its favour cannot reasonably be expected to be satisfied;
- (iii) failure by any Consenting Noteholder to comply in all material respects with, or default by any Consenting Noteholder in the performance or observance of, any covenant or agreement set forth in Section 4(b) or 4(c) of this Agreement, which is not cured within five Business Days after the receipt of written notice of such failure or default and which results in Supporting Consenting Noteholders holding less than two-thirds of the aggregate principal amount of outstanding Notes; provided that if within 10 Business Days after receipt of such written notice, additional holders of 8% Notes become Consenting Noteholders pursuant to Section 15(d), and including such additional Consenting Noteholders, Supporting Consulting Noteholders hold at least two-thirds of the aggregate principal amount of outstanding Notes, a termination right under this Section 10(a)(iii) shall not arise; or
- (iv) if the Outside Date is extended by more than 30 days after April 15, 2010.

If this Agreement is terminated by the Companies pursuant to this Section 10(a), this Agreement shall be automatically and simultaneously terminated as to any other Party that is a signatory to this Agreement.

- (b) This Agreement may be terminated as to a breaching Consenting Noteholder (the "**Breaching Noteholder**") only, by the delivery to such Breaching Noteholder of a written notice in accordance with Section 15(p) by Canwest Global on behalf of the Companies, in the exercise of its sole discretion and provided that the Companies are not in default hereunder, upon the occurrence and continuation of any of the following events:
 - (i) failure by the Consenting Noteholder to comply in all material respects with, or default by the Consenting Noteholder in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement which is not cured within five Business Days after the receipt of written notice of such failure or default;
 - (ii) if any representation, warranty or other statement of the Consenting Noteholder made or deemed to be made in this Agreement shall prove untrue in any material respect as of the date when made; or

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- (iii) in the case of a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, if the Consenting Noteholder does not execute the documents or perform the commercially reasonable acts required by this Agreement to satisfy its obligations hereunder.

11. Mutual Termination

This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual agreement between (a) the Companies and (b) the Consenting Noteholders holding at least two-thirds in principal amount of the Relevant Notes held at such time by the Consenting Noteholders.

12. Effect of Termination

- (a) Upon termination of this Agreement under Sections 9 (except by an Objecting Noteholder under Section 9), 10(a) or 11, this Agreement shall be of no further force and effect and each Party hereto shall be released from its commitments, undertakings, and agreements under or related to this Agreement, except for the obligations under Sections 7(b), 14 and 15, all of which shall survive the termination, and each Party shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Recapitalization or otherwise, that it would have been entitled to take had it not entered into this Agreement.
- (b) Upon termination of this Agreement by the Companies under Section 10(b) or by an Objecting Noteholder under Sections 9 or 15(n), this Agreement shall be of no further force and effect with respect to the Breaching Noteholder or Objecting Noteholder, as applicable, and the Breaching Noteholder or Objecting Noteholder, as applicable, shall be released from its commitments, undertakings, and agreements under or related to this Agreement, except for its obligations under Sections 14 and 15, all of which shall survive the termination, and it shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Recapitalization or otherwise, that it would have been entitled to take had it not entered into this Agreement. For greater certainty, any Breaching Noteholder or Objecting Noteholder shall not be entitled to receive its pro rata share of the Support Agreement Consideration which would otherwise be payable to it as set out in the Term Sheet, and the pro rata share of such Breaching Noteholder or Objecting Noteholder shall be allocated pro rata amongst the Supporting Consenting Noteholders so that the total amount of the Support Agreement Consideration is paid to all the Supporting Consenting Noteholders.
- (c) Upon the occurrence of any termination of this Agreement, any and all consents, tendered prior to such termination by (i) the Consenting Noteholders with respect to termination pursuant to Sections 9, 10(a) or 11, (ii) the Breaching Noteholder(s) with respect to termination pursuant to Section 10(b), or (iii) the Objecting Noteholder(s) with respect to termination pursuant to Sections 9 or 15(n), shall be deemed, for all purposes, to be null and void from the first instance

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and shall not be considered or otherwise used in any manner by the Parties in connection with the Recapitalization and this Agreement or otherwise.

13. Termination Upon the Plan Implementation Date

This Agreement shall terminate automatically without any further required action or notice on the Plan Implementation Date (immediately following the Effective Time).

14. Confidentiality

The Companies agree, on their own behalf and on behalf of their Representatives, to maintain the confidentiality of the identity and, to the extent known, specific holdings of the Consenting Noteholders; provided, however, that such information may be disclosed: (a) to the Companies' respective directors, trustees, executives, officers, auditors, and employees and financial and legal advisors or other agents (collectively referred to herein as the "Representatives" and individually as a "Representative") provided further that each such Representative is informed of, and agrees to abide by, this confidentiality provision; and (b) to Persons in response to, and to the extent required by, (i) any subpoena, or other legal process, including, without limitation, by the Court or applicable rules, regulations or procedures of the Court, (ii) any Governmental Entity, or (iii) applicable law. If the Companies or their Representatives receive a subpoena or other legal process as referred to above in connection with this Agreement or the Plan, the Companies shall provide the relevant Consenting Noteholder with prompt written notice of any such request or requirement, to the extent permissible and practicable under the circumstances, so that the relevant Consenting Noteholder may (at the Companies' expense) seek a protective order or other appropriate remedy or waiver of compliance with the provisions of this Agreement. Notwithstanding the provisions in this Section 14 or elsewhere in this Agreement: (x) the Companies may disclose the identity of a Consenting Noteholder in any action to enforce this Agreement against such Consenting Noteholder (and only to the extent necessary to enforce this Agreement against such Consenting Noteholder); and (y) the Companies may disclose, to the extent consented to in writing by a Consenting Noteholder (or by the Consenting Noteholder's duly authorized advisor), such Consenting Noteholder's identity and holdings. Except as set forth in Section 5(a) (and subject to the terms of Section 7), nothing in this Agreement shall obligate the Companies to make any public disclosure of this Agreement, the Recapitalization or the Plan.

15. Miscellaneous

- (a) Subject to Section 15(c) hereof, notwithstanding anything herein to the contrary, this Agreement applies only to the Debt and to the Consenting Noteholders solely with respect to their legal and beneficial ownership of, or their investment and voting discretion of, their Debt (and not, for greater certainty, any other securities, loans or obligations that may be held, acquired or sold by the Consenting Noteholders, including any 8% Notes acquired after the date of this Agreement which are not Relevant Notes) and, without limiting the generality of the foregoing, shall not apply to:
 - (i) any securities, loans or other obligations that may be held, acquired or sold by, or any activities, services or businesses conducted or provided by, any

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group or business unit within or affiliate of any Consenting Noteholder (A) that has not been involved in and is not acting at the direction of or with knowledge of the Companies' affairs provided by any person involved in the Recapitalization discussions or (B) is on the other side of an information firewall with respect to the officers, partners and employees of such Consenting Noteholder who have been working on the Recapitalization and is not acting at the direction of or with knowledge of the Companies' affairs provided by any officers, partners and employees of such Consenting Noteholder who have been working on the Recapitalization; or

- (ii) any securities, loans or other obligations that may be beneficially owned by non-affiliated clients of the Consenting Noteholders.
- (b) Subject to Section 15(a), nothing in this Agreement is intended to preclude any of the Consenting Noteholders from engaging in any securities transactions, subject to the agreements set forth in Section 4 hereof with respect to the Relevant Notes and other Debt.
- (c) This Agreement shall in no way be construed to preclude any Consenting Noteholder from acquiring additional 8% Notes ("**Additional Notes**"). If a Consenting Noteholder acquires Relevant Notes (or, in the case of a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, if the Consenting Noteholder acquires Relevant Notes through its Investment Advisor) after the date hereof from another Consenting Noteholder in reliance on clause (i) of Section 4(b), the acquiring Consenting Noteholder shall be bound by the terms of this Agreement in respect of such Relevant Notes. If a Consenting Noteholder acquires Additional Notes after the date that it becomes a party hereto that are not Relevant Notes, any and all rights and claims obtained by such Consenting Noteholder with respect to, on account of or pursuant to such Additional Notes, including accrued and unpaid interest and any other amount that such Consenting Noteholder is entitled to claim pursuant to such Additional Notes under the Plan, shall not be subject to this Agreement, unless agreed to by the Consenting Noteholder. In the case of a Consenting Noteholder whose Relevant Notes are managed by its Investment Advisor, if the Consenting Noteholder acquires Relevant Notes after the date hereof through an advisor other than its Investment Advisor, then the exemption in clause (i) of Section 4(b) shall not apply.
- (d) At any time, a holder of 8% Notes who is not a Consenting Noteholder may become a party to this Agreement by executing and delivering to the Companies a joinder to this Agreement substantially in the form of Schedule E.
- (e) The headings of the Sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

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- (f) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.
- (g) Unless otherwise specifically indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.
- (h) This Agreement (including the Term Sheet, the other schedules attached to this Agreement, the Cash Collateral Agreement and the other agreements contemplated by this Agreement or the Term Sheet), together with the Noteholder Confidentiality Agreements and Advisor Confidentiality Agreements, constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof.
- (i) The agreements, representations and obligations of the Companies under this Agreement are, in all respects, joint and several. The Companies acknowledge and agree that any waiver or consent that the Consenting Noteholders may make on or after the date hereof has been made by the Consenting Noteholders in reliance upon, and in consideration for, the covenants, agreements, representations and warranties of the Companies hereunder.
- (j) The agreements, representations and obligations of the Consenting Noteholders under this Agreement are, in all respects, several (as to the percentage of the outstanding 8% Notes represented by a Consenting Noteholder's Relevant Notes) and not joint and several. Each Consenting Noteholder acknowledges and agrees that any waiver or consent that the Companies may make on or after the Companies Execution Date has been made by the Companies in reliance upon, and in consideration for, the covenants, agreements, representations and warranties of such Consenting Noteholder hereunder.
- (k) Any person signing this Agreement in a representative capacity (i) represents and warrants that he/she is authorized to sign this Agreement on behalf of the Party he/she represents and that his/her signature upon this Agreement will bind the represented Party to the terms hereof, and (ii) acknowledges that the other Parties hereto have relied upon such representation and warranty.
- (l) For the purposes of the Term Sheet and this Support Agreement, any matter requiring the consent or approval of the Ad Hoc Committee shall require (a) the unanimous consent or approval of members of the Ad Hoc Committee, or (b) if the Ad Hoc Committee has not unanimously consented to or approved the particular matter, then the consent or approval of Consenting Noteholders representing at least two-thirds of the aggregate principal amount of Relevant Notes held by all Consenting Noteholders. The Companies shall rely on written confirmation from the counsel to the Ad Hoc Committee that the Ad Hoc Committee has consented to or approved the particular matter, as required pursuant to the Term Sheet or the Support Agreement.

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- (m) Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Relevant Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or under any documents related thereto, or have directed the taking of any action provided herein or in any of the documents related thereto to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Relevant Notes then outstanding, Relevant Notes directly or indirectly owned by any of the Companies or their Affiliates shall be deemed not to be outstanding.
- (n) This Agreement (including the Recapitalization Terms) may be modified, amended or supplemented as to any matter by an instrument in writing signed by the Companies and Consenting Noteholders representing at least two-thirds of the aggregate principal amount of Relevant Notes held by all Consenting Noteholders, provided, however, that any Objecting Noteholder that has objected in writing to any material modification, amendment or supplement that becomes effective pursuant to this Section 15(n) without their consent may terminate its obligations under this Agreement upon five Business Days' written notice to the other Parties to this Agreement.
- (o) Any date, time or period referred to in this Agreement shall be of the essence, except to the extent to which the Parties agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.
- (p) All notices and other communications which may be or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by facsimile transmission, in each case addressed to the particular Party:
 - (i) If to the Companies, at:

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

Attention: General Counsel
Facsimile: 204-947-9841

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With a required copy by email or fax (which shall not be deemed notice) to:

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

Attention: Edward Sellers
Email: esellers@osler.com
Facsimile: 416-862-6666

- (ii) If to the Consenting Noteholders (or its Investment Advisor), at the address set forth for each Consenting Noteholder (or its Investment Advisor) at the address shown for it beside its signature.

With a required copy by email or fax (which shall not be deemed notice) to:

Goodmans LLP
250 Yonge Street
Suite 250
Toronto, Ontario M5B 2M6

Attention: Robert Chadwick
Email: rchadwick@goodmans.ca
Facsimile: 416-979-1234

or at such other address of which any Party may, from time to time, advise the other Parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of delivery or transmission thereof.

- (q) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.
- (r) This Agreement shall be binding upon and enure to the benefit of the Parties hereto and each of their respective successors, assigns, heirs and personal representatives, provided that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties hereto, except that a Consenting Noteholder is

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permitted to assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement as set forth in Section 4(b).

- (s) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to principles of conflicts of law. Each Party submits to the jurisdiction of the courts of the Province of Ontario in any action or proceeding arising out of or relating to this Agreement.
- (t) The Parties waive any right to trial by jury in any proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, present or future, and whether sounding in contract, tort or otherwise. Any Party may file a copy of this provision with any court as written evidence of the knowing, voluntary and bargained for agreement between the Parties irrevocably to waive trial by jury, and that any proceeding whatsoever between them relating to this Agreement or any of the transactions contemplated by this Agreement shall instead be tried by a judge or judges sitting without a jury.
- (u) It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach including, without limitation, an order of the Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.
- (v) All rights, powers, and remedies provided under this Agreement or otherwise in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.
- (w) Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.
- (x) This Agreement may be signed in counterparts, each of which, when taken together, shall be deemed an original. Execution of this Agreement is effective if a signature is delivered by facsimile transmission or electronic (e.g., pdf) transmission.

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SCHEDULE A**CMI SUBSIDIARIES**

30109, LLC
4501063 Canada Inc.
4501071 Canada Inc.
Canwest Finance Inc./Financière Canwest Inc.
Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
Canwest International Communications Inc.
Canwest International Distribution Limited
Canwest International Management Inc.
Canwest Ireland Nominee Limited
Canwest Irish Holdings (Barbados) Inc.
Canwest Media Inc., as general partner on behalf of The National Post Company/La Publication
National Post
Canwest Mediaworks Ireland Holdings
Canwest Mediaworks Turkish Holdings (Netherlands) B.V.
Canwest Mediaworks (US) Holdings Corp.
Canwest Television GP Inc.
Canwest Television Limited Partnership, as general partner on behalf of Fox Sports World
Canada Partnership, by its general partner, Canwest Television GP Inc.
CGS Debenture Holding (Netherlands) B.V.
CGS International Holdings (Netherlands) B.V.
CGS NZ Radio Shareholding (Netherlands) B.V.
CGS Shareholding (Netherlands) B.V.
Fox Sports World Canada Partnership
Fox Sports World Canada Holdco Inc.
Fox Sports World Canada Holdco Inc., as general partner on behalf of Fox Sports World Canada
Partnership
Global Centre Inc.
MBS Productions Inc.
Multisound Publishers Ltd.
National Post Holdings Ltd.
National Post Holdings Ltd., as general partner on behalf of The National Post Company/La
Publication National Post
The National Post Company/ La Publication National Post
Western Communications Inc.
Yellow Card Productions Inc.

SCHEDULE B**RECAPITALIZATION TERM SHEET**

See attached.

PRIVILEGED AND CONFIDENTIAL

**CANWEST GLOBAL COMMUNICATIONS CORP.
AND
CANWEST MEDIA INC.**

RECAPITALIZATION TRANSACTION TERM SHEET

RE: 8.0% Senior Subordinated Notes due 2012 issued by Canwest Media Inc. (collectively, the “Notes”, and the holders of such Notes, collectively, the “Noteholders”, and the indenture under which the Notes were issued by Canwest Media Inc., as amended, modified or supplemented prior to the date hereof, the “Indenture”).

The purpose of this Term Sheet is to set out the principal terms of a proposed Recapitalization Transaction (defined below) of Canwest Global Communications Corp. (“Canwest Global”), Canwest Media Inc. (“CMI”), Canwest Television Limited Partnership (“CTLP”) and certain of their respective subsidiary entities (but specifically excluding Canwest Limited Partnership and its subsidiaries¹, CW Investments Co. and its subsidiaries and Ten Network Holdings Limited and its subsidiaries) (collectively, the “Canwest Group”). Schedule “A” of this Term Sheet includes a corporate chart of the Canwest Group following completion of the Recapitalization Transaction. The purpose of the Recapitalization Transaction is, among other things, to restructure CMI into a viable and competitive industry participant able to deal with the current issues facing the broadcasting industry and other competitive factors.

This Term Sheet is a summary of the terms and conditions of the Recapitalization Transaction. This Term Sheet does not create any obligations on the part of Canwest Global, CMI or any of their respective subsidiaries, any Noteholder or any other person, until such party has executed a support agreement (the “Support Agreement”) attaching this Term Sheet and such Support Agreement has become effective and binding on such party in accordance with its terms, at which time this Term Sheet shall be binding upon such party. Certain matters described herein may be subject to the negotiation, execution and delivery of definitive documentation.

This Term Sheet shall not constitute an offer to sell, buy or exchange into, nor the solicitation of an offer to sell, buy or exchange into, any of the securities or instruments referred to herein. Furthermore, until a party has executed a Support Agreement attaching this Term Sheet and such Support Agreement has become effective and binding upon such party in accordance with its terms, nothing herein constitutes a commitment to exchange any debt, lend funds to Canwest Global, CMI or any of their respective subsidiaries, vote debt in a certain way, or negotiate, agree to or otherwise engage in the transactions described herein.

All dollar amounts expressed herein are in Canadian dollars except as specifically noted otherwise.

¹ Any reference to “Canwest Limited Partnership and its subsidiaries” or “Publishing LP and its subsidiaries” shall include Canwest (Canada) Inc. (the general partner of Canwest Limited Partnership).

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A. RECAPITALIZATION TRANSACTION

1. Summary

The Noteholders' claims pursuant to the Notes and the Indenture shall be addressed in accordance with the transactions described in this Term Sheet (collectively, the "**Recapitalization Transaction**"), which shall be approved or implemented as part of a plan of arrangement (the "**Plan**") to be filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") and approved and sanctioned by the Ontario Superior Court of Justice (the "**Court**") pursuant to a Court Order (the "**Sanction Order**"). Canwest Mediaworks Ireland Holdings ("**Irish Holdco**") will not be a party to the CCAA filing.

2. Certain Steps

As part of the Recapitalization Transaction:

- (i) the proceeds of the shares of Ten Network Holdings Limited ("**Ten Network**") that were held by Irish Holdco and subject to the equitable mortgage held by CIBC Mellon Trust Company (collectively, the "**Irish Holdco Ten Shares**") and that have been sold have been applied as set forth in the Use of Cash Collateral and Consent Agreement entered into by, among others, CMI, Canwest Global and certain of the Noteholders dated as of September 23, 2009 (the "**Cash Collateral Agreement**");
- (ii) the Class B Subordinated Voting Shares and Non-Voting Shares, together as a stapled security, and the Class A Subordinated Voting Shares of a restructured Canwest Global will be listed on the Toronto Stock Exchange (the "**TSX**") or, subject to compliance with applicable laws and obtaining any necessary or desirable regulatory or third party approvals or consents, a new TSX listed company will be formed (such restructured or new company is referred to in this Term Sheet as "**Restructured Canwest Global**"); and
- (iii) Restructured Canwest Global will issue to affected creditors (including the Noteholders) and existing shareholders of Canwest Global either Class A Subordinated Voting Shares or Non-Voting Shares and Class B Subordinated Voting Shares, together as a stapled security, in the capital of Restructured Canwest Global, as described more fully below; provided that the foregoing is at all times in compliance with the Canadian ownership and control requirements as contained in the *Direction to the CRTC (Ineligibility of Non-Canadians)* (the "**Direction**") and subject to the prior approval of the Canadian Radio-television and Telecommunications Commission (the "**CRTC**"), as applicable.

3. Other Investors in Restructured Canwest Global

One or more Canadians (as defined in the Direction) (the "**New Investors**") will subscribe for (the "**New Investment**") Class A Subordinated Voting Shares in the capital of Restructured Canwest Global or a combination of Class A Subordinated Voting Shares and Multiple Voting

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Shares, in each case, representing an equity interest in Restructured Canwest Global that is acceptable to CMI and the Ad Hoc Committee.

The Multiple Voting Shares, if any, and Class A Subordinated Voting Shares in the capital of Restructured Canwest Global will be owned by the New Investors (and, in the case of the Class A Subordinated Voting Shares, affected creditors (including the Noteholders) and existing shareholders of Canwest Global that are Canadians (as defined in the Direction)) and will, collectively, represent a 66 2/3% voting interest in Restructured Canwest Global. The Non-Voting Shares and Class B Subordinated Voting Shares in the capital of Restructured Canwest Global will be owned by affected creditors (including the Noteholders) and existing shareholders of Canwest Global that are not Canadians (as defined in the Direction) and will represent a 33 1/3% voting interest in Restructured Canwest Global.

4. Application of Proceeds from Sale of Irish Holdco Shares

All of the net proceeds of the sale of the Irish Holdco Ten Shares (the "**Ten Proceeds**") have been loaned to CMI and applied by CMI as follows: (i) as to the amount of \$85 million, to fund ongoing liquidity requirements of CMI and/or CTLP (including temporarily repaying the amount outstanding under the CIT Facility), (ii) to repay in full the Existing Senior Notes and (iii) as to the balance, to make a payment to the trustee under the Indenture (the "**Trustee**") on behalf of the Noteholders, all in the manner set forth in the Cash Collateral Agreement (as defined below).

The portion of the Ten Proceeds referred to in (i) and (ii) above are evidenced by a secured promissory note (the "**Secured Intercompany Note**") and the portion of the Ten Proceeds referred to in (iii) above is evidenced by one or more unsecured promissory notes (the "**Unsecured Promissory Note**"). The proceeds of the New Investment described in section A.3 above, together with cash on hand or an amount drawn under the emergence asset based loan facility referred to in Section A.10, shall be used to repay \$85 million of the Secured Intercompany Note, to Irish Holdco and, having regard to the guarantee of the Notes by Irish Holdco, the proceeds of such repayment shall be used by Irish Holdco to redeem \$85 million of the preferred shares held by CMI and CMI shall forthwith pay \$85 million to the Trustee (on behalf of the Noteholders).

5. Affected Claims

The procedure for determining the validity and amount of affected creditors' claims against Canwest Global, CMI and CTLP for purposes of voting and receiving distributions under the Plan will be governed by an order of the Court in the CCAA proceedings (the "**Claims Procedure Order**"), which order shall be satisfactory to Canwest Global, CMI, CTLP and the ad hoc committee of Noteholders (the "**Ad Hoc Committee**").

As part of the Recapitalization Transaction:

- (i) affected creditors of Canwest Global and CMI with claims against Canwest Global or CMI accepted for purposes of receiving distributions under the Plan ("**CMI Proven Distribution Claims**") shall have such claims valued for purposes of receiving distributions under the Plan on the basis of the amount of each such claim relative to the total CMI Proven

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Distribution Claims (such percentage for any particular affected creditor is referred to as the affected creditor's "CMI Percentage"),

- (ii) affected creditors of CTLP with claims against CTLP accepted for purposes of receiving distributions under the Plan ("CTLP Proven Distribution Claims") shall have such claims valued for purposes of receiving distributions under the Plan on the basis of the amount of each such claim relative to the total CTLP Proven Distribution Claims (such percentage for any particular affected creditor is referred to as the affected creditor's "CTLP Percentage"),
- (iii) subject to any Convenience Class Claims (as defined below), an affected creditor with one or more CMI Proven Distribution Claims shall, in full satisfaction of such CMI Proven Distribution Claims, receive that percentage of the outstanding equity shares (as defined below) of Restructured Canwest Global as of the Effective Time (as defined below) (but excluding for such purposes any equity shares issued to the New Investors and to certain of the Noteholders pursuant to section C.5) equal to the product obtained by multiplying such affected creditor's CMI Percentage by the amount obtained by dividing \$109 million by \$283 million,
- (iv) subject to any Convenience Class Claims (as defined below), an affected creditor with one or more CTLP Proven Distribution Claims shall, in full satisfaction of such CTLP Proven Distribution Claims, receive that percentage of the outstanding equity shares of Restructured Canwest Global as of the Effective Time (as defined below) (but excluding for such purposes any equity shares issued to the New Investors and to certain of the Noteholders pursuant to section C.5) equal to the product obtained by multiplying such affected creditor's CTLP Percentage by the amount obtained by dividing \$129 million by \$283 million,
- (v) the trustee under the Indenture, on behalf of the Noteholders as beneficiaries of a guarantee of the Notes by Irish Holdco, shall, having regard for the guarantee of the Notes by Irish Holdco and having regard to the Secured Intercompany Note, receive that percentage of the outstanding equity shares of Restructured Canwest Global as of the Effective Time (but excluding for such purposes any equity shares issued to the New Investors, to existing shareholders pursuant to section A.6 and to certain of the Noteholders pursuant to section C.5) equal to the amount obtained by dividing \$45 million by \$283 million, and
- (vi) notwithstanding any legal rights or entitlements of the Noteholders or the Trustee and strictly for the purposes of the Recapitalization Transaction contemplated by this Term Sheet, for purposes of receiving distributions of CMI under the Plan, having regard for the guarantee of the Notes by Irish Holdco and the Secured Intercompany Note and the Unsecured Promissory Note, CMI Proven Distribution Claims of the Noteholders shall be agreed to be an amount of US\$761 million in aggregate, together

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with accrued interest on the Notes up to and including the date of filing under the CCAA; and for purposes of receiving distributions of CTLP under the Plan only, CTLP Proven Distribution Claims of the Noteholders shall be agreed to be an amount of \$800 million.

Under the Plan, the claims of (i) each affected creditor with CMI Proven Distribution Claims or CTLP Proven Distribution Claims of \$5,000 (such specified amount, in the case of CMI Proven Distribution Claims, is referred to as the "**CMI Maximum Amount**" and in the case of CTLP Proven Distribution Claims, is referred to as the "**CTLP Maximum Amount**") or less and (ii) each affected creditor with CMI Proven Distribution Claims or CTLP Proven Distribution Claims in excess of the CMI Maximum Amount or CTLP Maximum Amount, respectively, but who has elected to value such claims at the CMI Maximum Amount or CTLP Maximum Amount, as the case may be, for purposes of the Plan (collectively "**Convenience Class Claims**") shall be valued for purposes of voting on the Plan and, if applicable, receiving distributions under the Plan at an amount equal to the lesser of (a) the CMI Maximum Amount or the CTLP Maximum Amount, as the case may be, and (b) the value of the applicable CMI Proven Distribution Claim or CTLP Proven Distribution Claim. Each affected creditor holding one or more CMI Proven Distribution Claims or CTLP Proven Distribution Claims that are Convenience Class Claims will receive a cash payment equal to the lesser of (A) the CMI Maximum Amount or the CTLP Maximum Amount, as applicable and (B) the value of such creditor's CMI Proven Distribution Claims or CTLP Proven Distribution Claims, as the case may be, in full and final satisfaction of such claims and each such creditor shall be deemed to have voted in favour of the Plan.

The percentage of the outstanding shares of Restructured Canwest Global to be issued to the affected creditors pursuant to sub-paragraphs (iii) and (iv) of this section A.5 shall be diluted by the issuance of shares of Restructured Canwest Global to the New Investors and pursuant to the provisions of section C.5.

The percentage of the outstanding shares of Restructured Canwest Global to be issued to the affected creditors pursuant to sub-paragraph (v) of this section A.5 shall be diluted by the issuance of shares of Restructured Canwest Global to the New Investors, to existing shareholders pursuant to section A.6 and pursuant to the provisions of section C.5.

Each affected creditor holding one or more proven voting claims will be entitled to vote on the Plan based on the aggregate amount of its proven voting claims as stipulated by the Claims Procedure Order.

The Plan shall provide for the following two classes of creditors: (i) affected creditors with CMI Proven Distribution Claims and (ii) affected creditors with CTLP Proven Distribution Claims.

Claims against entities other than Canwest Global, CMI and CTLP, including any of the Canwest Subsidiaries (as defined below), will be dealt with in an equitable manner having regard to the assets and liabilities of each such entity.

For purposes of the Recapitalization Transaction only, and provided the condition in section B(y) is satisfied, notwithstanding any legal rights or entitlements of the Noteholders, intercompany claims among the Canwest Group (including, without limitation, claims against CMI by Canwest International Communications Inc., Canwest Irish Holdings (Barbados) Inc. and Irish Holdco),

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other than claims by CMI against CTLP or vice versa, shall be excluded for purposes of receiving distributions under the Plan.

If either CMI or CTLP is entitled to receive shares of Restructured Canwest Global pursuant to section A.5(iii) or A.5(iv), respectively, such shares shall instead be distributed to the creditors of CMI or CTLP, as the case may be, pro rata, based on each such creditor's CMI Proven Distribution Claim or CTLP Proven Distribution Claim.

Amounts owing between Canwest Global and one or more of its subsidiaries or between subsidiaries of Canwest Global that have arisen in accordance with the terms and conditions of any arrangement or agreement for the provision of services between CMI and/or its subsidiaries and Canwest Limited Partnership and/or its subsidiaries as of the date of the Support Agreement or past practice will be settled monthly.

On the Plan Implementation Date, Restructured Canwest Global shall release the guarantees of the Canwest Subsidiaries under the Notes after acquiring such claims.

In connection with the Plan, the CMI Percentages and CTLP Percentages shall be calculated to the fourth decimal place.

For purposes of this Term Sheet, "affected creditors" means those creditors whose claims are compromised under the Plan and include, for greater certainty, the Noteholders. For greater certainty, the CIT Facility (defined below) shall be an unaffected obligation under the Plan and CIT shall, in respect of such obligation, be an unaffected creditor.

6. Existing Shareholders

Existing shareholders of Canwest Global who are not Canadians as defined in the Direction will, in exchange for their existing shares in the capital of Canwest Global, be issued Non-Voting Shares and Class B Subordinated Voting Shares in the capital of Restructured Canwest Global. Existing shareholders of Canwest Global who are Canadians as defined in the Direction will, in exchange for their existing shares in the capital of Canwest Global, be issued Class A Subordinated Voting Shares in the capital of Restructured Canwest Global. The shares issued to existing shareholders pursuant to this section shall represent, in the aggregate, an equity interest in Restructured Canwest Global having a value of 2.3% of the outstanding equity shares. Such shares will be issued on a pro rata basis, based on the number of shares owned by each existing shareholder and, for greater certainty, without taking into account the number of votes attributed to each such share.

7. Repayment of Existing Senior Secured Indebtedness of CMI

On completion of the Recapitalization Transaction, the senior secured debt facility of CMI (the "CIT Facility") in an available amount of approximately \$100 million, will be (i) extended by way of an emergence asset backed loan facility entered into by CIT Business Credit Canada Inc. ("CIT") of approximately \$100 million or such other amount as agreed to by CIT, the Ad Hoc Committee and CMI, which shall be secured by a first ranking security interest over all of the assets of CMI and CTLP on terms acceptable to CIT, CMI and the Ad Hoc Committee, as contemplated by the indicative term sheet provided by CIT to CMI and the Ad Hoc Committee, or (ii) replaced by a new asset backed or other form of loan facility entered into with a third party

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lender, which shall be secured by a first ranking security interest over all of the assets of CMI and CTLP on terms acceptable to CMI and the Ad Hoc Committee.

8. Repayment of Existing Senior Notes

The 12% senior secured notes of CMI issued on May 22, 2009 (the "Existing Senior Notes") have been repaid in full by CMI with a portion of the proceeds of the loan from Irish Holdco evidenced by the Secured Intercompany Note.

9. Liquidity and Emergence Funding Matters

Overall liquidity for the restructured business and emergence costs will be funded through the CIT Facility.

10. Sources and Uses of Funds

The following table outlines the sources and uses of funds in connection with the Recapitalization Transaction:

Source	Amount	Use
(i) CIT Facility shall have extended by way of an emergence ABL facility secured by all of the assets of CMI and CTLP on terms acceptable to CMI, CIT and the Ad Hoc Committee or (ii) a new asset backed loan facility will be entered into secured by a first ranking priority over the assets of CMI and CTLP on terms acceptable to CMI and the Ad Hoc Committee	\$100 million (or such other amount agreed to by CIT, the Ad Hoc Committee and CMI)	Repayment of CIT Facility and, if applicable, partial repayment of the Secured Intercompany Note
Retention of a portion of the Ten Proceeds to be loaned to CMI by Irish Holdco.	\$190 million	Prepayment of Existing Senior Notes and funding emergence matters and liquidity
Investment by New Investors	Minimum of \$65 million	Partial repayment of the Secured Intercompany Note

11. Description of Restructured Canwest Global Shares

The share capital of Restructured Canwest Global will be comprised of the following four classes of shares:

- (i) Multiple Voting Shares, if any, issued to the New Investors,
- (ii) Class A Subordinated Voting Shares issued to the New Investors, affected creditors and existing shareholders of Canwest Global that are Canadians within the meaning of the Direction,

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- (iii) Non-Voting Shares issued to affected creditors and existing shareholders of Canwest Global that are not Canadians within the meaning of the Direction, and
- (iv) Class B Subordinated Voting Shares issued to affected creditors and existing shareholders of Canwest Global that are not Canadians within the meaning of the Direction.

For purposes of this Term Sheet, "equity shares" refer to, collectively, the Multiple Voting Shares, the Class A Subordinated Voting Shares and the Non-Voting Shares.

B. CONDITIONS TO RECAPITALIZATION

The Recapitalization Transaction shall be subject to the satisfaction of the following conditions prior to or at the time on which the Recapitalization Transaction is implemented (the "**Effective Time**"), each of which is for the exclusive benefit of the Noteholders and may be waived by the Ad Hoc Committee, on behalf of the Noteholders; provided, however that the conditions in subparagraphs (a), (c), (e), (f), (g), (h), (j), (l) (n), (o) (p), (q), (r), (t), (v), (z), (dd) and (ee) shall also be for the benefit of CMI and, if not satisfied on or prior to the Effective Time, can only be waived by both CMI and the Ad Hoc Committee:

- (a) the Plan, Sanction Order and the new (or amended) articles, by-laws and other constating documents of Restructured Canwest Global, as applicable, and all definitive legal documentation in connection with all of the foregoing shall be in a form agreed by CMI and the Ad Hoc Committee;
- (b) there shall not exist or have occurred any default or event of default (other than those defaults or events of default that are remedied or waived and other than an event of default arising from a breach of Section 5(b) of the Cash Collateral Agreement which does not result in another event of default) under the CIT Facility or the Cash Collateral Agreement;
- (c) the Plan shall have been approved by the Court and the Sanction Order shall be in full force and effect and the transactions contemplated by the Plan shall have been consummated;
- (d) there shall not exist or have occurred any orders or other matters in the CCAA proceedings relating to the Recapitalization Transaction, which, in the view of the Ad Hoc Committee, could reasonably be expected to have a material adverse effect on the Recapitalization Transaction;
- (e) all filings under applicable laws shall have been made and any material regulatory consents or approvals that are required in connection with the Recapitalization Transaction shall have been obtained, including without limitation, under the *Broadcasting Act* (Canada) in the form of a final non-appealable decision on terms satisfactory to CMI and the Ad Hoc Committee, and, in the case of waiting or suspensory periods, shall have expired or been terminated;

- (f) there shall not be in effect any preliminary or final decision, order or decree by a government, government authority, court or public authority and no application shall have been made to any government, government authority, court or public authority, or action or investigation shall have been announced, threatened or commenced by any government, government authority, court or public authority, in consequence of or in connection with the Recapitalization Transaction, which restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Recapitalization Transaction or any part thereof or requires or purports to require a variation of the Recapitalization Transaction;
- (g) the listing and posting of the Class B Subordinated Voting Shares and Non-Voting Shares, together as a stapled security, and the Class A Subordinated Voting Shares of Restructured Canwest Global on the TSX shall have been approved by the TSX, subject only to standard listing conditions and the separate listing (but not posting) of each of the Class B Subordinated Voting Shares and Non-Voting Shares of Restructured Canwest Global shall have been approved by the TSX subject only to standard listing conditions;
- (h) Restructured Canwest Global shall be a "reporting issuer" under applicable Canadian provincial securities laws and the equity shares of Restructured Canwest Global to be issued pursuant to this Term Sheet shall be issued, offered and sold pursuant to exemptions from the prospectus and registration requirements of applicable Canadian provincial securities laws and the registration requirements of U.S. securities laws and shall not be subject to any hold period or restrictions on resale (unless part of a control block or otherwise held by an affiliate (as such term is defined under Rule 144 promulgated under the United States Securities Act of 1933, as amended)) under Canadian provincial and U.S. securities laws;
- (i) no more than 18.5% of the outstanding equity shares of Restructured Canwest Global as of the Effective Time shall be issuable to affected creditors (other than the Noteholders and the Trustee) with respect to the conversion of any compromised claims pursuant to section A.5 above;
- (j) the CIT Facility shall have been extended or replaced pursuant to section A.7 above;
- (k) the Secured Intercompany Note shall have been repaid in cash as to \$85 million and such amount shall have been distributed to the Trustee (on behalf of the Noteholders);
- (l) the terms and conditions of any arrangement or agreement for the provision of services between CMI and/or its subsidiaries and Canwest Limited Partnership ("**Publishing LP**") and/or its subsidiaries, including any services provided by Publishing LP and/or its subsidiaries to CMI and/or its subsidiaries, as of the Effective Time, either in their current form or as amended or replaced (including as replaced by an arrangement with a third party provider other than Publishing LP and/or its subsidiaries), in each case, shall be satisfactory in all respects to the Ad Hoc Committee and CMI, and there shall have been no material adverse effect

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- on CMI's operations in connection with the disposition, recapitalization or restructuring of Publishing LP;
- (m) no CRTC tangible benefits shall have become assessed or payable in connection with, relating to, or arising from the Recapitalization Transaction;
 - (n) the exit budget and all emergence costs (including, without limitation, as to individual amounts, the aggregate amount and uses) shall have been agreed to by CMI and the Ad Hoc Committee;
 - (o) any Court imposed charge on the assets and property of Canwest Global or any of its subsidiaries (other than Publishing LP and its subsidiaries, National Post Holdings Ltd., National Post Company, CW Investments Co. and its subsidiaries and Ten Network Holdings Limited and its subsidiaries) (collectively, the "Canwest Subsidiaries"), including without limitation, any administration charge or directors and officers' charge in connection with the CCAA proceedings shall have been agreed to by CMI, the management directors (with respect to the directors and officers charge) and the Ad Hoc Committee and shall have been fully and irrevocably discharged and released;
 - (p) the terms and conditions with respect to any release and discharge of the court ordered charges in (o) above shall have been satisfactory to CMI, the management directors (with respect to the directors and officers charge) and the Ad Hoc Committee;
 - (q) a definitive agreement in respect of the transfer of the business operated by the National Post (together with all related liabilities and obligations (excluding for greater certainty a net intercompany payable of approximately \$137 million)) to the Publishing LP shall have entered into on terms agreed to by CMI and the Ad Hoc Committee by no later than October 15, 2009;
 - (r) the New Investment in an amount of at least \$65 million shall have been completed on terms acceptable to CMI and the Ad Hoc Committee and shall have been used as partial repayment of the Secured Intercompany Note;
 - (s) Canwest Global and CMI shall have entered into the Plan Emergence Agreement (as defined below) on or prior to the date that is 21 days prior to the meeting of creditors in respect of the Plan;
 - (t) each of the claims process, claims order, meetings order, Plan, disclosure documents, company sanction material and Sanction Order shall have been in a form agreed in advance by CMI and the Ad Hoc Committee;
 - (u) there shall be no liabilities or contingent liabilities of Canwest Global or the Canwest Subsidiaries in respect of any registered pension plans, except for those registered pension plans sponsored or administered by any of Canwest Global or the Canwest Subsidiaries and any multi-employer pension plans in which Canwest Global or the Canwest Subsidiaries are required to contribute pursuant to a collective bargaining agreement;

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- (v) Restructured Canwest Global shall, at the Effective Time, own directly or indirectly, a minimum of 35.33% of the outstanding shares of CW Investments Co. and CW Investments Co. shall, at the Effective Time, own substantially all of the assets that it owns as at the date of the Support Agreement;
- (w) the representations and warranties of Canwest Global and CMI set forth in this Term Sheet and in the Support Agreement shall be true and correct in all material respects at the Effective Time with the same force and effect as if made at and as of such time except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by the Support Agreement or this Term Sheet and except that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date;
- (x) there shall not exist or have occurred any Material Adverse Effect. The term "Material Adverse Effect" shall mean a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, affairs, results of operations or financial condition of Canwest Global and the Canwest Subsidiaries (taken as a whole) and shall include, without limitation, any disposition by Canwest Global or any of the Canwest Subsidiaries of any material asset (other than as contemplated by this term sheet) without the prior consent of the Ad Hoc Committee; provided that a Material Adverse Effect will not include the entering into of the Support Agreement (including this Term Sheet) or the performance of its terms, or the fact that Canwest Global and certain of the Canwest Subsidiaries are insolvent and/or have filed under the CCAA pursuant to, and in the manner contemplated by, this Term Sheet and provided further that a Material Adverse Effect shall not include the termination of any material contracts relating to the E Network in connection with the sale or closure of the E Stations;
- (y) the Noteholders shall have received the amounts set forth in section A.4 and distributions under the Plan in the manner set forth in section A.5(vi);
- (z) the Amended and Restated Shareholders Agreement relating to CW Investments Co., as amended and restated as of January 4, 2008, and the agreements contemplated therein shall have been amended and restated or otherwise addressed in a manner agreed to by CMI and the Ad Hoc Committee, subject to CRTC approval, if required;
- (aa) the events set forth in section C.9 shall have occurred on or before the corresponding dates indicated in such section;
- (bb) the size and composition of the board of directors of Restructured Canwest Global shall be acceptable to the Ad Hoc Committee;
- (cc) CMI shall have complied in all material respects with each covenant in this Term Sheet and in the Support Agreement that is to be performed on or before the Effective Time;

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- (dd) insurance in respect of the director's and officer's insurance policy of Canwest Global shall have been put in place on terms and at a cost acceptable to CMI and the Ad Hoc Committee; and
- (ee) shares of Restructured Canwest Global shall have been issuable to fewer than 290 holders of record (as provided in Rule 12g5-1 promulgated under the U.S. Securities Exchange Act of 1934 (as amended and including any relevant rules promulgated thereunder, the "Exchange Act")) under the Recapitalization Transaction or Restructured Canwest Global shall have otherwise been exempt from the registration requirements under Section 12(g) of the Exchange Act.

C. GENERAL PROVISIONS

1. CRTC Application

CMI and the Ad Hoc Committee will each use their commercially reasonable efforts to take, or cause to be taken, all actions to assist and cooperate with each other to obtain CRTC approval of the Recapitalization Transaction. The parties shall reasonably cooperate with each other with respect to the preparing of the application and all related correspondence to the CRTC, and the advisors to the Ad Hoc Committee and CMI shall agree as to the form and content of such application and correspondence.

2. CCAA Plan of Arrangement

The implementation of the Plan shall be subject to and conditional upon all required Court, creditor and other approvals, if and to the extent required. The successful completion (or waiver by CMI and the Ad Hoc Committee) of all of the steps and matters noted above shall be a condition precedent to the Plan. Court filings, disclosure documents and news releases announcing the Recapitalization Transaction of Canwest Global and/or CMI shall be made available to the Noteholders prior to issuance or filing thereof for review in connection with the implementation of the Plan.

3. Representations, Warranties and Covenants of Canwest Global, CMI and CTLP

Each of Canwest Global, CMI and CTLP hereby represents, warrants and covenants that:

- (i) the proposed monitor, FTI Consulting Inc. ("FTI") has received a written Canadian legal opinion, in a form acceptable to FTI, from counsel to FTI with respect to customary matters relating to the CIT Facility,
- (ii) Canwest Global and the Canwest Subsidiaries maintain appropriate insurance coverage in amounts and on terms that are customary in the industries in which they conduct business,
- (iii) neither Canwest Mediaworks Ireland Holdings nor Canwest Ireland Nominee Ltd. has any assets or liabilities other than (i) customary liabilities associated with a holding company, (ii) the Secured Intercompany Note and the Unsecured Promissory Note, (iii) guarantees of the Notes, (iv) intercompany obligations owed to Irish Holdco by CMI

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in the amount of approximately \$72,000,000 and (v) a right of redemption in favour of CMI, the holder of the preferred shares of Irish Holdco,

- (iv) it shall and shall cause the Canwest Subsidiaries to, except as contemplated by the Recapitalization Transaction, operate their businesses in the ordinary course of business, and, in any event, shall not make a public announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, any transaction or agreement that could reasonably be expected to materially adversely affect any of Canwest Global or the Canwest Subsidiaries,
- (v) except for the renewal or extension of the director's and officer's insurance currently in place and any additional insurance as contemplated by section B(dd) and except for a trust to hold the funds contributed by Canwest Limited Partnership in respect of funding a portion of the key employee retention plans of CMI, neither Canwest Global nor any of the Canwest Subsidiaries shall establish or fund any directors or employees trusts or purchase or fund any additional directors' and officers' insurance, in each case unless approved by the Ad Hoc Committee,
- (vi) upon the making of a filing under the CCAA (a "**Filing**"), Canwest Global and the Canwest Subsidiaries will: (i) ensure that the initial CCAA order (the "**Initial Order**") and all ancillary and subsequent court orders ("**Other Restructuring Orders**") issued in connection with a Filing at any time shall be in form and substance satisfactory to the Ad Hoc Committee; and (ii) comply with all terms of the Initial Order and all Other Restructuring Orders at all times,
- (vii) Restructured Canwest Global shall enter into an agreement with any shareholder of Restructured Canwest Global that, as of the Effective Time, holds an agreed percentage of the outstanding shares of Restructured Canwest Global providing for the right of such shareholder(s) to nominate up to two individuals to the board of directors of Restructured Canwest Global, and
- (viii) Restructured Canwest Global shall enter into a registration rights agreement with any shareholder that owns at least 15% of the outstanding equity shares of Restructured Canwest Global immediately following the Effective Time, which shall provide for, among other things, customary demand and piggy-back registration rights in Canada in favour of such shareholders, with each shareholder being entitled to up to one demand registration per year and up to two demand registrations in the aggregate.

4. **Plan Emergence Agreement**

On or prior to the date that is 21 days prior to the meeting of creditors in respect of the Plan, Canwest Global, CMI and the Ad Hoc Committee shall enter into a Plan emergence agreement (the "**Plan Emergence Agreement**") that will, among other things, include schedules that are approved by the Ad Hoc Committee and set forth:

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- (i) a list of all existing management employees of Canwest Global and the Canwest Subsidiaries, who will not remain as employees of Restructured Canwest Global or any of the Canwest Subsidiaries following the Effective Time, and
- (ii) a list of all material contracts and agreements that will not remain as ongoing obligations of Restructured Canwest Global or any of the Canwest Subsidiaries, following the Effective Time, which contracts and agreements shall be terminated, repudiated or renegotiated on terms agreed to by CMI and the Ad Hoc Committee.

It is acknowledged and agreed that each of (i) the engagement letter entered into between Stonecrest Capital Inc. and Canwest Global dated June 30, 2009, (ii) the engagement letter entered into between Genuity Capital Markets and Canwest Global on May 29, 2009, (iii) the engagement letter entered into between RBC Dominion Securities Inc. and Canwest Global on December 10, 2008, as amended by a letter dated January 20, 2009 and as further amended by a letter dated October 5, 2009 (which amending letter has been approved by the Ad Hoc Committee), (iv) the agreements delivered by CMI to Goodmans LLP on October 5, 2009, which relate to key employee retention plans that have been offered to certain employees in the Canwest Group (the "**KERP Employees**"), (v) all contractual severance obligations in respect of the non-KERP Employees of the Canwest Group set forth in a schedule delivered by CMI to Goodmans LLP on September 22, 2009 and (vi) the CIT Facility, shall remain as unaffected obligations of the Canwest Group and shall not be repudiated or amended other than to the extent provided for therein, if applicable.

All material contracts and agreements of Canwest Global or one of the Canwest Subsidiaries that are not set forth in the schedule referenced in sub-paragraph (ii) above shall remain as ongoing obligations of Restructured Canwest Global or one of the Canwest Subsidiaries following the Plan Implementation Date.

5. Support Agreement

As part of the consideration for their Notes under the Recapitalization Transaction, Noteholders who enter into a Support Agreement prior to November 2, 2009 (the "**Consenting Noteholders**") shall receive additional consideration (the "**Support Agreement Consideration**"). The Support Agreement Consideration shall be received by the Consenting Noteholders at the Effective Time in the form of additional Non-Voting Shares and Class B Subordinated Voting Shares or Class A Subordinated Voting Shares, as applicable, of Restructured Canwest Global representing, in aggregate, the Canadian dollar equivalent of US\$5 million based on the exchange rate set forth in section C.10 based on a Plan value of \$408 million. The Support Agreement Consideration shall be received by the Consenting Noteholders pro rata (based on the aggregate principal amount of Notes subject to a Support Agreement).

6. DIP Financing

The debtor in possession arrangements in respect of the CIT Facility shall be agreed to by CMI and the Ad Hoc Committee, it being acknowledged by CMI and the Ad Hoc Committee that the debtor in possession arrangements agreed to pursuant to the CIT Facility are acceptable to CMI and the Ad Hoc Committee.

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7. Chief Restructuring Advisor

Upon the commencement of CCAA proceedings in respect of Canwest Global, CMI and/or CTLP, Canwest Global, CMI and CTLP shall promptly engage a chief restructuring advisor acceptable to the Ad Hoc Committee on terms (including the authorities, responsibilities, remuneration and length of engagement) acceptable to the Ad Hoc Committee, it being acknowledged by the Ad Hoc Committee that the terms of the engagement letter entered into between Canwest Global and Stonecrest Capital Inc. are acceptable to the Ad Hoc Committee provided that upon the commencement of CCAA proceedings Stonecrest Capital Inc. becomes chief restructuring advisor as contemplated by such agreement. The chief restructuring advisor shall be discharged and released at the Effective Time.

8. Amendments

No amendments to the Plan or the Recapitalization Transaction shall be made without the prior written consent of the Ad Hoc Committee.

9. Key Dates

The date on which the Plan is implemented is currently contemplated to be no later than April 15, 2010, subject to approval of the Plan by the Court (the date on which the Plan is implemented being the "**Plan Implementation Date**"). Additional key dates related to the Recapitalization Transaction are as follows:

- CCAA initial hearing date No later than October 15, 2009
- Claims process hearing date No later than October 22, 2009
- Creditor approval of Plan No later than January 30, 2010
- Plan Implementation Date No later than April 15, 2010

10. Conversion of US Dollar Claims

For purposes of the Plan any claims that are in United States dollars shall be converted into Canadian dollars on the basis of the average Bank of Canada United States/Canadian dollar noon exchange rate in effect over the ten day period preceding the filing of the Plan in the CCAA proceedings.

11. Releases

At the Effective Time, pursuant to the Plan, Canwest Global and the Canwest Subsidiaries and each of their respective present and former shareholders, officers, directors, financial advisors (including RBC Capital Markets and Genuity Capital Markets), legal counsel and agents, the proposed monitor, FTI Consulting Inc. and its counsel and Stonecrest Capital Inc. (including in its capacity as the chief restructuring advisor of Canwest Global) (collectively, the "**Released Parties**") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any person (including any person

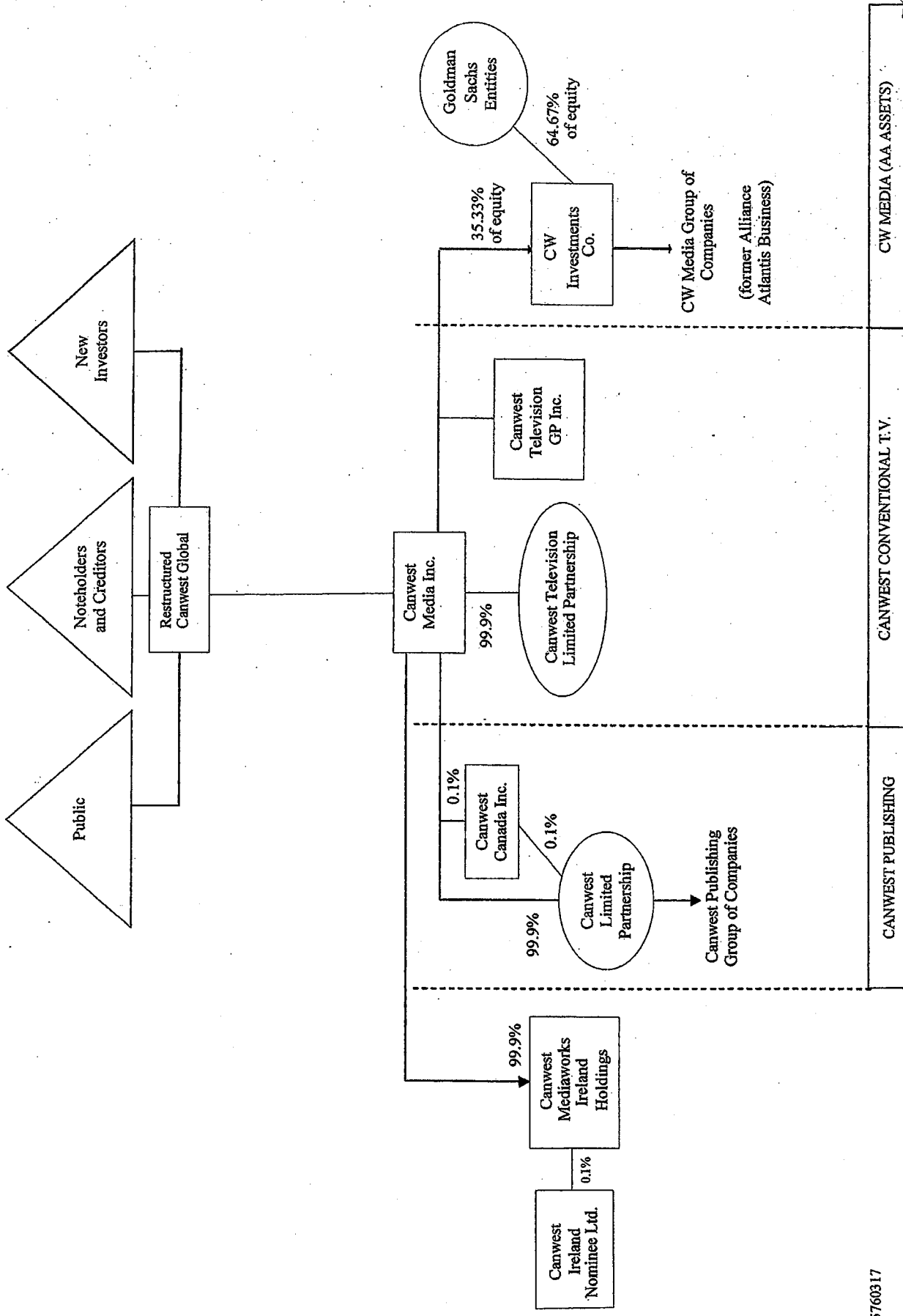
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who may claim contribution or indemnification against or from them) may be entitled to assert whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place at or prior to the Effective Time relating to, arising out of or in connection with any claim existing on the date hereof, any claim arising out of the restructuring, repudiation or termination after the date hereof of any contract, lease, agreement or other arrangement, whether written or oral, the business and affairs of Canwest Global and the Canwest Subsidiaries, the Plan, the CCAA proceedings or the Recapitalization Transaction, including, without limitation, any transaction referenced in this Term Sheet that has already occurred, provided that nothing in this section will release or discharge Canwest Global or any of the Canwest Subsidiaries from or in respect of (a) any unaffected claim or claim that arises after the date hereof, other than claims affected by the Recapitalization Transaction (b) its obligations under the Plan or under any order, or (c) any rights of Canwest Global or any of the Canwest Subsidiaries in respect of any affected claims assigned to it pursuant to the Plan or in respect of any claims it has against any Canwest Subsidiary, and further provided that nothing in this section will release or discharge a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or willful misconduct or to have been grossly negligent or, in the case of directors, in respect of any claims referred to in section 5.1(2) of the CCAA.

At the Effective Time, pursuant to the Plan, the Noteholders, the Ad Hoc Committee, the Trustee and each of their respective present and former shareholders, officers, directors, financial advisors, legal counsel and agents (collectively, the "Noteholder Released Parties") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any person (including any person who may claim contribution or indemnification against or from them) may be entitled to assert whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place at or prior to the Effective Time relating to, arising out of or in connection with the Notes (including, without limitation, any guarantee obligation under the Notes or the Indenture), the Recapitalization Transaction, including, without limitation, any transaction referenced in this Term Sheet that has already occurred, the CCAA proceedings, the Plan and any other actions or matters related directly or indirectly to the foregoing; provided that nothing in this paragraph will release or discharge any of the Noteholder Released Parties in respect of its obligations under the Plan.

12. Other

Canwest Global and CMI, in consultation with their legal and financial advisors and the legal and financial advisors to the Noteholders, shall use their commercially reasonable efforts to structure and complete the Plan in the most tax effective manner. The restructuring of Canwest Global and CMI may include the transfer of certain assets and/or one or more of the Canwest Subsidiaries and/or Publishing LP to other Canwest Subsidiaries as agreed upon by CMI and the Ad Hoc Committee and as subject to prior CRTC approval, if required.



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CANWEST PUBLISHING	CANWEST CONVENTIONAL T.V.	CW MEDIA (AA ASSETS)
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SCHEDULE C**DEFINITIONS**

Definition	Section or Page Number
"8% Notes"	Page 1 (1 st paragraph)
"Ad Hoc Committee"	Section 2(d)
"Additional Notes"	Section 15(c)
"Breaching Noteholder"	Section 10(b)
"Agreement"	Section 1
"CCAA"	Page 1 (1 st paragraph)
"Canwest Global"	Page 1 (1 st paragraph)
"Canwest LP"	Section 9(h)
"Chief Restructuring Advisor"	Section 9(k)
"CMI"	Page 1 (1 st paragraph)
"CMI Subsidiary" or "Subsidiaries"	Page 1 (1 st paragraph)
"Committee Advisors"	Section 2(d)
"Companies"	Page 1 (1 st paragraph)
"Consenting Noteholder(s)"	Page 1 (1 st paragraph)
"Court"	Page 1 (1 st paragraph)
"CTLP"	Page 1 (1 st paragraph)
"Debt"	Section 2(a)
"Event of Default"	Section 9(k)
"Existing Signatory"	Section 4(b)
"FTI"	Section 2(a)
"Irish Holdco"	Section 3(e)
"Party" or "Parties"	Page 1 (2 nd paragraph)
"Plan"	Page 1 (1 st paragraph)
"Recapitalization"	Page 1 (1 st paragraph)
"Recapitalization Proceedings"	Page 1 (1 st paragraph)
"Recapitalization Terms"	Page 1 (1 st paragraph)
"Relevant Company Personnel"	Section 3(c)
"Relevant Notes"	Section 2(a)
"Representative(s)"	Section 14

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Definition	Section or Page Number
"Support Agreement"	Page 1 (1 st paragraph)
"Term Sheet"	Page 1 (1 st paragraph)
"Transfer"	Section 4(b)

In addition, the following terms used in this Agreement shall have the following meanings:

"8% Note Indenture" means the indenture under which the 8% Notes were issued by CMI, dated as of November 18, 2004, among 3815668 Canada Inc. (as predecessor to CMI), the guarantors party thereto and The Bank of New York Mellon, as trustee, as amended, modified or supplemented prior to the date hereof.

"Advisor Confidentiality Agreement" means the confidentiality agreement entered into or binding upon a Committee Advisor and one or more of the Companies.

"Affiliate" has the meaning set forth in the 8% Note Indenture.

"Business Day" means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Toronto, Ontario, Canada.

"Cash Collateral Agreement" means the use of cash collateral and consent agreement, dated as of September 23rd, 2009, as amended, restated, replaced or otherwise modified from time to time, between all of the parties hereto.

"CIT" means CIT Business Credit Canada Inc.

"CIT Credit Agreement" means the credit agreement, dated May 20, 2009, as amended, restated, replaced or otherwise modified from time to time, between CMI, the guarantors party thereto from time to time, the lenders party thereto from time to time and CIT, as agent, which agreement establishes the asset-based facility provided by CIT.

"Commission" means the United States Securities and Exchange Commission.

"Confidentiality Agreement Signatory" means each of (a) Goodmans; (b) Houlihan Lokey, financial advisor to the Ad Hoc Committee; (c) any Consenting Noteholder that is a party to this Agreement and that has executed and delivered to one or more of the Companies a Noteholder Confidentiality Agreement; and (d) any Committee Advisor that has executed and delivered to one or more of the Companies an Advisor Confidentiality Agreement.

"Goodmans" means Goodmans LLP, counsel to the Ad Hoc Committee.

"Governmental Entity" means any government, Regulatory Authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court body, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or

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entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“Information” means information set forth or incorporated in the Companies’ public disclosure documents filed with the Canadian Securities Administrators and the Commission under the Securities Legislation, as applicable, prior to the execution and delivery of this Agreement.

“Investment Advisor” means, for each Consenting Noteholder, the investment advisor which manages the Relevant Notes for and on behalf of the applicable Consenting Noteholder.

“Material Adverse Effect” shall have the meaning ascribed to such term in Section B(x) of the Term Sheet.

“Monitor” means any party appointed by the Court to act as the monitor in the Recapitalization Proceedings.

“New Investor” shall have the meaning ascribed to such term in Section A(3) of the Term Sheet.

“Noteholder Confidentiality Agreement” means the Confidentiality Agreement entered into or binding upon a Consenting Noteholder and one or more of the Companies.

“Noteholders” means all holders of the 8% Notes.

“Objecting Noteholder” means any Consenting Noteholder that has made an objection in writing pursuant to either Section 9 (in the last paragraph) or Section 15(n).

“Outside Date” means April 15, 2010.

“Person” means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a Governmental Entity or any agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body.

“Plan Implementation Date” shall have the meaning ascribed to such term in Section C(9) of the Term Sheet.

“Recapitalization Transaction” shall have the meaning ascribed to such term in Section A(1) of the Term Sheet.

“Regulatory Authorities” means the Canadian Radio-television and Telecommunications Commission, the Canadian Commissioner of Competition and Heritage Canada, as applicable.

“Securities Legislation” means all applicable laws, regulations, rules, policies or instruments of any securities commission, stock exchange or like body in Canada or the United States.

“Subsidiaries” means corporations in which the Companies have a controlling interest as defined in the *Canada Business Corporations Act*, including those listed in Schedule A, except that, **“Subsidiaries”** shall specifically exclude Canwest LP and its subsidiaries, Canwest (Canada) Inc., and CW Investments Co. and its subsidiaries.

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“Support Agreement Consideration” shall have the meaning ascribed to such term in Section C(5) of the Term Sheet.

“Supporting Consenting Noteholders” means Consenting Noteholders other than the Breaching Noteholders and Objecting Noteholders.

“Termination Date” means the date on which this Agreement is terminated in accordance with the provisions hereof.

“Trustee” means The Bank of New York Mellon, as trustee pursuant to the 8% Note Indenture.

SCHEDULE D**CAPITALIZATION**

	Class of Shares	Number of Shares Authorized	Number of Shares Issued and Outstanding as of June 30, 2009
Canwest Global Communications Corp.	Multiple Voting Shares	Unlimited	76,785,976
	Subordinate Voting Shares	Unlimited	99,395,042
	Non-Voting Shares	Unlimited	1,465,521
	Preference Shares	Unlimited	None
	Series 1 Preference Shares	Unlimited	None
	Series 2 Preference Shares (Special Shares)	21,783	None
Canwest Media Inc.	Common Shares	Unlimited	22,924,002
	Preference Shares	Unlimited	None
Canwest Television Limited Partnership	Units	Unlimited	478,406.8
Canwest Media Networks Ireland Holdings	Ordinary Shares	20,000,000	1,000,000
	Redeemable Preference Shares	500,000	1
	Redeemable Preference A Shares	1,000,000	467,509
	Redeemable Preference B Shares	500,000	311,674

SCHEDULE E**FORM OF JOINDER**

This joinder is made as of the date below (the "Joinder") by the undersigned (the "Joining Party") in connection with the support agreement dated ●, 2009 (the "Support Agreement") between Canwest Global Communications Corp., Canwest Media Inc. ("CMI"), Canwest Television Limited Partnership ("CTLP"), the entities listed in Schedule A to the Support Agreement and the holders of certain of the 8% senior subordinated notes due 2012 (collectively, the "8% Notes") issued by CMI. Capitalized terms used herein have the meanings assigned in the Support Agreement unless otherwise defined herein.

RECITALS:

- A. Section 4(b) of the Support Agreement requires that, contemporaneously with a Transfer of 8% Notes by a Consenting Noteholder to a transferee who is not an Existing Signatory, such transferee shall execute and deliver this Joinder.
- B. The Joining Party wishes to be a transferee of 8% Notes to be transferred to it by a Consenting Noteholder and is required to be bound by the terms of the Support Agreement on the terms and subject to the conditions set forth in this Joinder.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Joining Party agrees as follows:

- 1. The Joining Party hereby agrees to be fully bound as a Consenting Noteholder in respect of the 8% Notes that are the subject of the Transfer. For greater certainty, the Joining Party agrees to be bound by the terms of the Support Agreement only in respect of the 8% Notes that are the subject of the Transfer and not in respect of any other 8% Notes held, managed or administered by the Joining Party that were not subject of the Transfer.
- 2. Except as expressly modified hereby, the Support Agreement shall remain in full force and effect, in accordance with its terms.
- 3. This Joinder shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to principles of conflicts of law.

[Remainder of this page intentionally left blank; next page is signature page.]

DATED as of _____.

By: _____

Name:
Title:

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

APPLICANTS

Ontario

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MOTION RECORD OF THE APPLICANTS
(Approval of Subscription Agreement)

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