

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

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

APPLICANTS

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**MOTION RECORD OF THE APPLICANTS**  
(Approval of Subscription Agreement)

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February 12, 2010

**Osler, Hoskin & Harcourt LLP**  
P.O. Box 50  
1 First Canadian Place  
Toronto, ON M5X 1B8

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

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

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

Fax: (416) 862-6666

Lawyers for the Applicants

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

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CANWEST GLOBAL COMMUNICATIONS CORP.  
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Applicants

CANWEST SERVICE LIST, JANUARY 13, 2010

FIRM	SOLICITORS
<p><b>FTI CONSULTING CANADA INC.</b> TD Canada Trust Tower 161 Bay Street, 27th Floor Toronto, ON M5J 2S1</p> <p>Fax: (416) 572-2201</p> <p><b>Court-appointed Monitor</b></p>	<p><b>Paul Bishop</b> Tel: (416) 572-2208 Email: <a href="mailto:paul.bishop@fticonsulting.com">paul.bishop@fticonsulting.com</a></p> <p><b>Greg Watson</b> Tel: (416) 572-2236 Email: <a href="mailto:greg.watson@fticonsulting.com">greg.watson@fticonsulting.com</a></p> <p><b>Jeffrey Rosenberg</b> Tel: (416) 572-2321 Email: <a href="mailto:jeffrey.rosenberg@fticonsulting.com">jeffrey.rosenberg@fticonsulting.com</a></p>
<p><b>STIKEMAN ELLIOTT LLP</b> 5300 Commerce Court West 199 Bay Street Toronto, Ontario M5L 1B9</p> <p>Fax: (416) 947-0866</p> <p><b>Lawyers for the Court-appointed Monitor</b></p>	<p><b>David R. Byers</b> Tel: (416) 869-5697 Email: <a href="mailto:dbyers@stikeman.com">dbyers@stikeman.com</a></p> <p><b>Daphne MacKenzie</b> Tel: (416) 869-5695 Email: <a href="mailto:dmackenzie@stikeman.com">dmackenzie@stikeman.com</a></p> <p><b>Ashley J. Taylor</b> Tel: (416) 869-5236 Email: <a href="mailto:ataylor@stikeman.com">ataylor@stikeman.com</a></p> <p><b>Maria Konyukhova</b> Tel: (416) 869-5230 Email: <a href="mailto:mkonyukhova@stikeman.com">mkonyukhova@stikeman.com</a></p> <p><b>Jennifer Imrie</b> Tel: (416) 869-6853 Email: <a href="mailto:jimrie@stikeman.com">jimrie@stikeman.com</a></p>

FIRM	SOLICITORS
<p><b>OSLER, HOSKIN &amp; HARCOURT LLP</b> 100 King Street West 1 First Canadian Place Suite 6100, P.O. Box 50 Toronto, ON M5X 1B8 Fax: (416) 862-6666</p> <p><b>Lawyers for the Applicants</b></p>	<p><b>Lyndon A.J. Barnes</b> Tel: (416) 862-6679 Email: <a href="mailto:lbarnes@osler.com">lbarnes@osler.com</a></p> <p><b>Edward A. Sellers</b> Tel: (416) 862-5959 Email: <a href="mailto:esellers@osler.com">esellers@osler.com</a></p> <p><b>Tracy C. Sandler</b> Tel: (416) 862-5890 Email: <a href="mailto:tsandler@osler.com">tsandler@osler.com</a></p> <p><b>Jeremy E. Dacks</b> Tel: (416) 862-4923 Email: <a href="mailto:jdacks@osler.com">jdacks@osler.com</a></p> <p><b>Shawn Irving</b> Tel: (416) 862-4733 Email: <a href="mailto:sirving@osler.com">sirving@osler.com</a></p> <p><b>Duncan Ault</b> Tel: (416) 862-4210 Email: <a href="mailto:dault@osler.com">dault@osler.com</a></p>
<p><b>GOODMANS LLP</b> 250 Yonge Street Suite 2400 Toronto, ON M5B 2M6 Fax: (416) 979-1234</p> <p><b>Lawyers for Ad Hoc Committee of 8% Senior Subordinated Noteholders</b></p>	<p><b>Benjamin Zarnett</b> Tel: (416) 597-4204 Email: <a href="mailto:bzarnett@goodmans.ca">bzarnett@goodmans.ca</a></p> <p><b>Robert J. Chadwick</b> Tel: (416) 597-4285 Email: <a href="mailto:rchadwick@goodmans.ca">rchadwick@goodmans.ca</a></p> <p><b>Logan Willis</b> Tel: (416) 597-6299 Email: <a href="mailto:lwillis@goodmans.ca">lwillis@goodmans.ca</a></p>
<p><b>BLAKE, CASSELS &amp; GRAYDON LLP</b> 199 Bay Street, Suite 2800 Commerce Court West Toronto, ON M5L 1A9 Fax: (416) 863-2653 <b>Lawyers for CIT Business Credit Canada Inc.</b></p>	<p><b>Michael R. Harquail</b> Tel: (416) 863-2929 Email: <a href="mailto:michael.harquail@blakes.com">michael.harquail@blakes.com</a></p> <p><b>Steven J. Weisz</b> Tel: (416) 863-2616 Email: <a href="mailto:steven.weisz@blakes.com">steven.weisz@blakes.com</a></p>

FIRM	SOLICITORS
<p><b>CIT BUSINESS CREDIT CANADA INC.</b> 207 Queens Quay West Suite 700 Toronto, Ontario M5J 1A7 Fax: (416) 507-5100</p>	<p><b>Dennis McCluskey</b> Tel: (416) 507-5216 Email: <a href="mailto:dennis.mccluskey@cit.com">dennis.mccluskey@cit.com</a></p> <p><b>Donald Rogers</b> Tel: (416) 507-5056 Email: <a href="mailto:donald.rogers@cit.com">donald.rogers@cit.com</a></p> <p><b>Joe Arnone</b> Tel: (416) 507-5033 Email: <a href="mailto:joe.arnone@cit.com">joe.arnone@cit.com</a></p>
<p><b>LENCZNER SLAGHT LLP</b> 130 Adelaide Street West Suite 2600 Toronto, ON M5H 3P5 Fax: (416) 865-9010</p> <p><b>Lawyers for the Management Directors and RBC Capital Markets</b></p>	<p><b>Peter Griffin</b> Tel: (416) 865-2921 Email: <a href="mailto:pgriffin@litigate.com">pgriffin@litigate.com</a></p> <p><b>Peter J. Osborne</b> Tel: (416) 865-3094 Email: <a href="mailto:posborne@litigate.com">posborne@litigate.com</a></p>
<p><b>OGILVY RENAULT LLP</b> Royal Bank Plaza, South Tower Suite 3800, P.O. Box 84 200 Bay Street Toronto, ON M5J 2Z4 Fax: (416) 216-3930</p> <p><b>Lawyers for the Special Committee</b></p>	<p><b>Mario J. Forte</b> Tel: (416) 216-4870 Email: <a href="mailto:mforte@ogilvyrenault.com">mforte@ogilvyrenault.com</a></p> <p><b>Alan Merskey</b> Tel: (416) 216-4805 Email: <a href="mailto:amerskey@ogilvyrenault.com">amerskey@ogilvyrenault.com</a></p>
<p><b>AIRD &amp; BERLIS LLP</b> Brookfield Place Suite 1800, 181 Bay Street Toronto, ON M5J 2T9 Fax: (416) 863-1515</p> <p><b>Lawyers for Twentieth Century Fox/Incendo Television Distribution Inc. as agent for Twentieth Century Fox Film Corporation, c.o.b in Canada as Twentieth Century Fox Television Canada</b></p>	<p><b>Harry Fogul</b> Tel: (416) 865-7773 Email: <a href="mailto:hfogul@airdberlis.com">hfogul@airdberlis.com</a></p>

FIRM	SOLICITORS
<p><b>FASKEN MARTINEAU DUMOULIN LLP</b>                      66 Wellington Street West                      Suite 4200, Toronto Dominion Bank Tower                      Box 20, Toronto-Dominion Centre                      Toronto ON, M5K 1N6</p> <p>Fax: (416) 364-7813</p> <p><b>Lawyers for certain members of the Asper family</b></p>	<p><b>Jonathan A. Levin</b>                      Tel: (416) 865-4401                      Email: <a href="mailto:jlevin@fasken.com">jlevin@fasken.com</a></p> <p><b>Edmond F.B. Lamek</b>                      Tel: (416) 865-4506                      Email: <a href="mailto:elamek@fasken.com">elamek@fasken.com</a></p>
<p><b>HEENAN BLAIKIE LLP</b>                      Suite 2900, 333 Bay Street                      Bay Adelaide Centre                      P.O. Box 2900                      Toronto, ON M5H 2T4</p> <p><b>Lawyers for CBS International Television Canada,                      a Division of CBS Canada Holdings Co.</b></p>	<p><b>Kenneth D. Kraft</b>                      Tel: (416) 643-6822                      Fax: (416) 360-8425                      Email: <a href="mailto:kkraft@heenan.ca">kkraft@heenan.ca</a></p>
<p><b>MCCARTHY TÉTRAULT LLP</b>                      66 Wellington Street West                      Suite 5300, TD Bank Tower                      Toronto Dominion Centre                      Toronto, ON M5K 1E6</p> <p>Fax: (416) 868-0673</p> <p><b>Lawyers for GSCP Capital Partners VI Fund, L.P.,                      GSCP VI AA One Holding S.ar.l., GSCP VI AA                      One Parallel Holding S.ar.l.</b></p>	<p><b>Kevin P. McElcheran</b>                      Tel: (416) 601-7730                      Email: <a href="mailto:kmcelcheran@mccarthy.ca">kmcelcheran@mccarthy.ca</a></p> <p><b>Malcolm Mercer</b>                      Tel: (416) 601-7659                      Email: <a href="mailto:mmercerc@mccarthy.ca">mmercerc@mccarthy.ca</a></p>
<p><b>MCMILLAN LLP</b>                      Brookfield Place, Suite 4400                      Bay Wellington Tower                      181 Bay Street                      Toronto, ON M5J 2T3</p> <p><b>Lawyers for the Bank of Nova Scotia in its capacity                      as cash management services provider to the                      Applicants</b></p>	<p><b>Andrew J.F. Kent</b>                      Tel: (416) 865-7160                      Fax: (647) 722-6715                      Email: <a href="mailto:andrew.kent@mcmillan.ca">andrew.kent@mcmillan.ca</a></p> <p><b>Hilary E. Clarke</b>                      Tel: (416) 865-7286                      Fax: (416) 865-7048                      Email: <a href="mailto:hilary.clarke@mcmillan.ca">hilary.clarke@mcmillan.ca</a></p>

FIRM	SOLICITORS
<p><b>BRACEWELL &amp; GIULIANI LLP</b>                      1177 Avenue of the Americas                      19th Floor                      New York, NY 10036-2714                      United States of America</p> <p>Goodwin Square                      225 Asylum Street                      Suite 2600                      Hartford CT 06103                      United States of America</p> <p><b>U.S. Lawyers for the Monitor FTI Consulting Canada Inc.</b></p>	<p><b>Jennifer Feldsher</b>                      Tel: (212) 508-6137                      Fax: (212) 938-3837                      Email: <a href="mailto:jennifer.feldsher@bgllp.com">jennifer.feldsher@bgllp.com</a></p> <p><b>Ilia M. O'Hearn</b>                      Tel: (860)256-8536                      Fax: (860) 760-6664                      Email: <a href="mailto:ilia.ohearn@bgllp.com">ilia.ohearn@bgllp.com</a></p>
<p><b>STONECREST CAPITAL INC.</b>                      Suite 3130, Royal Trust Tower                      77 King Street West                      P.O. Box 33, TD Centre                      Toronto ON M5K 1B7</p> <p>Fax: (416) 364-7275</p> <p><b>Chief Restructuring Advisor for the Applicants</b></p>	<p><b>Harold S. (Hap) Stephen</b>                      Tel: (416) 364-0228                      Email: <a href="mailto:hstephen@stonecrestcapital.com">hstephen@stonecrestcapital.com</a></p>
<p><b>RBC CAPITAL MARKETS</b>                      Royal Bank Plaza, South Tower                      4th Floor, 200 Bay Street, P.O. Box 50                      Toronto, ON M5J 2W7</p> <p>Fax: (416) 842-7700</p>	<p><b>Peter L. Buzzi</b>                      Tel: (416) 842-7687                      Email: <a href="mailto:peter.buzzi@rbccm.com">peter.buzzi@rbccm.com</a></p> <p><b>Richard M. Grudzinski</b>                      Tel: (416) 842-5676                      Email: <a href="mailto:richard.grudzinski@rbccm.com">richard.grudzinski@rbccm.com</a></p>
<p><b>CAVALLUZZO HAYES SHILTON MCINTYRE &amp; CORNISH LLP</b>                      474 Bathurst Street, Suite 300                      Toronto, ON M5T 2S6</p> <p>Fax: (416) 964-5895</p> <p><b>Lawyers for the CHCH Retirees</b></p>	<p><b>Hugh O'Reilly</b>                      Tel: (416) 964-5514                      Email: <a href="mailto:horeilly@cavalluzzo.com">horeilly@cavalluzzo.com</a></p> <p><b>Amanda Darrach</b>                      Tel: (416) 964-5511                      Email: <a href="mailto:adarrach@cavalluzzo.com">adarrach@cavalluzzo.com</a></p>
<p><b>LAX O'SULLIVAN SCOTT LLP</b>                      145 King Street West, Suite 1920                      Toronto, ON M5H 1J8</p> <p>Fax: (416) 598-3730</p> <p><b>Lawyers for CRS Inc.</b></p>	<p><b>Terrence O'Sullivan</b>                      Tel: (416) 598-3556                      Email: <a href="mailto:tosullivan@counsel-toronto.com">tosullivan@counsel-toronto.com</a></p> <p><b>Shaun Laubman</b>                      Tel: (416) 360-8481                      Email: <a href="mailto:slaubman@counsel-toronto.com">slaubman@counsel-toronto.com</a></p>

FIRM	SOLICITORS
<p><b>OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS</b> Department of Justice Canada 255 Albert Street, 12<sup>th</sup> Floor Ottawa, ON K1V 6N5 Fax: (613) 952-5031</p>	<p><b>Carol Taraschuk</b> Tel: (613) 990-7496 Email: <a href="mailto:carol.taraschuk@osfi-bsif.gc.ca">carol.taraschuk@osfi-bsif.gc.ca</a></p>
<p><b>CHAITONS LLP</b> 185 Sheppard Avenue West Toronto, ON M2N 1M9 Fax: (416) 218-1849 <b>Lawyers for E! Entertainment Television Inc.</b></p>	<p><b>Harvey Chaiton</b> Tel: (416) 218-1129 Email: <a href="mailto:harvey@chaitons.com">harvey@chaitons.com</a></p>
<p><b>BLAKE, CASSELS &amp; GRAYDON LLP</b> 199 Bay Street, Suite 2800 Commerce Court West Toronto, ON M5L 1A9 Fax: (416) 863-2653 <b>CHAPMAN AND CUTLER LLP</b> 111 West Monroe Street Chicago, IL 60603 Fax: (312) 701-2361 <b>Lawyers for General Electric Capital Corporation (as Administrative Agent) and GE Canada Finance Holding Company (as Administrative and Collateral Agent)</b></p>	<p><b>Pamela L.J. Huff</b> Tel: (416) 863-2958 Email: <a href="mailto:pamela.huff@blakes.com">pamela.huff@blakes.com</a> <b>Michelle Laniel</b> Tel: (416) 863-2443 Email: <a href="mailto:michelle.laniel@blakes.com">michelle.laniel@blakes.com</a> <b>Marie C. Oldham</b> Tel: (312) 845-2967 Email: <a href="mailto:oldham@chapman.com">oldham@chapman.com</a></p>
<p><b>CALEYWRAY</b> <b>Labour/Employment Lawyers</b> 1600-65 Queen Street West Toronto, ON M5H 2M5 Fax: (416) 366-3293 <b>Lawyers for the Communications, Energy and Paperworkers Union of Canada</b></p>	<p><b>Douglas J. Wray</b> Tel: (416) 775-4673 Email: <a href="mailto:wrayd@caleywray.com">wrayd@caleywray.com</a> <b>Jesse Kugler</b> Tel: (416) 775-4677 Email: <a href="mailto:kuglerj@caleywray.com">kuglerj@caleywray.com</a></p>

FIRM	SOLICITORS
<p><b>DEPARTMENT OF JUSTICE ONTARIO REGIONAL OFFICE</b> The Exchange Tower 130 King Street West Suite 3400, Box 36 Toronto, ON M5X 1K6</p> <p>Fax: (416) 973-0809</p> <p><b>Lawyers for the Attorney General of Canada</b></p>	<p><b>Jacqueline Dais-Visca</b> Tel: (416) 952-6010 Email: <a href="mailto:jacqueline.dais-visca@justice.gc.ca">jacqueline.dais-visca@justice.gc.ca</a></p> <p><b>Diane Winters</b> Tel: (416) 973-3172 Email: <a href="mailto:diane.winters@justice.gc.ca">diane.winters@justice.gc.ca</a></p> <p><b>Christopher Lee</b> Tel: (416) 954-8247 Email: <a href="mailto:christopher.lee@justice.gc.ca">christopher.lee@justice.gc.ca</a></p>
<p><b>FINANCIAL SERVICES COMMISSION OF ONTARIO, PENSION DIVISION</b> 5160 Yonge Street P.O. Box. 85, 4<sup>th</sup> Floor Toronto, ON M2N 6L9</p> <p>Fax: (416) 590-7556</p>	<p><b>Deborah McPhail, Senior Counsel</b> Tel: (416) 226-7764 Email: <a href="mailto:deborah.mcphail@fscso.gov.on.ca">deborah.mcphail@fscso.gov.on.ca</a></p> <p><b>Alena Thouin</b> Tel: (416) 590-7238 Email: <a href="mailto:alena.thouin@fscso.gov.on.ca">alena.thouin@fscso.gov.on.ca</a></p> <p><b>Mark Bailey</b> Tel: (416) 590-7555 Email: <a href="mailto:mark.bailey@fscso.gov.on.ca">mark.bailey@fscso.gov.on.ca</a></p>
<p><b>CHAITONS LLP</b> 185 Sheppard Avenue West Toronto, ON M2N 1M9</p> <p>Fax: (416) 218-1849</p> <p><b>Lawyers for Alfred Haber Distribution, Inc. and affiliates</b></p>	<p><b>Harvey Chaiton</b> Tel: (416) 218-1129 Email: <a href="mailto:harvey@chaitons.com">harvey@chaitons.com</a></p>
<p><b>THORNTONGROUTFINNIGAN LLP</b> 100 Wellington Street West Suite 3200 Toronto, ON M5K 1K7</p> <p>Fax: (416) 304-1313</p> <p><b>Lawyers for NBC Universal Television Distribution</b></p>	<p><b>Robert I. Thornton</b> Tel: (416) 304-0560 Email: <a href="mailto:rthornton@tgf.ca">rthornton@tgf.ca</a></p> <p><b>Kyla E.M. Mahar</b> Tel: (416) 304-0594 Email: <a href="mailto:kmahar@tgf.ca">kmahar@tgf.ca</a></p> <p><b>Danny Nunes</b> Tel: (416) 304-0592 Email: <a href="mailto:dnunes@tgf.ca">dnunes@tgf.ca</a></p>



FIRM	SOLICITORS
<p><b>LANG MICHENER LLP</b> Brookfield Place 181 Bay Street, Suite 2500 Toronto, ON M5J 2T7</p> <p>Fax: (416) 365-1719</p> <p><b>Lawyers for Columbia Tristar Media Group of Canada</b></p>	<p><b>Sheryl E. Seigel</b> Tel: (416) 307-4063 Email: <a href="mailto:sseigel@langmichener.ca">sseigel@langmichener.ca</a></p>
<p><b>SONY PICTURES</b> Corporate Distribution, Legal Affairs 10202 West Washington Boulevard Culver City, California 90232-3195</p> <p>Fax: (310) 244-5774</p> <p><b>Lawyers for Sony Pictures Television</b></p>	<p><b>Cynthia Pinkos</b> Tel: (310) 244-6472 Email: <a href="mailto:cynthia_pinkos@spe.sony.com">cynthia_pinkos@spe.sony.com</a></p>
<p><b>MCCAGUE, PEACOCK, BORLACK, MCINNIS &amp; LLOYD LLP</b> The Exchange Tower Suite 2700, P.O. Box 136 130 King Street West Toronto, ON M5X 1C7</p> <p>Fax: (416) 860-0003</p> <p><b>Lawyers for Adelt Mechanical Works Ltd.</b></p>	<p><b>Stephen Barbier</b> Tel: (416) 860-5243 Email: <a href="mailto:sbarbier@mwpb.com">sbarbier@mwpb.com</a></p>
<p><b>HEENAN BLAIKIE</b> Bay Adelaide Centre 333 Bay Street, Suite 2900 P.O. Box 2900 Toronto, ON M5H 2T4</p> <p>Fax: (416) 360-8425</p> <p><b>Lawyers for The Dalton Company Ltd.</b></p>	<p><b>Howard Krupat</b> Tel: (416) 643-6969 Email: <a href="mailto:hkrupat@heenan.ca">hkrupat@heenan.ca</a></p>
<p><b>THORNTONGROUTFINNIGAN LLP</b> 100 Wellington Street West Suite 3200 Toronto, ON M5K 1K7</p> <p>Fax: (416) 304-1313</p> <p><b>Lawyers for the National Academy of Recording Arts &amp; Sciences, Inc.</b></p>	<p><b>Leanne M. Williams</b> Tel: (416) 304-0060 Email: <a href="mailto:lwilliams@tgf.ca">lwilliams@tgf.ca</a></p>

FIRM	SOLICITORS
<p><b>LAWSON LUNDELL LLP</b>            Suite 1600, Cathedral Place            925 West Georgia Street            Vancouver, BC V6C 3L2</p> <p>Fax: (604) 694-1957</p> <p><b>Lawyers for A&amp;E Television Networks</b></p>	<p><b>Heather M.B. Ferris</b>            Tel: (604) 631-9145            Email: <a href="mailto:hferris@lawsonlundell.com">hferris@lawsonlundell.com</a></p>
<p><b>SUTTS, STROSBERG LLP</b>            600-251 Goyeau Street            Windsor, ON N9A 6V4</p> <p>Fax: 1-866-316-5308</p> <p><b>Lawyers for Incorporated Broadcasters Limited,            Mae Management Corporation, Seymour Epstein            and Paul Morton</b></p>	<p><b>William V. Sasso</b>            Tel: (519) 561-6222            Email: <a href="mailto:wvs@strosbergco.com">wvs@strosbergco.com</a></p> <p><b>Jacqueline A. Horvat</b>            Tel: (519) 561-6245            Email: <a href="mailto:jah@strosbergco.com">jah@strosbergco.com</a></p>
<p><b>BOUGHTON LAW CORPORATION</b>            595 Burrard Street, Suite 700            P.O. Box 49290            Vancouver, BC V7X 1S8</p> <p>Fax: (604) 683-5317</p> <p><b>Lawyers for Starz Media, LLC</b></p>	<p><b>Alan H. Brown</b>            Tel: (604) 647-6426            Email: <a href="mailto:abrown@boughton.ca">abrown@boughton.ca</a></p>
<p><b>AIRD &amp; BERLIS LLP</b>            Brookfield Place, Suite 1800            181 Bay Street, Box 654            Toronto, ON M5J 2T9</p> <p>Fax: (416) 863-1515</p> <p><b>Agents for Vorys, Sate, Seymour and Pease LLP,            lawyers for CNN Newsource Sales, Inc.</b></p>	<p><b>Sam Babe</b>            Tel: (416) 863-1500            Email: <a href="mailto:sbabe@airdberlis.com">sbabe@airdberlis.com</a></p>
<p><b>CAVALLUZZO HAYES SHILTON McINTYRE &amp;            CORNISH LLP</b>            474 Bathurst Street, Suite 300            Toronto, ON M5T 2S6</p> <p>Fax: (416) 964-5895</p> <p><b>Lawyers for the Canadian Media Guild</b></p>	<p><b>Hugh O'Reilly</b>            Tel: (416) 964-1115            Email: <a href="mailto:horeilly@cavalluzzo.com">horeilly@cavalluzzo.com</a></p>

FIRM	SOLICITORS
<p><b>MINDEN GROSS LLP</b> 2200-145 King Street West Toronto, ON M5H 4G2</p> <p>Fax: (416) 864-9223</p> <p><b>Lawyers for Canadian Film &amp; Television Production Association</b></p>	<p><b>David T. Ullmann</b> Tel: (416) 369-4148 Email: <a href="mailto:dullmann@mindengross.com">dullmann@mindengross.com</a></p> <p><b>Melissa J. McCready</b> Tel: (416) 369-4106 Email: <a href="mailto:mmccready@mindengross.com">mmccready@mindengross.com</a></p>

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	Exhibit "A" Initial Order dated October 6, 2009	36-69
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# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

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

APPLICANTS

**NOTICE OF MOTION  
(Approval of Subscription Agreement)**

Canwest Global Communications Corp. ("Canwest Global") and the other Applicants listed on Schedule "A" hereto (the "Applicants") and the Partnerships listed on Schedule "B" hereto (the "Partnerships" and, together with the Applicants, the "CMI Entities") will make a motion before a judge of the Ontario Superior Court of Justice on Friday, February 19, 2010 at 10:00 A.M., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An Order (the "Approval Order"):
  - (a) if necessary, abridging the time for service of this Notice of Motion and the Motion Record herein, and directing that any further service of the Notice of Motion and Motion Record be dispensed with;
  - (b) approving (i) the Subscription Agreement dated February 11, 2010 (the "Subscription Agreement") between Shaw Communications Inc. ("Shaw Communications") and Canwest Global, including the subscription term

sheet appended thereto (the "Subscription Term Sheet"); (ii) an amendment (the "Amended Support Agreement") dated February 11, 2010 to the Support Agreement and Restructuring Term Sheet (both as defined below) made between the members of the Ad Hoc Committee (as defined below) and the CMI Entities; and (iii) the support agreement (the "Shaw Support Agreement") dated February 11, 2010 between Shaw Communications, Canwest Global and the 8% Senior Subordinated Noteholders (as defined below) party thereto (the "Consenting Noteholders") (collectively, the "Shaw Definitive Documents");

- (c) authorizing and approving the entering into, execution and delivery of the Shaw Definitive Documents by Canwest Global and the performance by Canwest Global of those agreements in accordance with their terms and conditions;
- (d) declaring that the assets, property and undertaking of the CMI Entities are subject to a charge ranking after all existing charges in existence as at the date of the Approval Order in order to secure the payment of the Termination Fee (as defined below) and the Expense Reimbursement (as defined below); and
- (e) authorizing and directing the Monitor (as defined below) post a copy of the Shaw Definitive Documents (without signature pages) on the Monitor's website and to send a copy of the Shaw Definitive Documents (without signature pages) by electronic transmission to the service list maintained with respect to this CCAA proceeding.

2. In the alternative, if the Approval Order is not granted, sealing the confidential supplement to the Monitor's Tenth Report (the "Confidential Supplement") until further Order of the Court.

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

**THE GROUNDS FOR THE MOTION ARE:**

1. The CMI Entities were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) dated October 6, 2009. FTI Consulting Canada Inc. was appointed at that time to act as monitor (the "Monitor") in this CCAA proceeding;
2. The Initial Order granted a stay of proceedings until November 5, 2009, or such later date as this Honourable Court may order. On October 30, 2009, the CMI Entities obtained an Order, *inter alia*, extending the Stay Period until January 22, 2010. On January 21, 2010, the CMI Entities obtained a further Order extending the Stay Period until March 31, 2010;
3. The CMI Entities have been pursuing a consensual recapitalization transaction (the "Recapitalization Transaction"), as contemplated in the term sheet (the "Restructuring Term Sheet") which was appended to the Support Agreement executed by approximately 70% of the 8% Senior Subordinated Noteholders (the "Support Agreement");
4. Under the Restructuring Term Sheet, it was proposed, *inter alia*, that creditors of the CMI Entities whose claims are compromised under the plan of arrangement or compromise (the "Plan"), including the 8% Senior Subordinated Noteholders, would receive shares of a restructured Canwest Global ("Restructured Canwest Global") which would be a publicly-listed company on the TSX;
5. On or about November 2, 2009, the CMI Entities, with the assistance of RBC Capital Markets ("RBC"), commenced a comprehensive equity solicitation process (the "Solicitation Process") in order to identify one or more Canadians (the "New Investors") (as defined in the *Direction to the CRTC (Ineligibility of Non-Canadians)* (the "CRTC Direction")) that would invest at least \$65 million in Restructured Canwest Global;
6. Approximately 90 potential investors were contacted by RBC in the first phase of the Solicitation Process. The list of potential investors included both strategic and financial investors and qualified individuals in Canada;



7. Approximately 22 potential New Investors executed non-disclosure agreements and were invited to submit first round non-binding proposals by December 2, 2009;

8. Ultimately, six potential New Investors submitted non-binding proposals as of December 2, 2009. Based upon the recommendation of RBC, five of the six potential investors were invited to participate in the second phase of the Solicitation Process;

9. On January 20, 2010, RBC informed the remaining participants that final binding offers ("Formal Bids") were required to be received by 5:00 p.m. on January 27, 2010;

10. Two Formal Bids were received by RBC on or before the January 27, 2010 deadline, one of which was a Formal Bid from Shaw Communications;

11. RBC and the CMI Entities, in consultation with the Ad Hoc Committee and the CMI Chief Restructuring Advisor (the "CMI CRA"), proceeded to discuss each Formal Bid with the two remaining potential New Investors in an attempt to reach an agreement that would secure the best possible transaction in the circumstances. During this time, the terms of the Shaw Definitive Documents were negotiated;

12. On February 11, 2010, on the recommendation of the Special Committee of Canwest Global, the board of directors of Canwest Global approved the entering into of the Shaw Definitive Documents;

13. The Formal Bid submitted by Shaw Communications, as reflected in the Shaw Definitive Documents, was the best overall offer received by the CMI Entities, considering various criteria, including those communicated by RBC to the participants in the Solicitation Process;

14. The Subscription Agreement (together with the Subscription Term Sheet) contemplates that, rather than restructure Canwest Global as a public company, Restructured Canwest Global will be a private company whose shareholders will be comprised of Shaw Communications (or a direct or indirect wholly-owned subsidiary of Shaw Communications that is Canadian as defined in the CRTC Direction) (Shaw Communications and any such designated wholly-owned subsidiary being collectively referred to herein as "Shaw") and those 8% Senior Subordinated Noteholders and other participating creditors of Canwest Global that elect to

receive equity shares of Restructured Canwest Global and that would hold at least 5% of the equity of Restructured Canwest Global following the completion of the proposed Recapitalization Transaction (the “Participating Creditors”). Creditors that would hold less than 5% of the equity shares of Restructured Canwest Global upon completion of the Recapitalization Transaction (the “Non-Participating Creditors”) and existing shareholders of Canwest Global (the “Existing Shareholders”) will receive a cash payment (rather than equity shares of Restructured Canwest Global) to extinguish their interests to be affected pursuant to the Plan. The amount of cash to be distributed to each Non-Participating Creditor will be equal to the value of the equity they would otherwise have received under the Recapitalization Transaction as originally proposed but using the higher implied equity value contained in the Formal Bid by Shaw Communications;

15. The Subscription Agreement provides that, prior to or as soon as reasonably practicable following the successful completion of the Recapitalization Transaction, Restructured Canwest Global will apply to be de-listed from the TSX Venture Exchange and will apply to cease to be a reporting issuer for purposes of Canadian securities laws;

16. The Subscription Agreement contains certain customary deal protection provisions, including an “exclusivity” provision and a “termination fee” provision in favour of Shaw;

17. The “termination fee” provisions require Canwest Global to pay a termination fee in the amount of \$5 million (the “Termination Fee”) to Shaw and to reimburse Shaw for certain out-of-pocket fees and expenses up to \$2.5 million (the “Expense Reimbursement”) in the event that Canwest Global fails to satisfy certain conditions in favour of Shaw or if Canwest Global terminates the Shaw Support Agreement under certain circumstances. The Expense Reimbursement is also payable to Shaw upon closing of the Recapitalization Transaction;

18. The “termination fee” provisions and the “exclusivity” provisions are reasonable and necessary in the circumstances;

19. The Subscription Agreement requires the proposed Approval Order to provide for a charge over all of the assets, property and undertaking of the CMI Entities after all existing

charges in existence as at the date of the Approval Order in order to secure the payment of the Termination Fee and the Expense Reimbursement;

20. The CMI Entities and the ad hoc committee of 8% Senior Subordinated Noteholders (the "Ad Hoc Committee") have agreed to enter into the Amended Support Agreement in order to amend and restate a number of the terms of the Support Agreement and the Restructuring Term Sheet so that each will conform with the Subscription Agreement;

21. The obligation of Shaw and the Ad Hoc Committee to support the Recapitalization Transaction is subject to the conditions set out in the Shaw Support Agreement;

22. The Shaw Definitive Documents together represent the best available transaction for the equity investment required by the Recapitalization Transaction and are a crucial step towards the finalization of the Plan;

23. The entering into of the Shaw Definitive Documents is supported by the CMI CRA, the Ad Hoc Committee and the CMI Entities' senior management;

24. The Confidential Supplement contains copies of the Shaw Definitive Documents (without signature pages) and have been filed on a confidential basis with the material non-financial terms of such agreement being disclosed, in order to preserve the integrity of the Solicitation Process;

25. Disclosing the Shaw Definitive Documents at this time would be extremely detrimental to the CMI Entities' interest as it would significantly weaken Canwest Global's ability to bargain with other potential investors which may later wish to make an equity investment in Restructured Canwest Global in the event that the Approval Order is not granted;

26. It is proposed that the Monitor will post a copy of the Shaw Definitive Documents (without signature pages) on the Monitor's website and will distribute a copy of such agreements (without signature pages) to the service list should the Approval Order be granted;

27. Should the Approval Order not be granted, it is proposed that the Shaw Definitive Documents be sealed and kept confidential until further Order of the Court.

28. It is in the interests of the CMI Entities and their respective stakeholders that the Approval Order be granted;

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

30. Rules 1.04, 1.05, 2.03, 3.02, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 137(2) of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

31. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this motion:

1. The Affidavit of Thomas C. Strike sworn February 12, 2010 and the exhibit thereto;
2. The Tenth Report of the Monitor and the appendices thereto;
3. The Confidential Supplement; and
4. Such further and other materials as counsel may advise and this Honourable Court may permit.

February 12, 2010

**OSLER, HOSKIN & HARCOURT LLP**  
P.O. Box 50  
1 First Canadian Place  
Toronto, ON M5X 1B8

Lyndon A.J. Barnes (LSUC #13350D)  
Jeremy Dacks (LSUC #41851R)  
Shawn T. Irving (LSUC #50035U)

Tel: (416) 862-6679/4923/4733  
Fax: (416) 862-6666

Lawyers for the Applicants

TO: THE SERVICE LIST

**Schedule "A"****Applicants**

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

**Schedule "B"****Partnerships**

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

# **TAB 2**



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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

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

Applicants

**AFFIDAVIT OF THOMAS C. STRIKE  
(Sworn February 12, 2010)**

I, Thomas C. Strike, of the City of Winnipeg, in the Province of Manitoba,  
MAKE OATH AND SAY:

1. I am the President, Corporate Development & Strategy Implementation and Recapitalization Officer of Canwest Global Communications Corp. ("**Canwest Global**"). I am also a director of Canwest Media Inc. ("**CMI**") and an officer and/or director of certain of the Applicants listed in Schedule "A" hereto (the "**Applicants**"). As such, I have personal knowledge of the matters deposed to herein. Where I have relied upon other sources for information, I have specifically referred to such sources and verily believe them to be true.

2. This affidavit is sworn in support of a motion brought by Canwest Global and the other Applicants listed in Schedule "A" hereto and the Partnerships listed in Schedule "B" hereto (the "**Partnerships**" and, together with the Applicants, the "**CMI Entities**") seeking an Order (the "**Approval Order**"), *inter alia*, (i) approving the Subscription Agreement dated February 11, 2010 (the "**Subscription Agreement**") between Shaw Communications Inc. ("**Shaw Communications**") and Canwest Global, including the subscription term sheet appended thereto (the "**Subscription Term Sheet**"); (ii) approving an amendment and restatement dated February 11, 2010 (the "**Amended Support Agreement**") of the Support Agreement and Restructuring Term Sheet (both as defined below) made between the 8% Senior Subordinated Noteholders (as

defined below) party thereto and the CMI Entities and approved by this Honourable Court on October 6, 2009; (iii) approving the support agreement dated February 11, 2010 (the “**Shaw Support Agreement**”) between Shaw Communications, Canwest Global and the 8% Senior Subordinated Noteholders party thereto (the “**Consenting Noteholders**”); (iv) authorizing and approving the entering into, execution and delivery of the Subscription Agreement, the Amended Support Agreement and the Shaw Support Agreement by Canwest Global and the performance by Canwest Global of those agreements in accordance with their terms and conditions; and (v) declaring that the assets, property and undertaking of the CMI Entities are subject to a charge ranking after all existing charges as at the date of the Approval Order in order to secure the payment of the Termination Fee (as defined below) and the Expense Reimbursement (as defined below).

## **BACKGROUND**

3. The CMI Entities were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 6, 2009. FTI Consulting Canada Inc. was appointed at that time to act as monitor (the “**Monitor**”) in this CCAA proceeding.

4. The Initial Order, a copy of which is attached as Exhibit “A” to this Affidavit, granted, *inter alia*, a stay of proceedings (the “**Stay Period**”) until November 5, 2009, or such later date as this Honourable Court may order. On October 30, 2009, the CMI Entities obtained an Order, *inter alia*, extending the Stay Period until January 22, 2010. On January 21, 2010, the CMI Entities obtained a further Order extending the Stay Period until March 31, 2010. A copy of the January 21, 2010 extension Order is attached as Exhibit “B” to this Affidavit.

5. Further details regarding the background to this CCAA proceeding are set out in the affidavits sworn by John E. Maguire on October 5, 2009 (the “**Initial Order Affidavit**”), October 22, 2009, October 27, 2009, November 27, 2009 and January 18, 2010, and unless relevant to the present motion, are not repeated herein. A copy of the Initial Order Affidavit, without exhibits, is attached as Exhibit “C” to this Affidavit.

6. Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Initial Order Affidavit.

## **RECAPITALIZATION TRANSACTION**

7. As set out in the Initial Order Affidavit, on October 5, 2009, the CMI Entities agreed to enter into a Support Agreement (the “**Support Agreement**”) with the members of an *ad hoc* committee (the “**Ad Hoc Committee**”) representing over 70% of the holders of CMI’s 8% Senior Subordinated Notes due 2012 (the “**8% Senior Subordinated Noteholders**”). The Support Agreement had attached to it a recapitalization transaction term sheet (the “**Restructuring Term Sheet**”) that set out the summary terms and conditions of a consensual recapitalization transaction involving the CMI Entities (the “**Recapitalization Transaction**”). The Support Agreement and Restructuring Term Sheet represented the culmination of many months of arm’s length negotiations between the CMI Entities and the Ad Hoc Committee. Certain milestone dates set out in the Support Agreement have been extended during the course of this CCAA proceeding. Copies of the Support Agreement and Restructuring Term Sheet that were attached to the Initial Order Affidavit (without signature pages and excluding Schedules F and G) are attached as Exhibit “D” to this Affidavit.

8. The Support Agreement provided that the CMI Entities will pursue a plan of arrangement or compromise on the terms set out in the Restructuring Term Sheet (the “**Plan**”) in order to implement the Recapitalization Transaction as part of this CCAA proceeding. The Restructuring Term Sheet provided, *inter alia*, that creditors of the CMI Entities whose claims are compromised under the Plan, including the 8% Senior Subordinated Noteholders, would receive shares of a restructured Canwest Global (“**Restructured Canwest Global**”) which would be a publicly-listed company on the TSX.

9. In addition, the Restructuring Term Sheet provided, *inter alia*, that one or more Canadians (the “**New Investors**”) (as defined in the *Direction to the CRTC (Ineligibility of Non-Canadians)*) (the “**CRTC Direction**”) would invest at least \$65 million in Restructured Canwest Global. The New Investors must qualify as Canadians in order to satisfy ownership requirements that apply to broadcasters operating under licence from the Canadian Radio-television and Telecommunications Commission (the “**CRTC**”). The equity investment in Restructured Canwest Global must be acceptable to CMI and the Ad Hoc Committee.

## **EQUITY INVESTMENT SOLICITATION PROCESS**

10. 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 (“**RBC**”), relating to RBC’s provision of investment banking services to Canwest Global and its subsidiaries. Since that time, and as described in the Initial Order Affidavit, the CMI Entities have worked closely with RBC in developing the proposed Recapitalization Transaction. During the course of its engagement, RBC has developed detailed and intimate knowledge of the business of the CMI Entities and has been uniquely positioned to design and conduct an equity investment solicitation process on behalf of the CMI Entities to attract the New Investors required to implement the Recapitalization Transaction.

11. On or about November 2, 2009, RBC commenced an equity investment solicitation process required to implement the Recapitalization Transaction and, in particular, to identify potential New Investors that, among other things, would satisfy the requirement of being Canadian for purposes of the CRTC Direction. RBC conducted the equity investment solicitation process in two phases. The CMI Entities’ Chief Restructuring Advisor (the “**CMI CRA**”) was actively involved in all aspects of the equity investment solicitation process. The Monitor was provided with periodic updates during the process.

12. In the first phase of the equity investment solicitation process (“**Phase 1**”), RBC contacted approximately 90 potential investors to inquire whether they would be interested in making a minimum 20% equity investment in Restructured Canwest Global. During the course of initial discussions with potential investors that indicated an interest in an alternative transaction, it was recognized that alternative proposals would be considered. The list of potential investors included both strategic and financial investors and qualified high net worth individuals in Canada and was generated by RBC through its own internal sources and in consultation with the CMI Entities, the CMI CRA and the Ad Hoc Committee. In total, 52 potential investors expressed interest in the investment opportunity and were sent a “teaser” document and a form of non-disclosure agreement (“**NDA**”). The “teaser” was based upon public information and provided a high-level overview of the investment opportunity and the equity investment solicitation process, and was designed to assist potential investors in determining whether to execute a NDA and receive more detailed and confidential information regarding the CMI Entities. Ultimately, 22 potential investors executed NDAs and received a more

comprehensive confidential information memorandum and access to an internet-based data room containing further confidential information including financial models and operational information. Throughout the equity investment solicitation process, RBC and the CMI Entities continued to update the internet-based data room to ensure that accurate and timely information was provided to the participants in the process.

13. Potential investors that executed a NDA were invited to submit non-binding proposals, along with a mark-up of a proposed equity investment term sheet provided to them by RBC on behalf of the CMI Entities, by no later than December 2, 2009. Potential investors were advised to specifically raise significant proposed modifications to the proposed equity investment term sheet, and it was recommended that RBC be given advance notice of significant structuring issues or other significant changes that potential investors were going to propose to the term sheet. RBC also advised the potential investors that any party seeking to pursue a potential equity investment in Restructured Canwest Global was expected to prepare and submit a non-binding proposal (the “**Initial Proposal**”). Potential investors were informed that Canwest Global would favour investors that placed the highest equity value on Restructured Canwest Global and demonstrated the ability and willingness to complete due diligence and documentation within the required timeline.

14. The potential investors were advised to address a number of matters in the Initial Proposal, including, *inter alia*:

- (a) the dollar amount being proposed to be invested in cash on the date of emergence of Restructured Canwest Global and the other CMI Entities from the CCAA proceeding (the “**Emergence Date**”);
- (b) the proposed equity ownership stake to be acquired by the potential investor as a percentage of total equity ownership of Restructured Canwest Global;
- (c) a description of the entity that would be making the proposed equity investment, the principals/shareholders of the investing entity and confirmation that the investing entity would be a “Canadian” as defined in the CRTC Direction;

- (d) information on the anticipated sources of capital, preliminary evidence of the availability of such capital, and the steps and associated timing to obtain the capital;
- (e) a detailed description of the additional due diligence and/or information that would be required by the prospective investor in order to provide a binding equity investment proposal;
- (f) an indication of the level of review and approval that the Initial Proposal had received, as well as any additional corporate or other internal approvals required prior to executing a definitive agreement; and
- (g) any regulatory approvals, consents or other conditions (other than CRTC approval) necessary to complete the proposed equity investment.

15. Participants in Phase 1 were also informed that if an interested party's Initial Proposal met Canwest Global's objectives, then that party would be invited to commence the next phase of the process, and would be allowed to perform confirmatory due diligence and would have the opportunity to meet with Canwest Global's senior management team.

16. As of December 2, 2009, six potential investors submitted Initial Proposals as part of the equity investment solicitation process. Based upon the recommendation of RBC, five of the six potential investors that submitted Initial Proposals as part of the formal process were invited to participate in phase 2 of the equity investment solicitation process ("**Phase 2**"). An additional prospective investor submitted a proposal outside of the equity investment solicitation process. This investor was unwilling to execute a NDA in order to receive the confidential information available to parties during Phase 1 of the process. Accordingly, further discussions with this investor were not pursued, although further attempts were made by RBC to encourage this potential investor to execute a NDA and enter the equity investment solicitation process.

17. RBC commenced Phase 2 shortly after the receipt of the non-binding Initial Proposals. As part of Phase 2, the CMI Entities' senior management team, together with RBC, met with and provided each Phase 2 participant (collectively, "**Phase 2 Participants**") with a detailed management presentation as well as further detailed and confidential information regarding the investment opportunity to facilitate each party's ongoing due

diligence. The management presentations provided the opportunity for Phase 2 Participants to ask RBC and senior management of the CMI Entities specific questions about the business and the investment opportunity. Further, RBC arranged, to the extent required, for additional business and legal due diligence sessions with the CMI Entities' management and their legal and financial advisors as part of Phase 2. The CMI Entities continued to add further information to the internet-based data room in response to information requests from the Phase 2 Participants.

18. On December 22, 2009, RBC informed the Phase 2 Participants that the deadline for the submission of final binding offers would likely be during the latter half of January 2010. RBC informed the Phase 2 Participants that, in addition to ongoing access to the CMI Entities' senior management team and RBC, they would also have the opportunity to meet with members of the Ad Hoc Committee prior to submitting their proposals. In advance of any such meetings, RBC requested that Phase 2 Participants provide certain additional information, including the status of due diligence and any further information requests and their then current thinking on the proposed ownership/governance structure of Restructured Canwest Global, taking into account CRTC requirements.

19. Four of the five Phase 2 Participants met with the CMI Entities, RBC, the CMI CRA and certain representatives of the Ad Hoc Committee to discuss the potential equity investment. The fifth Phase 2 Participant withdrew from the equity investment solicitation process.

20. On January 20, 2010, RBC informed the four remaining Phase 2 Participants that final binding offers (the "**Formal Bids**" and each a "**Formal Bid**") were required to be received by 5:00 p.m. on January 27, 2010. The Phase 2 Participants were provided with a copy of a proposed equity subscription agreement together with an attached term sheet for the proposed equity investment. The attached term sheet was based upon the form of term sheet provided in Phase 1, amended to be consistent with the provisions incorporated in the proposed subscription agreement.

21. In order to assist the parties with their Formal Bids, RBC communicated to Phase 2 Participants a number of criteria that Canwest Global and RBC would consider in evaluating any offers (many of which were similar to the criteria communicated prior to the receipt of the Initial Proposals), including, *inter alia*:

- (a) the dollar amount being proposed to be invested in cash on the Emergence Date;
- (b) the proposed equity ownership stake to be acquired as a percentage of the total equity ownership of Restructured Canwest Global;
- (c) confirmation that the investing entity is a “Canadian” as defined in the CRTC Direction;
- (d) the nature and extent of any changes to the proposed subscription agreement (including the equity investment term sheet attached thereto). It was again noted that potential investors should specifically raise significant proposed modifications to the proposed subscription agreement (including the equity investment term sheet attached thereto) and that RBC be given advance notice of significant structuring issues;
- (e) sources of financing and confirmation that the offer would not be subject to any financing conditions;
- (f) preference being given to offers that would not be subject to any further due diligence;
- (g) confirmation that all required corporate approvals would have been obtained and that no additional approvals would be required to implement the offer;
- (h) confirmation that the offer and proposed subscription agreement would remain open, binding, enforceable and in effect on a confidential basis for a period of not less than 14 days from the deadline for submission of offers; and
- (i) confirmation that the proposed investor would be willing to proceed with its investment on the basis that the Amended and Restated Shareholders Agreement with GS Capital Partners VI Fund, L.P. and its affiliates (“**Goldman Sachs**”) concerning CW Investments Co. (the “**CW Investments Shareholders Agreement**”) would be amended on terms acceptable to the proposed investor.



### ***Offers Received***

22. Two Formal Bids were received from Phase 2 Participants (the “**Formal Bidders**”) by RBC prior to the January 27, 2010 deadline, one of which was the Formal Bid from Shaw Communications. Both Formal Bids included mark-ups of the proposed equity subscription agreement and subscription term sheet for the proposed equity investment. RBC and the CMI Entities, in consultation with the Ad Hoc Committee and the CMI CRA, proceeded to discuss each Formal Bid with each of the Formal Bidders in an attempt to reach an agreement with a prospective New Investor that would secure the best possible transaction in the circumstances and which would allow the CMI Entities to proceed to finalize the Plan and seek to emerge from CCAA protection as a viable going concern business.

### ***Shaw Communications’ Formal Bid***

23. Rather than restructure Canwest Global as a public company as was originally contemplated in the Support Agreement and as was proposed in the form of subscription agreement and subscription term sheet that accompanied RBC’s solicitation of Formal Bids, the Formal Bid by Shaw Communications contemplated that Restructured Canwest Global would be a private company, the shareholders of which would be comprised of Shaw Communications or a direct or indirect wholly-owned subsidiary of Shaw Communications that is Canadian as defined in the CRTC Direction (Shaw Communications and any such designated wholly-owned subsidiary being collectively referred to herein as “**Shaw**”) and those 8% Senior Subordinated Noteholders and other creditors of Canwest Global that elected to receive equity shares of Restructured Canwest Global and that would hold at least 5% of the equity shares of Restructured Canwest Global following the completion of the proposed Recapitalization Transaction (collectively, the “**Participating Creditors**”). Creditors that would hold less than 5% of the equity shares of Restructured Canwest Global upon completion of the Recapitalization Transaction (the “**Non-Participating Creditors**”) and existing shareholders of Canwest Global (the “**Existing Shareholders**”) would receive cash payments (rather than equity shares of Restructured Canwest Global) to extinguish their interests to be affected pursuant to the Plan. The amount of cash to be distributed to each Non-Participating Creditor would be equal to the value of the equity they would otherwise have received under the Recapitalization Transaction as originally proposed but using the higher implied equity value contained in the Formal Bid by Shaw Communications.

24. Shaw Communications' Formal Bid contemplated that, prior to or as soon as reasonably practicable following the successful completion of the Recapitalization Transaction, Restructured Canwest Global would apply to be de-listed from the TSX Venture Exchange and would apply to cease to be a reporting issuer for purposes of Canadian securities laws.

25. Other basic elements of Shaw Communications' Formal Bid were as follows:

- (a) Shaw would subscribe for that number of Class A Voting Shares in the capital of Restructured Canwest Global (the "**Securities**") that would represent a 20% minimum equity subscription by Shaw in the capital of Restructured Canwest Global in a specified amount and an 80% voting interest in Restructured Canwest Global immediately following completion of the Recapitalization Transaction (the "**Minimum Shaw Commitment**");
- (b) a portion of the net cash proceeds received from the Minimum Shaw Commitment would be distributed to the 8% Senior Subordinated Noteholders pursuant to the Plan in connection with the partial payment of the Secured Intercompany Note (as defined in the Initial Order Affidavit) and the balance would be used for working capital purposes;
- (c) in addition to the Minimum Shaw Commitment, Shaw would subscribe for an additional commitment of equity shares of Restructured Canwest Global at the same price per share (the "**Additional Commitment**") in order to fund cash payments which would be made to the Non-Participating Creditors and the Existing Shareholders pursuant to the Recapitalization Transaction (as amended), subject to the right of the members of the Ad Hoc Committee to elect to participate *pro rata* (based upon the *pro forma* ratio of equity in Restructured Canwest Global allocated to Shaw to equity allocated to the Ad Hoc Committee) with Shaw in the funding of the Additional Commitment;
- (d) confirmation that Shaw would be Canadian in order to comply with the CRTC Direction;
- (e) confirmation that Shaw had adequate financial resources on hand to complete the Recapitalization Transaction;

- (f) none of Shaw's Formal Bid, the Subscription Agreement or the proposed Amended Support Agreement would be subject to financing conditions in favour of Shaw;
- (g) the Formal Bid was subject to confirmatory due diligence with respect to certain matters identified by Shaw; and
- (h) Shaw confirmed that no additional internal approvals were required.

26. Over the next several days, numerous follow-up discussions were held with RBC, the CMI Entities, the CMI CRA, the Ad Hoc Committee and Shaw and their respective advisors to negotiate the terms of the Subscription Agreement (together with the Subscription Term Sheet), Amended Support Agreement and Shaw Support Agreement. The Monitor and its counsel were provided with drafts of the documents and participated in discussions with the advisors to the CMI Entities. The CMI Entities also provided information to Shaw to allow it to complete its confirmatory due diligence. At the same time, discussions were also held between RBC, the CMI Entities, the Ad Hoc Committee and the other Formal Bidder and their respective advisors, in respect of the other Formal Bid.

27. I am advised by Richard Grudzinski, a Managing Director of RBC, and believe that it is RBC's view that the Formal Bid submitted by Shaw, as documented by the Subscription Agreement, Subscription Term Sheet, Amended Support Agreement and Shaw Support Agreement, is the best overall offer received by the CMI Entities, considering various criteria and as set out in paragraph 28 below, including those communicated by RBC to the participants in the equity investment solicitation process. Specifically, among other things, Shaw's Formal Bid provided (i) significant value to Restructured Canwest Global in exchange for the equity investment; (ii) affected creditors the opportunity to receive cash distributions from a Plan as opposed to shares in Restructured Canwest Global; and (iii) a long-term solution and stability for Restructured Canwest Global through the involvement of a strategic investor with significant experience in the media industry.

28. On February 11, 2010, after many days of extensive, arm's length negotiations between RBC, the CMI Entities, the Ad Hoc Committee and the Formal Bidders and their respective advisors, the Special Committee of Canwest Global (the "**Special Committee**") met

to consider the Formal Bids. The Special Committee duly considered the Formal Bids, having regard to the best interests of Canwest Global. After due consideration, the Special Committee recommended to the board of directors of Canwest Global (the “**Board**”) that it approve, and the Board approved, the Subscription Agreement (together with the Subscription Term Sheet), Amended Support Agreement and Shaw Support Agreement. The CMI Entities’ senior management, the CMI CRA, and the Ad Hoc Committee support the entering into of such agreements. The Subscription Agreement, the Amended Support Agreement and the Shaw Support Agreement have been executed by the respective parties thereto (including, in the case of the Shaw Support Agreement and the Amended Support Agreement, by the members of the Ad Hoc Committee) and, should the Approval Order requested of this Honourable Court be granted, such agreements will become effective and legally binding on the parties thereto.

### ***Subscription Agreement***

29. Subject to the terms of the Subscription Term Sheet, Shaw has agreed in the Subscription Agreement to subscribe for the Minimum Shaw Commitment and the Additional Commitment. If agreed by Canwest Global, Shaw and the Ad Hoc Committee, Restructured Canwest Global will be a newly created corporation. Shaw has agreed not to revoke its subscription for the Securities prior to the proposed Approval Order being granted by the Court. If the Approval Order is not granted by February 19, 2010, the Subscription Agreement will have no further force and effect and neither party would be required to perform its obligations thereunder. Copies of the Subscription Agreement (together with the Subscription Term Sheet), the Amended Support Agreement and the Shaw Support Agreement (without signature pages) will be attached to the Confidential Supplement to the Monitor’s Tenth Report which will be filed in respect of this motion. These agreements are being filed on a confidential basis with the material non-financial terms of such agreements being disclosed in this Affidavit, in order to ensure the integrity of the equity investment solicitation process and to protect Canwest Global and Shaw which has, in the opinion of RBC and the CMI Entities, put forward the best offer after a lengthy and exhaustive equity investment solicitation process. It is my belief that disclosing the Subscription Agreement (together with the Subscription Term Sheet), the Amended Support Agreement and the Shaw Support Agreement at this time would be extremely detrimental to the CMI Entities’ interest as it would significantly weaken Canwest Global’s ability to bargain with other potential investors which may later wish to make an equity investment in Restructured Canwest Global in the event that the Approval Order is not granted, as, among other things, the

financial terms that the CMI Entities were prepared to accept will have been disclosed to the market. It is proposed that the Monitor will post copies of the executed Subscription Agreement (together with the Subscription Term Sheet), Amended Support Agreement and Shaw Support Agreement (without signature pages) on the Monitor's website and will distribute copies of such agreements (without signature pages) to the service list should the Approval Order be granted by this Honourable Court.

30. The Subscription Agreement contains certain customary deal protection provisions, including an "exclusivity" provision and a "termination fee" provision in favour of Shaw. In particular, the Subscription Agreement provides that Canwest Global shall not, directly or indirectly, through any officer, director, employee, representative or agent (collectively, "**Representatives**" and each a "**Representative**") of Canwest Global or any Representative of any of its affiliates,

- (a) solicit, initiate, knowingly facilitate or knowingly encourage (including by way of furnishing information or entering into any agreement) any inquiries or proposals regarding an Acquisition Proposal (as defined below);
- (b) participate in any substantive discussion or negotiations with any person (other than Shaw) regarding an Acquisition Proposal;
- (c) accept, approve, endorse or recommend or propose publicly to accept, approve, endorse or recommend any Acquisition Proposal; or
- (d) enter into, or publicly propose to enter into, any agreement in respect of an Acquisition Proposal.

31. Canwest Global is required, with limited exception, to terminate any existing solicitations, discussions or negotiations with any person (other than Shaw) that has made or may make, an Acquisition Proposal. Canwest Global has also agreed not to release any third party from any standstill covenant to which it is a party, or amend, waive or modify in any way any such standstill covenant.

32. Canwest Global is further required, with limited exception, to promptly notify and apprise Shaw in the event that Canwest Global or its Representatives receives, after the date of

the Subscription Agreement, any Acquisition Proposal or any request for information or discussions with respect to an Acquisition Proposal.

33. The term “Acquisition Proposal” is defined in the Subscription Agreement as any proposal other than from Shaw that:

- (a) relates to the emergence from creditor protection under the CCAA of Canwest Global and its affiliates (other than Canwest Limited Partnership (“Canwest LP”) and Canada (Canada) Inc. (“CCI”) and their subsidiaries); and
- (b) involves (i) any merger or tender offer made in respect of Canwest Global and its affiliates (other than Canwest LP and CCI and their subsidiaries); (ii) any sale of assets having a value over \$5 million of Canwest Global or any of its affiliates (other than Canwest LP and CCI and their subsidiaries); (iii) the acquisition of any equity interest in Canwest Global or Restructured Canwest Global or the issuance of any debt securities of Canwest Global or Restructured Canwest Global; (iv) any transaction similar to those described in the foregoing clauses involving Canwest Global’s affiliates (excluding Canwest LP and CCI and their subsidiaries); or (v) any inquiry, proposal, offer or public announcement of an intention to do any of the foregoing,

but excluding the Recapitalization Transaction and the Subscription Agreement.

34. The Subscription Agreement provides that it may be terminated at any time prior to the Effective Date:

- (a) by mutual written agreement of the parties;
- (b) by Shaw, at any time prior to the Effective Time, if:
  - (i) certain conditions relating to the “bring-down” of representations and warranties and the performance of covenants have not been satisfied;
  - (ii) certain conditions that are set forth in the Subscription Agreement have not been satisfied, and such conditions are incapable of being satisfied on or before a date that is six months from the date of the

Subscription Agreement (*i.e.*, August 11, 2010) (the “**Outside Date**”) and Shaw has not waived such conditions;

(iii) any of the Participating Creditors breach, in any material respect, any of their representations, warranties, covenants or agreements set forth in the Shaw Support Agreement which breach would result in a failure to satisfy any of the conditions; or

(iv) the Shaw Support Agreement is terminated by the Consenting Noteholders in accordance with its terms.

(c) by Canwest Global, at any time prior to the Effective Time, if:

(i) the Shaw Support Agreement is terminated by Canwest Global in accordance with section 8(d) of the Shaw Support Agreement, which provision, as noted below, allows Canwest Global to terminate that agreement in circumstances where a definitive GS Amending Agreement (as defined below) with Goldman Sachs is acceptable to both Canwest Global and the Ad Hoc Committee but is not acceptable to Shaw;

(ii) certain conditions in favour of Canwest Global that are set forth in the Subscription Agreement are not satisfied or cannot reasonably be expected to be satisfied on or before the Outside Date and Canwest Global has not waived such conditions; or

(iii) the Shaw Support Agreement is terminated by the Consenting Noteholders in accordance with its terms.

35. The Subscription Agreement provides for a termination fee in the amount of \$5 million (the “**Termination Fee**”) to be paid by Canwest Global to Shaw in the event that:

(a) the Subscription Agreement is terminated by Shaw at any time prior to the implementation of the Recapitalization Transaction (the “**Effective Time**”) as a result of a failure by Canwest Global to satisfy certain closing conditions (relating to the “bring-down” of representations and warranties and the performance of

covenants) and the closing has not occurred on or before the Outside Date solely because of a failure to satisfy such condition; or

- (b) the Subscription Agreement is terminated by Canwest Global at any time prior to the Effective Time as a result of the Shaw Support Agreement being terminated in accordance with section 8(d) of the Shaw Support Agreement (described above),

(each, a “**Termination Event**”).

36. In the event that a Termination Event has occurred, the Subscription Agreement provides that, in addition to the Termination Fee, Canwest Global will reimburse Shaw up to \$2.5 million for any and all out-of-pocket fees and expenses incurred by Shaw or its affiliates in connection with the negotiation and entering into of the Subscription Agreement and the Recapitalization Transaction (the “**Expense Reimbursement**”). The Expense Reimbursement is also payable to Shaw upon closing of the Recapitalization Transaction.

37. Among other representations, warranties and covenants, Canwest Global has covenanted to use its commercially reasonable efforts to, or to cause its affiliates to, terminate the participation of any employee of Canwest LP, CCI and their subsidiaries (the “**Specified Affiliates**”) in a pension or benefit plan of Canwest Global or its other subsidiaries (other than the Specified Affiliates), and to terminate all inter-company plan participation agreements between a Specified Affiliate and Canwest Global and one of its subsidiaries (other than a Specified Affiliate). This covenant is intended to cause the CMI Entities to use commercially reasonable efforts to realign certain employees of the Specified Affiliates who, for various reasons, participate in a pension plan which is sponsored by the CMI Entities and enable those employees to participate in a pension plan which is sponsored by the Specified Affiliates.

38. As noted above, the Subscription Agreement also requires the proposed Approval Order to provide for a charge over all of the assets, property and undertaking of the CMI Entities (as defined in the Initial Order) ranking after all existing charges at the date thereof to secure the payment of the Termination Fee and the Expense Reimbursement.

### ***Subscription Term Sheet***

39. The principal terms of the subscription transaction by Shaw (the “**Shaw Transaction**”) are more fully set out in the Subscription Term Sheet. The Subscription Term



Sheet does not create any obligation on the parties until the Subscription Agreement has become binding and effective.

40. The Subscription Term Sheet contemplates that, after the closing of the Shaw Transaction and the completion of the Recapitalization Transaction, the shareholders of Restructured Canwest Global will consist of:

- (a) Shaw, which will hold a minimum of 20% of the outstanding equity shares of Restructured Canwest Global that are issued and outstanding immediately after giving effect to the Recapitalization Transaction; and
- (b) the Participating Creditors.

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

- (a) Class A Voting Shares issued to Shaw;
- (b) Non-Voting Shares issued to Participating Creditors; and
- (c) Class B Subordinated Voting Shares issued to Participating Creditors,

provided that: (i) the Non-Voting Shares and the Class B Subordinated Voting Shares will trade as a unit; and (ii) a fraction of a Class B Subordinated Voting Share will attach to each whole Non-Voting Share such that immediately following the Recapitalization Transaction, Class B Subordinated Voting Shares will represent, in aggregate, 20% in number (and, for greater certainty, 20% of the total votes) of the total outstanding Class A Voting Shares and Class B Subordinated Voting Shares.

42. The Subscription Term Sheet provides that Restructured Canwest Global, Shaw and the Participating Creditors will enter a definitive shareholders agreement which will govern their interests in, and the operation of, Restructured Canwest Global. The shareholders agreement will provide for matters such as board composition, management team composition, pre-emptive rights, capital calls, restrictions on share transfers, liquidity rights and such other terms as are customary for a shareholders agreement in such circumstances.

43. With respect to board composition in particular, the Subscription Term Sheet provides that the initial board of directors of Restructured Canwest Global (the “**Restructured Board**”) will be comprised of eleven or nine directors as follows: (i) six nominees (all of whom must be Canadian as defined in the CRTC Direction) selected by Shaw in the event that Shaw holds at least 50% of the equity shares of Restructured Canwest Global at any time following the Restructuring Transaction or four nominees (all of whom must be Canadian as defined in the CRTC Direction) selected by Shaw in the event that Shaw holds less than 50% of the equity shares of Restructured Canwest Global at any time following the Restructuring Transaction; (ii) three nominees selected by the Participating Creditors; (iii) one Independent Director (who must be Canadian as defined in the CRTC Direction) mutually agreed by Shaw and the Participating Creditors; and (iv) the Chief Executive Officer of Restructured Canwest Global (who must be Canadian as defined in the CRTC Direction). The Subscription Term Sheet also sets out procedures for board nomination rights and a method to replace vacancies on the Restructured Board.

44. With respect to liquidity rights, appended to the Subscription Term Sheet is a schedule which sets out certain liquidity rights which will govern the parties, including the method by which shares will be valued, in the event that (i) one or more of the Participating Creditors wish to sell their shares in Restructured Canwest Global to Shaw; (ii) the shareholders of Restructured Canwest Global receive an unsolicited *bona fide* fully financed and unconditional offer from an arm's length financially-qualified third party for all of the outstanding equity shares of Restructured Canwest Global; (iii) one shareholder wishes to sell at least 5% of the outstanding equity shares or if less, all of such shareholder's equity shares in Restructured Canwest Global; (iv) a shareholder receives an unsolicited *bona fide* fully financed and unconditional offer from an arm's length financially qualified third party for at least 5% of the outstanding equity shares or if less than 5%, all of such shareholder's shares, in Restructured Canwest Global; or (v) Shaw wishes to sell all or some of its equity shares in Restructured Canwest Global.

45. The Subscription Term Sheet provides that it will terminate and be at an end in the event that the Recapitalization Transaction is not completed on or before the Outside Date (*i.e.*, August 11, 2010) or such later date as Shaw and Canwest Global may determine from time to time.

### ***Amended Support Agreement***

46. As the Subscription Agreement contemplates that Restructured Canwest Global will be a private company, as opposed to a publicly-traded entity (as was contemplated in the original Support Agreement and Restructuring Term Sheet), the CMI Entities and the Ad Hoc Committee have agreed to enter into the Amended Support Agreement in order to amend and restate a number of the terms of the Support Agreement and the Restructuring Term Sheet so that each will conform with the Subscription Agreement.

47. Some of the material amendments or revisions set out in the Amended Support Agreement (not otherwise discussed above) are as follows:

- (a) if an affected creditor (including an 8% Senior Subordinated Noteholder), would, individually or on a *pro forma* basis, hold at least 5% of the outstanding equity shares of Restructured Canwest Global if it elected to receive shares in full satisfaction of any of its proven claims and other payment entitlements under the Amended Support Agreement, then such affected creditor may elect to receive shares of Restructured Canwest Global in full satisfaction of all such claims;
- (b) each affected creditor (including an 8% Senior Subordinated Noteholder) that is not permitted to, or otherwise elects not to, receive shares of Restructured Canwest Global, shall receive a cash payment equal in dollar value (based upon the implied equity value of Restructured Canwest Global under the Subscription Term Sheet (the “**Equity Value**”)) to its *pro rata* entitlement to the equity shares of Restructured Canwest Global that it would have otherwise received under the Subscription Term Sheet in full and final satisfaction of its claims. As a result, it is expected that the vast majority of affected creditors under the Plan will receive cash distributions in lieu of shares in Restructured Canwest Global at a value greater than the implied equity value contemplated in the initial Restructuring Term Sheet approved by this Honourable Court;
- (c) each affected creditor (including a 8% Senior Subordinated Noteholder) that is a Participating Creditor (*i.e.*, permitted to and otherwise elects to receive shares of Restructured Canwest Global) will receive shares in Restructured Canwest Global representing a percentage ownership of the outstanding equity shares of

Restructured Canwest Global equal to such Participating Creditors' *pro rata* entitlement to the applicable equity percentages outlined in the Subscription Term Sheet;

- (d) each of the shareholders of record of Canwest Global will, in exchange for its existing shares in the capital of Canwest Global, receive a cash payment equal to such shareholder's *pro rata* entitlement (based upon the number of shares owned by such shareholder of Canwest Global and, for greater certainty, without taking into account the number of votes attributed to each such share) to the amount obtained by multiplying (i) the Equity Value by (ii) the percentage of the Equity Value to be allocated to the existing shareholders of Canwest Global as set out in the initial Restructuring Term Sheet;
- (e) Restructured Canwest Global, Shaw and the Participating Creditors shall enter into a definitive shareholders agreement governing their interests in, and the operation of, Restructured Canwest Global in a form acceptable to Restructured Canwest Global, Shaw and the Ad Hoc Committee; and
- (f) creditor approval of the Plan shall have occurred by April 15, 2010, and the Plan shall have been implemented by no later than the Outside Date (*i.e.*, August 11, 2010) unless such dates are extended. The Use of Cash Collateral and Consent Agreement has been amended to conform with the new milestone dates.

48. The Amended Support Agreement also amends certain conditions of the Restructuring Term Sheet by, among other things: (a) requiring *Competition Act* (Canada) approval in a form of a final non-appealable decision on terms satisfactory to the CMI Entities and the Ad Hoc Committee; (b) requiring Canwest Global to apply to cease to be a "reporting issuer" and to delist its securities from the TSX Venture Exchange; and (c) requiring that the subscription by Shaw be completed in accordance with the Subscription Agreement. The Amended Term Sheet also removes conditions with respect to, among other things, the listing of Canwest Global's securities on the TSX.

**Shaw Support Agreement**

49. The obligations of Shaw and the Ad Hoc Committee to support the Recapitalization Transaction are subject to the conditions set out in the Shaw Support Agreement. The agreement contains representations, warranties and covenants of Canwest Global, Shaw and the Consenting Noteholders, many of which are similar to those contained in the Support Agreement. In particular, each of the Consenting Noteholders covenants to pursue, support and use its commercially reasonable efforts to complete the Recapitalization Transaction and implement the Plan (as modified to reflect the contemplated equity subscription by Shaw and the contemplated private company transaction) in good faith and to do all things necessary and appropriate in furtherance of the Recapitalization Transaction. Similarly, Shaw agrees to pursue, support and use its commercially reasonable efforts to complete the Recapitalization Transaction and implement the Plan in good faith, as well as to perform all of its covenants under the Subscription Agreement. Subject to limited exceptions, each Consenting Noteholder further covenants that, to the extent eligible to do so, it will elect to receive shares of Restructured Canwest Global.

50. The Shaw Support Agreement also formalizes the agreement between Shaw and the Consenting Noteholders with respect to the contemplated equity subscription by Shaw and its impact on the Recapitalization Transaction as it was originally contemplated under the Support Agreement (to which Shaw is not a party). It also provides for the support by the Consenting Noteholders of Shaw's equity investment on the terms set out in the Subscription Agreement. In particular, the Shaw Support Agreement expressly provides that the Restructuring Term Sheet may not be amended in a manner that materially adversely affects Shaw without the prior written consent of Shaw (although amendments that affect matters as between affected creditors only are generally permitted).

51. Among other things, pursuant to the Shaw Support Agreement, it is a condition of each party's obligation to consummate the Shaw Transaction that:

- (a) the CW Investments Shareholders Agreement shall have been amended and restated or otherwise addressed in a manner agreed to by Shaw, Canwest Global and the Ad Hoc Committee, subject to CRTC approval, if required; or

- (b) the CW Investments Shareholders Agreement shall have been disclaimed or resiliated in accordance with the provisions of the CCAA and the CMI Claims Procedure Order and, if applicable, the Court issues an Order that such agreement be disclaimed or resiliated, and such Order shall not have been amended, varied or stayed and all appeal periods shall have expired or, in the event of an appeal, a final determination dismissing such appeal shall have been made.

52. The foregoing condition in the Shaw Support Agreement is subject to a proviso that such condition as it relates to Shaw shall be satisfied if either clause (a) or (b) above is satisfied and as it relates to Canwest Global and the Consenting Noteholders shall be satisfied, at their election, if clause (a) or (b) above is satisfied and that, notwithstanding any other provision of the Shaw Support Agreement, the Subscription Agreement or the Subscription Term Sheet, neither Canwest Global nor the Consenting Noteholders shall be obligated to pursue a disclaimer or resiliation of the CW Investments Shareholders Agreement.

53. In order to satisfy the condition that the CW Investments Shareholders Agreement shall have been amended and restated or otherwise addressed, Shaw, Canwest Global and the Ad Hoc Committee have agreed to jointly pursue in good faith an amendment and restatement of the CW Investments Shareholders Agreement with Goldman Sachs (a “**GS Amending Agreement**”). Shaw, Canwest Global and the Ad Hoc Committee have agreed to cooperate with each other in the joint pursuit of such amendment or restatement and each party has agreed to keep the other parties fully and timely informed concerning the development and progress of any such discussions. If Shaw, Canwest Global and the Ad Hoc Committee determine that it is advisable for Canwest Global to enter into a GS Amending Agreement, then each of them shall, immediately prior to or concurrently with the execution and delivery of the definitive agreements, execute and deliver to each other a side letter confirming that the condition has been satisfied. As noted above, Canwest Global is not required to take any steps towards disclaiming or resiliating the CW Investments Shareholders Agreement.

54. The decision with respect to whether it is advisable for Canwest Global to enter into a GS Amending Agreement is to be made jointly by mutual agreement, provided, however, that Canwest Global and the Ad Hoc Committee may, at any time, notify Shaw that the form of a proposed GS Amending Agreement is acceptable to each of them. If Shaw advises Canwest

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Global and the Ad Hoc Committee that the proposed GS Amending Agreement is not acceptable, then Canwest Global may enter into a GS Amending Agreement provided that immediately prior to entering into such GS Amending Agreement, Canwest Global shall immediately terminate the Shaw Support Agreement and the Subscription Agreement and shall pay the Termination Fee and Expense Reimbursement to Shaw.

55. Each of Canwest Global, Shaw and the Ad Hoc Committee have the right to terminate the Shaw Support Agreement in specified circumstances, including by mutual agreement, in the event that the Support Agreement is terminated and for failure to consummate the subscription transaction by the Outside Date or to satisfy closing conditions or comply with certain covenants.

### **Conclusion**

56. The CMI Entities believe that the Subscription Agreement (including the Subscription Term Sheet), Amended Support Agreement and Shaw Support Agreement together represent the best available transaction for the equity investment required by the Recapitalization Transaction and are a crucial step towards the finalization of the Plan. It follows a lengthy and comprehensive equity investment solicitation process – one that has had a very high degree of public visibility given the nature of the assets available – conducted by RBC, Canwest Global's financial advisor, and is the result of extensive arm's length negotiations between the parties. The CMI Entities also believe that the Termination Fee and the Expense Reimbursement and deal protection provisions are reasonable and necessary in the circumstances.

SWORN BEFORE ME at the City of  
Winnipeg, in the Province of Manitoba,  
on February 12, 2010.

  
Commissioner for Taking Affidavits

  
Thomas C. Strike

**Schedule "A"****Applicants**

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



**Schedule "B"****Partnerships**

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

# **EXHIBIT “A”**

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

  
Commissioner for Taking Affidavits



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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE )

TUESDAY, THE 6<sup>TH</sup> DAY

MADAM JUSTICE PEPALL )

OF OCTOBER, 2009

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

INITIAL ORDER

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

ON READING the affidavit of John Maguire sworn October 5, 2009 and the Exhibits thereto (the "Maguire Affidavit") and the Report of the Proposed Monitor, FTI Consulting Canada Inc. ("FTI Consulting") (the "Monitor's Pre-Filing Report"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the partnerships listed on Schedule "B" hereto (the "Partnerships" and collectively with the Applicants, the "CMI Entities"), the Special Committee of the Board of Directors of Canwest Global (the "Special Committee"), FTI Consulting, the *ad hoc* committee (the "Ad Hoc Committee") of holders of 8% senior subordinated notes issued by Canwest Media Inc.

("CMI"), CIT Business Credit Canada Inc. ("CIT") and the management directors of the Applicants (the "Management Directors"), and on reading the consent of FTI Consulting to act as the Monitor.

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

### **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies. Although not Applicants, the Partnerships shall enjoy the benefits of the protections provided to the Applicants by this Order.

### **PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that one or more of the Applicants, individually or collectively, shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "CMI Plan") between, *inter alia*, one or more of the CMI Entities and one or more classes of their applicable secured and/or unsecured creditors as the Applicants deem appropriate.

### **POSSESSION OF CMI PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the CMI Entities shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "CMI Property"). Subject to further Order of this Court, the CMI Entities shall each continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the "CMI Business") and the CMI Property. The CMI Entities shall each be authorized and empowered to continue to retain and employ the employees, advisors,

consultants, agents, experts, appraisers, valuers, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order, subject to the provisions on the payment of Assistants set forth in paragraph 7 hereof.

5. THIS COURT ORDERS that the CMI Entities shall be entitled to continue to utilize the CMI Entities' centralized cash management system currently in place, as described in the Maguire Affidavit, or replace it with another substantially similar centralized cash management system satisfactory to the CMI DIP Lender (as defined below) (the "CMI Cash Management System"). Any present or future bank providing the CMI Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken thereunder, or as to the use or application by the CMI Entities of funds transferred, paid, collected or otherwise dealt with in the CMI Cash Management System, shall be entitled to provide the CMI Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the CMI Entities, pursuant to the terms of the documentation applicable to the CMI Cash Management System, and shall be, in its capacity as provider of the CMI Cash Management System, an unaffected creditor under the CMI Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the CMI Cash Management System.

6. THIS COURT ORDERS that the CMI Entities and the LP Entities (as defined in the Maguire Affidavit) shall continue to provide and pay for the Shared Services, as defined in the Maguire Affidavit, to each other and their other affiliated and related entities, in accordance with current arrangements, payment terms and business practises, except as to payment terms which may be amended to provide for revised timing of reconciliations, with such amendments to be subject to the approval of the CMI CRA (as defined below) and the prior consent of the Monitor or further Order of the Court. Notwithstanding any other provision in this Order, neither the CMI Entities nor the LP Entities shall modify, cease providing or terminate 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

this Court, except with respect to portions of the CMI Business which may be shut down or reorganized in the manner contemplated by the Term Sheet attached to the Support Agreement (as defined below) attached as part of Exhibit "O" to the Maguire Affidavit.

7. THIS COURT ORDERS that, subject to availability under the CMI DIP Facility and the CMI DIP Definitive Documents (both as hereinafter defined) and subject to the applicable cash flow forecast approved by the Consenting Noteholders (as defined below) in accordance with the Use of Collateral and Consent Agreement (as defined below) (the "Approved Cash Flow"), the CMI Entities shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order, to the extent that such expenses are incurred or payable by the CMI Entities:

- (a) all outstanding and future wages, salaries and employee benefits (including, but not limited to, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, incentive plans, share compensation plans and employee assistance programs and employee or employer contributions in respect of pension and other benefits), current service, special and similar pension and/or retirement benefit payments, vacation pay, commissions, bonuses and other incentive payments, payments under collective bargaining agreements, and employee and director expenses and reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) compensation to employees in respect of any payments made to employees prior to the date of this Order by way of the issuance of cheques or electronic transfers that are subsequently dishonoured due to the commencement of these proceedings;
- (c) with the prior consent of the Monitor, all outstanding and future amounts owing to or in respect of individuals working as independent contractors or freelancers in connection with the CMI Business;

- (d) the reasonable fees and disbursements of any Assistants retained or employed by the CMI Entities in respect of these proceedings, at their standard rates and charges, including any payments made to Assistants prior to the date of this Order by way of the issuance of cheques or electronic transfers that are subsequently dishonoured due to the commencement of these proceedings;
- (e) any and all sums due and owing to Amex Bank of Canada ("American Express"), including, without limitation, amounts due and owing by the CMI Entities to American Express in respect of the Corporate Card Program and Central Billed Accounts Program as described in the Maguire Affidavit;
- (f) amounts owing for goods and services actually supplied to the CMI Entities, or to obtain the release of goods contracted for prior to the date of this Order:
  - (i) by distributors, broadcasting and/or production studios, suppliers or other entities, for television programming and other related products, with the prior consent of the Monitor, if, in the opinion of the CMI Entities, the supplier is critical to the business and ongoing operations of any of the CMI Entities;
  - (ii) by newsprint suppliers, newspaper distributors and other logistics suppliers, with the prior consent of the Monitor, if, in the opinion of the National Post Company, the supplier is critical to the business and ongoing operations of the National Post Company; and
  - (iii) by other suppliers, with the prior consent of the Monitor, if, in the opinion of the CMI Entities, the supplier is critical to the CMI Business and ongoing operations of any of the CMI Entities.

8. THIS COURT ORDERS that, subject to availability under the CMI DIP Facility and the CMI DIP Definitive Documents and subject to the Approved Cash Flow, and except as otherwise provided to the contrary herein, the CMI Entities shall be entitled but not required to pay all



reasonable expenses incurred by them in carrying on the CMI Business in the ordinary course from and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the CMI Property or the CMI Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services;
- (b) payment, including the posting of letters of credit, for goods or services actually supplied or to be supplied to the CMI Entities following the date of this Order; and
- (c) payment of fees to the Canadian Radio-television and Telecommunications Commission, stock exchange listing fees and other regulatory or license fees necessary for the preservation of the CMI Property or the CMI Business,

For greater certainty, 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 the Shared Services as contemplated herein.

9. THIS COURT ORDERS that the CMI Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from the CMI Entities' employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the CMI Entities in connection with the sale of goods and services by the CMI Entities, but only where such Sales Taxes are accrued or

collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers' compensation or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the CMI Business by the CMI Entities.

10. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with paragraph 12(c) of this Order, the CMI Entities shall pay all amounts constituting rent or payable as rent under their respective real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable CMI Entity and the relevant landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid. Upon delivery of a notice of disclaimer or resiliation, the relevant CMI Entity shall pay all Rent owing by the applicable CMI Entity to the applicable landlord in respect of such lease due for the notice period stipulated in Section 32 of the CCAA, to the extent that Rent for such period has not already been paid.

11. THIS COURT ORDERS that, except as specifically permitted herein, the CMI Entities are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any one of the CMI Entities to any of their creditors as of this date; (b) to grant no security interests, trusts, liens, charges or encumbrances upon or in respect of any of the CMI Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the CMI Business.

**RESTRUCTURING**

12. THIS COURT ORDERS that the CMI Entities shall, subject to such requirements as are imposed by the CCAA, subject to consulting with the CMI CRA, and subject to the terms of the Use of Collateral and Consent Agreement, the Support Agreement (as defined below), the CMI DIP Facility and the CMI DIP Definitive Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their respective businesses or operations, to dispose of redundant or non-material assets, and to sell assets or operations not exceeding \$1,000,000 in any one transaction or \$5,000,000 in the aggregate, subject to paragraph 12<sup>(e)</sup>, if applicable; SWP -
- (b) terminate the employment of such of their employees or lay off or temporarily or indefinitely lay off such of their employees as the relevant CMI Entity deems appropriate on such terms as may be agreed upon between the relevant CMI Entity and such employee, or failing such agreement, to deal with the consequences thereof in the CMI Plan;
- (c) in accordance with paragraphs 13 and 14, with the prior consent of the Monitor or further Order of the Court, vacate, abandon or quit the whole but not part of any leased premises and/or disclaim or resiliate any real property lease and any ancillary agreements relating to any leased premises, in accordance with Section 32 of the CCAA, on such terms as may be agreed upon between the relevant CMI Entity and such landlord, or failing such agreement, to deal with the consequences thereof in the CMI Plan;
- (d) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor or further Order of the Court, such of their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the CMI Entities deem appropriate, in accordance with Section 32 of the CCAA, with such disclaimers or resiliations to be on such terms as may be agreed upon between the relevant CMI Entity and such counter-parties, or failing such agreement, to deal with the

consequences thereof in the CMI Plan, provided that the CMI Entities shall not be entitled to disclaim or resiliate, in whole or in part, the Use of Collateral and Consent Agreement or the Support Agreement; and

- (e) pursue all avenues of refinancing and offers for material parts of the CMI Business or the CMI Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above),

all of the foregoing to permit the CMI Entities to proceed with an orderly restructuring of the CMI Business.

13. THIS COURT ORDERS that the CMI Entities shall provide each of the relevant landlords with notice of the relevant CMI Entity's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the CMI Entity's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant CMI Entity, or by further Order of this Court upon application by the relevant CMI Entity on at least two (2) days notice to such landlord and any such secured creditors. If a CMI Entity disclaims or resiliates the lease governing such leased premises in accordance with paragraph 12(c) of this Order, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the CMI Entity's claim to the fixtures in dispute.

14. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered by a CMI Entity, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant CMI Entity and the Monitor 24 hours' prior

written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the CMI Entity in respect of such lease or leased premises and such landlord shall be entitled to notify the CMI Entity of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE CMI ENTITIES OR THE CMI PROPERTY**

15. THIS COURT ORDERS that until and including November 5, 2009, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the CMI Entities, the Monitor or the CMI CRA or affecting the CMI Business or the CMI Property, except with the written consent of the applicable CMI Entity, the Monitor and the CMI CRA (in respect of Proceedings affecting the CMI Entities, the CMI Property or the CMI Business), the CMI CRA (in respect of Proceedings affecting the CMI CRA), or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CMI Entities or the CMI CRA or affecting the CMI Business or the CMI Property are hereby stayed and suspended pending further Order of this Court. In the case of the CMI CRA, no Proceeding shall be commenced against the CMI CRA or its directors and officers without prior leave of this Court on seven (7) days notice to Stonecrest Capital Inc.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the CMI Entities, the Monitor and/or the CMI CRA, or affecting the CMI Business or the CMI Property, are hereby stayed and suspended except with the written consent of the applicable CMI

Entity, the Monitor and the CMI CRA (in respect of rights and remedies affecting the CMI Entities, the CMI Property or the CMI Business), the CMI CRA (in respect of rights or remedies affecting the CMI CRA), or leave of this Court, provided that nothing in this Order shall (i) empower the CMI Entities to carry on any business which the CMI Entities are not lawfully entitled to carry on, (ii) exempt the CMI Entities from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the CMI Entities, except with the written consent of the relevant CMI Entity and upon consultation with the CMI CRA and the consent of the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with a CMI Entity or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all programming supply, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the CMI Business or a CMI Entity, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the CMI Entities, and that the CMI Entities shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the CMI Entities in accordance with normal payment practices of the CMI Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable

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

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

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

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

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

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

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

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

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

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

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

#### **APPOINTMENT OF MONITOR**

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



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

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

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

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

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

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

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

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

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

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

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

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

#### **CHIEF RESTRUCTURING ADVISOR**

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

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

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

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

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

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

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

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

#### **DIP FINANCING**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

First – CMI Administration Charge;

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

Third – CMI DIP Charge; and

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

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

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

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

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

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

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

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

#### **APPROVAL OF FINANCIAL ADVISOR AGREEMENT**

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

#### **KEY EMPLOYEE RETENTION PLANS**

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

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

✓ and the letter agreement dated December 10, 2008 referred to in paragraph 61 herein  
SVP

of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

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

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

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

#### **FOREIGN PROCEEDINGS**

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

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

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

**SERVICE AND NOTICE**

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

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

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

**GENERAL**

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

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

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

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

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



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

OCT 06 2009

PER / PAR: 

Joanne Nicoara  
Registrar, Superior Court of Justice



**SCHEDULE "A"****Applicants**

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

- 2 -

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

**SCHEDULE "B"****Partnerships**

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

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

Court File No:

APPLICANTS

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**INITIAL ORDER**

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

Lyndon A.J. Barnes (LSUC#: 13350D)

Tel: (416) 862-6679

Edward A. Sellers (LSUC#: 30110F)

Tel: (416) 862-5959

Jeremy E. Dacks (LSUC#: 41851R)

Tel: (416) 862-4923

Fax: (416) 862-6666

Lawyers for the Applicants

F. 1114233

# EXHIBIT ‘B’

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

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





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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)		
	)		THURSDAY, THE 21 <sup>ST</sup> DAY
MADAM JUSTICE PEPALL	)		OF JANUARY, 2010

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

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

Applicants

**ORDER  
(Stay Extension Motion)**

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

**ON READING** the Notice of Motion of the CMI Entities, the Affidavit of John E. Maguire sworn January 18, 2010, the Ninth Report of FTI Consulting Canada Inc. in its capacity as court-appointed monitor of the CMI Entities (the "Monitor"), and on hearing from counsel for the CMI Entities, the Monitor, the *ad hoc* committee of holders of 8% senior subordinated notes issued by Canwest Media Inc., CIT Business Credit Canada Inc., and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this Motion is properly returnable today and any further service of the Notice of Motion and the Motion Record is hereby dispensed with.
2. **THIS COURT ORDERS** that the First Report of the Monitor dated October 9, 2009, the Second Report of the Monitor dated October 16, 2009, the Third Report of the Monitor dated October 23, 2009, the Fourth Report of the Monitor dated October 28, 2009, the Fifth Report of the Monitor dated October 28, 2009, the Sixth Report of the Monitor dated November 27, 2009, the Seventh Report of the Monitor dated November 30, 2009, and the Eighth Report of the Monitor dated December 3, 2009, and the activities of the Monitor described therein, are hereby approved with the exception of paragraph 48 of the Fifth Report which is amended to add the words "except for outstanding letters of credit".
3. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, Stikeman Elliott LLP, for the period October 6, 2009 to December 31, 2009, all as particularized in the Affidavit of Greg Watson sworn January 18, 2010 and the Affidavit of Daphne MacKenzie sworn January 18, 2010 (attached to the Ninth Report of the Monitor), are hereby approved.
4. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order dated October 6, 2009, and as subsequently extended, is hereby extended from January 22, 2010 until March 31, 2010.



G. Argyropoulos, Registrar  
Superior Court of Justice

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

JAN 25 2010

Joanne Nicoara  
Registrar, Superior Court of Justice



**Schedule "A"****Applicants**

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

**Schedule "B"****Partnerships**

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2. Fox Sports World Canada Partnership
3. The National Post Company/La Publication National Post

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

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

APPLICANTS

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER  
(Stay Extension Motion)**

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

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

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

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

Fax: (416) 862-6666

Lawyers for the Applicants