

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) TUESDAY, THE
JUSTICE CAMPBELL) 31st DAY OF JULY, 2012

**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 IN THE MATTER OF HOLLINGER
CANADIAN PUBLISHING HOLDINGS CO.**

SANCTION ORDER

THIS MOTION, made by Hollinger Canadian Publishing Holdings Co. ("HCPH" or the "Applicant")¹ pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order: (a) approving and sanctioning the Plan of Compromise and Arrangement of the Applicant, dated May 24, 2012, (the "Plan") concerning, affecting and involving the Applicant, as approved by the Affected Creditor Classes at the Creditors' Meetings held on July 20, 2012; (b) extending the Stay Period as defined in the Initial Order of the Honourable Mr. Justice Campbell, dated December 10, 2009 (the "Initial Order") to December 31, 2012 or such other date as to this Honourable Court appears just; and (c) for certain other relief, was heard this day at 330 University Avenue, in the City of Toronto, Ontario.

ON READING the Motion Record of the Applicant, dated July 26, 2012 the Affidavit of Dennis Byrd, sworn July 26, 2012, and the exhibits attached thereto (the "Byrd Affidavit"), the Twelfth Report and the Thirteenth Report (the "Thirteenth Report") of Ernst & Young Inc., in its capacity as court-appointed monitor of the Applicant (the "Monitor"), and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and the Representative Counsel, and no one appearing for any other party on the service list in these CCAA Proceedings

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Plan.

(the "Service List"), although the Motion Record was served on the Service List as appears from the affidavit of service of Karma P. Dolkar, sworn July 26, 2012, filed, and upon being advised that service of notice of this hearing (the "Sanction Hearing") was affected in accordance with paragraph 36 of the Creditors' Meeting Order, dated June 8, 2012 (the "Creditors' Meeting Order"):

DEFINITIONS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Plan and/or the Creditors' Meeting Order, as the case may be. A copy of the Plan is attached as Exhibit "A" to the Byrd Affidavit. A copy of the Creditors' Meeting Order is attached as Exhibit "B" to the Byrd Affidavit.

SERVICE AND MEETING OF CREDITORS

2. **THIS COURT ORDERS** that the time for the service of the Notice of Motion, the Motion Record in support of this motion, and the Monitor's Thirteenth Report be and is hereby abridged and that this Motion is properly returnable today and service of the Notice of Motion, the Motion Record, and the Monitor's Thirteenth Report is hereby validated in all respects and no other or further service thereof is required.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Creditors' Meeting Order, the Meeting Materials (as defined in the Creditors' Meeting Order), including the Plan, regarding the Creditors' Meetings and the Sanction Hearing, to all Affected Creditors.

4. **THIS COURT ORDERS AND DECLARES** that the Creditors' Meetings were duly convened, held and conducted in conformity with the CCAA and the Orders of the Court in the CCAA Proceeding, including the Creditors' Meeting Order.

SANCTION OF THE PLAN

5. **THIS COURT ORDERS AND DECLARES** that:

- (a) the Plan has been approved by the requisite majorities of the Affected Creditors Classes voting at the Creditors' Meetings in conformity with the CCAA and the Creditors' Meeting Order;
- (b) the Applicant has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceeding in all respects;
- (c) the Applicant has acted and is acting in good faith and with due diligence, and has not done or purported to do (nor does the Plan do, or purport to do) anything that is not authorized by the CCAA; and
- (d) the Plan and all terms and conditions of and matters and transactions contemplated thereby are fair and reasonable.

6. **THIS COURT ORDERS** that the Plan (including, without limitation, the compromises, arrangements and releases set out therein) is hereby sanctioned and approved pursuant to Section 6 of the CCAA and, on the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date), shall be effective and all associated steps, compromises, transactions, arrangements and releases effected thereby are hereby approved, binding and effective in accordance with the provisions of the Plan and shall enure to the benefit of and be binding upon the Applicant and the other Released Parties (as defined below), the Affected Creditors and all other Persons and parties named or referred to in, affected by, or subject to the Plan, including their respective heirs, administrators, executors, legal representatives, successors and assigns, as provided for in the Plan and this Sanction Order.

PLAN IMPLEMENTATION

7. **THIS COURT ORDERS** that the Applicant, the Chief Restructuring Officer (the "CRO"), the Monitor and the Disbursing Agent, as the case may be, are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and

consummate all of the transactions, distributions, deliveries, allocations and agreements contemplated pursuant to the Plan, and such steps and actions are hereby authorized, ratified and approved. Furthermore, none of these parties shall incur any liability as a result of acting in accordance with the terms of the Plan and the Sanction Order

8. **THIS COURT ORDERS** that upon the satisfaction or waiver, as applicable, of the conditions precedent set out in Section 9.01 of the Plan, as confirmed by the Applicant to the Monitor, the Monitor shall file with this Court a certificate in the form attached hereto as Schedule "A" (the "Monitor's Certificate"), signed by the Monitor, certifying that it has been advised by the Applicant that all conditions precedent set out in Section 9.01 of the Plan have been satisfied or waived, as applicable, and that, with the filing of the Monitor's Certificate, on the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date) the Plan shall have become effective in accordance with its terms.

9. **THIS COURT ORDERS** that, from and after the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date), all Creditors other than Unaffected Creditors solely with respect to and to the extent of their Unaffected Claims shall be deemed to have waived any and all defaults then existing or previously committed or caused by the Applicant, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, instrument, credit document, guarantee, agreement for sale, lease, or other agreement, written or oral, and any and all amendments or supplements thereto (each, an "Agreement"), existing between such Creditor and the Applicant, and any and all notices of default and demands for payment under an Agreement shall be deemed to be of no further force or effect; provided that nothing in this paragraph shall excuse or be deemed to excuse the Applicant or any of the Released Parties (as defined below) from performing any of its obligations under the Plan.

10. **THIS COURT ORDERS** that, on the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date), each Creditor other than Unaffected Creditors solely with respect to and to the extent of their Unaffected Claims shall be deemed to have

consented and agreed to all of the provisions of the Plan in their entirety and, in particular, each such Creditor shall be deemed:

- (a) to have executed and delivered to the Monitor and to the Applicant all consents, releases, agreements, discharges or other instruments required to implement and carry out the Plan, in its entirety; and
- (b) to have agreed that if there is any conflict on the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date) between the provisions, express or implied, of any Agreement or other arrangement, written or oral, existing between such Creditor and the Applicant, or any one of them, and the provisions of the Plan, the provisions of the Plan take precedence and priority and the provisions of such Agreement or other arrangement shall be deemed to be amended accordingly.

11. **THIS COURT ORDERS** that, on the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date), pursuant to and in accordance with the Plan, any and all Affected Claims of Affected Creditors of any nature against the Applicant shall be forever compromised, discharged and released, and the ability of any Affected Creditor to proceed against the Applicant in respect of or relating to any Affected Claim shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims are hereby permanently stayed, subject only to the rights of Affected Creditors to receive distributions and deliveries pursuant to the Plan and this Sanction Order in respect of their Affected Claims, in the manner and to the extent provided for in the Plan. All proceedings with respect to any Claims not finally resolved and determined pursuant to the Claims Procedure Orders shall remain stayed, and shall be resolved and determined in accordance with the Claims Procedure Orders and any further Order of this Court.

12. **THIS COURT ORDERS AND DIRECTS** the Applicant or the Monitor, as the case may be, serving as Disbursing Agent, to complete the distributions and deliveries contemplated under the Plan in accordance with its terms, and such distributions are hereby approved.

13. **THIS COURT ORDERS AND DECLARES** that, without limiting the provisions of the Initial Order, after the Plan Implementation Date HCPH shall remain in possession and control of the Property (as defined in the Initial Order) and the Monitor shall not be deemed to be in possession and/or control of any such Property.

14. **THIS COURT ORDERS AND DECLARES** that neither the Monitor nor the CRO shall constitute or be deemed to constitute a receiver, assignee, curator, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of HCPH within the meaning of any relevant tax legislation (including the Statutes (defined below)) by reason of any act or omission by the Monitor or the CRO pertaining to payments made pursuant to paragraph 12 hereof or the Remaining Matters (as defined in paragraph 23 below) including, without limitation, any dealings with the Available Cash Pool or payments made by, or with the consent of, the Monitor in accordance with the Plan or the Pension Plan Wind-up Direction.

15. **THIS COURT ORDERS AND DECLARES** that any payments and deliveries made by, or with the consent of, the Monitor or the CRO in accordance with the Plan (including without limitation payments made to or for the benefit of Affected Creditors), the Pension Plan Wind-up Direction and/or this Sanction Order shall not constitute a "distribution" for the purposes of Section 159 *Income Tax Act* (Canada), Section 270 of the *Excise Tax Act* (Canada), Section 46 of the *Employment Insurance Act* (Canada), Section 107 *Corporations Tax Act* (Ontario), Section 14 of the *Act Respecting the Ministère du Revenu* (Quebec), or any other similar federal, provincial or territorial tax legislation (collectively, the "Statutes"), and the Monitor, in making any such payments is merely a disbursing agent under the Plan and is not exercising any discretion in making payments from the Available Cash Pool and is not "distributing", nor shall it be considered to "distribute" nor to have "distributed", such funds for the purpose of the Statutes; and neither the Monitor, nor the CRO shall incur any liability under the Statutes in respect of payments or deliveries made by it, or with its consent, and the Monitor and CRO are hereby forever released, remised and discharged from any claims against either of them under or pursuant to the Statutes or otherwise at law, arising in respect of or as a result of or payments made by, or with the consent of, the Monitor in accordance with the Plan and any claims of this nature are hereby forever barred.

RELEASES, DISCHARGES AND INJUNCTIONS

16. **THIS COURT ORDERS AND CONFIRMS** the releases contemplated by Section 11.01 of the Plan.

17. **THIS COURT ORDERS** that, without limiting the generality of any provision of this Sanction Order or the Plan, immediately upon the Plan Implementation Date (and at the earliest point in time on the Plan Implementation Date) having occurred, every Person, (regardless of whether or not such person is a Creditor), and save and except for Unaffected Creditors solely with respect to and the extent of their Unaffected Claims, on the Person's own behalf and on behalf of the Person's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and successors and assigns, as applicable hereby fully, finally, irrevocably and unconditionally releases and forever discharges the Applicant, the CRO, the Monitor, and the Representative Counsel, and all current, former, and future administrators of the Pension Plans or member of any Pension Plan committee, together with each of their and their affiliates' respective current and former legal representatives, agents, directors, officers, predecessors, heirs, spouses, dependants, administrators, executors, subsidiaries, affiliates, related companies, member companies, partners, shareholders, employees, legal counsel, auditors, contractors, actuaries, consultants, financial or other professional advisors, and successors and assigns (collectively, the "Released Parties" and each individually a "Released Party"), as applicable, of and from any and all claims, including, without limitation, all claims in respect of statutory liabilities of Directors and any alleged fiduciary (whether acting as a director, officer, member of a pension committee or acting in any other capacity in connection with the administration of the Pension Plans or any other pension or benefit plans or trusts of the Applicant) and any and all past, present and future claims, demands, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including solicitors' fees and liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, any act, inaction or

omission existing or taking place on or prior to the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date) relating to or otherwise in connection with the Applicant including, without limitation, the business and operations of the Applicant, the property of the Applicant, the CCAA Proceeding, any Pension Plan currently or formerly administered by the Applicant, or in respect of which the Released Parties had any role, whether in their capacity as director, officer, or agent of HCPH or in any other capacity, including as or on behalf of the administrators of the Pension Plans and any other employee benefit or retirement savings plan, including without limitation any post-employment benefits, (collectively, the “Released Claims”); provided, however, that nothing herein shall release or discharge (i) any Released Party from its obligations, if any, under the Plan; (ii) Unaffected Claims against HCPH; or (ii) Directors in respect of any claim referred to in Section 5.1(2) of the CCAA.

18. **THIS COURT ORDERS** that, from and after the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date), no Person shall make or continue any claims or proceedings whatsoever based on, in connection with, arising out of or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any matter herein released (including, without limitation, any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the Released Parties, including, without limitation, by way of contribution or indemnity, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, and that in the event that any of the Released Parties are added to such claim or proceeding, such Person will immediately discontinue any such claim or proceeding against the Released Parties. Notwithstanding the foregoing, nothing herein shall release or discharge a Released Party from its obligations, if any, under the Plan and shall not discharge or release: (i) any Unaffected Claims; or (ii) any claim referred to in Section 5.1(2) of the CCAA.

19. **THIS COURT ORDERS** that, without limiting the generality of any provision of this Order or the Plan, immediately upon the Plan Implementation Date having occurred (effective at the earliest point in time on the Plan Implementation Date), all Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities,

agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date), with respect to the Released Claims, from (i) commencing; conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of the Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan or in respect of (i) any Unaffected Claims or (ii) any claim against a Director referred to in subsection 5.1(2) of the CCAA.

20. **THIS COURT ORDERS** that the Monitor, the Monitor's and the Applicant's advisors, the CRO, and the Representative Counsel, shall continue to have the benefit of the charges as provided in the Initial Order or other order of this Court, until such time as the CCAA Proceeding is terminated and all obligations secured thereby are paid in full.

ORDERS IN THE CCAA PROCEEDINGS

21. **THIS COURT ORDERS** that:

- (a) except to the extent that the Initial Order has been varied by or is inconsistent with this Sanction Order or any further Order of this Court, the provisions of the Initial Order shall remain in full force and effect and the stay of proceedings

granted *thereby* be and is hereby extended until the CCAA Termination Date (as defined in paragraph 29 below);

- (b) the Claims Bar Date, the Restructuring Claims Bar Date and the releases, injunctions and prohibitions provided for in the Claims Procedure Orders, be and are hereby confirmed and shall operate in addition to the provisions of this Sanction Order and the Plan, including, without limitation, the releases, injunctions and prohibitions provided for hereunder and thereunder, respectively; and
- (c) all other Orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by this Sanction Order or any further Order of this Court in the CCAA Proceeding.

THE MONITOR

22. **THIS COURT ORDERS AND DECLARES** that the actions and conduct of the Monitor in the CCAA Proceedings, as disclosed in its reports to the Court from time to time, including, without limitation, the Thirteenth Report, are hereby approved and that the Monitor has satisfied all of its obligations up to and including the date of this Sanction Order, and that in addition to the protections in favour of the Monitor as set out in the Initial Order and the CCAA, the Monitor shall not be liable for any act or omission on the part of the Monitor, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of its duties under the Plan or with respect to any other duties or obligations with respect to the implementation of the Plan, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor.

23. **THIS COURT ORDERS** that, until its discharge as provided for in this Sanction Order, the appointment of E&Y as Monitor pursuant to the Initial Order shall not expire or terminate on the Plan Implementation Date and shall continue for the purposes of allowing, and shall be effective until, the completion by the Monitor of all its duties in relation to the following matters (collectively, the "Remaining Matters"):

- (a) the claims procedure and all matters relating thereto as set out in the Claims Procedure Orders;
- (b) the administration of the Plan;
- (c) the Pension Plan Wind-ups and the HCPH Wind-up Matters (as defined in paragraph 26 below);
- (d) realization on any Remaining Assets; and
- (e) the administration of HCPH.

24. **THIS COURT ORDERS** all fees and disbursements of the Monitor (including, without limitation, the fees and disbursements of legal counsel, actuaries, accountants and other advisers) in connection with the Remaining Matters will be paid by HCPH and will constitute Administration Claims for the purposes of the Plan.

25. **THIS COURT ORDERS** HCPH to execute and deliver the Pension Plan Wind-up Direction in substantially the form attached as a schedule to the Plan (and as may be amended by agreement of the Monitor and HCPH or Order of this Court) to the Monitor on the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date);

26. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to take the actions and steps set out in the Pension Plan Wind-up Direction for and on behalf of HCPH, in its capacity as administrator of the Pension Plans (“Administrator”) or as sponsor and employer in respect of the Pension Plans, as the case may be (collectively, together with the Pension Plan Wind-up Steps, the “HCPH Wind-up Matters”).

27. **THIS COURT ORDERS** that in connection with the HCPH Wind-up Matters:

- (a) the Monitor, in performing the HCPH Wind-up Matters, is solely doing so on behalf of HCPH and neither the Monitor nor E&Y has agreed to become, and neither is assuming any responsibility as, the Administrator of the Pension Plans;

- (b) Unless and until replaced with a successor Administrator appointed pursuant to applicable pension legislation, HCPH is and will at all times remain as the Administrator of each of the Pension Plans;
- (c) the Monitor is authorized to execute all directions, agreements and other documents of whatever nature in the name and on behalf of HCPH for any purpose in connection with the HCPH Wind-up Matters and the Pension Plan Wind-ups;
- (d) neither E&Y nor the Monitor will have any liability for, and each is hereby released from, any claim in respect of any act or omission in respect of the HCPH Wind-up Matters or the Pension Plan Wind-ups;
- (e) the Monitor at any time may refuse to perform any or all of the HCPH Wind-up Matters and, without limitation to the foregoing, upon receipt by the Monitor of notice that a successor Administrator has been appointed, the Monitor may immediately stop performing the HCPH Wind-up Matters;
- (f) the Monitor, at any time, may apply to this Court for directions with respect to the HCPH Wind-up Matters or for any other relief;
- (g) the Monitor may discuss from time to time all matters relating to the Pension Plan Wind-ups and the Pension Plans with the Superintendent of the Financial Services Commission of Ontario or the Superintendent of Pensions of the Financial Institutions Commission of British Columbia, as applicable, and Representative Counsel;
- (h) the Monitor may, at any time, engage legal counsel, actuaries, accountants and other advisers to assist it in connection with the HCPH Wind-up Matters; and
- ~~(i) the Monitor at any time may refuse to perform any or all of the HCPH Wind-up Matters and, without limitation to the foregoing, upon receipt by the Monitor of notice that a successor Administrator has been appointed, the Monitor may immediately stop performing the HCPH Wind-up Matters.~~

pkc (i) THE MONITOR WILL BE PROVIDED WITH AND IS ENTITLED TO HAVE ACCESS TO ALL OF THE BOOKS AND RECORDS OF HCPH AND TO ALL DOCUMENTS AND OTHER INFORMATION REQUIRED BY IT FROM TIME TO TIME, WHETHER IN THE POSSESSION OF HCPH OR A THIRD PARTY, IN CONNECTION WITH THE PENSION PLANS, THE HCPH WIND-UP MATTERS AND THE PENSION PLAN WIND-UPS; *pkc*

28. **THIS COURT ORDERS** that the rights, powers, protections and benefits given to the Monitor and E&Y in this Order are in addition to, and shall not limit, the rights, powers, protections and benefits given to the Monitor and E&Y in the Initial Order, all other orders in the CCAA Proceedings and the Plan.

29. **THIS COURT ORDERS** that the Monitor shall be discharged of its duties and obligations pursuant to the Plan and all Orders made in the CCAA Proceedings, and the CCAA Proceeding shall terminate, upon the filing by the Monitor with this Court of a certificate in the form attached hereto as Schedule "B" (the "Certificate of Discharge and Plan Termination") signed by the Monitor, certifying that (i) the Remaining Matters have been completed to the best of the Monitor's knowledge and (ii) the Monitor has been advised by the Representative Counsel that all matters relating to the Pension Plan Wind-ups have been completed or discontinued (the date of filing such certificate, the "CCAA Termination Date").

30. **THIS COURT ORDERS** that, effective upon the filing of the Certificate of Discharge and Plan Termination in accordance with paragraph 29 above, all claims of any Person, whether such claims are direct, indirect, derivative or otherwise, against the Monitor, E&Y or any of their respective officers, employees, advisers and agents (the "Monitor Parties") arising from or relating to their capacity, conduct, activities or services rendered in the CCAA Proceedings or in connection with the Plan, HCPH or the Remaining Matters shall be and are hereby stayed, extinguished and forever barred from enforcement and the Monitor Parties shall have no liability in respect thereof.

31. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Monitor, Parties in connection with the CCAA Proceedings, the Plan, HCPH or the Remaining Matters except with prior leave of this Court and on at least seven days prior written notice to the Monitor, and upon further order securing, as security for costs, the solicitor and his own client costs of the Monitor Parties in connection with any proposed action or proceeding.

32. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein and under the Orders of this Court, shall be and is hereby authorized and empowered to perform its functions and fulfill its obligations in respect of the Remaining Matters, including its role as Disbursing

Agent pursuant to the Plan, and to complete all matters incidental to the termination of the CCAA Proceedings.

CHIEF RESTRUCTURING OFFICER

33. **THIS COURT ORDERS** that, in consideration for Dennis Byrd continuing as CRO of the Applicant from and after Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date) to the CCAA Termination Date (the "Post Implementation Period") to facilitate the outstanding issues in the restructuring for the benefit of all Affected Creditors, he shall be entitled to all protections and releases afforded under the Plan, as at the Plan Implementation Date (effective at the earliest point in time on the Plan Implementation Date) and be entitled to the continuing protections and indemnification set out in the Initial Order during the Post-Implementation Period and in addition to the protections in favour of the CRO as set out in the Orders of this Court, upon the CCAA Termination Date, any claims against the CRO in connection with the performance of its duties as CRO are hereby released, stayed, extinguished and forever barred and the CRO shall have no liability in respect thereof.

SOUTHAM LTD PLAN

34. **THIS COURT ORDERS AND DECLARES** that, based upon the claims determination procedures set out in the Order of this Court made on November 28, 2011 (the "Southam LTD Plan and Trust Procedure Order") attached as Exhibit "F" to the Byrd Affidavit, there was no deficiency in the Southam LTD Trust's ability to satisfy Southam LTD Claims as at the Southam LTD Termination Date (as such terms are defined in the Southam LTD Plan and Trust Procedure Order) and that, accordingly, the Southam LTD Trust (nor any of its beneficiaries) does not have any claim against HCPH.

EFFECT, RECOGNITION AND ASSISTANCE

35. **THIS COURT ORDERS** that, notwithstanding any other provision of this Sanction Order, the Applicant, and the Monitor and Representative Counsel shall remain entitled to seek directions from the Court in respect of the interpretation and implementation of this Sanction Order and the performance by the Applicant and the Monitor of their respective obligations

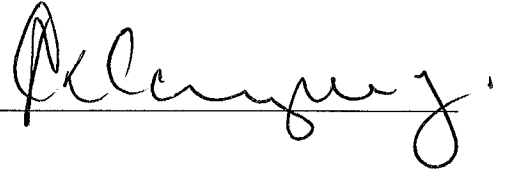
under the Plan, the Sanction Order and any other matters that pertain to the completion of the administration of the CCAA Proceeding prior to the CCAA Termination Date.

36. **THIS COURT ORDERS AND DECLARES** that, pursuant to section 142 of the *Courts of Justice Act* (Ontario), no person shall be liable for any act done in good faith in accordance with any Order issued in this proceeding, and any person who takes any action whatsoever in reliance on this Sanction Order prior to the commencement of any appeal hereof or the expiry of any appeal period shall not be prejudiced or harmed in any manner by any such subsequent appeal.

37. **THIS COURT ORDERS** that this Sanction Order shall have full force and effect in all provinces and territories in Canada and against all Persons against whom it may otherwise be enforceable.


38. **THIS COURT REQUESTS** the aid, recognition and assistance of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States of America and the states or other subdivisions of the United States of America, and of or any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Sanction Order. Each of the Applicants and the Monitor shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial, regulatory and administrative bodies, and take such other steps, in Canada, in the United States of America or elsewhere, as may be necessary or advisable to give effect to this Sanction Order and any other Order granted by this Court.

39. **THIS COURT ORDERS** that this Sanction Order shall be posted on the Monitor's website at <http://www.ey.com/ca/hcph> and only be required to be served upon the parties on the Service List and those parties who appeared at the hearing of the motion for this Sanction Order.



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

JUL 3 1 2012

PER/PAR: 

Schedule "A"

Court File No.: CV-09-8503-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) _____, THE
JUSTICE CAMPBELL) __th DAY OF _____, 2012

**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 IN THE MATTER OF HOLLINGER
CANADIAN PUBLISHING HOLDINGS CO.**

**MONITOR'S CERTIFICATE
(Plan Implementation)**

All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan of Compromise and Arrangement concerning, affecting, and involving Hollinger Canadian Publishing Co. ("**HCPH**" or the "**Applicant**") dated May 24, 2012 (the "**Plan**"), as such Plan may be further amended, varied or supplemented by the Applicant from time to time in accordance with the terms thereof.

PURSUANT TO AN ORDER of the Honourable Justice Campbell of the Ontario Superior Court of Justice (the "**Court**") dated December 10, 2009, Ernst & Young Inc. ("**EYI**"), was appointed the monitor (the "**Monitor**") of the Applicant.

PURSUANT TO PARAGRAPH 8 OF THE ORDER of the Court made in these proceedings on the 31st day of July, 2012 (the "**Order**"), the Monitor hereby certifies as follows:

1. The Monitor has been advised by the Applicant that all conditions precedent set out in Section 9.01 of the Plan have been satisfied or waived, as applicable in accordance with the Plan.

DATED at the City of Toronto, in the Province of Ontario, this [●] day of [●], 2012.

ERNST & YOUNG INC. in its capacity as court- appointed Monitor of the Applicant and not in its personal capacity

By: _____
Name

Title

Schedule "B"

Court File No.: CV-09-8503-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) _____, THE
JUSTICE CAMPBELL) ___th DAY OF _____, 2012

**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 IN THE MATTER OF HOLLINGER
CANADIAN PUBLISHING HOLDINGS CO.**

**MONITOR'S CERTIFICATE
(Plan Termination)**

All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan of Compromise and Arrangement concerning, affecting, and involving Hollinger Canadian Publishing Co. ("**HCPH**" or the "**Applicant**") dated May 24, 2012 (the "**Plan**"), as such Plan may be further amended, varied or supplemented by the Applicant from time to time in accordance with the terms thereof.

PURSUANT TO AN ORDER of the Honourable Justice Campbell of the Ontario Superior Court of Justice (the "**Court**") dated December 10, 2009, Ernst & Young Inc. ("**EYI**"), was appointed the monitor (the "**Monitor**") of the Applicant.

PURSUANT TO PARAGRAPH 29 OF THE ORDER of the Court made in these proceedings on the 31st day of July, 2012 (the "**Order**"), the Monitor hereby certifies as follows:

1. To the best of the Monitor's knowledge, the Remaining Matters (as defined in the Order) have been completed;
2. The Monitor has been advised by Representative Counsel that all matters relating to the Pension Plan Wind-ups have been completed or discontinued; and
3. Effective upon the filing of this certificate with the Court, the CCAA Proceedings are hereby terminated.

DATED at the City of Toronto, in the Province of Ontario, this [•] day of [•], 2012.

ERNST & YOUNG INC. in its capacity as court- appointed Monitor of the Applicant and not in its personal capacity.

By: _____
Name

Title

**IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**

Court File No. 09-8503-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

SANCTION ORDER

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