Court File Number: CV- 09-8503-CL.

**Superior Court of Justice**
Commercial List

# FILE/DIRECTION/ORDER

Re. Hollinger - HCPH Inc.
Plaintiff(s)

AND

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: ____________

| Counsel | Telephone No: | Facsimile No: |
|---|---|---|
| | | |
| | | |

☐ Order ☐ Direction for Registrar **(No formal order need be taken out)**
☐ Above action transferred to the Commercial List at Toronto **(No formal order need be taken out)**

☐ Adjourned to: ____________
☐ Time Table approved (as follows):

Parties have agreed to an expedited process & timetable for confirming annuity quotes with the expectation that quotes will be in a position to be confirmed & funded by the end of June/13. I am satisfied that the parties have worked diligently & co-operatively to remedy a problem caused by low annuity values & approve the proposal as set out in the motion material & approve the form of order as signed

May 13/13
Date

R. Campbell J.
Judge's Signature

☐ Additional Pages ________

Court File No. 09-8503-00CL

*ONTARIO*

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

| | | |
|---|---|---|
| THE HONOURABLE MR. | ) | MONDAY, THE |
| JUSTICE CAMPBELL | ) | $13^{TH}$ DAY OF MAY, 2013 |

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.**

**ORDER**

**THIS MOTION**, made by Hollinger Canadian Publishing Holdings Co. (the "**Applicant**" or "**HCPH**"), for an order, *inter alia,* (a) authorizing and directing the Applicant, with the assistance of Representative Counsel, each of their actuaries and the Monitor, to engage with insurance companies to obtain refreshed quotes for the purchase of annuities for the Remaining Pension Plans (defined below) and authorizing the Applicant, with the assistance of Representative Counsel, each of their actuaries and the Monitor, to carry out negotiations with any one or more of the insurance companies in order to obtain the most advantageous final quotes; (b) authorizing and directing the Applicant, in the event that the aggregate deficit calculations (the difference between the value of the assets of the Remaining Pension Plans and the value of all liabilities on wind-up including the cost of the annuities, in aggregate and before wind-up expenses) of the Remaining Pension Plans (the "**Aggregate Deficit Calculation**" or

"**ADC**") is less than $7.5 Million (such amount, or such higher amount as agreed to by Representative Counsel, HCPH and the Monitor, the "**ADC Limit**"), to complete the wind-up and the related purchase of annuities in respect of each of the Remaining Pension Plans; (c) in the event that the ADC is greater than the ADC Limit authorizing the continued suspension of the Applicant's obligation to complete the wind-up of the Remaining Pension Plans and directing the Applicant to seek further instructions of this Court; (d) authorizing and directing the parties to comply with the steps and timeline as set out in this Order; and (e) approving the Monitor's Report dated May 3, 2013 (the "**Seventeenth Report**") of Ernst and Young Inc., in its capacity as the Court-appointed Monitor of the Applicant (the "**Monitor**") as well as the activities of the Chief Restructuring Officer (the "**CRO**") as described in the affidavit of Dennis M. Byrd sworn on May 10, 2013 (the "**Byrd Affidavit**");

**UPON READING** the Notice of Motion of the Applicant dated May 10, 2013; the Byrd Affidavit; the Seventeenth Report; and upon hearing the submissions of counsel for the Applicant, the Monitor and Representative Counsel, and no one appearing for any other party on the service list in these CCAA Proceedings (the "**Service List**"), although duly served as appears from the affidavit of service of Karma Dolkar sworn May 10, 2013 filed,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in support of this motion is hereby abridged and that the motion is properly returnable today and further that service of the Notice of Motion and the Motion Record is hereby validated in all respects and no other or further service thereof is required.

## INTERPRETATION

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Initial Order or the Applicant's Plan of Compromise and Arrangement dated May 24, 2012 (the "**CCAA Plan**") unless otherwise indicated.

## AUTHORIZATION TO OBTAIN REFRESHED ANNUITY QUOTES

3. **THIS COURT ORDERS AND DIRECTS** the Applicant, with the assistance of its actuary and the Monitor, to obtain refreshed quotes for the purchase of annuities for the Remaining Pension Plans from insurance companies and authorizes the Applicant, with the assistance of Representative Counsel, each of their actuaries, and the Monitor, to engage in negotiations with any one or more of the insurance companies in order to obtain the most advantageous final quotes;

## AUTHORIZATION OF WIND-UP OF REMAINING PENSION PLANS

4. **THIS COURT ORDERS AND DIRECTS** the Applicant, in the event that the ADC (based upon the most advantageous final quotes obtained pursuant to paragraph 3 above) is less than the ADC Limit, to complete the wind-up of the following pension plans including the purchase of annuities in respect thereof: a) HCPH Retirement Plan; b) HCPH Pension Plan for Employees of Newspapers Formerly Owned by Thomson Newspapers; c) Sterling Newspapers Company Pension Plan for Employees of the Newspapers Formerly Owned by Thompson Newspapers; d) HCPH Plan for Employees of Newspapers Formerly Owned by Sterling Newspapers; and e) Journal Publishing Company Limited Pension Plan (collectively, the "**Remaining Pension Plans**").

**CONTINUED SUSPENSION OF WIND-UP OF REMAINING PENSION PLANS**

5. **THIS COURT ORDERS that** in the event that the ADC (based upon the most advantageous final quotes obtained pursuant to paragraph 3 above) is greater than the ADC Limit the suspension of the Applicant's obligation to complete the wind-up of the Remaining Pension Plans shall be continued. For certainty, in such event, the Applicant shall not purchase any annuities or take any further step or action to complete the wind-up of the Remaining Pension Plans unless and until otherwise ordered by this Court.

**TIMELINE TO BE IMPLEMENTED**

6. **THIS COURT ORDERS AND DIRECTS** the parties to use their best reasonable efforts to comply with the following timeline and carry out the following steps (the "**RFQ Process**") on or prior to the dates and times set out below:

(a) By May 14, 2013, HCPH shall request that Mercer prepare a request for annuity quotes (the "**RFQ**") in respect of the Remaining Pension Plans on the basis agreed to between HCPH, the Monitor and Representative Counsel;

(b) By May 21, 2013, Mercer shall send final RFQs and all required information in connection therewith to the annuity providers (the "**Annuity Providers**") agreed upon by HCPH, the Monitor and Representative Counsel;

(c) By June 10, 2013, by no later than noon on such day, the Annuity Providers shall deliver preliminary quotes to Mercer in response to the RFQ;

(d) On the day after the date set out in paragraph 6(c) above,

(i) by no later than noon on such day, Mercer shall deliver its report on the preliminary quotes received from the Annuity Providers to HCPH, the Monitor and Representative Counsel and Representative Counsel's actuary;

(ii) by no later than 5 p.m. on the same day, if the ADC exceeds the amount approved in paragraph 4 above, Representative Counsel must inform HCPH and the Monitor whether or not any of the quotes (or combination thereof) is acceptable to it for the purpose of completing the wind-ups;

(iii) if the ADC is lower than the ADC Limit, HCPH shall, as soon as reasonably practicable thereafter, commence liquidation of the pension plan assets or commence (through Mercer) negotiation of the transfer thereof to the Annuity Provider(s) selected by HCPH, the Monitor and Representative Counsel, subject to the final annuity quotes being acceptable pursuant to paragraph 6(e)(iii) hereof;

(e) Within three days after the date set out in paragraph 6(c) above,

(i) by no later than 10 a.m. on such day, the Annuity Providers shall provide final quotes to Mercer;

(ii) by no later than noon on the same day, Mercer shall deliver its report on final quotes to the Monitor;

(iii) if the lowest final quote or combination of final quotes still results in an ADC of less than the ADC Limit, HCPH shall confirm acceptance of final quotes to the applicable Annuity Provider(s) and HCPH shall, as soon as reasonably practicable thereafter, complete the purchase of the annuities and the wind-up of the Remaining Pension Plans

7. **THIS COURT ORDERS** that to the extent that any date set out in this Order falls on a day that is not a business day, it shall be read to be the immediately following business day thereafter.

8. **THIS COURT ORDERS** that if the RFQ Process set out above does not result in an ADC amount that is less than the ADC Limit, the parties shall appear before court for further direction within 10 days of the completion of the RFQ Process.

9. **THIS COURT ORDERS AND CONFIRMS** that HCPH, the Monitor, the CRO and Representative Counsel, together with each of their respective counsel, advisors, representatives, employees, officers, actuaries, consultants, financial or other professional advisors and agents, shall have no liability to any Person, including, without limitation, in respect of any statutory, common law, fiduciary duty, administrative or other duty or obligation in respect of the Remaining Pension Plans relating to or resulting from their compliance with this Order and the completion or continued suspension of the wind-up of the Remaining Pension Plans.

**APPROVAL OF ACTIVITIES**

10. **THIS COURT ORDERS** that the Seventeenth Report and all of the Monitor's activities described in that Report are hereby approved in their entirety, as well as all of the activities of the CRO as described in the Byrd Affidavit.

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

MAY 1 3 2013