Court File No. 09-8503-00CL

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 IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

Applicant

APPLICATION UNDER THE *COMPANIES' CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

MOTION RECORD OF THE APPLICANT

(Motion re Interim Distribution and Further Directions, returnable May 12, 2014)

Date: May 7, 2014

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Court File No. 09-8503-00CL

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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Applicant

APPLICATION UNDER THE *COMPANIES' CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Tab 1

Court File No. 09-8503-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

NOTICE OF MOTION

(Motion re Interim Distribution and Directions, returnable on May 12, 2014)

Hollinger Canadian Publishing Holdings Co. (the "**Applicant**" or "**HCPH**") will make a motion to the Honourable Mr. Justice McEwen at the Ontario Superior Court of Justice (Commercial List) on Monday, May 12, 2014 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, substantially in the form attached to the Motion Record at Tab 1A, *inter alia*:

(a) Authorizing and directing the Applicant to act as Disbursing Agent and to make an Interim Distribution in accordance with the CCAA Plan (each such terms defined below);

(b) Authorizing and directing the Applicant, with the assistance of the Monitor, to withhold and remit Taxes (as defined in the CCAA Plan) from the Interim Distribution in accordance with applicable law, treating such distribution as ordinary employment income for withholding purposes, and to otherwise take any and all actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements in making the Interim Distribution;

(c) Authorizing and directing the Applicant, with the assistance of the Monitor, to deal with any Unclaimed Distributions (as defined in the CCAA Plan) with respect to the Interim Distribution in the manner set out in Section 5.08 of the CCAA Plan;

(d) Authorizing and directing the Applicant, the Monitor and Representative Counsel to take the steps set out in paragraphs 7 to 10 of this Order to issue a notice, substantially in relation to the Applicant's upcoming motion that seeks to wind up the Pacific Press Trust (defined below) and to distribute the remaining assets of the Pacific Press Trust; and

(e) Such further and certain other relief as this Honorable Court deems just;

THE GROUNDS FOR THE MOTION ARE:

Interim Distribution Motion

2. In 2012, after extensive discussions and negotiations, and with substantial input from key stakeholders, HCPH developed and proposed a plan of compromise and arrangement (the "**CCAA Plan**"). The CCAA Plan provided for an orderly and organized wind-up of HCPH's Pension Plans and termination of its OPEB Plans (these and other terms not defined herein have the same meaning as that contained in the CCAA Plan).

3. After funding of any deficiencies in the registered Pension Plans, the CCAA Plan had also contemplated a distribution to the OPEB Plan members in the 20 cents range (based upon wind up reports provided by the actuary for the registered Pension Plans, depending on final actual wind up deficits with respect to certain Pension Plan claims and other priority payments as set out in the CCAA Plan).

4. On June 8, 2012, the Court approved a Meeting Order for creditors. That meeting was held on July 20, 2012 and the CCAA Plan was passed by an overwhelming majority of creditors, with only one creditor with a claim for $9,584, voting against the CCAA Plan.

5. On July 31, 2012, the Court issued an order sanctioning the CCAA Plan and declaring it to be fair and reasonable.

6. On October 17, 2012, the Monitor filed a certificate confirming that it had been advised by HCPH that all conditions precedent to the CCAA Plan had been satisfied or waived, as applicable, and accordingly, the CCAA Plan was implemented.

7. In accordance with the CCAA Plan, HCPH, with the assistance of the Monitor, began the wind-up of the Pension Plans. Due to a persistently low interest rate environment and other market factors beyond HCPH's control, it became clear that the actual cost to purchase annuities from insurance companies would exceed the amounts that had previously been estimated by the actuary.

8. Accordingly, pursuant to an Order of the Court dated December 12, 2012, the applicable wind-ups were suspended (except for the Windsor Star Plan, which was fully funded, together the "**Remaining Pension Plans**") pending further order of the Court, in order to give HCPH and Representative Counsel an opportunity to work on alternatives to deliver greater value to HCPH's stakeholders. As a result, no distribution was made to creditors and in particular no distribution was made in respect of OPEB claims

9. Because any distribution to the OPEB Plan members was dependent upon first completing the final distribution under the Remaining Pension Plans, and because the distribution under the Remaining Pension Plans had been suspended as a result of the inability of HCPH to purchase annuities to pay full pension benefits, distributions to creditors pursuant to the CCAA Plan has been delayed.

10. Further, additional reconciliations described below and resolution of certain outstanding tax issues is necessary before a final distribution can be effected. As a result, to date, there has not been any distribution to any of HCPH's creditors under the CCAA Plan.

11. As of May 4, 2014, HCPH holds approximately $7.1 million cash on hand in its bank accounts.

12. Given that there are several outstanding issues that need to be settled prior to a final distribution, including the reimbursement to HCPH by an annuity provider of certain funds on account of the final reconciliation of annuity premiums with respect to the wind-up of the Remaining Pension Plans and outstanding tax issues, Representative Counsel has requested that HCPH provide an interim distribution of $3,000,000 on a pro-rata basis to the holders of OPEB Claims and other Non-Pension Affected Claims (as defined in the CCAA Plan) in accordance with the CCAA Plan.

13. This $3,000,000 represents a payment of approximately 7% of the total OPEB Claims and Non-Pension Affected Claims currently known.

14. The Monitor considers this a reasonable request in the circumstances, as does the Chief Restructuring Officer of HCPH.

Directions re Pacific Press Trust

15. The Applicant, as the successor to Southam Inc., the settlor of the Pacific Press Trust, is proposing to bring a motion (the "**Pacific Press Motion**") to wind up the Pacific Press Trust and to distribute the remaining funds in the CIBC Mellon trust account to holders of OPEB Claims and Non-Pension Affected Claims as defined in the Sanction Order.

16. Given the unique facts surrounding the Pacific Press Trust and the relief sought in that motion, the Applicant is seeking directions with respect to issuing a notice to the Former Beneficiaries of the Pacific Trust and authorizing Representative Counsel to consult with the Former Beneficiaries with respect to the Pacific Press Motion.

17. The provisions of the CCAA and the inherent and equitable jurisdiction of this Court.

18. The Monitor supports granting of the relief requested herein.

19. Paragraph 62 of the Initial Order.

20. Rules 3.02 and 37.02(1) of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

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

May 6, 2014

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Tab A

SCHEDULE "A"

Court File No. 09-8503-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

THE HONOURABLE MR.	)	MONDAY, THE 12th
JUSTICE MCEWEN	)	DAY OF MAY, 2014

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:

(a) Authorizing and directing the Applicant to act as Disbursing Agent and to make an Interim Distribution in accordance with the CCAA Plan (each such terms defined below);

(b) Authorizing and directing the Applicant, with the assistance of the Monitor, to withhold and remit Taxes (as defined in the CCAA Plan) from the Interim Distribution in accordance with applicable law, treating such distribution as ordinary employment income for withholding purposes, and to otherwise take any and all actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements in making the Interim Distribution;

(c) Authorizing and directing the Applicant, with the assistance of the Monitor, to deal with any Unclaimed Distributions (as defined in the CCAA Plan) with respect to the Interim Distribution in the manner set out in Section 5.08 of the CCAA Plan;

(d) Authorizing and directing the Applicant, the Monitor and Representative Counsel to take the steps set out in paragraphs 7 to 10 of this Order to issue a notice, substantially in relation to the Applicant's upcoming motion that seeks to wind up the Pacific Press Trust (defined below) and to distribute the remaining assets of the Pacific Press Trust; and

(e) Such further and certain other relief as this Honorable Court deems just;

was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the Motion Record of the Applicant, including the Notice of Motion of the Applicant, the Affidavit of Michael Krupa (the "CRO"), sworn May 6, 2014 (the "**Motion Record**") and the Twentieth Report of the Monitor, and upon hearing the submissions of counsel for the Applicant, the Monitor and Representative Counsel, no one appearing for any other party on the service list in these CCAA Proceedings, although duly served,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby

abridged such that this motion is properly returnable today and that service of 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.

INTERIM DISTRIBUTION

3. **THIS COURT ORDERS AND DIRECTS** the Applicant to act as Disbursing Agent (as defined in the CCAA Plan) and to provide an interim distribution of $3,000,000 (the "**Interim Distribution**") on a pro-rata basis to the holders of OPEB Claims and other Non-Pension Affected Claims (as defined in the CCAA Plan), in respect of such Creditors Proven Non-Pension Affected Claims, in accordance with the CCAA Plan, which Interim Distribution shall be made on or after June 13, 2014.

4. **THIS COURT ORDERS AND AUTHORIZES** the Applicant, with the assistance of the Monitor, to withhold and remit Taxes from the Interim Distribution in accordance with applicable law, treating such distribution as ordinary employment income for withholding purposes, and to otherwise take any and all actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements in making the Interim Distribution.

5. **THIS COURT ORDERS AND AUTHORIZES** the Applicant, with the assistance of the Monitor, to deal with any Unclaimed Distributions arising from the Interim Distribution in the manner set out in Section 5.08 of the CCAA Plan.

6. **THIS COURT ORDERS** that the CRO and the Applicant, in carrying out the role as Disbursing Agent under the CCAA Plan, and the Monitor in providing the assistance required by this Order, shall have all of the protections given to them by the CCAA and the Initial Order and that the Applicant, the CRO and the Monitor shall incur no liability or obligation as a result of the carrying out of their obligations under this Order.

NOTICE FOR PACIFIC PRESS MOTION

7. **THIS COURT ORDERS AND DIRECTS** the Applicant to issue a notice, substantially in the form attached hereto as Appendix "A" (the "**Notice**") or in such other form agreed upon by the Applicant, the Monitor and Representative Counsel, in relation to the upcoming motion that seeks to wind up the Pacific Press Trust and to distribute the remaining assets to holders of OPEB Claims and other Non-Pension Affected Claims (the "**Pacific Press Motion**").

8. **THIS COURT ORDERS AND DIRECTS** the Applicant to serve a copy of the Notice along with the motion record for the Pacific Press Motion to the current trustees of the Pacific Press Trust at their last known address according to HCPH's books and records;

9. **THIS COURT ORDERS AND AUTHORIZES** the Applicant and Representative Counsel to take the following steps to reasonably ascertain the contact information for the former beneficiaries of the Pacific Press Trust (the "**Former Beneficiaries**"):

(a) The Applicant is authorized to contact the Pacific Newspaper Group to determine whether they maintain contact information for the Former Beneficiaries, and if Pacific Newspaper Group provides such information to HCPH, such disclosure shall be deemed to be required "by law" pursuant to section 7(3)(i) of the *Personal*

Information Protection and Electronic Documents Act, S.C. 2000, c. 5 and section 15(1)(*h*) of the *Personal Information Protection Act*, SBC 2003, c. 63 (collectively, the "**Privacy Legislation**");

(b) The Applicant is authorized to provide the list of names and any contact information it has received in respect of the Former Beneficiaries to Representative Counsel and the provision of such information shall constitute disclosure required "by law" under the Privacy Legislation;

(c) Representative Counsel is authorized, but not required, to engage and retain a third party investigative service company to locate contact information for the Former Beneficiaries, with all such use and disclosure of information constituting use and/or disclosure required "by law" under the Privacy Legislation; and

(d) Representative Counsel is authorized to use any contact information to contact the Former Beneficiaries and to consult with them regarding the Pacific Press Motion, and such use shall constitute use and/or disclosure required "by law" under the Privacy Legislation.

10. **THIS COURT ORDERS AND DIRECTS** the Monitor to post a copy of the Notice on the Monitor's website.

11. **THIS COURT ORDERS** that the Monitor's Eighteenth Report, Nineteenth Report, and Twentieth Report and all of the activities described therein are hereby approved in their entirety and all of the activities of the CRO, described in the affidavit of Michael Krupa, sworn May 6, 2014, are hereby approved in their entirety.

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

ORDER
(Interim Distribution Motion)

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ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceedings commenced in Toronto

NOTICE OF MOTION
(Interim Distribution Motion returnable May 12, 2014)

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Tab 2

Court File No. 09-8503-00CL

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

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Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AFFIDAVIT OF MICHAEL KRUPA
(Sworn May 6, 2014)

I, Michael Krupa, of the City of Chicago, in the State of Illinois in the United States of America, **MAKE OATH AND SAY**:

1. I am the Chief Restructuring Officer ("**CRO**") of Hollinger Canadian Publishing Holdings Co. ("**HCPH**" or the "**Applicant**" or the "**Company**"). As such, I have personal knowledge of the matters to which I herein depose. To the extent that I do not have such personal knowledge and am advised by others who are identified in this affidavit, I believe such information to be true.

2. This Affidavit is made in support of an application by the Company for an order:

(a) Authorizing and directing the Applicant to act as Disbursing Agent and to make an Interim Distribution in accordance with the CCAA Plan (each such term is defined below);

(b) Authorizing and directing the Applicant, with the assistance of the Monitor, to withhold and remit Taxes (as defined in the CCAA Plan) from the Interim Distribution in accordance with applicable law, treating such distribution as ordinary employment income for withholding purposes, and to otherwise take any and all actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements in making the Interim Distribution;

(c) Authorizing and directing the Applicant, with the assistance of the Monitor, to deal with any Unclaimed Distributions (as defined in the CCAA Plan) with respect to the Interim Distribution in the manner set out in Section 5.08 of the CCAA Plan;

(d) Authorizing and directing the Applicant, the Monitor and Representative Counsel to take the steps set out in paragraphs 7 to 10 of the draft Order and to issue a notice, substantially in relation to the Applicant's upcoming motion that seeks to wind up the Pacific Press Trust (defined below) and to distribute the remaining assets of the Pacific Press Trust;

(e) Such further and certain other relief as this Honorable Court deems just;

A. BACKGROUND

3. On December 10, 2009, this Court granted the Initial Order in these CCAA proceedings. Pursuant to that Initial Order, Dennis Byrd was appointed as CRO of HCPH. A copy of the Initial Order and the associated endorsement of the Honorable Mr. Justice Campbell are attached hereto as Exhibit "**A**".

4. On February 25, 2014, Justice Newbould granted an order discharging Mr. Byrd and appointing me as the new CRO of HCPH (the "**Replacement Order**"). Attached as Exhibit "**B**" is a copy of the Replacement Order and the associated endorsement. Prior to my appointment as CRO, I worked for HCPH as a corporate accounting manager and have been involved with HCPH since 2004, as further detailed in the motion record for the Replacement Order.

5. Prior to and since the date of the Replacement Order, I have worked closely with HCPH, Ernst and Young Inc. in its role as Monitor of HCPH and Koskie Minsky LLP in its role as Representative Counsel for the members and retirees of the HCPH OPEB Plans and HCPH Pension Plans to formulate a restructuring plan for the creditors.

6. This matter had historically been case managed from the initial CCAA filing by Mr. Justice Campbell. However, since his retirement from the Court in 2013, there has only been one attendance needed, being the Replacement Order. While Mr. Justice Newbould heard that motion, I am advised by counsel that, in chambers, Justice Newbould directed that future motions in this matter be heard by Justice McEwen, given his involvement in other Hollinger matters.

7. Because this will be the first attendance before a different judge than the one who had case managed the case since the commencement of the CCAA proceedings, in this affidavit I

provide a bit of background to the case, with the view to assisting in understanding the present motions before the Court. This material is explained in much greater detail in affidavits filed with the Court in this proceeding on prior motions.

B. HCPH AND EVENTS LEADING TO THIS CCAA PROCEEDING

8. HCPH is an unlimited liability company organized under the laws of Nova Scotia. It was previously known as Southam Inc. ("**Southam**").

9. HCPH was part of the Hollinger empire. It was a wholly-owned subsidiary of Sun-Times Media Group Inc. ("**STMG**"), formerly known as Hollinger International Inc., which was the publicly-traded company that actually operated newspaper businesses such as the Chicago Sun-Times. This is to be distinguished from Hollinger Inc., which was STMG's controlling shareholder that was itself controlled by The Ravelston Corporation Limited, which was ultimately controlled by Conrad Black.

10. Since 2000, HCPH has had no operating business. By way of a transaction agreement dated July 30, 2000 (the "**Transaction Agreement**"), the majority of the media and publication assets of HCPH were sold to CanWest Global Communications Corp. ("**CanWest**"). The remaining media and publication assets of HCPH were sold to 0744062 B.C. Ltd., a subsidiary of Glacier Venture International Corp., by way of an agreement dated January 11, 2006.

11. As at the time of its filing for CCAA in December 2009, the only ongoing operations of HCPH were the administration of two unfunded supplemental (i.e. non-registered) retirement plans and certain other post-employment benefit plans (collectively referred to as the "**OPEB Plans**"), in addition to six registered pension plans (the "**Pension Plans**", and together with the OPEB Plans, the "**Plans**").

12. The benefits payable under the Plans to employees on disability leave and retired employees included medical coverage, dental coverage, life insurance and retirement benefits. The Plans were both funded and unfunded; the funded plans (the Pension Plans) were divided between plans in surplus, and plans in deficit.

13. At the time of its CCAA filing, HCPH had no operations that generated any revenue and had no ability to generate future revenues other than interest or investment income on its cash reserves and securities.

14. There was no immediate liquidity event that precipitated HCPH's CCAA filing. At the time of its filing, HCPH had sufficient assets to satisfy obligations under the Plans as they came due in the near and immediate term. However, the assets were insufficient to meet all of HCPH's long-term obligations, and as such, absent a restructuring, certain Plan members who had claims or would become eligible for benefits first would be paid 100 cents on the dollar for such claims, whereas other Plan members would ultimately receive less or nothing. The purpose of the CCAA filing was to allow for a restructuring of the totality of HCPH's liabilities in a manner that was more equitable to all of its stakeholders, and that would avoid the "hard landing" that would instead occur in a bankruptcy proceeding.

C. THE CCAA PROCEEDINGS

15. As mentioned above, the Initial Order was issued by Justice Campbell on December 10, 2009. In that Initial Order, Koskie Minsky LLP was appointed as counsel for all members and beneficiaries of the OPEB Plans in these proceedings (the "**Representative Counsel**"). Mr. Andrew Hatnay of Koskie Minsky has been the principal lawyer engaged as Representative Counsel since the inception of these proceedings.

16. The mandate for the Representative Counsel expanded in an Order of Justice Campbell dated July 27, 2010, a copy of which is attached as Exhibit "**C**". Pursuant to that Order, Representative Counsel's mandate was expanded to also include representation of all members and beneficiaries of the Pension Plans in respect of these proceedings. Representative Counsel acts for approximately 3,500 retirees and beneficiaries of HCPH. The average age of the HCPH retirees is about 78 years old. The claims of the members and beneficiaries of the OPEB and Pension Plans comprise the overwhelming amount of claims of all creditors against HCPH.

17. The stay provisions in the Initial Order were standard Commercial List Initial Order stay provisions, and as such, HCPH regularly returned to Court in 2010, 2011 and 2012 for stay extensions, which were typically coupled with other forms of relief necessary for the restructuring, in order to conserve resources. Pursuant to the Sanction Order (described and defined below), the stay was extended until the CCAA Termination Date, as defined in the Sanction Order.

18. Throughout 2010, 2011, and 2012, substantial work was necessary to effect a restructuring of HCPH. The efforts of HCPH, the Monitor, and its various stakeholders, throughout this time period, has been described in various affidavits and Monitor reports filed with the Court, and in each instance the Court provided directions and authorization to HCPH in respect of material steps and approved the activities of HCPH and the Monitor.

19. On August 31, 2011, HCPH terminated all the OPEB Plans which included terminating payment of supplemental pension benefits.

20. In 2012, after extensive discussions and negotiations, and with substantial input from Representative Counsel, the Monitor, and other stakeholders, HCPH developed and proposed a

plan of compromise and arrangement (the "**CCAA Plan**"). The CCAA Plan provided for an orderly and organized wind-up of HCPH's Pension Plans and termination of its OPEB Plans. After funding of any deficiencies in the registered Pension Plans, the CCAA Plan had also contemplated a distribution to the OPEB Plan members in the 20 cents range (based upon wind up reports provided by the actuary for the registered Pension Plans, depending on final actual wind up deficits with respect to certain Pension Plan claims and other priority payments as set out in the CCAA Plan).

21. On June 8, 2012, the Court approved a Meeting Order for creditors. That meeting was held on July 20, 2012 and the CCAA Plan was passed by an overwhelming majority of creditors, with only one creditor with a claim for $9,584, voting against the CCAA Plan.

22. On July 31, 2012, the Court issued an order sanctioning the CCAA Plan and declaring it to be fair and reasonable.

23. On October 17, 2012, the Monitor filed a certificate confirming that it had been advised by HCPH that all conditions precedent to the CCAA Plan had been satisfied or waived, as applicable, and accordingly, the CCAA Plan was implemented.

24. In accordance with the CCAA Plan, HCPH, with the assistance of the Monitor, began the wind-up of the Pension Plans. Due to a persistently low interest rate environment and other market factors beyond HCPH's control, it became clear that the actual cost to purchase annuities from insurance companies would exceed the amounts that had previously been estimated by the actuary. As a result, it was discovered that HCPH had insufficient cash to fully fund the purchase of annuities necessary to complete the wind-up of the Pension Plans (at the higher than estimated cost) without incurring losses to retirees' pension benefits and resulting in no

distribution on OPEB claims. Accordingly, pursuant to an Order of the Court dated December 12, 2012, the applicable wind-ups were suspended (except for the Windsor Star Plan, which was fully funded, together the "**Remaining Pension Plans**") pending further order of the Court, in order to give HCPH and Representative Counsel an opportunity to work on alternatives to deliver greater value to HCPH's stakeholders. As a result, no distribution was made to creditors and in particular no distribution was made in respect of OPEB claims.

25. HCPH worked with Representative Counsel and the Monitor in the ensuing months to seek out additional annuity providers and to consider other alternatives. With the agreement of Representative Counsel, it was determined that refreshed quotes should be obtained from annuity providers for the wind-up of the Remaining Pension Plans. Pursuant to an Order dated May 13, 2013, the Court directed HCPH to obtain refreshed quotes for the purchase of annuities for the Remaining Pension Plans and to negotiate final quotes. If feasible, HCPH was to complete the wind-ups purchasing such annuities, or otherwise return to the Court for further directions.

26. In or about June 2013, HCPH, with the assistance of Representative Counsel and the Monitor, obtained a number of refreshed prices, and entered into negotiations with the insurer with the lowest price who, following further negotiations, agreed to lower their price further to allow for the purchase by HCPH of annuities that will pay full pension benefits (without any reduction) and still leave some cash with HCPH for distribution to creditors of HCPH. With the agreement of Representative Counsel, HCPH entered into a contract with that annuity provider shortly thereafter. In addition to the funds in the HCPH pension plans, HCPH paid an amount sufficient to fully fund annuity purchases in respect of the Pension Plans.

27. Because any distribution to the OPEB Plan members was dependent upon first completing the final distribution under the Remaining Pension Plans, and because the distribution under the Remaining Pension Plans had been suspended as a result of the inability of HCPH to purchase annuities to pay full pension benefits, distributions to creditors pursuant to the CCAA Plan has been delayed. Further, additional reconciliations described below and resolution of certain outstanding tax issues is necessary before a final distribution can be effected. As a result, to date, there has not been any distribution to any of HCPH's creditors under the CCAA Plan.

28. Therefore, since August 31, 2011, any HCPH retiree who has had a dental claim, or a medical claim, that would otherwise have been funded through the OPEB Plans, has been required to pay such expenditures out of pocket. Further, any HCPH retiree who had a supplemental pension benefit paid from HCPH general revenues had the entire payment of such benefits terminated by HCPH as of August 31, 2011. The relief sought on this motion includes a request to address that situation, and allow for an interim distribution of part of the assets held to satisfy claims under the CCAA Plan, rather than requiring the retirees to wait longer for a final distribution to occur.

29. HCPH would like to include in the proceeds to be distributed at a later date on the final distribution funds held in a trust established by a predecessor to HCPH and which HCPH administers, which has no ongoing purpose. I discuss this trust in some detail below. I am advised by counsel that, absent an order resolving the issues with the trust, it is possible those funds will simply escheat to the Crown, rather than helping HCPH's retirees, who are facing a shortfall on their OPEB claims.

30. In addition, $3.874 million has been refunded to HCPH's pension trust account by the annuity provider following the reconciliation of the annuity purchase transaction. HCPH will be making an application to FSCO to have these funds returned to HCPH's general accounts, less to any applicable fees or expenses.

D. THE PROPOSED INTERIM DISTRIBUTION

31. As of May 4, 2014, HCPH holds approximately $7.1 million cash on hand in its bank accounts. Given that there are several outstanding issues that need to be settled prior to a final distribution, including the reimbursement to HCPH by an annuity provider of certain funds on account of the final reconciliation of annuity premiums with respect to the wind-up of the Remaining Pension Plans and outstanding tax issues, Representative Counsel has requested that HCPH provide an interim distribution of $3,000,000 on a pro-rata basis to the holders of OPEB Claims and other Non-Pension Affected Claims (as defined in the CCAA Plan) in accordance with the CCAA Plan. This represents a payment of approximately 7% of the total OPEB Claims and Non-Pension Affected Claims currently known. To be clear, the amount to be paid may change depending on the resolution of the remaining issues outstanding above.

32. I understand that the Monitor considers this a reasonable request, subject to approval by this Court.

THE PACIFIC PRESS TRUST

33. In this motion, HCPH is also seeking directions with respect to notice and service in relation to the next motion to be brought by HCPH, which deals with the Pacific Press Trust, described and defined below (the "**Pacific Press Motion**"). Because the situation relating to the Pacific Press Trust is somewhat unusual, HCPH is looking for the Court's direction and guidance

with respect to the notice and service that would be appropriate in the circumstances. The relevant parties are working on a proposed notice and service plan, which will be provided to the Court.

34. What follows in this section is the evidence I anticipate I would adduce in the Pacific Press Trust motion. It is likely necessary to understand some or most of this evidence in order to assess the appropriate notice and service in the circumstances.

A. The Pacific Press Collective Agreement

35. While operating as "Southam", HCPH, along with other Hollinger entities, ran a number of newspaper businesses. One such business was the Pacific Press Limited ("**Pacific Press**") business. Pacific Press was a subsidiary of Southam until its dissolution in 1996. Pacific Press owned the Vancouver Sun and Vancouver Province newspapers in British Columbia, and was responsible for all of the individuals employed in connection with these newspapers.

36. A seven-part collective agreement between Pacific Press, a division of Southam, and the Communications, Energy and Paperworkers Union of Canada, Local 2000 (the "**Pacific Press Collective Agreement**") governed the rights and obligations of Union members and Pacific Press, and later, Southam (after Pacific Press was dissolved as a separate entity and continued as a division of Southam). Each of the parts of the Pacific Press Collective Agreement related to a separate department of the newspapers – for example, the composing room, the electrical department, the mechanical department, etc. For reference purposes I am attaching Part B, with respect to the "Composing Room", but the entire Collective Agreement is publicly available online and a copy of the full document will be brought by counsel to the hearing of this motion.

Attached as Exhibit "**D**" is a copy of the Composing Room portion of the Pacific Press Collective Agreement. Section 24 of that part deals with Health and Welfare Plans in particular.

37. From my review of the records, it appears that neither Pacific Press nor Southam purchased any third party insurance or benefit packages to cover these obligations. Rather, Pacific Press and Southam "self-insured", by creating a health and welfare trust as recognized by Canada Revenue Agency rules (the "**Pacific Press Trust**" or "**Trust**"). I discuss the Trust in the next section below.

38. As mentioned above, in 2000, HCPH (and other Hollinger entities) sold the majority of its newspaper assets to CanWest. The Transaction Agreement set out which assets were being transferred, and which were not. A copy of the relevant portions of the Transaction Agreement and relevant schedules are attached as Exhibit "**E**".

39. The parties subsequently entered into an Amending Agreement dated November 15, 2000, a copy of which is attached as Exhibit "**F**". Section 9.8 states that NewsMediaCo (a series of newly-incorporated indirect subsidiaries of Hollinger International, which acquired all of the non-National Post newspaper assets prior to a reorganization that effectively conveyed the assets to CanWest) would become the successor employer under the various collective agreements.

40. As a result of this, and as I am advised by counsel, subsection 35(2) of the British Columbia *Labour Relations Code*, CanWest became the successor employer to HCPH, and through operation of law, the collective agreement continues in force and binds CanWest to the same extent as if it had been signed by the purchaser. From that point on, HCPH no longer had any continuing obligations to the Pacific Press employees (nor to the former beneficiaries of the Pacific Press Trust).

41. The newspaper business was ultimately sold by CanWest to an entity that ultimately became Postmedia in a transaction effected under Canwest Publishing's CCAA proceedings in June 2010.

42. While the obligations of CanWest (and now Postmedia) as a successor employer appear to be straightforward, there was a further question as to whether HCPH and other Hollinger entities were legally obligated to indemnify CanWest for certain obligations related to HCPH inactive employees of which CanWest became the employer pursuant to the Transaction Agreement (the "**Inactive Employees**"). That question was the subject of an arbitration before Mr. John Morden, the former Associate Chief Justice of Ontario, which was heard and decided in 2009. Among other things, Mr. Morden stated that the parties were to take steps to transfer Inactive Employees to a Hollinger benefit plan, and the Hollinger entities were required to pay a monetary award. The specific award is confidential but counsel will bring a copy of the award to the hearing.

43. After Mr. Morden delivered his decision, the parties entered into negotiations and ultimately executed a Settlement Agreement. The terms of the Settlement Agreement were publicly announced. The Hollinger entities agreed to pay $34 million instead of the amount awarded by Mr. Morden and agreed that CanWest would become the employer of the Inactive Employees. HCPH would therefore not transfer the Inactive Employees to a Hollinger benefit plan as had been directed by Mr. Morden. The Settlement Agreement also contained a release, a copy of which is attached and marked as Exhibit "**G**" (the "**Release**"). Included in the matters that were released were any claims related to:

> (e) the arbitration award issued on January 27, 2009 and amended on February 25, 2009 in the Arbitration Proceeding (the "Arbitral Award"),

> including but without limiting the generality of the foregoing, any and all parts of the Arbitral Award that contemplate future and ongoing obligations or indemnities such as the obligation to pay any wages and benefits to any employees, payments for inactive employees at the Pacific Press, the CSST payments to Noella Jalbert and any legal fees settlements or judgments arising from third party or other litigation claims which were or could have been addressed in the Arbitration Proceeding, including the compositor's dispute involving the Montreal Gazette. [emphasis added]

44. Therefore, in return for a payment of $34 million by HCPH to CanWest, HCPH and the other Hollinger entities entirely severed the business it had sold to CanWest, and this specifically included any ongoing indemnification obligations from HCPH to CanWest on account of all Pacific Press employees, including the Inactive Employees. I have reviewed the books and records of HCPH and can confirm that this $34 million was in fact paid to CanWest.

45. As a result of all of the above, by March 2009: (a) obligations to Pacific Press employees, including Inactive Employees, had transferred to CanWest by operation of law; and (b) any indemnification obligations by HCPH to CanWest on account of Pacific Press employees had been extinguished in the Release and by the payment by HCPH of $34 million to CanWest.

B. The Pacific Press Trust

46. Pacific Press was the settler of a trust that was established for the purposes of providing disability, death or other health and welfare benefits for employees and former disabled employees of Pacific Press, in accordance with the provisions of the Pacific Press Members' Benefit Plan (the "**Pacific Press Plan**"). A copy of the Agreement and Declaration of Trust made as of September 1, 1989 (the "**Declaration of Trust**"), is attached as Exhibit "**H**". The current custodial trustee of the Pacific Press Trust is CIBC Mellon Trust.

47. The purpose of the Trust Fund is set out in section 2.02 of the Declaration of Trust, which is to provide disability, death or other health and welfare benefits to Employees and Prior Disabled Persons of Pacific Press in accordance with the provisions of the Pacific Press Plan. Section 4.04 provides that the Trustees shall make payments to persons in the form of benefits payable in accordance with the Pacific Press Plan.

48. The Declaration of Trust does not contain any provision that deals directly with the scenario HCPH currently faces, where the obligations to employees have been transferred to a purchaser as a result of the sale of the Pacific Press business, but some cash remains in the trust account.

49. The Agreement and Declaration of Trust was amended on January 1, 1992. A copy of the Amending Agreement and Declaration of Trust dated January 1, 1992 is attached as Exhibit "**I**".

50. The current trustees of the Pacific Press Trust are Peter Y. Atkinson, J. David Dodd, and Barry Tyner. A copy of HCPH's Appointment of Trustees, dated July 18, 2003, is attached as Exhibit "**J**".

51. According to the statement from the custodian of the Pacific Press Trust (CIBC Mellon Trust) dated December 31, 2013, there is approximately $1.48 million remaining in the Trust's accounts.

52. Based on the records of the Pacific Press Trust, it appears that no payments have been made by the Trust to any of the beneficiaries of the Pacific Press Trust for at least the past fourteen years.

53. Today, based on the records of HCPH, there are ten surviving persons who were originally designated as beneficiaries under the Pacific Press trust (the "**Former Beneficiaries**"). Based on my review of the books and records of HCPH, it is my understanding that eight of the Former Beneficiaries are receiving disability benefits from a Sun-Province plan, and two are receiving disability benefits from a Canada Life plan. Since the Transaction Agreement in 2000, HCPH has never been requested by any of the Former Beneficiaries to make any payments to them. HCPH has not made any payments to the Former Beneficiaries for at least the last fourteen years. There is nothing in the books and records of HCPH to suggest that there has been any problems with CanWest (or Postmedia) making any payments to the Former Beneficiaries who are eligible for such payments and HCPH has no knowledge of any other person who would be eligible for a payment from the Trust pursuant to the Pacific Press Plan.

C. The Proposed Use of the Dormant Pacific Press Trust Funds

54. HCPH, as the successor to Southam Inc., the settlor of the Trust, is proposing to wind up the Pacific Press Trust and to distribute the remaining funds in the CIBC Mellon trust account to holders of OPEB Claims and Non-Pension Affected Claims as defined in the Sanction Order.

55. There are at least seven reasons why the Pacific Press Trust should be wound up on the basis proposed by HCPH:

(a) HCPH and the Pacific Press Trust have no residual or ongoing obligations to any of the Former Beneficiaries. All such obligations have been transferred to CanWest and from there, to PostMedia. To my knowledge, CanWest and/or PostMedia is making all required payments to the Former Beneficiaries.

(b) HCPH paid CanWest in full to satisfy any obligations relating to Pacific Press employees. HCPH and the other Hollinger entities paid $34 million of funds (including funds that would have otherwise been payable to OPEB and Non-Pension Affected Claim holders) on account of all obligations to CanWest, including the Pacific Press obligations. HCPH received a Release from CanWest, which specifically released HCPH from all obligations with respect to the Pacific Press employees;

(c) The Pacific Press Trust is dormant, and has been dormant and inactive for almost fifteen years. Neither the Trust nor HCPH is paying any amount to the Former Beneficiaries. Nobody, including the Trustees or any of the Former Beneficiaries, or anyone else, has made any claim or asserted any legal or other entitlement to any of the funds;

(d) If the remaining funds are paid to the Former Beneficiaries, it would represent a double recovery, since their obligations are being satisfied, and are required to be satisfied, by PostMedia. As noted above, HCPH paid money to CanWest on account of such obligations as part of the Transaction Agreement. The Former Beneficiaries are therefore not entitled to any additional amount in respect of their disability benefits from the Trust in respect of the same disability claim, and any payment from would be a double recovery for them;

(e) There is a rational connection between the proposed recipients of the funds – OPEB and Non-Pension Affected Claim holders – and the funds to be distributed. As set out above, had the Trust fund been transferred to CanWest as at the time of the Transaction Agreement, an equivalent amount of actual cash could have, and would have, been held back by HCPH for use to pay OPEB and Non-Pension Affected Claims, among other things;

(f) There are no persons that have a greater or higher claim to these funds, in the circumstances. The Declaration of Trust expressly prohibits the funds reverting to Pacific Press Limited or other participating employers, so it is not proposed that these funds revert to HCPH, but rather, the funds would go to the distribution pool and used to pay HCPH's OPEB claimants and other creditors in the same class pursuant to the CCCA Plan; and

(g) HCPH is not restructuring and all of its assets are being distributed to its creditors. The Pacific Press Trust is dormant and inactive. The Trust funds should be distributed to retirees of HCPH with OPEB claims who are facing a significant shortfall on their claims to HCPH, rather than paying the Trust funds to Former Beneficiaries who have their disability claims fully covered by CanWest and/or PostMedia.

56. In short, HCPH believes that the relief sought is an equitable and practical way of dealing with a pool of funds in the Trust that have laid dormant for almost fifteen years. Absent the requested order being issued by the Court, the Trust funds will likely ultimately escheat to the Crown and not benefit any of the creditors or retirees of HCPH.

D. Proposed Notice and Service

57. Based on the foregoing evidence to be tendered at the Pacific Press Motion, HCPH is proposing that the following steps take place with respect to service and notice of the Pacific Press Motion:

(a) the Applicant will be directed to issue a notice, substantially in the form attached to the draft Order as Appendix "A" (the "**Notice**") or in such other form agreed upon by the Applicant, the Monitor and Representative Counsel, in relation to the Pacific Press Motion;

(b) the Applicant will be directed to serve a copy of the Notice along with the motion record for the Pacific Press Motion to the current trustees of the Pacific Press Trust at their last known address according to HCPH's books and records;

(c) the Applicant and Representative Counsel will be authorized to take the following steps to reasonably ascertain the contact information for the former beneficiaries of the Pacific Press Trust (the "**Former Beneficiaries**"):

(i) the Applicant will be authorized to contact the Pacific Newspaper Group to determine whether they maintain contact information for the Former Beneficiaries, and if Pacific Newspaper Group provides such information to HCPH;

(ii) The Applicant will be authorized to provide the list of names and any contact information it has received in respect of the Former Beneficiaries to Representative Counsel;

(iii) Representative Counsel will be authorized, but not required, to engage and retain a third party investigative service company to locate contact information for the Former Beneficiaries;

(iv) Representative Counsel will be authorized to use any contact information to contact the Former Beneficiaries and to consult with them regarding the Pacific Press Motion; and

(d) the Monitor and Representative Counsel will be directed to post a copy of the Notice on the Monitor's and Representative Counsel's websites, respectively.

58. The proposed Order will also state that the use and disclosure of information set out above will constitute use "required by law" in relevant privacy legislation.

59. I swear this affidavit in support of the within motion and for no other or improper purpose.

SWORN BEFORE ME at the City of Chicago, in the State of Illinois this 6th day of May 2014.	))))))	
A commissioner of oaths, etc.	)	MICHAEL KRUPA

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

Court File No. 09-8503-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MR.	) THURSDAY, THE
JUSTICE CAMPBELL	)
	) 10th DAY OF DECEMBER, 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 IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

INITIAL ORDER

THIS APPLICATION, made by Hollinger Canadian Publishing Holdings Co. (the "**Applicant**"), 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 Thomas L. Kram, sworn December 8, 2009 (the "**Kram Affidavit**"), and the Exhibits thereto, the consent of Ernst & Young Inc. to act as the Monitor (the "**Monitor**"), the consent of Dennis Byrd to act as chief restructuring officer, the consent of Koskie Minsky LLP to act as representative counsel and on hearing the submissions of counsel for the Applicant,

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 Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant 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 "**Plan**") in accordance with the CCAA.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the engagement of Marianne Desaulniers, Fey Kakaroukas and Bina Benoit by the Applicant as Assistants in accordance with the retention agreements entered into between such persons and the Applicant, as may be modified or amended between the Applicant and such Assistants in consultation with the Monitor (as defined below), is hereby authorized and approved.

6. **THIS COURT ORDERS** that, subject to paragraphs 46 and 47, the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee and retiree medical, dental, disability, life insurance and similar benefit plans or arrangements, employee assistance programs, other retirement benefits and employee and employer current service, special and other contributions and payments in respect of pensions), vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after 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 Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant 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 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 Applicant in connection with the sale of goods and services by the Applicant, 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 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 Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under 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 Applicant and the 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.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is 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 the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances

upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding $250,000 in any one transaction or $1,000,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicant and such employee, or failing such agreement, to deal with the consequences thereof in the Plan; and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant'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 Applicant'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 Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the

CCAA, 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 Applicant's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant 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 Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant 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 APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including January 8, 2010, 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 Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **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 Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) exempt the Applicant 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

16. **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, sub-licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant, 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 Applicant, and that the Applicant shall be entitled to the continued use of its 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 Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

18. **THIS COURT ORDERS** that as and from the date of this Order, neither Chicago Newspaper Liquidation Corp. (formerly Sun-Times Media Group, Inc.) ("**STMG**") nor any of

the other shareholders of the Applicant, nor any of the officers, directors or employees of STMG or of any such other shareholders shall have any authority or responsibility for any action or decision taken by or in respect of the Applicant, its Business or its Property.

19. **THIS COURT ORDERS** that the Applicant is hereby authorized and directed to enter into a transition services agreement substantially in the form attached as Exhibit P to the Kram Affidavit (the "**TSA**") and that the TSA and the actions required of the Applicant thereunder are hereby authorized and approved.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease 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 Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **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 of the Applicant, including any person who manages or supervises the management of the business or affairs of the Applicant or is deemed by law to be a director or officer of the Applicant (referred to collectively as the "**directors and/or officers**") with respect to any claim against the directors and/or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors and/or officers are alleged under any law to be liable in their capacity as directors and/or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **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 Applicant's 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 Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicant, to the extent required by the Applicant, in connection with the Pension and Benefits Plans (as defined below) and the Pension and Benefits Payments and Contributions (as defined below);

(d) advise the Applicant in its development of the Plan and any amendments to the Plan;

(e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

(g) 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;

(h) assist the Applicant in pursuing offers for material parts of the Business or Property, in whole or in part, as contemplated in paragraph 11 of this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall cause the Monitor to be deemed to be an employer of any of the Applicant's employees or an employer in respect of any of the Pension and Benefit Plans.

25. **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 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 Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant 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 the Applicant 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 Applicant may agree.

27. **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.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a weekly (or such other interval as may be mutually agreed) basis and, in addition, the Applicant is hereby authorized to pay retainers to the Monitor, counsel to the Monitor, and counsel to the Applicant, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. **THIS COURT ORDERS** that the Monitor and its legal counsel may, and at the request of the Applicant 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.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant's counsel and Representative Counsel (as defined below) shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $750,000, as security for their professional fees and

disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof. The priority of the Administration Charge and the provisions of this Order relating thereto shall survive any bankruptcy of the Applicant and shall be binding upon any trustee in bankruptcy, receiver or like person appointed in respect of any of the Applicant or the Property.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

31. **THIS COURT ORDERS** that the agreement (the "**CRO Agreement**"), substantially in the form attached as Exhibit "O" to the Kram Affidavit, to engage Dennis Byrd ("**Byrd**") as the chief restructuring officer ("**CRO**") of the Applicant and the engagement of Byrd as the CRO in accordance with the CRO Agreement are hereby authorized and approved, effective immediately upon the making of this Order.

32. **THIS COURT ORDERS** that, in addition to the powers, duties and responsibilities set out in the CRO Agreement, the CRO shall, subject in all cases to prior approval of the Monitor or order of this Court, have and exercise the following powers, duties and responsibilities, together with such additional or other powers, responsibilities and duties as hereafter may be approved by the Monitor, or as may be ordered by this Court:

(a) to assist the Monitor as requested from time to time in connection with its duties and responsibilities, including without limitation, (i) in securing the books and records of the Applicant, (ii) by providing to the Monitor information and copies of documents (if in the possession or control of the Applicant) relating to the Applicant, including without limitation, relating to its operations, its former employees, its retirees, its pension and benefit plans, and its assets and liabilities, and (iii) in responding to enquiries from creditors, former employees, retirees and other persons in relation to the Applicant;

(b) to, on behalf of the Applicant, retain and terminate such Assistants as it considers necessary and appropriate to assist the Applicant or the CRO in the performance of its duties, on such terms as may be approved by the Monitor or this Court, and may provide instructions and directions to any and all Assistants, counsel and advisors retained by the Applicant;

(c) to provide such assistance to the Applicant in the administration of the Pension and Benefits Payments and Contributions (as defined below) as is consistent with the manner in which such Pension and Benefits Payments and Contributions were administered prior to the date of this Order, but as modified or amended pursuant to this Order or as may be may be modified by further Order of this Court;

(d) to assist the Applicant in the administration of the Applicant's Business, including causing the Applicant to pay accounts for goods or services rendered to the Applicant from and after the date of this Order and approved by the Monitor or this Court;

(e) to approve and execute any and all agreements, documents, instruments, cheques, wire payments and transactions and to take such actions and steps on behalf of the Applicant to cause the Applicant to do all things authorized and directed by this Order or as may be approved by the Monitor or further Order of this Court;

(f) to file, on behalf of the Applicant, one or more Plans, for approval by one or more classes of the Applicant's creditors; and

(g) to seek the direction of this Court at any time and from time to time with respect to any matter relating to its duties and responsibilities and the exercise of its powers or otherwise in relation to the Applicant.

33. **THIS COURT ORDERS** that the CRO shall be paid by the Applicant for all services rendered pursuant to the CRO Agreement and this Order in accordance with the terms of the CRO Agreement.

CRO INDEMNITY AND CHARGE

34. **THIS COURT ORDERS AND DIRECTS** that the CRO shall not incur any liability or obligation as a result of the performance of his duties or his engagement as contemplated hereunder, save and except for any liability or obligation found by this Court to have arisen

from gross negligence or wilful misconduct on his part, and that no action or proceedings may be commenced against the CRO, except with the prior leave of this Court obtained on at least twenty-one (21) days' notice to the Applicant, the CRO and the Monitor.

35. **THIS COURT ORDERS** that, without diminishing any rights of the CRO to indemnification or insurance under any insurance policy, by-law, resolution, agreement or otherwise at law, the Applicant shall indemnify the CRO from any and all claims, losses, damages, costs, charges and expenses which the CRO sustains or incurs by reason of or relating to the exercise of any power or authority or in the performance of any responsibility, duty or obligation in his capacity as CRO, save and except to the extent of any loss found by the Court to have been caused by any gross negligence or wilful misconduct on his part (the "**CRO Indemnity**").

36. **THIS COURT ORDERS** that the CRO shall be entitled to the benefit of and is hereby granted a charge (the "**CRO Charge**") on the Property as security for (i) the CRO's fees and disbursements incurred in accordance with the terms of the CRO Agreement and (ii) the CRO Indemnity. The CRO Charge shall have the priority set out in paragraphs 39 and 41 of this Order. The CRO Indemnity and CRO Charge shall be in addition to any coverage available to the CRO and the Applicant under any insurance policy and nothing in this Order shall absolve, reduce or diminish the obligation of any insurer to provide any payment or coverage under any insurance policy.

37. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, no insurer shall be entitled to be subrogated to or claim the benefit of the CRO Charge.

38. **THIS COURT ORDERS** that the CRO Indemnity and CRO Charge and the provisions of this Order relating thereto shall survive any bankruptcy of the Applicant and shall be binding upon any trustee in bankruptcy, receiver or like person appointed in respect of any of the Applicant or the Property.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. **THIS COURT ORDERS** that the priorities of the Administration Charge and the CRO Charge (collectively, the "**Charges**") as among them, shall be as follows:

First, the Administration Charge, to the maximum amount of $750,000; and

Second, the CRO Charge.

40. **THIS COURT ORDERS** that the filing, registration or perfection of 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.

41. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the 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.

42. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, either of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

43. **THIS COURT ORDERS** that the Charges 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**") shall not otherwise be limited or impaired in any way 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 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 Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is 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 the creation of the Charges; and

(c) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable, voidable or reviewable transactions under any applicable law.

44. **THIS COURT ORDERS** that any Charge created by this Order over leases or real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

INTERIM ADMINISTRATION OF THE PENSION AND BENEFIT PLANS

45. **THIS COURT ORDERS** that the Applicant shall continue to act as the administrator of all of its pension and benefits plans (the "**Pension and Benefits Plans**"), subject to the supervision and overview of the CRO and the Monitor and subject to this and any further Orders of this Court from and after the date hereof.

46. **THIS COURT ORDERS** that any persons or entities performing administrative or payment functions in respect of the Pension and Benefits Plans ("**Administrative Entities**") are authorized and directed to continue acting in their current capacity and to continue performing such administrative and payment functions, provided that from and after the date of this Order (i) reports of all contributions and payments made in respect of each of the Pension and Benefits Plans shall be provided to the Applicant and the Monitor on the same

periodic basis as such reports are currently generated; (ii) all contributions and payments in respect of the Applicant's non-registered Pension and Benefits Plans shall require the prior approval of the Monitor; (iii) all contributions by the Applicant in respect of the Thomson Plan, the Sterling Plan, the Hollinger Sterling Plan and the Journal Plan (all as defined in the Kram Affidavit) shall require the prior approval of the Monitor.

47. **THIS COURT ORDERS** that until further order of this Court, the Applicant, together with any Administrative Entities on the Applicant's behalf, shall continue to make payments to the members or beneficiaries of the Pension and Benefits Plans and contributions to the Pension and Benefits Plans, as the case may be, as prescribed by the terms of the Pension and Benefits Plans, applicable legislation and as amended or modified by this Order or any subsequent orders of this Court (the "**Pension and Benefits Payments and Contributions**").

48. **THIS COURT ORDERS AND DECLARES** that any and all Pension and Benefits Payments and Contributions made from and after the date of this Order in respect of any non-registered Pension and Benefits Plans shall (unless otherwise provided for in the Plan or further Order of this Court) be credited against the ultimate entitlements of each member or beneficiary under such Pension and Benefits Plans pursuant to any final resolution or restructuring approved by this Court or in any bankruptcy of the Applicant.

49. **THIS COURT ORDERS AND DECLARES** that any and all Pension and Benefits Payments and Contributions made by the Applicant or an Administrative Entity in accordance with this Order do not and will not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable, voidable or reviewable transactions under any applicable law.

PENSION AND BENEFIT PLANS - REPRESENTATIVE COUNSEL

50. **THIS COURT ORDERS** that Koskie Minsky LLP ("**Representative Counsel**") is hereby appointed as counsel for all members and beneficiaries of the OPEB Plans (as defined in the Kram Affidavit) in these proceedings for or in respect of any issues affecting the members and/or beneficiaries of the OPEB Plans in these proceedings.

51. **THIS COURT ORDERS** that the Applicant shall provide to Representative Counsel, without charge:

(a) the names, last known addresses and last known e-mail addresses (if any) of all of the members of the OPEB Plans, as well as applicable data regarding their entitlements, only to be used for the purposes of these proceedings and subject to confidentiality arrangements satisfactory to the Applicant and Monitor and applicable privacy laws; and

(b) upon request of Representative Counsel, such documents and data as may be relevant to matters relating to the issues in these proceedings including documents and data pertaining to the OPEB Plans, including available financial and actuarial information regarding the funding and investments of the OPEB Plans.

52. **THIS COURT ORDERS** that Representative Counsel may, with prior approval of the Monitor and the Applicant or further order of this Court, retain such actuarial and other advisors and assistants as may be necessary in connection with its duties as Representative Counsel.

53. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel and in respect of its advisors and assistants retained pursuant to paragraph 52 above shall be paid by the Applicant on a monthly basis, forthwith upon the rendering of accounts to the Applicant. In the event of any disagreement regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

54. **THIS COURT ORDERS** that Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.

55. **THIS COURT ORDERS** that any individual member of the OPEB Plans who does not wish to be represented by Representative Counsel in these proceedings shall, within 30 days of publication of notice of the appointment of Representative Counsel pursuant to

paragraph 59(b) below, notify the Monitor and Representative Counsel, in writing, by delivering an executed copy of the opt-out form attached to the Plan Members Notice (as defined below) by facsimile or registered mail (the "**Opt-Out Notice**"), and shall thereafter not be bound by the actions of Representative Counsel and shall represent themselves or be represented by any counsel that they may retain exclusively at their own expense.

56. **THIS COURT ORDERS** that, with the exception of persons who have delivered the Opt-Out Notice to the Monitor and Representative Counsel in accordance with paragraph 55 above, Representative Counsel shall represent and act for all individual members and beneficiaries of the OPEB Plans in these proceedings and such individual members and beneficiaries and any person who may be entitled to claim payments, benefits or reimbursements under any OPEB Plans through such individual members or beneficiaries or because such individuals are members or beneficiaries of any OPEB Plan shall be bound by the actions of Representative Counsel in these proceedings.

57. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of their appointment or the fulfilment of their duties in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or wilful misconduct on their part and that no action or proceedings may be commenced against the Representative Counsel, except with the prior leave of this Court obtained on at least twenty-one (21) days' notice to the Applicant, the Representative Counsel the CRO and the Monitor.

58. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and are authorized at any time to apply to this Court, on proper notice to the Monitor and the Applicant, for advice and directions in the performance or variation of their powers and duties.

SERVICE AND NOTICE

59. **THIS COURT ORDERS** that the Monitor shall:

(a) without delay, publish in the national edition of The Globe and Mail a notice:

(i) containing the information prescribed under the CCAA; and

(ii) of the appointment of Representative Counsel pursuant to this Order, in a form to be agreed upon by Representative Counsel, the Applicant and the Monitor or, failing such agreement, approved by further order of this Court;

(b) within ten days after the date of this Order:

(i) send notice of the making of this Order and the appointment of Representative Counsel pursuant to this Order, substantially in the form attached as Schedule "A" to this Order, to the members of the Pension and Benefits Plans (the "**Plan Members**") by ordinary mail at the address of each such Plan Member as shown on the books and records of the Applicant (the "**Plan Member Notice**");

(ii) post this Order and the Plan Member Notice on the Website (as defined below); and

(iii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1000, other than the Plan Members, and prepare a list showing the names and addresses of such creditors (which, for greater certainty, shall not include the Plan Members) and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

60. **THIS COURT ORDERS** that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant 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.

61. **THIS COURT ORDERS** that the Applicant, the Monitor, 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 (http://documentcentre.eycan.com) (the "**Website**").

GENERAL

62. **THIS COURT ORDERS** that the Applicant 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.

63. **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 Applicant, the Business or the Property.

64. **THIS COURT ORDERS** that this Order and any other Order in these proceedings shall have full force and effect in all provinces and territories in Canada, in the same manner in all respects as if the Order had been made by the court enforcing it, and shall have full force and effect outside Canada.

65. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

66. **THIS COURT ORDERS** that each of the Applicant 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 that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

67. **THIS COURT ORDERS** that any interested party (including the Applicant, the Monitor and the Representative Counsel) 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.

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

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

DEC 10 2009

PER / PAR:

SCHEDULE "A"

December •, 2009

VIA FIRST CLASS MAIL

Dear Sir/Madam:

Re: Hollinger Canadian Publishing Holdings Co. – CCAA Proceedings and Appointment of Representative Counsel

On December •, 2009, Hollinger Canadian Publishing Holdings Co. (formerly •) ("**HCPH**") commenced court-supervised restructuring proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Ernst & Young Inc. has been appointed by the court as Monitor in HCPH's CCAA proceedings pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on December •, 2009 (the "**Initial Order**").

Several years ago, HCPH sold its various newspaper businesses and, for some period of time, it has had no ongoing business activity. However, it continues to administer post-employment benefits, post-retirement benefits and pension plans for in excess of 3,000 former employees of what once was the Southam newspaper chain. HCPH has commenced CCAA proceedings with a view to implementing arrangements to deal with its remaining assets and liabilities in a fair and orderly manner that takes into account the best interests of all stakeholders.

In its CCAA proceedings, HCPH has sought and obtained permission from the court to continue to provide, on an interim basis, all existing benefits to beneficiaries of its pension and benefit plans (the "**Plan Members**"), thereby avoiding any sudden interruption in benefits that could otherwise potentially affect former employees, retirees and others receiving them.

In addition, as part of the Initial Order HCPH has sought and obtained an order of the court (the "**Representation Order**"), appointing the law firm Koskie Minsky LLP as representative counsel ("**Representative Counsel**") to act on behalf of all Plan Members in respect of issues arising from HCPH's CCAA proceedings that affect the post-employment and post-retirement benefits, other than registered pension plan benefits, of Plan Members ("**OPEB Benefits**"). Under the terms of Initial Order, Koskie Minsky LLP is not appointed to represent individuals with respect to any registered pension plan matters at this time.

As the Representation Order requires HCPH to pay all reasonable professional fees and expenses of Representative Counsel you will not be required to pay legal fees for Koskie Minsky LLP's role as your Representative Counsel in HCPH's CCAA proceedings.

HCPH will be providing Representative Counsel with individual contact information for all Plan Members. Individuals that have received this letter directly from the Monitor do not need to forward their contact information to Koskie Minsky LLP. If you need to for any reason, you can contact Representative Counsel at:

Koskie Minsky LLP
Suite 900, Box 52
20 Queen Street West
Toronto, ON M5H 3R3

Email: hcph@kmlaw.ca
Tel: •
Website: www.kmlaw.ca

If you do not wish to be bound by the Representation Order, you must submit an opt-out letter to the Monitor and the Representative Counsel on or before •, 2009. A form of opt-out letter is attached to this letter for your convenience. Individuals who opt-out and wish to appear in HCPH's CCAA proceedings must obtain independent legal representation or represent themselves before the court, all at their own expense.

For the time-being, your payments under HCPH's pension and benefits plans will continue and **you are not required to take any action**. However, OPEB Benefits are not insured or pre-funded. They are paid from the available assets of HCPH, which may not be sufficient to fully fund all OPEB Benefits over the long-term. As a result, it is possible that your OPEB Benefits may be altered in the future. For this reason, Representative Counsel has been appointed to represent the interests of Plan Members who do not opt-out, in respect of issues arising from HCPH's CCAA proceedings that affect OPEB Benefits.

At this time, Plan Members are not required to file a proof of claim in respect of their OPEB Benefits (or any pension or other claims). A special process may be established for claims, and Plan Members will be notified of such a process if and when it occurs.

Individuals can obtain more information about HCPH's ongoing CCAA proceedings and can view the Initial Order and other public court documents at the Monitor's website. In that regard, as required by the CCAA, the Monitor has prepared and filed with the Court a report on the cash-flow statement filed by HCPH in connection with the Initial Order. That report is available on the Monitor's website. Contact information for the Monitor is as follows:

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Canadian Publishing Holdings Co.
222 Bay Street
P.O. Box 251
Toronto, ON M5K 1J7

Tel: 1-888-274-4344
Website: www.ey.com/ca/HCPH

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

OPT-OUT NOTICE

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Canadian Publishing Holdings Co.
Ernst & Young Tower
222 Bay Street
P.O. Box 251
Toronto, Ontario M5K 1J7
Attention: •
Tel: •
Fax: •

I, ____________________, am a former employee of Hollinger Canadian Publishing Holdings Co. ("**HCPH**"), and am a member or beneficiary of one or more OPEB Plans (as defined in the Order of Justice • dated •, 2009) (the "**Initial Order**").
Under Paragraph [55] of that Order, former employees who do not wish Koskie Minsky LLP (the "**Representative Counsel**") to act as their representative counsel may opt out.
I hereby notify the Monitor that I do not wish to be represented by or bound by the actions of Representative Counsel in these proceedings and will be represented as an independent individual party to the extent I wish to appear in these proceedings. This Notice shall be binding upon me and any person to whom I am related or who may otherwise be entitled to claim payments, benefits or reimbursement under an OPEB Plan under or through me or because I am a member or beneficiary under such OPEB Plan.

Date ______________________ Signature ______________________

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. 09-8503-00LL

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

INITIAL ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Derek Bell (LSUC #43420J)
Raj Sahni (LSUC #42942U)

Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

APPLICATION RECORD

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Derek Bell (LSUC #43420J)
Raj Sahni (LSUC #42942U)
Mark Smyth (LSUC #47278L)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

DEC. 10/09.

This is an Application for an Initial Order under the CCAA in somewhat unusual circumstances. At one level the situation of the Applicant is complicated being part of the former Hollinger empire. At the most basic level however matters are much simpler. The assets essentially represent cash or cash equivalents ~~two~~ of approximately $33 million. The creditors are members of the funded & unfunded pension plans of the Applicant the beneficiaries being former retired employees. In addition some employees are entitled to benefits for health & other benefits. The applicant is a subsidiary of the former Sun Times media in Chapt. 11 in the US & now in liquidation & had been managed by Sun Times which is no longer in a position to do so. (over)

-2-

I am satisfied that in the circumstances that this is an appropriate application of the CCAA powers. The company is insolvent with debts in excess of \$5 million. I am satisfied that the aims of the restructuring which is essentially to preserve pension & other retirement benefits for former employees. All of the proposals are consistent with that goal & the scheme of administration is intended to provide recovers low cost reliable continuance of services & benefit.

I am satisfied that the proposed plan including the financial arrangements and appropriate in the circumstances. The proposed representative counsel & monitors appointment will assure governance. The draft initial order filed which I have signed will I am satisfied provide the necessary protection to all parties including potential claimants

C.L. Campbell J.

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

Court File No. 09-8503-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 25TH
JUSTICE NEWBOULD	)	DAY OF FEBRUARY, 2014
	)	

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) Discharging Dennis Byrd ("**Byrd**") from his position as Chief Restructuring Officer of HCPH ("**CRO**") and releasing and discharging him from all responsibilities and obligations imposed by the initial order granted in these proceedings ("**Initial Order**") and all subsequent orders of this Court and related liabilities and obligations, effective February 28, 2014;

(b) Appointing Michael Krupa ("**Krupa**") as the new CRO of HCPH and granting him the all the powers, responsibilities, duties, and protections granted to the

CRO as outlined in the Initial Order and all subsequent orders of this Honorable Court, effective March 1, 2014; and

(c) Such further and certain other relief as this Honorable Court deems just was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the Motion Record of the Applicant, including the Notice of Motion of the Applicant, the Affidavit of Dennis Byrd, sworn February 20, 2014 (the "Motion Record") 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, although duly served,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby abridged such that this motion is properly returnable today and that service of 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 CCAA Plan unless otherwise indicated.

DISCHARGE AND RELEASE OF CRO

3. **THIS COURT ORDERS AND DECLARES** that, effective February 28, 2014, Byrd is hereby released and discharged from any further responsibilities or obligations imposed by any

Orders made in these CCAA Proceedings, provided that he shall continue to have the benefit of the Orders made in these CCAA Proceedings.

4. **THIS COURT ORDERS AND DECLARES** that, effective on February 28, 2014, Byrd is released and discharged from any and all liabilities or obligations of any nature or kind whatsoever, that he had, now has or may hereafter have or be under by reason of, or in any way relating to or arising from or in connection with, any acts or omissions, transactions, dealings or other occurrences in relation to these CCAA Proceedings save and except for any gross negligence or wilful misconduct on the CRO's part. Without limiting any of the foregoing, he is forever released and discharged from any and all liability relating to matters that were raised or arose or which could have been raised in the CCAA Proceedings, including, without limitation, in relation to the performance of his duties under the Orders made in these CCAA Proceedings and in relation to any and all Claims, provided that nothing herein shall relieve him from any liability if he is adjudged by the express terms of a judgment rendered on a final determination of the merits to have committed gross negligence or wilful misconduct in relation thereto.

APPOINTMENT OF NEW CRO

5. **THIS COURT ORDERS** that, effective on March 1, 2014, Krupa shall be appointed as the new CRO of HCPH with all the powers, responsibilities, duties, and protections outlined in the Initial Order and all subsequent orders of this Honourable Court.

AMENDMENT OF INITIAL ORDER

6. **THIS COURT ORDERS** that paragraph 31 of the Initial Order be amended to provide as follows (with all changes from current form of Initial Order indicated by way of underlined or

struck through text):

31. THIS COURT ORDERS that the agreement (the "CRO Agreement") substantially in the form attached ~~as Exhibit "O" to the Kram Affidavit, to engage Dennis Byrd ("Byrd")~~ as Exhibit "A" to the Order of this Honourable Court, dated February 25, 2014 to engage Mike Krupa ("Krupa") as the chief restructuring officer ("CRO") of the Applicant and the engagement of ~~Byrd~~ Mr. Krupa as the CRO in accordance with the CRO Agreement are hereby authorized and approved, ~~effective immediately upon the making of this Order.~~

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

FEB 2 5 2014

EXHIBIT "A"

Hollinger Canadian Publishing Holdings Co.

February 5, 2014

Mr. Michael Krupa

Dear Sir:

Re: Retainer as CRO

We are writing to memorialize the agreement we have reached with you.

As you know, Hollinger Canadian Publishing Holdings Co. ("HCPH") is subject to an Initial Order dated December 10, 2009 (the "Initial Order") issued by the Ontario Superior Court of Justice (Commercial List) (the "Court") under the *Companies' Creditors Arrangement Act* ("CCAA"). The Initial Order authorized the engagement of Dennis M. Byrd as chief restructuring officer ("CRO") to assist HCPH in the administration of the CCAA estate, subject to the oversight of the Monitor and/or approval of the Court. This letter agreement (the "Retainer") confirms the terms upon which subject to the approval of the Court, you, Michael Krupa, would replace Dennis M. Byrd as CRO of HCPH effective March 1, 2014. For greater certainty, effective March 1, 2014 and subject to the approval of the Court this agreement shall replace the retainer agreement dated as of January 31, 2013 (as amended) and confirm your agreement to act as CRO of HCPH from and after March 1, 2014, as an independent contractor.

<u>Appointment and Purview of Duties and Responsibilities</u>

The Initial Order sets out the CRO's duties and responsibilities subject to the ongoing oversight of the Monitor and/or further order(s) of the Court. Under this Retainer, you shall perform your duties exclusively from your offices in Chicago, or wherever else located in the United States. Your appointment as CRO will continue until your appointment is terminated by further order of the Court, or June 30, 2014 whichever first occurs, unless the parties by mutual agreement extend the terms of this Retainer.

<u>Consent to Act as CRO and Term of Appointment</u>

By countersigning and delivering this Retainer to HCPH and Ernst & Young Inc. as the CCAA monitor of HCPH (the "Monitor") at the addresses set out below on or prior to February 10, 2014 you hereby consent to act as CRO substantially in accordance with the terms set out in this Retainer and the Initial Order and confirm that you have accepted the Retainer prior to formalizing our agreement.

Specifically, you consent and agree to act as CRO, and HCPH agrees to appoint you directly as CRO, until June 30, 2014 (the "Term"). The Term may be extended by mutual agreement of you and the Monitor, subject to order of the Court as applicable. During this Term, the services shall be provided on an hourly basis, as required and directed by HCPH or the Monitor.

7111 Syntex Drive, Suite 303, Mississauga, Ontario, Canada L5N 8C3 Telephone: (289) 290-4382 Facsimile: (289) 290-4301

Duty To HCPH and Court

As CRO, you are not an employee of HCPH or the Monitor. Your duties and responsibilities at all times during your engagement as CRO shall be to HCPH and the Court.

Fees for Service

From and after the date of your appointment by the Court as CRO to the date that your appointment is terminated, HCPH will pay an hourly rate of US$175/hour (inclusive of all applicable taxes) (the "Fees") for each hour worked during your appointment for the period March 1, 2014 until June 30, 2014.

The Fees are inclusive of all amounts which may be owed to you for the services rendered, and no further or additional amounts will be paid to you, including without limitation, any amount for overtime pay, vacation pay or in lieu of benefits.

HCPH will fund reasonable out-of-pocket expenses you incur in connection with the services provided under the Retainer, and for reasonable legal and professional fees incurred in connection with the structuring of your compensation arrangement (collectively, "Reimbursements").

All Fees and Reimbursements are to be billed on a monthly basis and a payment of any Fees and Reimbursements will be made by HCPH to you within 10 days of receipt of the invoice. We require that all invoices be accompanied by a schedule that clearly indicates the total number of days during the preceding month in which services as contemplated in this Retainer (a) were performed, (b) were performed outside Canada, and (c) were performed inside Canada (to monitor compliance with the term requiring your services to be performed from the United States) and such schedule must be prepared and submitted by you at the same time you submit the monthly invoice.

In the event that your appointment is terminated by the Court prior to the expiry of June 30, 2014, either because the HCPH CCAA proceedings are terminated or your appointment is otherwise terminated by the Court, HCPH shall pay (i) any Reimbursements owing in respect of the period prior to your termination *and* (ii) if the Retainer is terminated between March 1, 2014 and June 30, 2014 any Fees for services rendered but not then paid for the period between March 1, 2014 and June 30, 2014.

Confidentiality

You acknowledge that all information obtained by you from management or staff of HCPH, the Monitor or legal, financial and other professional advisors in connection with HCPH, and any documents and working papers containing or prepared using any such information, will remain confidential and be maintained in a secure environment to maintain confidentiality and will not be disclosed by you without the prior written consent of the Monitor or order of the Court.

Tax Obligations and Withholdings

Where required by law, HCPH shall withhold any applicable taxes from the payments due and shall remit those amounts to the appropriate governmental authority.

You agree and acknowledge that you will be solely responsible for your own tax obligations (including, without limitation, any obligations relating to any Canadian or U.S. federal, state or provincial income taxes, sales taxes or other taxes) in all applicable jurisdictions, and that HCPH shall not be responsible for any such obligations. In the event that you fail to fulfill any of your tax obligations and HCPH suffers damages or incurs any expenses as a result, you shall promptly indemnify HCPH for any and all such damages or expenses.

Indemnity and Release

HCPH shall indemnify you on the terms set out in the Initial Order in respect of liabilities and obligations of any nature whatsoever incurred by you that may arise as a result of any matter directly or indirectly relating to your role as CRO, except for any liability or obligation arising from gross negligence or willful misconduct by you (the "CRO Liabilities"). The CRO Liabilities shall be afforded the protection provided by the CRO Charge set out in the Initial Order.

Notices

Any notice hereunder by either party to the other shall be given in writing by personal delivery, or certified mail, return receipt requested, or by electronic transmission, in any case delivered to the applicable address set forth below:

to HCPH:

c/o Ernst & Young Inc.
Court-appointed Monitor of Hollinger Canadian Publishing Holdings Co.
222 Bay Street, P.O. Box 251
Toronto ON M5K 1J7

Attn: Alex Morrison and Simone Carvalho
Email: alex.morrison@ca.ey.com / simone.carvalho@ca.ey.com
Fax: 416-943-3300

With a copy to:

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto ON M5X 1A4

Attn: Kevin Zych and Raj Sahni
Email: zychk@bennettjones.com / sahnir@bennettjones.com
Fax: 416-863-1716

to Michael Krupa:

Hollinger Canadian Publishing Holdings Co.
300 N. LaSalle Street, Suite 4925
Chicago, IL 60654

Attn: Michael Krupa

Email: mkrupa@hcphbenefits.com
Fax: 312-803-0579

to the Monitor:

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Canadian Publishing Holdings Co.
222 Bay Street, P.O. Box 251
Toronto ON M5K 1J7

Attn: Alex Morrison and Simone Carvalho
Email: alex.morrison@ca.ey.com / simone.carvalho@ca.ey.com
Fax: 416-943-3300

With a copy to:

McCarthy Tetrault
Suite 5300, TD Bank Tower
Toronto Dominion Centre
Toronto, Ontario
M5K 1E6

Attn: James D. Gage and Heather Meredith
Email: jgage@mccarthy.ca / hmeredith@mccarthy.ca
Fax: 416-868-0673

<u>**Amendments; Waiver; Assignment**</u>

No provision of the Retainer may be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in writing and signed by the parties and the Monitor. No waiver by either party hereto, at any time, of any breach by the other party hereto of, or compliance with, any condition or provision of the Retainer to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Neither party may assign the Retainer or any of its rights and obligations hereunder without the prior written consent of the other and the Monitor, or order of the Court. Any purported assignment made in contravention of this section shall be null and void.

Severability

The parties have carefully reviewed the provisions of the Retainer and agree that they are fair and equitable. However, in light of the possibility of differing interpretations of law and changes in circumstances, the parties agree that if any one or more of the provisions of the Retainer shall be determined by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of the Retainer shall, to the extent permitted by law, remain in full force and effect and shall in no way be affected, impaired or invalidated. Moreover, if any of the provisions contained in the Retainer is determined by a Court of competent jurisdiction to be excessively broad as to duration, activity, geographic application or subject, such provision shall be construed, by limiting or reducing it to the extent legally permitted, so as to be enforceable to the extent compatible with then applicable law.

Governing Law

The Retainer shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein (determined without regard to the choice of law provisions thereof). Each party irrevocably submits to the jurisdiction of the Courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating to the Retainer (but not otherwise).

Entire Agreement

The Retainer and the Initial Order contains the entire agreement between the parties and any predecessors thereof with respect to the subject matter hereof, and supersedes all prior Retainers (including without limitation the retainer agreement dated January 31, 2013), understandings and arrangements, oral and written between the parties either jointly or individually, with respect to the subject matter hereof. All prior agreements and engagement letters are superseded by this Agreement and are of no further force or effect.

Counterparts

The Retainer may be executed by the parties hereto in counterparts and in facsimile, each of which shall be deemed an original, but both such counterparts shall together constitute one and the same document.

Headings

The headings of the Retainer are for convenience and reference only and shall not be considered in construing the provisions hereof.

Acknowledgement

You acknowledge that the retainer is concluding, and that there is no guarantee or commitment made with respect to any minimum number of hours for which your services may be required.

If the foregoing is satisfactory, please indicate your agreement by signing the enclosed copy of this letter and returning to us.

Yours very truly,

HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

By: Michael Krupa
Authorized Signatory

Agreed and accepted as of the 19th Day of February, 2014.

Witness: ______________________)
) Michael Krupa
Name: ALICE F ROSENTHAL) MICHAEL KRUPA
Address: 300 N. LASALLE ST)
SUITE 4925
CHICAGO, IL 60654

Acknowledged and consented to by Ernst & Young Inc. in its capacity as Court appointed Monitor of Hollinger Canadian Publishing Holdings Co.

By:
Name: Alex Morrison
Authorized Signatory

10020356

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

ORDER
(Motion to Replace CRO)

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Derek Bell (LSUC #43420J))
Raj Sahni (LSUC#42942U)

Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

Court File No. 09-8503-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	) TUESDAY, THE
JUSTICE CAMPBELL	) 27th DAY OF JULY, 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 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 extending the Stay Period referred to in the Initial Order (as defined below) and extended by Orders of this Court dated January 6, 2010 and April 15, 2010, the appointment of representative counsel for certain pension plans and for certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the Notice of Motion, the affidavit of Dennis M. Byrd sworn July 22, 2010, the Third Report of the Monitor dated July 26, 2010 (the "**Monitor's Third Report**") and upon the submissions of counsel for the Applicant, the Monitor and Representative Counsel (as defined below),

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the

Motion Record of the Applicant be and it is hereby abridged and that the motion is properly returnable today and further that service thereof upon any interested party other than those served is hereby dispensed with.

Interpretation

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Initial Order (as defined below) unless otherwise indicated.

Extension of Stay Period

3. **THIS COURT ORDERS** that the Stay Period referred to in paragraph 14 of the Order dated December 10, 2009 (the "**Initial Order**") and extended pursuant to paragraph 2 of the Order dated January 6, 2010 and paragraph 2 of the Order dated April 15, 2010 (the "**April 15 Order**"), is further extended through to and including October 29, 2010 without prejudice to the Applicant's right to request further extensions should they become necessary.

Appointment of Representative Counsel

4. **THIS COURT ORDERS** that, in addition to Koskie Minsky LLP's appointment as representative counsel for all members and beneficiaries of the OPEB Plans pursuant to the Initial Order, Koskie Minsky LLP ("**Representative Counsel**") is hereby appointed as counsel for all members and beneficiaries of the Pension Plans (as defined in the Affidavit of Thomas L. Kram, sworn December 8, 2009) for or in respect of any issues affecting such members and/or beneficiaries in respect of the Pension Plans in these proceedings, upon the same terms and conditions as set out in paragraphs 50 to 54 of the Initial Order, from and after the date of this Order, provided however that references to OPEB Plans within those paragraphs shall be deemed to refer to Pension Plans for purposes of this Order.

5. **THIS COURT ORDERS** that within five days of the date of this Order, the Monitor shall post on the Website a copy of a notice regarding the appointment of Representative Counsel for the members and beneficiaries of the Pension Plans pursuant to paragraph 4 above, substantially in the form set out in Schedule "A" hereto (the "**Representative Counsel Notice**").

6. **THIS COURT ORDERS** that any individual member of the Pension Plans who (i) delivered an Opt-Out notice to the Monitor pursuant to the Initial Order in respect of his/her interests in the OPEB Plans and (ii) who has not withdrawn such Opt-Out notice as of the date of this Order shall not be represented by or bound by the actions of Representative Counsel in respect of his or her interests under or relating to the Pension Plans unless, by no later than August 31, 2010, such person notifies the Monitor and Representative Counsel in writing (such written notice is referred to herein as an "**Opt-In Notice**") at the addresses set out in the Representative Counsel Notice that he or she wishes to be represented by Representative Counsel in respect of his or her interests under or relating to the Pension Plans.

7. **THIS COURT ORDERS** that any individual member of the Pension Plans who (i) has not previously delivered an Opt-Out notice to the Monitor pursuant to the Initial Order in respect of his/her interests in the OPEB Plans and (ii) who does not wish to be represented by Representative Counsel in these proceedings in respect of his/her interest under or relating to the Pension Plans shall, by no later than August 31, 2010, notify the Monitor and Representative Counsel in writing (such written notice is referred to herein a "**Pension Counsel Opt-Out Notice**") at the addresses set out in the Representative Counsel Notice that he or she does not wish to be represented by Representative Counsel in respect of his or her interests under or relating to the Pension Plans, and shall thereafter not be bound by the actions of Representative Counsel in respect of his or her interests under or relating to the Pension Plans and shall represent themselves or be represented by any counsel that they may retain exclusively at their own expense.

8. **THIS COURT ORDERS** that, Representative Counsel shall represent and act for all individual members and beneficiaries of the Pension Plans in these proceedings. All such individual members and beneficiaries and any person who may be entitled to claim payments, benefits or reimbursements under any Pension Plans through such individual members or beneficiaries or because such individuals are members or beneficiaries of any Pension Plan shall be bound by the actions of Representative Counsel in these proceedings, except that (i) persons identified in paragraph 6 above who have not delivered a Opt-In Notice and (ii) persons identified in paragraph 7 above who have delivered a Pension Counsel Opt-Out Notice, shall not be represented by or bound by the actions of the Representative Counsel in these proceedings.

9. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of its appointment or the fulfilment of its duties in carrying out the provisions of this Order and any previous or any subsequent Orders in these proceedings, save and except for any gross negligence or wilful misconduct and no action or proceedings may be commenced against the Representative Counsel, except with prior leave of this Court obtained on at least twenty-one (21) days' notice to the Applicant, the Representative Counsel and the Monitor.

10. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and are authorized at any time to apply to this Court, on proper notice to the Monitor and the Applicant, for advice and directions in the performance or variation of its powers and duties.

Applications to the Superintendent of Financial Services of Ontario

11. **THIS COURT ORDERS** that HCPH is authorized to apply to the Superintendent of Financial Services of Ontario (the "**Superintendent**") for consent to transfer $77,789 as at June 30, 2004 (plus interest at the net rate of return of the fund, as appropriate) from the pension fund of the Sterling Newspapers Company Pension Plan for Employees of Newspapers Formerly Owned by Thomson Newspapers, Registration No. 1024744 to the pension fund of the Hollinger Canadian Publishing Holdings Co. Pension Plan for the Employees of Newspapers Formerly Owned by Thomson Newspapers, Registration No. 1033786 (the "**Thomson Plan**").

12. **THIS COURT ORDERS** that HCPH is authorized to take all necessary steps in order to make application for the Superintendent's consent to transfer assets in the amount of $214,942.95 as at January 1, 2001 (plus investment earnings less appropriate deductions and adjustments to the date of transfer) from the Thomson Plan to the CanWest Pension Plan for Vancouver Island Employees, B.C. Registration No. 086435, representing the value of defined contribution account balances of certain former members of the Thomson Plan whose employment was transferred to CanWest Global Communications Corporation effective January 1, 2001.

Approval of Activities

13. **THIS COURT ORDERS** that HCPH is authorized to sell all or part of its asset backed commercial paper holdings ("**ABCP**") in accordance with the procedure described by the Monitor in the Monitor's Third Report and HCPH, in consultation with the Monitor, may elect to

effect such sale by the filing of a Monitor's certificate setting out the name of the purchaser (the "**Purchaser**"), the ABCP sold and the purchase price and certifying that the purchase price has been received. Upon the filing of the Monitor's certificate, all of HCPH's rights, title and interest in and to the ABCP sold shall vest absolutely in the Purchaser, free and clear of any and all estates, rights, titles, interests, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations or restrictions of any nature whatsoever whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent, by or of all persons or entities of any kind whatsoever, including, without limitation, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations.

14. **THIS COURT ORDERS** that the Monitor is authorized and directed to accept and receive Personal Information Statements, which were distributed in accordance with the Order of April 15, 2010, up to the date of this Order. Nothing in this paragraph or elsewhere in this Order shall prohibit HCPH and the Monitor from making such modifications to the Retiree Audit Survey Process (as defined in the April 15 Order) as HCPH and the Monitor may deem necessary or advisable to update and verify HCPH's records in respect of the Plan Members as provided for in paragraph 7 of the April 15 Order, including taking steps to revise information contained in Personal Information Statements circulated to the extent such information has been corrected or updated.

15. **THIS COURT ORDERS** that the Restructuring Claims Bar Date (as defined in this Court's Claims Procedure Order, dated April 15, 2010 (the "**Claims Procedure Order**")) for any Restructuring Claim (as defined in the Claims Procedure Order) arising after May 15, 2010 from or caused by any action taken by the Applicant from and after such date in connection with the restructuring, termination, disclaimer or repudiation of any contract, lease, employment agreement, or other arrangement or agreement of any nature whatsoever, whether oral or written, and any amending agreement related thereto in existence as at the Filing Date or other obligation incurred by the Applicant before the Filing Date (collectively "**Contracts**"), shall be and is hereby established as 5:00 p.m. (Eastern Standard Time) on the thirtieth (30^{th}) day following the

date on which an applicable notice of such restructuring, termination, disclaimer or repudiation of any Contract is sent by the Applicant to the applicable Creditor, and all applicable provisions of the Claims Procedure Order (including, but not limited to paragraphs 10 and 11) shall continue to govern any such Restructuring Claims arising after May 15, 2010.

16. **THIS COURT ORDERS** that the Monitor's Third Report and all of the activities described therein are hereby approved in their entirety and all of the activities of the Chief Restructuring Officer, described in the affidavit of Dennis M. Byrd sworn July 22, 2010, are hereby approved in their entirety.

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

JUL 27 2010

PER / PAR: GSN

SCHEDULE "A"

August •, 2010

Re: Hollinger Canadian Publishing Holdings Co. – CCAA Proceedings and Appointment of Representative Counsel for Registered Pension Plan Members

Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on December 10, 2009 (the "**Initial Order**"), Hollinger Canadian Publishing Holdings Co ("**HCPH**") commenced court-supervised restructuring proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Under the Initial Order, the Court appointed Ernst & Young Inc. as the monitor of HCPH (the "**Monitor**") and the Court appointed the law firm Koskie Minsky LLP ("**Koskie**") as representative counsel ("**Representative Counsel**") to act on behalf of all members and beneficiaries of the post-employment and post-retirement benefits ("**OPEB Benefits**"), other than registered pension plan benefits. Under the terms of Initial Order, Koskie was not appointed to represent individuals with respect to the registered pension plans (the "**Pension Plans**").

In its CCAA proceedings, HCPH has, under the supervision of the Court and the Monitor and with the input of Representative Counsel, continued to provide, on an interim basis, existing benefits to beneficiaries of its pension and benefit plans (the "**Plan Members**"), thereby avoiding any sudden interruption in benefits that could otherwise potentially affect former employees, retirees and others receiving them.

During the course of its CCAA proceedings, HCPH has been and continues to consult regularly with Representative Counsel on issues relating to Plan Members. As HCPH works toward a permanent solution with respect to the future of the pension and benefit plans, it has been determined that it would be helpful to have Representative Counsel represent the interests of Plan Members in respect of registered pension plans in addition to the OPEB Benefits. Accordingly, on July •, 2010, HCPH sought and obtained an order of the Court (the "**July •, 2010 Order**") appointing Koskie as Representative Counsel to act on behalf of all members and beneficiaries of the Pension Plans in addition to Koskie's existing Court-ordered mandate to act as Representative Counsel on behalf of all Plan Members in respect of issues relating to OPEB Benefits.

However, if you have not previously submitted an Opt-Out Notice pursuant to the Initial Order and you wish to be represented by Koskie as Representative Counsel in respect of the Pension Plans of which you are a member or beneficiary, no further action is required on your part as the July •, 2010 Order automatically appoints Koskie as your Representative Counsel in respect of such Pension Plans. As the Initial Order requires HCPH to pay all reasonable professional fees and expenses of Representative Counsel, you will not be required to pay legal fees for Koskie's role as your Representative Counsel in HCPH's CCAA proceedings.

If you have previously submitted an Opt-Out Notice pursuant to the Initial Order and had not withdrawn such Opt-Out Notice as of on July •, 2010, and you now wish to be represented by Koskie Minsky LLP as Representative Counsel in respect of the Pension Plans, you must, by no later than August 31, 2010, send written notice to the Monitor and Representative Counsel by registered mail, fax or email at the addresses set out below, stating that you wish to be represented by Koskie Minsky LLP as Representative Counsel in respect of the Pension Plans.

If you have not previously submitted an Opt-Out Notice pursuant to the Initial Order and do not wish to be bound by the appointment of Koskie Minksy LLP as Representative Counsel in respect of the Pension Plans of which you are a member or beneficiary, you must, by no later than August 31, 2010, send written notice to the Monitor and Representative Counsel by registered mail, fax or email at the addresses set out below, stating that you do not wish to be represented by Koskie Minsky LLP as Representative Counsel in respect of the Pension Plans. Individuals who opt-out and wish to appear in HCPH's CCAA proceedings must obtain independent legal representation or represent themselves before the court, all at their own expense.

Contact information and addresses for delivery (by registered mail, fax or email) of written notices to Representative Counsel and the Monitor are as follows:

Representative Counsel:

Koskie Minsky LLP
Suite 900, Box 52
20 Queen Street West
Toronto, ON M5H 3R3

Fax:
Email: hcph@kmlaw.ca

Tel: (416) 977.8353
Website: www.kmlaw.ca

The Monitor:

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Canadian Publishing Holdings Co.
222 Bay Street
P.O. Box 251
Toronto, ON M5K 1J7

Fax:
Email:

Tel: 1-888-274-4344
Website: www.ey.com/ca/HCPH

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

ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Derek Bell (LSUC #43420J)
Raj Sahni (LSUC#42942U)
Mark Smyth (LSUC #47278L)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez
A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

PART "B"
COMPOSING ROOM

INDEX

NEWSPAPER AGREEMENT
BETWEEN
PACIFIC PRESS, a division of Southam Inc.
AND
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

THIS COLLECTIVE AGREEMENT made and entered into this ...... day of ...., by and between PACIFIC PRESS, a division of Southam Inc., party of the first part, and hereinafter referred to as the Company, and COMMUNICATIONS, ENERGY and PAPERWORKERS UNION OF CANADA, LOCAL 2000, by its representatives, party of the second part, and hereinafter referred to as the Union, WITNESSETH:

1. TERM OF AGREEMENT

From and after December 1, 1998 and for a full term of sixty (60) months ending November 30, 2001, this agreement shall remain in full force and effect and thereafter until terminated by either party in accordance with the appropriate provincial legislation.

2. PROPOSALS FOR A NEW AGREEMENT

If either party hereto wishes to propose an amendment to this Agreement or a new Agreement to take the place of this one upon its expiration date, it shall notify the other party of its wishes in writing in accordance with the appropriate provincial legislation.

If no agreement on a new Collective Agreement is reached prior to the expiration of this Collective Agreement, this Collective Agreement shall be deemed to remain in full force and effect up to the time the Union goes on a legal strike or the Company legally locks out the employees or the parties conclude a new Collective Agreement.

3. JURISDICTION

(a) The jurisdiction of the Composing Room Department of the Union begins with the markup of copy and continues until the material is ready for the making of the plates used on the printing press (but excluding the making of stereotypes) and any new equipment or adoption of processes designed as a substitute for or evolution of work previously or presently performed by composing room employees shall be considered as being within the jurisdiction of the Union, and the appropriate unit for collective bargaining consists of all employees performing any such work. The Company shall make no other agreement written or verbal with any person or persons other than the Union to do or have done any of the work outlined above.

(b) All work within the jurisdiction of the Composing Room Department of the Union for the Company's publications and commercial printing includes all processes such as litho preparatory work, typesetting, makeup, paste-makeup, photo-composition, makeup with the use of film, which includes stripping and assembling shall be performed by members of the Union covered by this Agreement.

(c) All material shall serve as copy for the Company's newspapers and commercial printing production work. Camera ready copy may be used at the discretion of the Company.

(d) The Company agrees that photo-composition or any cold type process is the jurisdiction of the Composing Room Department of the Union and assigns the various segments of any such process to the Composing Room Department of the Communications, Energy and Paperworkers Union of Canada, Local 2000, as follows:

1. Generation of the character (photo-composition machine, etc.).

2. Processing of the output of any material (including paper or film) of the photo-composition machine.

3. Positioning and assembly (paste-up and stripping) of photo-composing or any machine output and illustrative material (veloxes, original art, etc.).

4. Enlargement and reduction of type faces beyond the capability of the photo-composing machine by camera or other device.

5. Production of all proofs by any method for customers or internal use which includes camera and offset press.

6. Making all corrections to advertisements and page make-up for the Company's newspapers and commercial printing on any material which includes but is not limited to paper and film.

7. The guidelines for the processing of colour including the marking of proofs and papers to indicate colour, the preparation and positioning of overlays and the paste-up and stripping of material for the colour product. Where it is necessary to paste-up or strip in type or illustrations, this work will be done by members of the Composing Room Department of the Union.

(e) In determining the assignments in the production of the Company's commercial work, it is agreed all photo-composition shall be assigned to members of the Composing Room Department of the Union.

(f) The Company reserves the right to "pick-ups", both machine and hand set. Such matter once paid for to members under the terms of this Agreement shall always remain the property of the Company, and under the jurisdiction of the Composing Room Department of the Union, either in type or form, to be used in any or all editions, or as many times as may be desired with such changes as the Company may wish to make. "Kill" marks shall not deprive the Company of "pick-ups". This shall not prevent the return of illustrative material to the customer.

(g) The jurisdiction of the Union shall also include all work which is awarded to the Union under the Settlement of Jurisdictional Disputes section (Section 10) of this Collective Agreement.

(h) Should the Company establish a videotex system or similar system in Vancouver (Lower Mainland) it is agreed that all work done within Pacific Press for such a system will be done by members of the appropriate union(s) at Pacific Press. Also that the re-working of material in such a system at Pacific Press is recognized as falling within the jurisdiction of the unions.

[illegible]) The Company shall furnish the Union a list showing name, address, phone number, sex, social insurance number, date of birth, hiring date, department, contract classification and job title.

4. COMPUTERS

(a) Special Purpose Computer:

It is agreed that should the Company purchase or lease a special purpose computer to be used in printing production work, the Composing Room's jurisdiction includes the preparation of input and all handling of output, operation of the computer and all input and output devices, programming (except that programming which is provided by the manufacturer or lessor as part of the original lease or purchase) and maintenance of all the foregoing equipment and devices (except that maintenance which is provided by the manufacturer or lessor as part of the original lease or purchase).

(b) Multi-Purpose Computer:

Should the Company introduce a multi-purpose computer, the Composing Room's jurisdiction shall include programming of (except that programming which is provided by the manufacturer or lessor as part of the original lease or purchase) and the preparation of all input for printing production purposes (which includes but is not limited to news, editorial and advertising) destined for the data processing centre; the output; and all related devices used for composing room work or the evolution of such work.

(c) Maintenance of the above mentioned input and output devices shall be under the jurisdiction of the Composing Room, except that maintenance provided under agreement by the manufacturer or lessor.

(d) Programming for the handling of the input described above is defined as follows:

1. That systems analysis and functional flow-charting is the prerogative of management;

2. Where any work defined in (a) above is to be implemented as a computer operation, a detailed flow-chart shall be created by an employee covered by this agreement as well as coding or such other steps as may be necessary to make a program operational.

3. Any detailed flow-chart prepared or being prepared under (2) above may be edited, modified or redrawn by experts not covered by this Agreement.

(e) Should the Company install a multi-purpose console in the composing room, only members of the Composing Room shall monitor the console and the Composing Room shall have jurisdiction over the computer when it is doing composing room work.

(f) When a multi-purpose computer is owned or leased by the Company, and the console is not located in the composing room, the percentage of staffing allocated to the Composing Room shall be established by the ratio of the time the computer is operating on composing room work to the total time the computer is engaged in work under the jurisdiction of other departments under contract to Pacific Press, a division of Southam Inc., as of the date of signing this Agreement. If, for example, one third (1/3) of the operating time of the computer is composing room work, the Composing Room shall have one third (1/3) of the total number of hours worked by the computer staff. Computer staff shall mean those employed on the computer, computer console and any equipment necessary to link input and output devices. An employee shall perform any duties additional to monitoring which may be assigned to him or her. Console monitors will monitor any work being processed by the computer. The supervisor may only handle work under any department's jurisdiction when a Composing Room member who is part of the proportionate representation on the shift in which such work occurs, is engaged on computer work in the data processing centre.

(g) Proportionate representation calculated on the total running time of all computers shall determine the manning of the data processing centre provided members of the Composing Room shall have not less than two (2) members performing data processing centre work.

(h) Proportionate representation shall be reviewed and adjusted at the end of each three (3) month period which may be extended by mutual consent.

(i) Training: In order that the Composing Room can provide sufficient competent members to meet the intent of this Agreement, the Company agrees to provide adequate training to enable members of the Composing Room (without loss of regular weekly wages) to become competent in programming, maintenance and other necessary work processes.

(j) Mechanical or Electrical Breakdown: During the period of any breakdown (mechanical or electrical) of any computer equipment processing composing room work, the parties agree that the Company may use any other available outside computer equipment and personnel during the period of the repair; and the Composing Room agrees that its members will process the work during such period provided that, while repairs are being made, there shall be no reduction of composing room staff.

5. TAPE PERFORATING

(a) Both parties to this Agreement recognize tape perforating equipment and method of operation, including tape perforator and operating units, as being within the jurisdiction of the Union, as defined in Section 3.

(b) Journeymen capable of attaining a typing proficiency of forty (40) words per minute in a ten (10) minute typing test shall be deemed competent to commence training as tape perforator operators. After a training period of one thousand (1000) hours on tape perforating keyboards, a member shall be deemed a competent tape perforator operator provided (s)he can attain fifty-five (55) words per minute in a ten (10) minute test.

(c) Journeymen exercising their option to learn the tape per-rating operation shall be returned to their regular situations they fail to meet the foregoing standards.

(d) In the event of a board reduction, if a tape perforator operator or trainee is retained, no journeyman situation holder (qualified under (b) of this section) with superior priority shall be laid off or lose his or her preference claim, who has not been afforded the opportunity to complete the tape perforator operator training program.

(e) Tape perforator casting units shall be monitored by journeymen. Starting and adjusting of tape on line-casting machines and dumping of type shall be within the duties of a monitor.

(f) Machinist members shall make required adjustments and repairs on all tape perforating equipment and shall be afforded the opportunity to become proficient on the repair and maintenance of such equipment.

(g) All copy originating in Greater Vancouver shall be classed as local copy and must be perforated by journeymen and apprentice members of Communications, Energy and Paperworkers Union of Canada, Local <u>2000</u> in the composing rooms of the Company.

(h) All copy received in tape form over the regularly leased wires of Canadian Press (which are unrelated to any expression f opinion by any special writers, columnists or others or to any ther subject, story, women's page, special feature or other similar matter) may be used by the Company. The use of a by-line does not necessarily include an item in the above description enclosed in parentheses. Tape received from other sources may not be used. For the purposes of this section, Section 5, tape perforating shall be interpreted to include tape preparation, provided it is a direct evolution of the tape perforating function. This section is to be subject to any award made under the Settlement of Jurisdictional Disputes Section of this Agreement.

6. OBLIGATION TO SUPPLY MEN

(a) The Company agrees to employ only members of Communications, Energy and Paperworkers Union of Canada, Local <u>2000</u> to do all work within the jurisdiction of the Union.

(b) It is agreed by the Union that for and in consideration of the covenants entered into and agreed to by the Company, the Union shall at all times during the life of this Agreement furnish competent journeymen situation holders capable of performing all the work within the jurisdiction of the Union, and it is further agreed by the Union to be its obligation to furnish sufficient competent journeymen to meet the normal requirements of the Company and thereby make it unnecessary for members to work in excess of the normal number of shifts in ny regularly scheduled work week.

(c) If the Union is unable to supply sufficient journeymen, the Company may secure from any source such number of persons as is required to fill situations. Each such person shall be hired under the terms of this Agreement upon a probationary basis not exceeding thirty (30) calendar days or until the Union provides competent help.

7. ESTABLISHMENT OF JOINT STANDING COMMITTEE

Within thirty (30) days of the signing date of this Agreement, the Company and the Union shall each appoint two (2) members to form a Joint Standing Committee. The names of such members shall be forwarded to the other party as soon as they are appointed. In case of a vacancy on this committee for any cause, the party not fully represented shall immediately appoint a new member to fill such vacancy.

8. INTERPRETATION AND GRIEVANCE PROCEDURE

(a) As the first step in the grievance procedure set out herewith, if any difference of opinion as to the rights of the parties under this Agreement or any dispute as to the construction or interpretation of any section or portion of the Agreement takes place, representations shall first be made to the general foreman or chapel chairman as promptly as possible from the time the dispute comes to the attention of the party affected. Should the general foreman and chapel chairman be unable to adjust the difference within forty-eight (48) hours either party may refer the matter to the Joint Standing Committee within the following ten (10) day period. The conditions prevailing prior to any action or circumstance which results in a dispute shall be immediately reinstated and maintained until a decision is reached.

(b) The members of the Committee shall be notified in writing by the executive officers of either party to this Agreement of a dispute and the Committee shall meet within five (5) business days of such notice.

(c) If a decision is reached on an issue by the Joint Standing Committee, it shall be binding on both parties for the duration of this Collective Agreement.

(d) If the Joint Standing Committee cannot reach a majority decision on any dispute within ten (10) days from the date on which the dispute is first considered by it, either party may refer the matter to Arbitration within a thirty (30) day period, the representatives of each party to this Agreement to select an Arbitrator. If the parties are unable to agree upon an Arbitrator (s)he shall be selected by the Minister of Labour of the Province of British Columbia.

(e) The Arbitrator shall conduct the hearing within twenty (20) days from the date on which either party requested Arbitration.

(f) Within ten (10) days of completion of hearings the Arbitrator shall render his or her decision.

(g) The Arbitrator's decision shall be final and binding on both parties. However, in no event shall the Arbitrator have the power to alter or amend this Agreement in any respect.

(h) Provided, that Union laws not affecting wages, hours or working conditions and the General Laws of the Union shall not be subject to Arbitration.

(i) In discharge cases, the employee shall not be reinstated until and unless his or her reinstatement is ordered by the Joint Standing Committee or the Arbitrator, who shall determine the amount of compensation if any for time lost, and such compensation shall be paid immediately.

(j) Whenever a stipulated time is mentioned in this section, the said time may be extended by mutual consent of the parties or their representatives.

9. TECHNOLOGICAL CHANGE

Definition: Any change in technology, method (1) or procedure (2) during the period of a collective agreement which decreases the number of employees that existed when the current contract was negotiated with the Union except for normal layoff, such as those occurring as a result of a decline in the volume of business.

(1) e.g., hot metal to cold type;
(2) e.g., change in computer operations.

The Employer guarantees to the Communications, Energy and Paperworkers Union of Canada, Local 2000, that no present regular full time or regular part time employee will lose employment by the introduction of technological changes.

It is agreed that the number of employees as of December 1, 1994 was one hundred and forty-one (141) (any computation of attrition to commence at the 141, on a declining balance for each six month period).

The Company has the right to introduce technological changes. Prior to so introducing the Company shall advise the Communications, Energy and Paperworkers Union of Canada, Local 2000, and the Joint Council of Newspaper Unions. The Company will give the Union three (3) months' notice of any contemplated technological change and will meet with the Union beginning no more than ten (10) days after such notice to discuss with their representatives the time, procedure and training necessary for the introduction of the contemplated change. If the Union foresees any jurisdictional problems which may arise as a result of said technological change it is agreed that the date of introduction will be delayed a further three (3) months. Should the number of employees in the Union's bargaining unit be reduced by more than 5% for each six (6) months of this Agreement, for each employee in the unit over that figure the Company shall bank the equivalent hours of work at the current daily rates of wages plus 2-1/2%. These hours will be assigned by the Union as it sees fit. When and if the circumstances change and the number of employees within the bargaining unit so affected increases to a figure greater than the bargaining unit figure (141) above less 5% for each six (6) months of this Agreement, the Company shall cease to bank additional hours.

10. SETTLEMENT OF JURISDICTIONAL DISPUTES

(a) Notwithstanding any other portion or section of this Agreement, the Company shall give the union and all other unions covered by a collective agreement with the Company, three (3) months' notice in writing when the introduction of a change in technology, method or procedure, the elimination of any job function within the jurisdiction of the Union or the transfer to or combining of a job function with the jurisdiction of another Union is contemplated.

(b) Should the Union or any other unions covered by a collective agreement with the Company foresee a jurisdictional problem arising because of the proposed change, the introduction, transfer combining or elimination shall be delayed for a further three-month period from the expiration of the notice period.

(c) During the three-month delay period, the unions involved in the jurisdictional problem and the Company shall attempt to obtain a resolution to the problem.

(d) Should the parties be successful in the resolution of the problem, the remainder of the three-month delay period shall be waived and the proposed change shall proceed.

(e) Should the parties be unable to resolve the problem within the three-month delay period, it shall, immediately upon the expiration of the three-month delay period be submitted to either Don Munroe or Stephen Kelleher, the selection of whom will be one with appropriate time available to first hear the dispute. If all parties to the jurisdictional dispute agree, Paul Weiler may be selected. The mediator shall conduct such inquiry as is deemed necessary and shall have thirty (30) days in which to mediate a resolution to the problem.

(f) Should mediation of the problem fail, the mediator shall, within thirty (30) days following the expiration of the thirty (30) day mediation period, make written recommendations for settlement of the problem. Such recommendations shall be final and binding on the parties and shall be implemented in accordance with the recommendations of the mediator.

(g) This section shall be the supreme and only method for the resolution of the jurisdictional problems and the contractual grievance procedure may only be invoked in the event a party to this Agreement fails to follow the procedure outlined in Sections (a) to (f) above.

(h) Time limits in this clause may be altered by mutual consent of the parties.

11. NEW PROCESSES

Should the Company introduce any new processes which are substitutes for work presently under the jurisdiction of the Union, the Union agrees that it will cooperate in the operation of such new processes.

12. TRAINING

(a) The General Foreman shall give the Union three (3) months' notice when the Company intends to introduce any process or equipment or expansion of any process or equipment which affects the manpower requirements. Within ten (10) days of submitting such notice the Company agrees to meet Union representatives in order to discuss the time, procedure and training necessary for the introduction of such processes or equipment. Any process and/or equipment which is a substitute for or an evolution of work previously or presently performed under the jurisdiction of the Union shall be under the jurisdiction of the Union. When any such composing room equipment or processes are introduced the Company shall select a sufficient number of journeyman situation holders to meet the intent of this Agreement and provide adequate training without loss of regular weekly wages to enable such members to become proficient in the process or in the operation, maintenance or repair of such equipment.

(b) Wherever possible members shall be afforded the opportunity to retrain in accordance with their priority standing. No member shall be laid off or lose his or her preference claim who has not been retrained.

(c) The Company proposes that a joint committee be struck. The role of the committee will be to canvas employees to identify areas where more training is needed. In addition, they will recommend the extent of such training and implement the training initiatives of the Company.

13. MACHINIST TRAINING

The required number of machinists shall be provided with facilities and sufficient time without loss of regular wages to become proficient in the maintenance and repair of all composing room equipment (subject to provisions in Section 4) to meet the intent of this Agreement. The Company agrees to provide clean coveralls to all machinist members performing maintenance or repair work.

14. HOURS

(a) All employees covered by this Agreement shall work a four-day week consisting of:

1. Eight and three quarter (8-3/4) hours continuous work (excepting not less than thirty (30) minutes for lunch) between the hours of 7:00 a.m. and 6:00 p.m. shall constitute a day's work.

2. Eight and one-half (8-1/2) hours continuous work (excepting not less than thirty (30) minutes for lunch) between the hours of 6:00 p.m. and 7:00 a.m. shall constitute a night's work.

3. Eight and one-half (8-1/2) hours continuous work, part day, part night, (excepting not less than thirty (30) minutes for lunch) shall constitute a lobster shift.

(b) No employee covered by this Agreement shall be employed for less than a full shift except when discharged for cause or is excused at his or her own request.

(c) The Company and the Union agree that for employees working a four day week, two of the three days off shall be consecutive, unless otherwise requested by the employee.

15. LUNCH TIME

(a) Lunch time must not be less than three (3) nor more than four and one-half (4-1/2) hours from starting time, except in case of emergency.

(b) Thirty (30) minutes shall be allowed for lunch but such time shall not be considered, under any circumstances, Company time.

16. WAGES

(a) Payment of wages shall be made weekly, within six (6) days of the expiration of each financial week.

(b) Rates of wages of employees working a four day week will be as follows:

Effective December 1, 1998 to November 30, 1999

DAYS SHIFT	LOBSTER/NIGHT SHIFT
$33.946 per hour	$38.438 per hour
$297.024 per shift	$326.726 per shift
$1,188.095 per week	$1,306.905 per week

Effective December 1, 1999 to November 30, 2000

DAYS SHIFT	NIGHT/LOBSTER SHIFT
$34.624 per hour	$39.207 per hour
$302.964 per shift	$333.261 per shift
$1,211.857 per week	$1,333.043 per week

December 1, 2000 to November 30, 2001

DAY SHIFT	LOBSTER/NIGHT SHIFT
$35.663 per hour	$40.383 per hour
$312.053 per shift	$343.259 per shift
$1,248.213 per week.	$1,373.034 per week

(1) Employees working nights shall be paid an additional 10% over the weekly day rate.

(2) Employees working lobster shifts shall be paid an additional 10% over the weekly day rate.

(c) All work performed in the daytime shall be paid for at the day rate.

(d) All work performed at night shall be paid for at the night rate.

(e) A shift worked part day and part night shall be paid for at the lobster shift rate.

(f) Four (4) shifts within a financial week shall constitute a week's work.

(g) The financial week shall commence with the first regular lobster or night shift on Sunday and end with the last regular shift on the following Saturday.

(h) Any shift worked in excess of the normal number of shifts within a financial week as in (h) above shall be paid for at the rate of double time.

17. OVERTIME

(a) Overtime shall be worked when required. Chapel chairmen must be notified two (2) hours in advance of overtime at the end of a shift. If substitutes are not hired at the commencement of the shift on which overtime is worked, the number of overtime hours shall be computed to the number of shifts or greater fraction thereof and the substitutes who should have been hired shall each) paid for the shift lost. The requirement contained in the previous sentence shall not apply when overtime is worked because it is necessary to finish work (of which the foreman had no knowledge at the commencement of the shift) which cannot be left over to the commencement of the next shift.

(b) Overtime is hereby defined as the time worked in excess of the number of hours established for a regular shift (excluding any period allowed for lunch). Overtime shall be paid for at the rate of double price the wage applicable to the same work when performed during non-overtime hours. Minimum of thirty (30) minutes' pay shall be paid for any overtime worked. Overtime shall be computed in thirty (30) minute units with any fraction of thirty (30) minutes being considered thirty (30) minutes.

(c) Meal money at the rate of $10.00 will be paid when an employee is required to work overtime in excess of one and one-half (1 1/2) hours. The employee will be allowed one-half (1/2) hour for meal time. This time is not to be included in the overtime charged, but meal money will be paid whether or not meal time is taken.

(d) Banking of overtime to be allowed for time off only.

18. SUNDAY WORK

(a) All work done on Sunday except for regular editions shall be paid for at double time rates. Provided no substitute shall be eligible for Sunday premium pay who changes his show-up time over a week-end.

(b) Sundays for situation holders and apprentices shall consist of a clear twenty-four (24) hours from the completion of their last shift in the calendar week.

(c) Members scheduled to work Saturday night for a Sunday edition may go home at the completion of work for that Sunday edition, except for a skeleton crew that may be required to complete the edition. All members working the Saturday night shift for the Sunday edition shall be paid for the full shift unless they leave at their own request or are sent home for disciplinary reasons.

19. MACHINIST ELECTRONIC TECHNICIAN RATE

Members who have qualified or work as machinist electronic technicians shall elect to receive one dollar ($1.00) per shift in addition to the prices provided for in Section 16, or the rate granted to electricians under contract with Pacific Press, a division of Southam Inc.. A machinist electronic technician shall be employed on each shift where electronic equipment is in use.

20. CALL BACK

(a) Employees who have left the building and are called back shall be paid for time worked, but not less than four (4) hours plus all travel time, all at the overtime rate. Employees so called back shall be duty bound to comply with the call, if it is in their power to do so.

(b) Employees who have worked the previous shift and are called back within one (1) hour of quitting time shall be paid for the interval at the prescribed rate of pay.

21. STATUTORY HOLIDAYS

(a) When a holiday is observed by the Company, the shifts prior to the holiday shall be the off shifts for the lobster and night shifts.

(b) A holiday shall consist of a clear twenty-four (24) hours from regular quitting time.

(c) The following days (or days celebrated in lieu of any of them) shall be considered holidays: Armistice Day, Christmas Day, Boxing Day, New Year's Day, Good Friday, Victoria Day, Dominion Day, B.C. Day, Labour Day, Thanksgiving Day and employees birthday. Any additional days proclaimed as a public holiday by the Provincial or Federal Governments and any other holidays recognized by the Company by not publishing, shall be treated in the same manner as the aforementioned holidays.

(d) Such holidays, if worked, shall be paid for at double time rates, plus the regular rate as outlined in Section 16.

Provided that no situation holder or apprentice shall be permitted to work when a statutory holiday falls on his or her regular off-shift.

(e) For each statutory holiday that falls within the first thirty (30) days of employment with the Company, journeymen and apprentices will receive 4% of gross pay earned to date for the statutory holiday. Subsequent statutory holidays will be paid to employees who continue to be available for the service of the Company.

(f) Pensioners and one day slippers shall have four percent (4%) added to their pay cheques in lieu of statutory holidays.

(g) A situation holder or apprentice failing to receive a statutory holiday by reason of his or her day off falling on the holiday shall receive another day off in lieu of such holiday missed; provided, wherever possible, such days off in lieu shall be combined with the situation holder's or apprentice's regular off day or a weekend if (s)he so desires.

(h) If such statutory holidays cannot be combined, they may be held over but must be taken in the first three (3) months of the following year.

(i) On each working day members from each shift shall be allowed a day off in lieu of a statutory holiday on the following basis: Shifts of 1-10 employees - 1 per shift; shifts of 11 to 20 employees - 2 per shift; shifts over 20 employees - 4 per shift.

(j) Situation holders, substitutes and apprentices who are absent by reason of compensable accident, sickness or while acting for the Union on Company-Union business shall receive statutory holiday pay.

22. VACATIONS

For employees working a four day week:

1. Members having one (1) or more years' service shall be entitled to twelve (12) days' vacation with twelve (12) days' pay provided they have worked a minimum of one hundred and twenty (120) shifts for the Company within the twelve (12) months immediately preceding the 1st of January of each year of this Agreement. Such members working less than one hundred and twenty (120) shifts in a calendar year shall receive one (1) day's vacation with pay for each ten (10) shifts worked, or major fraction thereof.

2. Members having five (5) or more years' service shall be entitled to sixteen (16) days' vacation with sixteen (16) days' pay provided they have worked a minimum of one hundred and twenty (120) shifts for the Company within the twelve (12) months immediately preceding the 1st of January of each year of this Agreement. Such members working less than one hundred and twenty (120) shifts in a calendar year shall receive one (1) day's vacation with pay for each eight (8) shifts worked, or major fraction thereof.

3. Members having ten (10) or more years' service shall be entitled to twenty (20) days' vacation with twenty (20) days' pay provided they have worked a minimum of one hundred and twenty (120) shifts for the Company within the twelve (12) months immediately preceding the 1st of January of each year of this Agreement. Such members working less than one hundred and twenty (120) shifts in a calendar year shall receive one (1) day's vacation with pay for each six (6) shifts worked, or major fraction thereof.

4. Members having twenty (20) years' service shall be entitled to twenty-four (24) days' vacation with twenty-four (24) days' pay provided they have worked a minimum of one hundred and twenty (120) shifts for the Company within the twelve (12) months immediately preceding the 1st of January of each year of this agreement. Such members working less than one hundred and twenty (120) shifts in a calendar year shall receive one (1) days' vacation with pay for each five (5) shifts worked, or major fraction thereof.

(b) Twelve (12) days of vacation in Section 22(a) (2, 3 and 4) may be taken consecutively. The time for taking the remainder shall be arranged between the foreman and the employee in consultation with the Chapel Chairman.

(c) All situation holders, substitutes and apprentices who are absent by reason of a compensable accident, paid sickness (personal illness) or injury, jury duty, paid excused absence or while acting for the Union (on Company-Union business) shall accrue vacation credits as if such days had been worked. Such accrual shall be limited to one (1) full year of vacation entitlement (i.e., the maximum six (6) weeks' vacation). At the end of the calendar year following this maximum accrual, the employee may opt to withdraw these accrued benefits in cash if on long-term disability only.

(d) Vacation pay scale in each case shall be the straight time rate currently paid to the employee or two percent (2%) of the previous year's T4 slip for each week of vacation, whichever is the greater.

(e) All vacations carried over from a previous year shall be taken prior to March 15 in the said second year, except that outstanding vacations may be held over for one year, provided they are combined with current vacations. These combined vacations (and balance of current vacations, if any) shall not be taken in prime time.

(f) Vacation pay will not be allowed for vacations not taken; in such cases any unused vacation privileges will be suspended until conditions permit them to be exercised.

(g) An employee leaving the service of the Company shall receive pay for any unused vacation credits (including the major fraction thereof) for which (s)he qualified.

(h) Vacation with pay shall be suspended during, but for no longer than, any period in which the Union is unable to supply a sufficient number of competent and satisfactory members to enable the Company to issue its publications promptly and regularly at the straight time rate of wages provided in this Agreement.

(i) It is agreed that the Company shall not be obliged to fill the positions of employees on vacation but may do so at its own discretion, therefore regular employees on vacation shall not employ substitutes to fill their positions.

(j) The time of the year that each employee shall take such vacation shall be determined and arranged by the General Foreman after consultation with the Chairman of the Chapel, in order that there shall be no interruption in the publication of the newspapers.

(k) Where practicable, choice of vacation periods shall be allowed in priority order and the normal period for taking vacations shall be during the months from June to September inclusive, unless otherwise requested by the employee. No employee shall be allowed more than three (3) weeks' vacation during the period between the second Friday in June and the second Friday in September until all members have had a choice in said time period.

(l) Computation of vacation credits shall commence on the date of employment.

(m) Each employee shall receive his or her full earned vacation in the calendar year that the anniversary date is reached.

(n) When an employee's anniversary date falls due in December and thereby prevents such an employee from receiving his full number of days of earned vacation in the calendar year in which his or her anniversary of employment date was reached the unused days shall be added to the employee's succeeding year's earned vacation credits.

(o) The formula for determining vacation allotment (number of employees X 3 divided by 17) during prime time in determining the number of employees off each week shall be the minimum for the entire year.

(p) If the vacation allotment is full and no further vacations are allowed, and members are seeking additional vacation time, leaves of absence or excused (except daily excused) shall be denied.

23. SICK LEAVE

(a) Regular employees prevented from performing their regular duties because of sickness shall be allowed sick leave and pay according to the following scale. Computation of sick leave shall be based on the calendar year.

For the first week of the first sick leave	full pay
For the first week of the second sick leave	full pay
For the first week of the third sick leave	full pay

(b) "Week" shall mean, for the purpose of this Section, four (4) days. Such days are not necessarily consecutive days.

(c) A certificate from the employee's doctor or one selected by the Company may be required by the Company. An employee may without penalty or prejudice refuse to admit nurses to his or her residence. Company nurses shall conduct their duties at reasonable times. The Company shall bear the cost (if any) of any medical certificate required. The Company agrees that a medical certificate required by a carrier of insurance policies of the Company shall be deemed to be a certificate required by the Company.

(d) No deductions for sick leave shall be made from overtime or vacation credited to the employee.

(e) The Company will fund 2% of straight time wages for short term absences (1st week of sickness and disability) and any annual surplus will be paid in cash to the Union to apply as it determines except for time off. This provision does not affect the Company's obligation to pay sick leave to employees should the 2% level be exceeded. The Company shall substantiate in writing once each calendar year, upon request, the funding of 2% of straight time wages for short term sickness.

(f) The General Foreman shall decide whether or not to replace employees who are absent and entitled to sick pay as outlined in (a) above.

(g) A joint Company-Union committee comprising two representatives of each party shall be established to ensure that there is no abuse of sick leave provisions. It is recognized that the incidence of legitimate sick leave should not exceed one percent (1%) of the total number of shifts worked in the previous year, however, no individual shall be deprived of sick leave other than as provided for in (h) below.

(h) Any employee who is found to have abused the sick leave provisions of the Agreement shall not, for a minimum period of six (6) months and a maximum of one (1) year as determined by the committee, be eligible to claim sick leave under this Section. In the event of a dispute over whether an employee has in fact abused sick leave, the dispute shall be settled under the Grievance Procedure.

(i) In their first calendar year of employment, substitutes shall be entitled to claim sick leave on the basis of one day's sick leave for each eight (8) shifts worked to a maximum of twelve (12) sick days provided that they would normally have been employed on the day that they were sick. Effective January 1st of the second calendar year of employment, substitutes would be eligible for the number of sick days earned in the preceding year (date of employment to December 1st) provided that they would normally have been employed on the day that they were sick. Substitutes who work less than one hundred and twenty (120) shifts shall be entitled to claim sick leave in the next calendar year on the basis of one (1) day's sick leave for each eight (8) shifts worked, provided that they normally would have been employed on the day that they were sick.

Substitutes who work a minimum of one hundred and twenty (120) shifts in a year shall be entitled to claim sick leave in the next year on the same basis as regular employees, provided that they normally would have been employed on the day that they were sick.

24. HEALTH AND WELFARE PLANS

(a) The Company shall pay the total cost of providing benefits as follows:

1. Medical Services Plan of B.C. or its equivalent for all employees and eligible dependents commencing on the first day of the month following the commencement of employment for B.C. residents and the first day of the month following eligibility for employees moving to B.C.

2. Extended Health Insurance for all employees and eligible dependents commencing on the first day of the month following three (3) complete months of employment. Extended Health Insurance will include hearing aid coverage to a maximum of $1,000.00 per ear every five (5) years and a vision care plan which will cover 80% of the costs of prescription glasses or corrective lenses to a maximum of $200 every 24 months with a $25.00 deductible. Extended health insurance out-of-province lifetime maximum is $1,000,000.

3. Group Life Insurance for employees less than age 65 in the amount of twice the employee's annual salary to a maximum of $75,000 and for employees over age 65 in the amount equal to the employee's annual salary to a maximum of $12,500. The above shall commence on the first day of the month following three (3) complete months of service and shall be convertible to an individual policy within 30 days of ceasing employment with the Company.

Employees who go on a leave of absence in excess of one month may retain membership in the above three plans by paying premiums for each month's absence following a complete month's absence.

4. Short term disability benefits for the second through the fifteenth week of any disability payable at the rate of 80% of an employee's weekly salary.

5. Long term disability coverage for employees who qualified for short term disability benefits:

(i) 16th week through the 27th week - 70% of employee's wages on the first day of disability.

(ii) 28th week through to age 65 - 60% of employee's wages on the first day of disability.

All active Long Term Disability claimants shall have their monthly payment increased by 5% on March 1st of each contract year.

(b) The Company shall continue to pay for benefit plans during absences due to illness or accident when covered by a Company, Company-Union Trust or Benefit Society policy or by Workers' Compensation. Similarly, benefits will continue to be covered while serving on a jury.

(c) The General Foreman and the Head Electronic Technician may opt to be covered by the management plan.

25. ACCIDENT PAY

In case of a compensable accident the Company will pay 100% of an employee's wages less any amount recovered by the employee from the Workers' Compensation Board or other wage indemnity plan contributed to by the Company. However, in no case are the above amounts to exceed the regular take home pay of the employee had (s)he been employed during the period of absence on Compensation.

To facilitate a regular income for the employee, the employer will pay the employee his or her regular straight time wage and the employee will turn over to the employer his or her earnings from Workers Compensation as soon as received.

26. SEVERANCE PAY

Severance pay in a lump sum at the rate of one (1) week's wages for each six (6) months of continuous service or major fraction thereof with the Company, with a maximum of fifty-two (52) weeks' wages shall be paid on loss of situation through merger, consolidation or suspension of publication of either or both of the Company's newspapers.

27. RELOCATION PAY

(a) All regular situation holders shall be entitled to receive relocation pay on a reduction to the substitute board. Relocation pay shall be paid in a lump sum equal to one (1) week's pay for every six (6) months of continuous service or fraction thereof with the Company, not in excess of fifty-two (52) weeks. Upon being reduced to the sub board an employee must decide within twelve (12) months whether (s)he will continue on the slipboard or take advantage of the relocation pay.

(b) Relocation pay will be based on continuous service as a regular and substitute including this twelve (12) month period, as long as the substitute remains available for the service of the Company.

(c) No one shall be eligible to claim relocation pay more than once, or to claim relocation pay in addition to severance pay. No employee having claimed relocation pay shall apply for work with or be hired by the Company for the period covered by the relocation pay. However, those with two (2) years' or more continuous service may apply for work and be rehired after the number of weeks' relocation pay that they have received.

28. JURY DUTY

An employee on jury duty call or subpoenaed as a witness shall receive the difference between jury duty rate and the straight-time rate normally earned by such employee for each day called for jury service. A day served under this clause shall constitute a day's work. If an employee is required to perform a combination of Jury Duty and work and the combination requires a fifth shift, the fifth shift shall be paid at overtime rates. To facilitate a regular income for the employee, the employer will pay the employee his or her regular straight-time wages and the employee shall turn over to the employer his or her earnings from the jury duty as soon as received.

29. BEREAVEMENT LEAVE AND PAY

A regular employee will be granted bereavement leave with pay for the purpose of making funeral arrangements and attending said funeral in the following amounts:

(a) Four (4) days in the event of the death of the employee's spouse or child.

(b) Four (4) days in the event of the death of a member of the employee's immediate family when the death occurs more than 800 kilometres from Vancouver.

(c) Three (3) days in the event of the death of a member of the employee's immediate family where the death occurs less than 800 kilometres from Vancouver.

For the purpose of the above, immediate family means, mother, father, sister, brother, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandparents and grandchildren.

30. EARLY RETIREMENT

On January 1st in each calendar year, every employee shall receive one-fifth (1/5) of a week's credit after having passed his or her sixth (6th) anniversary date, two-fifths (2/5) of a week's credit after having passed his or her eleventh (11th) anniversary date, three-fifth (3/5) of a week's credit after having passed his or her nineteenth (19th) anniversary date, one (1) week's credit after having passed his or her twenty-fifth (25th) anniversary date.

This benefit can be taken in cash at the current rate of wages of the employee at year end in year earned, or upon termination, or accumulated for early retirement, or taken as vacation in the year following the year earned. Early retirement benefits shall be computed in the same manner as vacations are pro-rated.

Employees who retire early will have provincial medicare and supplementary medical continued to normal retirement age (65 years).

31. PENSION PLANS

PACIFIC PRESS, a division of Southam Inc. PENSION PLAN AND TRUST FUND

(a) The Pacific Press, a division of Southam Inc. Pension Plan and Trust Fund created pursuant to the Agreement and Declaration of Trust entered into as of January 1, 1973 between the Unions, the Company and certain individual trustees shall continue to operate during the term of the current Collective Agreement pursuant to the terms of the Agreement and Declaration of Trust and the Plan Document appended thereto.

Participants in the Plan shall make contributions to the Plan equal to 5% of their earnings.

The Company shall make contributions to the Plan in an amount equal to 5% of the earnings of each employee who participates in the Plan.

"Earnings" shall mean amounts received as compensation from the Company, inclusive of salary and wages paid, overtime pay, bonuses and commissions but exclusive of payments under a suggestion plan, payments under a profit-sharing scheme or any other benefits not forming part of the employee's salary or wages.

The Company shall, without charge, continue to assist each Board of Trustees in the administration of the Plan by taking employee deductions with respect to required and voluntary contributions, remitting these amounts as well as required Company contributions to that fiduciary selected by each Board to act as custodian with respect to assets of their Plan, maintaining appropriate records as to each Plan participant's credits under the Plan, reporting these to the Plan participants and working with each Board and its actuary in the processing and payment of benefits due to participants.

Any records, exclusive of payroll records shall be the property of the Board of Trustees and shall be available for review at any reasonable time by the Board. Information held by the Company on payroll records shall be made available for review (at any reasonable time) by the Board.

Should it be decided, at some point of time, by the Board to have the administration of the Plan handled by a third party administrator, the Company agrees to provide such administrator all records which are the property of the Board and any other information which constitutes a part of the Plan records. In this event, the Company agrees it would continue to carry out such functions as taking employee deductions, reportings, required data, etc. as is required by the administrator to properly carry out his or her duties.

New employees hired after the date of ratification (November 11, 1994) will be required to join the Pacific Press, a division of Southam Inc. Pension Plan and Trust Fund.

The Company agrees to pay the Pension Plan windup costs ordered by the Pension Superintendent resulting from buyouts or restructuring of the workforce.

32. MATERNITY LEAVE

(a) Maternity leave of up to one (1) year will be granted upon request and in conformity with the time periods specified in the Unemployment Insurance Act (Canada). However, no employee shall be required to take a leave of absence, nor shall an employee's job duties or working conditions be altered without her consent because of pregnancy; nor shall there be any penalty for pregnancy. An employee returning from leave shall be reinstated in her job at the wages she would have received had her employment with the Company been continuous. An employee returning from leave shall be reinstated in her job with full credit toward severance pay accrual and other length of service benefits. Failure to return at the end of maternity leave shall be termed a voluntary resignation. Two (2) weeks' notice shall be given by the employee if possible at the commencement of maternity leave and two (2) weeks' notice prior to returning.

For each pregnancy maternity benefits shall be paid as follows:

1. where the employee is eligible for UIC maternity benefits and (1) provides the Company with proof that she has applied for and is eligible for UIC maternity benefits and (2) signs an agreement as follows: I,......, agree that I will return to work at the end of my maternity leave and will remain an employee of the Company for at least six (6) months after my return to work. If I fail to do so I acknowledge my indebtedness to the Company for the amount received from the Company as maternity allowance.

2. the employee shall receive weekly benefits as follows: - for the first two weeks - 95% of full pay; for the next 17 weeks - the difference between the amount received from UIC and 95% of the employee's insurable earnings (1990 - maximum $640.00). Notwithstanding, in all weeks, the combination of unemployment insurance benefits (UI), supplemental unemployment benefits (SUB) and all other earnings will never exceed 95% of employee's normal weekly earnings.

No employee is eligible for the benefits outlined in paragraph (2) above until she has been employed for twelve (12) months by the Company.

(b) Parental leave, available to the natural or adoptive parents will be provided as follows:

1. Up to four (4) days (three (3) with pay) parental leave shall be granted upon the birth of a child to any employee's spouse or upon the legal adoption of a child; or

2. Up to <u>twelve (12)</u> weeks unpaid parental leave will be granted upon the legal adoption of a child. Such leave may be taken by the mother or the father, or where both parents

work at Pacific Press may be shared between them.

At least two (2) weeks written notice prior to commencement of parental leave is required, where possible. Parental leave under (b) (2) must commence within fifty-two (52) weeks of the birth of the child, or the date on which the child comes into the actual care and custody of the adopting mother and father. Parental leave of a natural mother must begin when the maternity leave expires, except when otherwise agreed by the employer and the employee.

33. GENERAL LEAVE

Notwithstanding any provision for leave in this Agreement the Company shall grant leave of absence without pay to an employee for emergency or unusual circumstances.

All leave provisions herein shall for the purposes of this Agreement be considered continuous employment. No benefits will be earned while an employee is on General Leave.

34. PUBLIC DUTIES LEAVE

The Employer shall grant, on written request, leave of absence without pay:

(a) For employees to seek election to a full-time office in a Municipal, Provincial or Federal election, for the full period of campaigning;

(b) for employees elected to a full-time public office for the duration of the term for which they are elected.

35. CO-ORDINATING COMMITTEE

Chairmen, assistant chairmen and one (1) additional elected co-ordinating committee member from each shift, as well as the chapel secretary, shall be granted leave without pay for a maximum of three (3) hours once a month for the purpose of attending co-ordinating committee meetings. One week's advance notice shall be given to the general foreman.

All elected chapel officers may attend.

36. APPRENTICES

(a) 1. It is agreed for each fifteen (15) journeymen, or major fraction thereof, one (1) apprentice may be employed, up to a maximum of seventeen (17) apprentices.

2. Provided, that this ratio shall not be exceeded except by mutual agreement of the parties hereto. Notwithstanding the ratio set forth as a basis of employing apprentices, no apprentice shall be laid off at any time during his or her apprenticeship term because the said ratio may become exceeded by a reduction in the number of journeymen employed.

(b) A Joint Apprenticeship Committee composed of two (2) representatives of the Company and two (2) representatives of the Union shall be selected by the parties of this Agreement. All provisions of this Agreement affecting apprentices shall be under the jurisdiction of this committee which shall have control of and be responsible for the selection of apprentices and shall be vested with full power and authority to enforce all conditions outlined herein. Should the committee fail to agree on any question the matter shall be submitted to an arbitrator as provided in the Joint Standing Committee section hereof whose decision shall be final and binding.

(c) In filling apprenticeship vacancies, preference shall be first given to Pacific Press employees and then to apprentice members whose apprenticeship has been interrupted because of suspensions, mergers or consolidations of offices or for other reasons, provided said apprentice has not been discharged for cause.

(d) Apprentices shall be registered by the secretary of the Union and shall serve an apprenticeship of four (4) years (except as otherwise provided by Union laws) before being admitted to journeyman membership in the Union. The advancement in training and wage rates of any apprentice may be accelerated by the Joint Apprenticeship Committee according to the progress made by the apprentice, and the term of his or her apprenticeship may be shortened to the extent of such accelerated advancement.

(e) When the apprentice proves competent and the foreman and the apprentice committee recommend him or her for apprentice membership, (s)he must be admitted into the Union as an apprentice member. Apprentices shall be enrolled in and complete the Union course of lessons in printing if required before being admitted as journeyman members of the Union.

(f) The Joint Apprenticeship Committee shall establish a training program for apprentices. This training program shall include thorough training under journeymen on all work within the jurisdiction of the Union. Machinist apprentices must be trained on all phases of maintenance and repair of composing room equipment under the direction of a journeyman machinist. The Joint Apprenticeship Committee shall have authority to vary training programs to meet the problems arising because of varying equipment and shall have authority to direct temporary transfers of apprentices from one shop to another to accomplish as much all-round training as may be suited to the capacity of the apprentice.

(g) Should an apprentice be careless and neglectful of the duties required by those in control of his or her trade training, his or her case shall be referred to the Joint Apprenticeship Committee for examination and action.

(h) Apprentices shall undergo periodic examinations before the Joint Apprenticeship Committee. Their work must show if they are entitled to the increased wage scale provided in this contract. The employer or his or her representatives has the right to be present and take part in any and all examinations.

(i) Chairmen of offices where registered apprentices are employed are required to make semi-annual reports to the local committee on apprentices. These reports must show if the agreed conditions are being fulfilled by all parties to this Agreement - whether apprentices are being held back or if they are advanced in the different processes of the trade, and where apprentices are negligent or incapable of becoming competent workers, such fact must be set forth in the report.

) No apprentice shall leave one office and enter the services another employer without the written consent of the Joint Apprenticeship Committee.

(k) Apprentices shall receive not less than the following rates of wages:

First six months, 60 percent of scale, starting with the seventh (7th) month and every six (6) months thereafter, 5% increase.

	1st 6 mos.	2nd 6 mos.
First Year	60%	65%
Second Year	70%	75%
Third Year	80%	85%
Fourth Year	90%	95%

37. FOREMEN

(a) 1. New journeymen members of the Union shall not be prohibited from starting work because they have not been interviewed by the Foreman.

2. Employees may be transferred from one position to another at the call of the Foreman. The Foreman cannot be required to make any transfer which measurably decreases the efficiency of the office; neither shall he or she cause to be employed more members than are needed in one class of work nd later transfer them to work which could have been done y others whose priority entitled them to that work. In no case shall a Foreman transfer a person to a department (s)he is not familiar with and then declare him or her incompetent.

(b) The Foreman may discharge (1) for incompetency; (2) for neglect of duty; (3) for violation of office rules; which shall be kept conspicuously posted, and which shall in no way abridge the civil rights of employees or their rights under Communications, Energy and Paperworkers Union of Canada Laws. A discharged employee shall have the right to challenge the fairness of any reason given for his or her discharge. Upon demand, the Foreman shall give the reason for discharge in writing. Demand for written reason for discharge shall be made within seventy-two (72) hours after the employee is informed of discharge.

No member shall be discharged for any reason other than those outlined above.

(c) Shift Foremen, who shall be clearly designated as such and shall be journeymen situation holders, shall have the full authority of the General Foreman in supervising the staff and directing the work. They may send an employee home under provisions (2) and (3) of (b) for the balance of the shift, and when so ordered such employee shall leave the premises immediately. This shall not prevent an employee seeking ounsel or advice from his or her Chapel Chairman.

(d) The General Foreman shall be the judge of a worker's competency on the basis of work performed. It is agreed that the Chapel Chairman shall be present when instructions are given for any competency tests conducted and duplicate proofs shall be provided of work performed. No person legally discharged shall be eligible to sub except at the option of the General Foreman; provided that after a period of six (6) months any member discharged for incompetency or a minor offence may seek re-employment with the Company.

(e) The General Foreman of the composing room shall supervise and control all the employees connected with the same, and all journeymen and apprentices shall perform such work as the Foreman may direct, subject to the provisions of this Agreement, and of Communications, Energy and Paperworkers Union of Canada General Laws which are not inconsistent with this Agreement.

(f) The General Foreman shall have the privilege of calling his or her staff or any part of it to work at different hours. When the usual hour for starting work is to be altered, not less than twenty-four (24) hours' notice and whenever possible forty-eight (48) hours' notice shall be given in writing by the Foreman to the Chairman of the Chapel. On a reduction or increase of staff, or a change of shift, the Chairman of the Chapel shall be notified by the Foreman at or before 1 p.m. of the day prior to the reduction or increase becoming effective. Regular situation holders shall not be laid off to reduce the force until the end of the fiscal week. All the time covered by this Agreement belongs to the Company and employees shall perform any duties in the composing room assigned to them by the Foreman, subject to the provisions of the Agreement and of Communications, Energy and Paperworkers Union of Canada General Laws which are not inconsistent with this Agreement. No employee shall be allowed to leave the composing room during working hours without the permission of the Foreman.

(g) The General Foreman shall not be disciplined by the Union for carrying out the instructions of the Company, authorized in this Agreement.

(h) CEP Compositors shall be governed by the Composing Room contract. However, job function shall be under the supervision of the department head under whom he or she works.

38. REPLACEMENT OF REGULARS

(a) Any journeyman put on by a situation holder must be competent to perform the work of the member whose place (s)he takes and be eligible to work at straight-time rates. The Union agrees that it will not permit members who are not eligible to work at straight-time rates to claim work except on prior approval of the Foreman.

(b) Members shall report or have substitutes ready within five (5) minutes after time is called. When a regular does not report within five (5) minutes after the hour for beginning work, a competent substitute shall be employed in his or her place. Provided that, if no competent substitute is available, the prior substitute shall be hired.

(c) However, situation holders named in the Agreement between Pacific Press, a division of Southam Inc. and the Communications, Energy and Paperworkers Union of Canada, Local 2000, dated October 22, 1977 can at their option be excused. If coverage is required by the Company, the named situation holders will supply a competent substitute in accordance with Section 38(b).

If the leave is for one (1) day's duration the request shall be granted or denied at the time of request.

If the leave is for more than one (1) day and up to one (1) week, the request shall be granted or denied within six (6) hours if on Monday through Friday day shift or as soon as the General Foreman has the opportunity to consider it but not to exceed forty-eight (48) hours. If the leave is for more than one (1) week, approval or rejection shall be made within one (1) week of the date when the request was made.

If the leave is for an extended period, approval or rejection shall be given forty (40) days prior to the commencement of such leave.

If leave is denied, the named situation holder shall cover his or her situation with a substitute until (s)he returns to work or until two (2) weeks of work expire, whichever occurs first.

39. PRIORITY PREFERENCE CLAIMS

(a) Priority members shall have a choice of new shifts, new starting times, days off in lieu of statutory holidays which fall on off days, and new days off, provided that changes shall be made only when new openings occur. Should a situation holder lose his/her choice of day off due to a Company-initiated reduction of said day off, he/she shall have the right to claim another day off on that shift according to priority standing. Should a situation holder lose a choice of shift, due to a Company-initiated reduction of said shift, the situation holder shall have the right to claim another shift and day off on that shift according to priority standing. Also provided that no changes shall be made which measurably decrease the efficiency of the composing room. It is further agreed that only the positions of three (3) Shift Foremen, head electronic technician and the Chapel Chairman shall not be subject to any preference claim. Electronic technicians shall exercise priority as electronic technicians in regard to vacations, days off and starting times. Positions of Scale Committee representatives shall not be subject to prior claim during negotiations.

(b) In filling vacancies for the day-side preference shall be given to the first senior regular on the night-side competent to fill the vacant situation.

40. EXTRA WORK

Employment other than regular situations shall be classed as extra work and shall be given out in priority to the men competent to perform the work. Upon reaching the point where the Company has hired substitutes for a total of eight (8) shifts in any two (2) consecutive weeks, substitutes shall be given a situation for each eight (8) shifts worked. It is understood that a situation shall consist of not less than four (4) shifts. Substitutes who lose work due to violation of this section shall receive one (1) shift's pay for each shift lost. It is understood by both parties that qualification for eligibility to receive relocation pay shall be a minimum of six (6) months' continuous service as a regular situation holder.

41. RELIEF OF DUTY

(a) At their request monitors and tape-perforator operators shall be temporarily relieved from their respective positions as monitors or tape-perforator operators at the end of each four (4) week period, for four (4) weeks. No journeyman situation holder shall be laid off who has not been afforded the opportunity to learn the duties of a monitor.

(b) At their request members not otherwise covered elsewhere in this Agreement shall be temporarily relieved from their respective positions at the end of each four (4) week period, for four (4) weeks, exclusive of vacations. This provision shall not be effective from May 15 to September 15. Not more than 10% of the employees in any class of work on any shift shall be permitted this relief at any time.

42. GENERAL LAWS

The Company agrees to respect and observe the General Laws of the Communications, Energy and Paperworkers Union of Canada in effect at the time of signing this Agreement except for those Laws which relate to the hours of work and hiring of substitutes. The parties agree that the General Foreman shall be a member in good standing of the Union.

43. STRUCK WORK AND PICKET LINES

(a) The Union reserves to its members the right to refuse to execute any work coming from or destined for any other employer or publication which has been declared by the Union to be unfair.

(b) The Company recognizes the right of individual union members to refuse, as a matter of conscience, to cross a legal picket line of any union engaged in a legal strike or lockout.

44. UNION REPRESENTATIVE

(a) No Union representative shall be interfered with, nor discriminated against by the Company for carrying out the written instructions of the Union governing the interpretation, application or alleged violation of this Agreement.

(b) The Chapel Chairman shall not be denied permission to leave the composing room for the purpose of conducting Company-Union business.

45. CHAPEL BUSINESS

(a) All chapel meetings shall be held outside of working hours.

(b) Chairmen of chapels may have access to composing room payrolls for the purpose of making returns of the earnings of the members to the Secretary-Treasurer of the Union.

46. DUES CHECK-OFF

The Company shall deduct membership dues weekly from the earnings of each member of the Union working for the Company and shall remit said funds to the Union monthly. Membership dues shall be deducted from members' earnings in accordance with the schedule of dues rates furnished the Company each month by the Secretary-Treasurer of the Union. Members shall be required to sign an authorization for deduction by the Company in the following form:

ASSIGNMENT AND AUTHORIZATION TO CHECK OFF

COMMUNICATIONS, ENERGY and PAPERWORKERS UNION OF CANADA, LOCAL 2000 DUES

To: Pacific Press, a division of Southam Inc.:
I hereby assign to the Communications, Energy and Paperworkers Union of Canada, Local 2000, and authorize you to deduct weekly from any earnings as your employee, an amount equal to all Union dues levied against me by the Union for each dues month following the date of this assignment.

I hereby authorize and request you to remit the amount deducted to the Communications, Energy and Paperworkers Union of Canada, Local 2000.

....
(Employee's Signature)

....
(Date)

47. PERSONNEL AND MEDICAL FILES

Subject to presenting proper identification and by appointment with the Personnel Department, an employee may, in the company of a Personnel Department employee, review his/her personnel file and that part of his/her medical file containing sick claim forms and doctor's slips which the employee submitted with such forms. At no time shall an employee remove from his/her personnel file any document contained therein. However, an employee may copy any such document. The employee and/or the Union may have included in the employee's personnel file a response to anything contained therein or to be contained therein. Such response shall become part of the employee's record. The Company shall furnish to the employee a copy of any commendation relating to the employee's job performance.

48. SANITATION

There shall be furnished at all times a healthful, sufficiently ventilated, properly heated, and well lighted place for the performance of all work done in the composing room. Communications, Energy and Paperworkers Union of Canada, Local 2000 reserves the right to secure the services of sanitation and ventilation experts at its own expense, whose report shall be submitted to the Company, which shall have the privilege of submitting said report to the municipal health officer for verification and whose ruling shall be final and carried out forthwith.

49. SAFETY

(a) The Company agrees that it will require its suppliers to provide evidence that new chemicals being introduced into the plant are non-injurious when used as directed.

(b) Prior to the introduction or use of any new chemicals in the composing room, such chemicals, if not previously tested and proven to be non-injurious to the employees, shall, upon request, be submitted to the B.C. Research Council or Workers' Compensation Board for testing and confirmation that the product is not harmful to the health of the employees within the department. Such confirmation or other recommendation by the B.C. Research Council or Workers' Compensation Board shall be accepted by both parties to this Agreement.

(c) Where necessary, wash-up time will be allowed in all departments and such time will be arranged between the foreman and chapel chairman. If wash-up time extends beyond the normal finish time, such time will be paid at straight time rates.

All safety clothes or accessories, other than safety shoes, that the employees are required to wear by decision of the Worker's Compensation Board or the Company shall be provided by the Company at no cost to the employee.

Effective January 1, 1995, regularly employed personnel will be reimbursed up to two hundred and fifty dollars ($250) for every two calendar years, upon provision of a receipt(s) for the purchase or repair of safety shoes.

50. WORK BANK

It is agreed that effective December 1, 1998 there shall be $5.05 per shift per employee banked to the credit of the membership of the Union who are employed by Pacific Press, a Division of Southam Inc.. Effective December 1, 1999 the above figure shall be increased to $5.15. Effective December 1, 2000 the above figure shall be increased to $5.30. Contributions shall be made for any shift for which an employee receives compensation (e.g. sick leave, vacations, holidays, disability insurance, bereavement leave, jury duty) and the funds accumulated shall be distributed in a manner determined by the Union.

51. LETTERS OF AGREEMENT INDEX

The following Letters of Agreement apply for the duration of the 1993 - 1998 Collective Agreement unless otherwise specifically stated:

1. Health and Safety.
2. Re Appendix A & B
3. Exceptions to Four Day Week.
4. Reproduction.
5. CEP Subs Benefits, Stats and Bereavement.
6. Recognition of Benefits Coverage
7. Sick Leave
8. Contracting Out/Sale
9. Union Protection
10. Letters of Discipline

IN WITNESS WHEREOF we have set our hand and seal this....................day of............................1995.

FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #1
BETWEEN
PACIFIC PRESS, a division of Southam Inc.
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000
HEALTH AND SAFETY

1. During the term of the Collective Agreement the Company shall, with the assistance of the joint health and safety committee, develop a plant-wide policy and program of health and safety protection for all employees.

2. The policy and program to be developed in (1) above will include, but is not limited to, the following issues:

- i) chemical information and training
- ii) accident investigation/recommendation procedure
- iii) emergency evacuation procedures
- iv) communications
- v) asbestos health problems, documentation and treatment
- vi) electronic surveillance
- vii) safety shoes

3. The Company, the Newspaper Guild and the Communications, Energy and Paperworkers Union of Canada, Local 2000 shall set up a joint committee to make recommendations to the joint health and safety committee on VDT testing, shielding, ergonomics, lighting, rest breaks, and other related issues.

4. The Company shall adhere to all applicable laws affecting health and safety.

DATED ____________________________, 2000.

FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #2
BETWEEN
PACIFIC PRESS, a division of Southam Inc.
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

RE APPENDIX A & B

This Letter of Agreement is entered into concerning Pacific Press Short Term Disability Benefits and Life and Long-Term Disability Benefits as agreed between the above parties covered by Collective Agreements entered into on the date hereof (hereafter referred to as the Collective Agreements) and becomes effective upon ratification of the Collective Agreements. It is agreed that the coverage provided by the Collective Agreements is governed by the rules and conditions outlined by the attached Benefit Plan Appendices "A" and "B" as applicable and no changes will be made to these appendices during the life of the Collective Agreements except as mutually agreed to by the above parties.

DATED ____________________________, 2000.

FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #3
BETWEEN
PACIFIC PRESS, a division of Southam Inc.
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

EXCEPTIONS TO FOUR DAY WEEK

IT IS AGREED by the above parties that the following shall not be subject to the four-day week provision of the Composing Room contract: Composing Room General Foreman.

DATED ____________________________, 2000.

FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #4
BETWEEN
PACIFIC PRESS, a division of Southam Inc.
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

REPRODUCTION

Prior to November 1, 1977, reproduction was governed by the following sections in the 1974-75 and 1975-77 Collective Agreements.

Section 7(c). All material shall serve as copy for the Company's newspapers and commercial printing production work and no camera-ready copy will be processed unless all the preparatory work is performed by members covered by this Agreement. Violation of this Section shall result in the material being reproduced and this reproduction work shall be done only during periods (financial weeks) when the composing room overtime payroll is less than 2% of the composing room regular payroll.

Section 44. All local advertisements not originally produced by employees covered by this Agreement shall be reproduced within seven (7) days of publication. This section shall not be construed as prohibiting the loaning, borrowing, exchanging, purchase or sale of matter or matrices or electrotypes, occasioned by extraordinary emergencies, such as fire, flood, explosion or any other unforeseen disaster, including the "pi" of a form or forms, when it is permitted without penalty.

Section 45. A local advertisement is: (a) any advertisement originally set within the jurisdiction of Communications, Energy and Paperworkers Union of Canada, Local 2000. However, this does not apply to advertisements of general or foreign advertisers located in Vancouver and originally set in Vancouver. (b) Any advertisement wherever set, advertising the business of any concern which is in the local field. (c) The addition of names and addresses of local selling agents to any advertisement, not falling within these definitions, does not make the advertisement a local advertisement. The practice has been that all material to be reproduced would be banked and that the reproduction would be done as business conditions permitted. As of November 1, 1977, this bank comprises of material to be reproduced which was published prior to October 31, 1977. All material in the bank will be reproduced according to the requirements of the 1975-77 Collective Agreement. As of November 1, 1977, no new material will be added to the bank, and no new material will be required to be reproduced.

DATED ____________________________, 2000.

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FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #5
BETWEEN
PACIFIC PRESS, a division of Southam Inc.
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

CEP SUBS BENEFITS, STATS AND BEREAVEMENT

To determine initial enrolment for benefits to commence on the first day of the month following the 13 week quarter qualifying period, substitutes who work and/or make themselves available for work, qualify on the following basis:

13 Week Quarter

Days worked	Days available for work (in addition to days actually worked)
27	12
26	13
25	14
24	15
23	16
22	17

To continue to be eligible for benefits, substitutes who work (or are paid for) shifts and make themselves available for work, qualify on the following basis:

26 Week Period

Days worked	Days available for work
54	24
52	26
50	28
48	30
46	32
44	34

Review dates for determining continued eligibility will be the end of the first week of February and the end of the first week of August of each year. Furthermore, it is agreed that those who fail to continue to qualify based on the preceding six months will be kept on the plans (excluding stats and bereavement leave) at the employee's option for the next six (6) month review period with the full cost prepaid monthly by the employee. Should they fail to qualify in the next six (6) months (i.e., second consecutive six (6) month period in which they fail to qualify), benefits coverage will cease with the Company. In requalifying, the best three (3) consecutive months out of six (6) months until the next review date will be used. If an employee's slip is pulled by the Chapel Chairman, benefits cease as at that date.

Benefits

1. Medical Services Plan of B.C.
2. Extended Health Insurance
3. Group Life Insurance
4. Bereavement Leave
5. Statutory Holidays

Substitutes will initial a sheet provided by the Company each day they work or make themselves available for work. This agreement will expire at the end of this 1993-98 contract term unless renewed by the parties to the contract.

DATED ____________________________, 2000.

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FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #6
BETWEEN
PACIFIC PRESS, a division of Southam Inc.
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

RECOGNITION OF BENEFITS COVERAGE

For the purposes of benefits coverage and bereavement leave, Pacific Press recognizes same sex couples as a common-law relationship. All eligible employees will complete a notarized declaration of status form supplied by the Company should they wish to participate in employee benefits as provided by Pacific Press.

DATED ____________________________, 2000.

FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #7
BETWEEN
PACIFIC PRESS LIMITED
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

SICK LEAVE

A. The following deals with Sick Leave, as opposed to short and long-term disability:

1. The Company will convene regular Sick Leave Committee Meetings within each union jurisdiction. This will include Guild areas where there is no Sick Leave Committee Language.

2. The committee will:

(i) Conduct a review of all those individuals who are currently under a requirement to visit their own doctor or the Company doctor each time they are off sick.

(ii) Follow-up to ensure that the appropriate reviews take place on a timely basis.

(iii) Make recommendations as to whether or not an employee should be under a requirement to see the Company doctor, his/her own doctor, etc.

(iv) Make recommendations to the Company as to programs that could be implemented to encourage improved attendance at work.

(v) Meet no less than twice per year.

3. In situations where the employee has complied with the directives of the Company and the result is that the Company feels that the employee has not substantiated that he/she should have missed work as a result of the illness, the matter will be referred to the appropriate Sick Leave Committee.

4. Should the Sick Leave Committee determine that there has been an abuse, the Committee shall be empowered to impose a penalty of suspension of benefits of less than the minimum six (6) months described under the terms of our collective agreements.

5. The Sick Leave Committee will consider all medical information available in attempting to determine whether or not there has been abuse of sick leave. This may include referring any conflicting doctors' reports to an agreed upon medical practitioner. This opinion may or may not include the examination of the employee. All costs will be paid by the Company.

6. If there is a dispute concerning any of the above points, either party may refer the matter to a Troubleshooter for binding, non-precedential resolution. Legal counsel will not be used in presentations before the Troubleshooter. The Troubleshooter will have the option of seeking independent medical advice, the cost of which shall be borne by the Company.

7. Costs associated with the use of a Troubleshooter shall be shared between the parties pursuant to Section 103 of the Labour Relations Code.

B. The following deals with short and long-term disability plans:

1. Independent Physicians referred to in Section 5 (b) of the short-term plan and Section 2. (1) (e) (ii) of the long-term plan will be selected by mutual agreement.

2. The Company, the unions and the Troubleshooter will agree on a list of independent physicians to be used.

3. Employees receiving disability benefits will not be retroactively cut off.

DATED ______________________________, 2000.

FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #8
BETWEEN
PACIFIC PRESS LIMITED
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

CONTRACTING OUT/SALE

The Company agrees there shall be no involuntary loss of employment of any regular employee during the life of the contract as a result of:

(a) the contracting out of work normally performed by members of the bargaining unit; or

(b) sale of all or part of the business

DATED ______________________________, 2000.

FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #9
BETWEEN
PACIFIC PRESS LIMITED
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

UNION PROTECTION

There shall be no interference or attempt to interfere with the operation of the Union.

DATED ____________________________, 2000.

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FOR THE UNION FOR THE COMPANY

LETTER OF AGREEMENT #10
BETWEEN
PACIFIC PRESS LIMITED
AND THE
COMMUNICATIONS, ENERGY and PAPERWORKERS
UNION OF CANADA, LOCAL 2000

LETTERS OF DISCIPLINE

Letters of dissatisfaction and written record of reprimands shall be removed after twenty-four (24) months from the date of issue.

DATED ____________________________, 2000.

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FOR THE UNION FOR THE COMPANY

November 10th, 1994, 7:30 a.m.

CRAFT UNIONS' LETTER OF AGREEMENT
VOLUNTARY STAFF REDUCTION PLAN (Except Printers)

1. Employees wishing to take part in the Voluntary Staff Reduction Plan ("the Plan") will not be replaced. Where the number of employees within a bargaining unit is decreased, there must be a permanent reduction in the manning levels and/or guarantees.

2. There will be two elements to the total amount paid under the Plan:

i) Basic Entitlement: Six (6) weeks pay per year of service. Regular rate of pay is to be used in this calculation. Maximum Base entitlement is one hundred and fifty thousand dollars ($150,000).

ii) Manning Provision/Lifetime job guarantee: Where the employee is covered by a manning clause or lifetime job guarantee, they shall receive an additional fifty thousand dollars ($50,000).

3. Subject to the above limits, employees may take the monies as calculated, in cash or in a manner designated to facilitate early retirement or in a manner designed to take advantage of tax savings vehicles allowed by Revenue Canada.

The Company agrees, if requested by the employee, to [illegible]y out the equivalent number of weeks the employee is entitled to receive under the Plan as per the employee's regular payroll cycle.

5. Should there be an additional buyout offered by Pacific Press during the term of the new collective agreement, that would result in a greater payout than this Plan, Pacific Press will pay the employee the difference in the form of a lump sum payment at the time of the new offer (except if the Printers negotiate a greater payout than this Plan, it will not affect the other unions).

6. If more employees apply than can be accepted (within the classification, department or Company), the selection will be based on seniority.

7. The Company will make the final determination as to the number of positions which are to be bought out. Subject to agreement by the Company and the Union, if a particular position is identified, the position may be covered by a temporary employee prior to the position being eliminated in order to allow the regular employee to leave immediately. When the position ultimately goes, there will be no claim by the temporary employee.

8. Regular full-time and regular part-time employees are eligible to participate in the Plan. Full-time employees working less than full-time and part-time employees will have their basic entitlement pro-rated to reflect the proportion of time they have worked over the past three (3) years. (Craft unions shall have the pro-rating based on the same formula as their vacation entitlement).

9. Employees on long term disability will be eligible to participate in the Plan.

10. Employees who accept the proposed buy-out that are fifty-five (55) years of age or older, will receive 50% of the provincial Medical Services Plan premiums, paid on their behalf by the employer until the employee's death. It is understood that all time covered by the voluntary buy-out will be included to achieve age fifty-five (55), if necessary. Above includes $2,000 paid up life insurance policy.

11. Applications to participate in the Plan must be received according to the following schedule: At anytime over the term of the Collective Agreement.

12. Employees will be entitled to six (6) hours of individual financial counselling through Company paid programs. The provider shall be mutually agreed to by the Company and the unions.

13. Employees may withdraw from participation in the Voluntary Staff Reduction plan after making their election to participate, provided their employment has not ceased.

14. Uninterrupted Southam service will be recognized.

15. Pension Plan contributions shall be made when legal, and subject to the maximum amount permissible under the terms of the employee's specific current pension plan(s) for the equivalent number of weeks entitlement under the Voluntary

Staff Reduction Plan (see item 2 [i]).

Dated this ....day of..................... 2000

For the Printers	For the Company

April 5, 1995

PRINTERS' PROPOSED MODIFICATIONS TO THE VOLUNTARY STAFF REDUCTION PLAN

The printers propose that the Voluntary Staff Reduction Plan Letter of Agreement dated November 10, 1994, be amended as follows:

1. The 5% attrition clause contained in the Collective Agreement will not apply during the term of this Agreement. Should the number of employees in the Union's bargaining unit be reduced by more than 5% for each six (6) months of the Collective Agreement, for each employee in the unit over that figure the Company shall pay to the Union the dues that would have been paid by that employee had (s)he not taken the buyout. This payment in lieu of dues will cease should the attrition be such that it no longer exceeds the 5% per cent for each six months level. The dues will be based on the amount of dues paid by the employee in the twelve (12) months preceding his/her buyout date.

If a total of 26 printers take the buyout and have left employment of the Company no later than January 15, 1996, then after the 26th printer has left, all employees remaining on the payroll at that time, will receive an increase of $5.625 (pro-rated for night or lobster shift) per shift, retroactive to January 1, 1995. Should 26 printers not leave by January 15, 1996 then, provided that 53 printers take the buyout and have left employment of the Company no later than November 30, 1998, then after the 53rd printer has left, all employees remaining on payroll at that time, will receive an increase of $5.625 (pro-rated for night or lobster shift) per shift, retroactive to January 1, 1995.

3. Effective January 1, 1995, all printers will be entitled to a one-shift holiday with pay, per calendar year provided in the previous year they have worked a minimum of 120 shifts (or have received credits as having worked 120 shifts).

4. All Southam service will be recognized for purposes of qualifying for the Plan.

5. Employees who are classified as "sick no pay" or on union leave, are entitled to claim the Lifetime job guarantee amount of $50,000. Such employees are only entitled to an amount under the "Full $200,000 Entitlement" if they return to work at Pacific Press for 120 shifts in the 12 months preceding buy-out request.

6. The Buy-out entitlement for Leo Trefflinger will be $200,000 ($150,000 + $50,000).

7. Employees who are classified as "sick no pay" or on union leave, are entitled to claim the Lifetime job guarantee amount of $50,000.00. Such employees are only entitled to an amount under the "Full $200,000.00 Entitlement" if they return to work at Pacific Press for a mutually agreed number of shifts in the 12 months preceding a buy-out request.

8. The voluntary pension contribution will be deducted on a weekly basis commencing May 1, 1995. A weekly deduction will be made on the assumption that the printer works four (4) shifts per week. On a monthly basis this number will be reconciled with the number of shifts actually worked (or received credit for) in the month and, if required, the printer will be refunded any over-deduction.

9. The Company will pay for individual counselling to a maximum of six (6) hours at a maximum rate of $55.00 per hour. The financial counsellor may be chosen by the employee. In order to receive payment, the employee must provide a statement from their financial counsellor.

10. It is understood that the foregoing does not trigger items #5 of the November 10, 1994 agreement.

11. The Company agrees that item number 7 in the November 10, 1994 agreement will not apply to the first 53 printers to apply for Voluntary Retirement under these letters of agreement.

Dated this ....day of .... 19..........

For the Printers	For the Company

THIS IS EXHIBIT "E" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

**HOLLINGER INTERNATIONAL INC., SOUTHAM INC.,
HOLLINGER CANADIAN NEWSPAPERS, LIMITED PARTNERSHIP and
HCN PUBLICATIONS COMPANY**

-and-

CANWEST GLOBAL COMMUNICATIONS CORPORATION

TRANSACTION AGREEMENT

July 30, 2000

Osler, Hoskin & Harcourt LLP

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THIS TRANSACTION AGREEMENT is made July 30, 2000

BETWEEN:

Hollinger International Inc., a corporation governed by the laws of Delaware, ("Hollinger")

- and -

Southam Inc., a corporation governed by the laws of Canada, ("Southam")

- and -

Hollinger Canadian Newspapers, Limited Partnership, a limited partnership governed by the laws of the Province of Ontario, ("Newspapers Partnership")

- and -

HCN Publications Company, a corporation governed by the laws of Nova Scotia, ("HCN Publications")

- and -

CanWest Global Communications Corporation, a corporation governed by the laws of Canada, ("CanWest")

RECITALS:

A. Hollinger indirectly owns all of the issued and outstanding shares in Southam, indirectly owns all of the issued and outstanding shares of Hollinger Canadian Newspapers G.P. Inc., the general partner of Newspapers Partnership, and indirectly owns approximately eighty-five percent of the limited partnership units of Newspapers Partnership.

B. Hollinger, indirectly through Southam, Newspapers Partnership and HCN Publications and their subsidiaries, carries on the business in Canada of owning, operating and publishing newspapers, magazines and related publications, ancillary business communications operations including the provision of content through the Internet and has agreed to cause Southam and Newspapers Partnership and their subsidiaries, to sell to CanWest and CanWest has agreed to purchase all of the assets, property and undertaking of and pertaining to such businesses as a going concern other than certain excluded businesses all on the terms and conditions of this Agreement.

THEREFORE the parties agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement the following words and terms shall have the meanings set out below:

"Accounts Payable" means dividends declared but not yet paid, any and all amounts in connection with the Purchased Businesses due and owing to Employees, traders, suppliers and other persons in the ordinary course of business (including amounts in respect of sales taxes payable) as of the Effective Date which by their terms are to be paid within twelve months from the Effective Date and, in the case of amounts to be paid in instalments, only that portion which by its terms is to be paid within twelve months from the Effective Date, other than any amounts owing to Hollinger or any of its Affiliates or subsidiaries;

"Accounts Receivable" means any and all accounts receivable, bills receivable, trade accounts and book debts recorded as receivable in the Books and Records and any and all other amounts due to the Vendors, their subsidiaries or the Business Units in connection with the Purchased Businesses, including from Transferred Employees, which by their terms are to be received within twelve months from the Effective Date and, in the case of amounts to be received in instalments, only that portion which by its terms is to be received within twelve months from the Effective Date, including any and all refunds and rebates receivable in connection with the Purchased Businesses, and the benefit of any and all security (including cash deposits), guarantees and other collateral held by the Vendors or the Business Units in connection with the Purchased Businesses, other than any amounts receivable from Hollinger or any of its Affiliates or subsidiaries and other than any of the foregoing which are Excluded Assets;

"Accrued Liabilities" means (i) any and all accrued liabilities of the Purchased Businesses incurred in the ordinary course of business as of the Effective Date which by their terms are to be paid within twelve months from the Effective Date and, in the case of amounts to be paid in instalments, only that portion which by its terms is to be paid within twelve months from the Effective Date, including the liabilities associated with prepaid subscriptions, deferred circulation and advertising revenue, accruals for Compensation Plans in respect of Southam Employees and Newspapers Partnership Employees, customer rebates and allowances other than deferred income taxes and other deferred credits, and (ii) any and all accrued liabilities as of the Effective Date relating to a SERA and post-employment and post-retirement benefits relating to Transferred Employees calculated in accordance with current, accurate and complete data as of the Effective Date and the assumptions and methods determined in accordance with Schedule 1.1(a);

"Affiliate" has the meaning given in the *Canada Business Corporations Act*, as amended from time to time;

"Agreement" means this Transaction Agreement, including all schedules, and all instruments supplementing or amending or confirming this Agreement and references to

"Applicable Securities Laws" means the *Securities Act* (Ontario), all other Canadian provincial and territorial securities legislation, the United States Securities Act of 1933, as amended and the United States Securities Exchange Act of 1934, as amended, and, all regulations, rules, policies and other documents promulgated thereunder;

"Arbitration Procedures" means the procedures described in Schedule 1.1(b);

"Arm's length" means arm's length as defined in the *Income Tax Act* (Canada);

"Article" or **"Section"** mean and refer to the specified Article or Section of this Agreement;

"Assumed *Canada.com* Liabilities" means those of the Assumed Liabilities which relate to the *Canada.com* Business;

"Assumed Central Services Liabilities" means those of the Assumed Liabilities which relate to the Central Services;

"Assumed Liabilities" means (a) the Current Liabilities and (b) those liabilities and obligations of the Vendors or their Affiliates necessary or desirable for the ongoing operation of the Purchased Businesses accruing or due subsequent to the Effective Date in the ordinary course of the Purchased Businesses under the Contracts, the Governmental Authorizations and the Permitted Encumbrances relating to the Purchased Businesses;

"Assumed Print News Media Liabilities" means those of the Assumed Liabilities which relate to the Print News Media Business;

"Benefit Plans" means all plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, registered or unregistered to or by which the Vendors are a party or bound or under which the Vendors have, or will have, any liability or contingent liability, relating to: (a) Pension Plans; (b) Insurance Plans; or (c) Compensation Plans, with respect to any Employees or former employees of the Purchased Businesses or the National Post Business (or any dependants or beneficiaries of any such Employees or former employees), individuals working on contract with the Vendors or other individuals providing services of a kind normally provided by employees or eligible dependants of such person in each case, of the Purchased Businesses;

"Books and Records" means all books and records of the Vendors and the Business Units, relating primarily or exclusively to the Purchased Businesses, including financial, corporate, operations and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, formulae, business reports, plans and projections and all other documents, surveys, plans, files, records, correspondence, and other data and information, financial or otherwise including all data and information stored on computer-related or other electronic media, other than any such books and records which are Excluded Assets;

"Business Day" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the Cities of Toronto and Winnipeg are open for business during normal banking hours;

"Business Unit" means any of the individual operating units of the Purchased Businesses, including the individual newspaper operations listed and described in Schedule 1.1(c), the magazine operations listed and described in Schedule 1.1(c) and the operations, portals and web-sites of the *Canada.com* Business listed and described in Schedule 1.1(c);

"Business Unit Balance Sheet" means, collectively, the balance sheet of each of the Business Units, respectively, as at May 31, 2000, forming part of the Financial Statements;

"*Canada.com* Assets" means all of the Vendors' right, title and interest in, to and under the assets, property and undertaking owned or used or held by the Vendors for use in, or in respect of the operation of, the *Canada.com* Business, including the Vendors' 80% interest in the general partnership operating the *Faceoff.com* website, and ancillary communications operations;

"*Canada.com* Business" means the business of operating the *Canada.com* website portal and related websites, including *Faceoff.com*, *Montrealonline.com*, *Ottawaonline.com*, *Vancouvertoday.com*, and each of the other *"city"today.com* websites, and ancillary communications operations;

"*Canada.com* Company" means a newly incorporated indirect subsidiary of Hollinger to which the *Canada.com* Assets and Assumed *Canada.com* Liabilities are transferred pursuant to the Reorganization in accordance with a Transfer Agreement;

"*Canada.com* Company Debt" means the indebtedness of *Canada.com* Company Holdco incurred in connection with the acquisition of all of the issued and outstanding shares of *Canada.com* Company pursuant to the Reorganization;

"*Canada.com* Company Holdco" means a newly incorporated indirect subsidiary of Hollinger which, on and after the Reorganization Date, will own all of the issued and outstanding shares in the capital of *Canada.com* Company;

"*Canada.com* Company Shares" means all of the issued and outstanding shares in the capital of *Canada.com* Company Holdco;

"CanWest Auditor" means PricewaterhouseCoopers LLP, Chartered Accountants;

"CanWest Disclosure Record" means the CanWest Financial Statements, CanWest's annual information form dated November 24, 1999, management proxy circular dated November 24, 1999, interim financial statements for the periods ending November 30, 1999, February 29, 2000 and May 31, 2000, and all filings by CanWest with the Securities and Exchange Commission in the United States since September 1, 1999;

"CanWest Financial Statements" means the consolidated financial statements of CanWest for the years ended August 31, 1999 and 1998 consisting of consolidated balance sheets, statements of earnings, statements of retained earnings and statements of cash flows, together with the notes thereto and the CanWest Auditor's report thereon and the interim financial statements of CanWest for the three months, six months and nine months ended November 30, 1999, February 29, 2000 and May 31, 2000;

"CanWest Indenture" means the trust indenture governing the Subordinated Debentures to be entered into by Subco and a trust company carrying on business in Canada, as trustee, on the Closing Date in form and substance reasonably satisfactory to CanWest and the Vendors;

"CanWest Material Subsidiaries" means, collectively, the Persons set forth in Column 1 of Schedule 5.9;

"CanWest Securities" means, collectively, the Preferred Shares, Non-Voting Shares and the Subordinated Debentures to be delivered to the Vendors in accordance with Section 3.2 and the agreement referred to in Section 3.3(b);

"CanWest Year-End Financial Statement" means the EBITDA statement of the CanWest operations and investments listed on Schedule 3.3(a) – 1 for the year ending August 31, 2001 together with a report of the CanWest Auditor in form and substance reasonably satisfactory to the Vendors;

"CanWest 2001 EBITDA" means the earnings of the CanWest operations and investments listed on Schedule 3.3(a) – 1 for the twelve month period ending August 31, 2001 calculated without duplication before: (i) income taxes; (ii) depreciation and amortization (excluding amortization of program rights); (iii) interest and other financing charges; (iv) minority interest in the earnings of subsidiaries; (v) equity income or losses in the earnings of affiliates; (vi) gains and losses in respect of the disposition of assets; (vii) the reversal of provisions for costs which were made in respect of prior years earnings; (viii) inter-corporate management fees paid or payable among the operations listed on Schedule 3.3(a) – 1; (ix) unusual or extraordinary items and (x) other expense and income items normally recorded on the income statement below the operating profit line, calculated operation by operation on the basis consistent with the indicative calculation described in Schedule 3.3(a) – 2, all as reflected on the CanWest Year-End Financial Statement;

"Central Services" means those services identified in Schedule 3.1(a);

"Central Services Assets" means all of Southam's right, title and interest in, to and under the assets, property and undertaking owned or used or held by Southam for use in, or in respect of, the delivery of the Purchased Central Services, including the land and building located at 1450 Don Mills Road in Toronto, Ontario;

"Central Services Company" means a newly incorporated indirect subsidiary of Hollinger to which the Central Services Assets and Assumed Central Services Liabilities are transferred pursuant to the Reorganization in accordance with a Transfer Agreement;

"Central Services Company Debt" means the indebtedness of Central Services Company Holdco incurred in connection with the acquisition of all of the issued and outstanding shares of Central Services Company pursuant to the Reorganization;

"Central Services Company Holdco" means a newly incorporated indirect subsidiary of Hollinger which, on and after the Reorganization Date, will own all of the issued and outstanding shares in the capital of Central Services Company;

"Central Services Company Shares" means all of the issued and outstanding shares in the capital of Central Services Company Holdco;

"Claims" means any claim, demand, action, cause of action, damage, loss, costs, grievances, complaints, liability or expense, including reasonable professional fees, legal fees on a solicitor and client basis and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

"Closing" means the completion of the sale to and purchase by CanWest of the Purchased Shares, the Purchased Debt and the Purchased National Post Company Interest under this Agreement;

"Closing Date" means the 2nd day of October, 2000 provided that, if Competition Act Approval shall not have been obtained by such date, the Closing Date shall be the earlier of December 31, 2000 and the 5th day following receipt of Competition Act Approval, or such other date as the Parties may agree in writing as the date upon which the Closing shall take place;

"Closing Time" means 10:00 a.m., Toronto time, on the Closing Date or such other time on such date as the Parties may agree in writing as the time at which the Closing shall take place;

"Collective Agreements" means the collective agreements and all related documents including all benefit agreements, letters of understanding, letters of intent and other communications with Unions relating to the Employees, the Purchased Businesses or the National Post Business by which the Vendors are bound or which imposes any obligations upon the Vendors or sets out the understanding of the Parties with respect to the meaning of any provisions of such collective agreements;

"Compensation Plans" means any and all employment benefits relating to bonus, commission, incentive pay or compensation, performance compensation, deferred compensation, profit sharing or deferred profit sharing, share purchase, share option, stock appreciation, phantom stock, vacation or vacation pay, sick pay, severance or termination pay, employee loans or separation from service benefits, or any other type of arrangement providing for compensation or benefits additional to base pay or salary;

"Competition Act Approval" means: (a) the Commissioner of Competition shall have issued an advance ruling certificate pursuant to section 102 of the *Competition Act* in respect of the transactions contemplated by this Agreement; or (b) the waiting period under section 123 of the *Competition Act* shall have expired and CanWest shall have been advised in writing by the Commissioner that the Commissioner has determined not to make an application for an order under section 92 of the *Competition Act* in respect of the transactions contemplated by this Agreement at that time;

"Concurrent Share Purchase Agreements" has the meaning given to it in Section 3.3(b);

"Content" means all text, data, information and graphics included in any newspapers, magazines, publications or websites, published or operated in Canada by the Vendors;

"Contracts" means all contracts, licenses, leases, agreements, commitments, entitlements and engagements of the Vendors relating to the Purchased Businesses, the National Post Business or the Purchased Assets and including all quotations, orders or tenders for contracts which remain open for acceptance and any manufacturers' or suppliers' warranty, guarantee or commitment (express or implied), other than any of the foregoing which are Excluded Assets;

"Control" has the meaning given to it in the *Canada Business Corporations Act*;

"CRTC" means the Canadian Radio-television and Telecommunications Commission;

"CRTC Direction" means the Governor in Council's *Direction to the CRTC (ineligibility of Non-Canadians)* issued pursuant to the *Broadcasting Act*, as amended from time to time;

"Current Assets" means the Accounts Receivable, Inventories and Prepaid Expenses and Deposits;

"Current Liabilities" means Accounts Payable and Accrued Liabilities;

"Effective Date" means the 31st day of August, 2000 or such other date as the Parties may agree in writing;

"Effective Date Financial Statement" means the statement of assets and liabilities of the Purchased Businesses prepared by the Vendors as at the Effective Date, showing for each of: (i) all of the Print News Media Assets, including the Current Assets of the Print

News Media Business and the Assumed Print New Media Liabilities; (ii) a statement of the Working Capital; (iii) the *Canada.com* Assets and the Assumed *Canada.com* Liabilities; (iv) the Central Services Assets and the Assumed Central Services Liabilities; and (v) the assets, liabilities and partners' capital of the National Post Business, together with an unqualified opinion of the Hollinger Auditor to the effect that the Effective Date Financial Statement has been prepared in accordance with generally accepted accounting principles consistently applied with those used in the audited 1999 Southam Consolidated Financial Statements and presents fairly in all material respects the Working Capital, the Purchased Assets (other than the National Post Assets) and the Current Liabilities and the assets, liabilities and partners' capital of the National Post Business as at the Effective Date;

"Employee Interim Services Agreement" means the agreement substantially in the form of Schedule 7.1(s);

"Employees" means all persons employed by the Vendors or their subsidiaries principally in connection with the Purchased Businesses or the National Post Business, including for greater certainty, such employees of the Vendors employed at the corporate head offices of Southam, the Newspapers Partnership or any other subsidiary of Hollinger;

"Employment Contract" means any contract or commitment, whether oral or written, relating to an Employee entitled to annual compensation from employment (including base pay or salary and compensation received from any Compensation Plan) in excess of $100,000 and includes any other communication or practice which imposes any material obligations in respect of any such Employees or sets out the understanding of the Parties with respect to the meaning of any such employment contract;

"Encumbrances" means any pledge, lien, charge, security interest, lease, title retention agreement, mortgage, restriction, development or similar agreement, easement, right-of-way, title defect, option, right to acquire or adverse claim or encumbrance of any kind or character whatsoever;

"Environment" means the environment or natural environment as defined in any Environmental Law and includes air, surface water, ground water, land surface, soil, subsurface strata and any sewer system;

"Environmental Approvals" means all legally binding permits, certificates, approvals, licenses, authorizations, consents, agreements, instructions, directions, registrations or approvals issued, granted, conferred or required by Governmental Authorities pursuant to Environmental Laws with respect to the operation or management of the Purchased Businesses, the National Post Business or pertaining to the Purchased Assets and includes, without limitation, any sewer surcharge agreement,

"Environmental Condition" means:

(a) any waste of any nature present at, upon or within any Real Property at or prior to the Closing Time or any Hazardous Substance present at, upon, within or emanating from any Real Property at concentrations exceeding, or in a condition contrary to, applicable Environmental Standards at or prior to the Closing Time where:

(i) any Governmental Authority issues a written directive, instruction, requirement or other similar written request (none of which are necessarily legally binding and, without limiting the generality of the foregoing, which could result from an application to redevelop or change the use of any property) to study, investigate, remediate, control, remove, clean-up or otherwise address such Hazardous Substance;

(ii) any Governmental Authority issues a Remedial Order as a result of or relating to such Hazardous Substance;

(iii) the presence of such Hazardous Substance at such concentrations constitutes a breach of any applicable Environmental Laws (as such laws existed at the Closing Time) or any applicable Environmental Laws (as such laws existed at the Closing Time) require any study, investigation, remediation, control, removal, clean-up of or other action to address such Hazardous Substance;

(iv) any court action, suit, claim or proceeding is commenced, or any written, bona fide claim or demand is made by a third party as a result of or relating to such Hazardous Substance; or

(v) such Hazardous Substance needs to be studied, investigated, remediated, controlled, removed, cleaned-up or otherwise addressed in order to avoid any likely or threatened: (A) Remedial Order; (B) breach of any applicable Environmental Law (as such laws existed at the Closing Time); or (C) the commencement of any court action, suit, claim or proceeding by a third party; or

(b) any Hazardous Substance present at, upon or within any property other than the Real Property at or prior to the Closing Time at concentrations exceeding any applicable Environmental Standard where:

(i) any Governmental Authority issues a written directive, instruction, requirement or other similar written request (none of which are necessarily legally binding and, without limiting the generality of the foregoing, which could result from an application to redevelop or change the use of any property) to study, investigate, remediate, control, remove, clean-up or otherwise address such Hazardous Substance;

(ii) any Governmental Authority issues a Remedial Order as a result of or relating to such Hazardous Substance;

(iii) the presence of such Hazardous Substance at such concentrations constitutes a breach of any applicable Environmental Laws (as such laws existed at the Closing Time) or any applicable Environmental Laws (as such laws existed at the Closing Time) require any study, investigation, remediation, control, removal, clean-up of or other action to address Hazardous Substance;

(iv) any court action, suit, claim or proceeding is commenced, or any written, bona fide claim or demand is made by a third party as a result of or relating to such Hazardous Substance; or

(v) such Hazardous Substance needs to be studied, investigated, remediated, controlled, removed, cleaned-up or otherwise addressed in order to avoid any likely or threatened: (A) Remedial Order; (B) breach of any applicable Environmental Law (as such laws existed at the Closing Time); or (C) the commencement of any court action, suit, claim or proceeding by a third party,

and, for the purposes of this paragraph (b), where such Hazardous Substance is present under such property as a result of or relating to any act or omission of the Vendors or in any way to the carrying on of the Purchased Businesses by the Vendors;

"Environmental Laws" means all Laws relating in full or in part to the Environment or public health or safety, and includes those Laws relating to the storage, generation, use, handling, manufacture, processing, labelling, advertising, sale, display, transportation, treatment, Release and disposal of Hazardous Substances, and excludes Occupational Health and Safety Laws;

"Environmental Reports" means the environmental reports with respect to the Purchased Assets listed in Schedule 4.29(a);

"Environmental Standard" means the concentrations, amounts, conditions or any other standards specified in any Environmental Laws (as such laws existed at the Closing Time) or any guideline or policy issued by any Governmental Authority (as such guidelines or policies existed at the Closing Time) which describes the acceptable conditions for any Hazardous Substances or the acceptable generic concentrations or amounts of Hazardous Substances which may be present in air, atmosphere, soils, any subsurface strata, surface water or ground water;

"Equipment Contracts" means all motor vehicle leases, equipment leases, conditional sales contracts, title retention agreements and other similar agreements binding upon the Vendors relating to equipment and vehicles used by the Vendors in connection with the Purchased Businesses or the National Post Business;

"Excluded Assets" means:

(a) the assets of the Vendors used solely and exclusively by the Excluded Businesses;

(b) all cash, bank balances, moneys in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of the Vendors as of the Effective Date, other than petty cash held for day to day use at each of the individual operations of the Business Units;

(c) the corporate, financial, taxation and other records of the Vendors not pertaining to the Purchased Businesses or the National Post Business;

(d) all extra-provincial, sales, excise or other licenses or registrations issued to or held by the Vendors, whether in respect of the Purchased Businesses, the National Post Business or otherwise;

(e) any refunds in respect of reassessments for Taxes paid by the Vendors pertaining to the Purchased Businesses, the National Post Business or the Purchased Assets;

(f) refundable Taxes;

(g) all amounts owing from any director, officer, former director or officer, shareholder, employee (other than an Account Receivable from a Transferred Employee) or any Affiliate of the Vendors;

(h) all insurance policies and the right to receive insurance recoveries under such policies except as otherwise specifically provided in this Agreement (i.e., Benefit Plans);

(i) the assets listed and described on Schedule 1.1(d); and

(j) all Contracts relating to the foregoing;

"Excluded Businesses" means the business of owning, operating and publishing the newspapers, related publications and the other businesses listed and described in Schedule 1.1(e);

"Excluded Employees" means (a) all employees of the Southam News Division of Southam; (b) Inactive Employees; (c) all employees of the National Post Company; (d) the Employees described in Section 9.2(b); and (e) those employees of Southam identified by the Vendors prior to Closing and agreed by CanWest;

"Financial Statements" means, collectively, the unaudited financial statements of each Business Unit for the fiscal period ended May 31, 2000, consisting of a balance sheet and statements of earnings, a copy of each of which is annexed as Schedule 4.11(a);

"Fixed Assets" means the fixed assets, machinery (including printing presses), equipment, fixtures, furniture, furnishings, vehicles, material handling equipment, implements, parts, tools, jigs, discs, molds, patterns and tooling, spare parts owned or used or held by the Vendors in connection with the Purchased Businesses or the National Post Business including any which are in storage, or in transit, and other tangible property and facilities owned by the Vendors and used primarily in the Purchased Businesses or the National Post Business whether located in or on the premises of the Vendors or elsewhere, including the assets listed and described in Schedule 4.17;

"General Partner" means Hollinger Canadian Newspapers G.P.;

"Goodwill" means the goodwill of the Purchased Businesses and the National Post Business, and information and documents relevant thereto including lists of customers and suppliers, credit information, research materials, research and development files, active library and morgue of each publication including all clippings, photographs (negatives and positives), bound files of back issues and microfilm and microfiche reproductions of back issues and the exclusive right of CanWest to represent itself as carrying on the Purchased Businesses in succession to the Vendors and to all rights in respect of the name "Southam", any variations of such name and any other name under which the Purchased Businesses are or have been operated (other than the name "Hollinger");

"Governmental Authorities" means any government, regulatory authority, governmental department, agency, commission, board, tribunal, crown corporation, or court or other law, rule or regulation-making entity having or purporting to have jurisdiction on behalf of any nation, or province or state or other subdivision thereof or any municipality, district or other subdivision thereof;

"Governmental Authorization" means all authorizations, approvals, including orders, consents, directives, notices, licenses, permits, variances, registrations or similar rights issued to or required by the Vendors in connection with the Purchased Businesses, the National Post Business or any of the Purchased Assets by any Governmental Authorities but excluding Environmental Approvals;

"Hazardous Substance" means any pollutant, contaminant, waste of any nature, substance, hazardous substance, hazardous material, toxic substance, prohibited substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law including any asbestos, asbestos-containing materials, solvents and petroleum hydrocarbons;

"Historical Materials" means all inactive books and records, minute books of predecessor companies to Southam, archives, memorabilia and other historical information of any nature pertaining to the Purchased Businesses to the extent that such materials are within the care and control of the Vendors as of the Closing Date;

"Hollinger Auditor" means KPMG LLP, Chartered Accountants;

"Inactive Employees" means all Employees, whether or not members of a Union, who are not actively engaged in the Purchased Businesses or the National Post Business, as the case may be, as of the Closing Date, including those Employees on leaves of absence (including Employees on pregnancy or parental leave), who are receiving benefits under any sick leave plan, short term disability plan, long term disability plan, or salary continuance plan and for greater certainty, excludes any Employee who is not actively engaged in the Purchased Businesses or the National Post Business, as the case may be, as of the Closing Date by reason of shift patterns, holiday, vacation, bereavement leave or jury leave;

"Insurance Plans" means any and all employment benefits relating to disability or wage continuation during periods of absence from work (including short-term disability, long-term disability and workers' compensation), hospitalization, health, eye care, medical or dental treatments or expenses, life insurance, death or survivor's benefits and supplementary employment insurance, in each case regardless of whether or not such benefits are insured or self-insured;

"Intellectual Property" means all patents, copyrights, Trade-marks, industrial designs and integrated circuit topographies (including registrations of and applications for all of the foregoing in any jurisdiction and renewals, divisions, extensions and reissues, where applicable, relating thereto), trade secrets, confidential information, Technology and all other intellectual property rights of any kind or nature;

"Interim Period" shall have the meaning given to it in Section 9.12;

"Inventories" means all inventories of every kind and nature and wheresoever situate owned by the Vendors and pertaining to the Purchased Businesses including all work in progress, supplies of newsprint, paper ink and other operating supplies and packaging materials of or pertaining to the Purchased Businesses;

"Laws" means all applicable laws, including common law, by-laws, rules, statutes, regulations and legally binding decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, instructions and authorizations and judgements or other legally binding requirements of any Governmental Authority;

"Leased Real Property" means all premises used or reasonably required by the Purchased Businesses or the National Post Business which are leased, subleased, licensed or otherwise occupied by the Vendors and the interest of the Vendors in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way, spur tracks and other appurtenances situated on or forming part of such premises;

"Listed Intellectual Property" has the meaning given in Section 4.24;

"Management Services Agreement" means the management services agreement to be dated as of the Closing Date to be entered into by Ravelston and CanWest substantially in the form of Schedule 7.1(p);

"Material Adverse Effect" means any condition, event or development which is or reasonably could be expected to result in or represent a material adverse effect or change, individually or in the aggregate, on or in the financial condition, assets, business, operations or prospects, results of operations, liabilities or rights of a Person or which has a significant adverse effect on the value of the business of such Person, other than those resulting from industry-wide conditions or general economic conditions affecting the industry in which the businesses of the Person is carried on;

"Material Contract" means (a) all newsprint and ink supply agreements; (b) all Real Property Leases in respect of which the annual rent exceeds $100,000; (c) all Trade-Mark licenses which are material to a Business Unit, the Purchased Businesses or National Post Business ; (d) all Permitted Encumbrances other than those identified on Schedule 4.4 in items 2 and 7; and (e) any Contract (i) involving a one-time cost or annual payments to or by the Vendors or their subsidiaries in excess of $1 million, (ii) involving rights or obligations that may reasonably extend beyond 1 year which cannot be terminated without penalty on less than 3 months notice and which has annual payments in excess of $100,000, (iii) which is outside the ordinary course of business, or (iv) containing any material restriction on the ability of the Vendors or any subsidiary of the Vendors to carry on the Purchased Businesses or the National Post Business;

"Multiple Voting Shares" means the multiple voting shares in the capital of CanWest;

"National Post Affiliation/Services Agreement" means the agreement substantially in the form of Schedule 7.1(r);

"National Post Assets" means all of National Post Company's right, title and interest in, to and under the assets, property and undertaking owned or used or held by National Post Company for use in, or in respect of the operation of the National Post Business (including, for greater certainty, the Vendors' right to title and interest in the printing press located in the production facility of the Hamilton Spectator);

"National Post Balance Sheet" means the balance sheet of National Post Company as at May 31, 2000 included in the National Post Financial Statements;

"National Post Business" means the business of owning, operating and publishing the *National Post* newspaper, *Saturday Night Magazine, National Post Business Magazine* and related publications and the operation of the National Post website;

"National Post Company" means the general partnership currently carrying on the National Post Business;

"National Post Financial Forecast" means the budget of National Post Company for the year ending December 31, 2000;

"National Post Financial Statements" means the unaudited financial statements of National Post Company for the fiscal period ended May 31, 2000 consisting of a balance sheet and income statement, a copy of which is annexed as Schedule 4.11(b);

"National Post Shareholder Agreement" means the agreement substantially in the form of Schedule 7.1(q) to be converted to a partnership agreement prior to Closing;

"NewsMediaCo" means, collectively, the newly incorporated indirect subsidiaries of Hollinger to which all of the Purchased Assets, other than the National Post Assets, the *Canada.com* Assets and the Central Services Assets, are transferred and which assumes all the Assumed Liabilities, other than the Assumed *Canada.com* Liabilities, the Assumed Central Services Liabilities, pursuant to the Reorganization in accordance with a Transfer Agreement;

"NewsMediaCo Debt" means the indebtedness of NewsMediaCo Holdco incurred in connection with the acquisition of all of the issued and outstanding shares of NewsMediaCo pursuant to the Reorganization;

"NewsMediaCo Holdco" means, collectively, the newly incorporated indirect subsidiaries of Hollinger which, on and after the Reorganization Date, will own all of the issued and outstanding shares in the capital of NewsMediaCo;

"NewsMediaCo Shares" means all of the issued and outstanding shares in the capital of NewsMediaCo Holdco;

"Newspaper Partnership Employees" means all Employees of Newspapers Partnership and its subsidiaries other than Excluded Employees provided that for the purposes of Section 9.8(d), the definition of Inactive Employee shall be read as if the reference to "Closing Date" were January 1, 2001;

"Non-Assignable Rights" shall have the meaning given in Section 2.8;

"Non-Competition Agreements" means the agreements substantially in the form of Schedule 7.1(j);

"Non-Voting Shares" means non-voting shares in the capital of CanWest;

"Notice" shall have the meaning given in Section 11.3;

"Occupational Health and Safety Laws" means the Ontario *Occupational Health and Safety Act*, the *Workplace Safety and Insurance Act* or such other similar federal or provincial legislation relating in full or in part to the protection of employee health and safety as may be applicable to the Purchased Businesses;

"Owned Real Property" means all freehold lands currently principally used in or reasonably required for the Purchased Businesses or the National Post Business which are owned or purported to be owned, in fee simple, by the Vendors including all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way, spur tracks and other appurtenances situated on or forming part of such lands other than any such lands which are currently used solely and exclusively by the Excluded Businesses;

"Parties" means the Vendors and CanWest collectively, and "Party" means any one of them;

"Pension and Employee Benefits Plans Agreement" means an agreement substantially in the form of Schedule 7.1(v);

"Pension Plans" means any and all benefits relating to retirement or retirement savings including, without limitation, pension plans, pensions or supplemental pensions, registered retirement savings plans, "registered pension plans" (as defined in the *Income Tax Act* (Canada)) and "retirement compensation arrangements" (as defined in the *Income Tax Act* (Canada));

"Permitted Encumbrances" means the Encumbrances listed in Schedule 4.4;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and a natural person in such person's capacity as trustee, executor, administrator or other legal representative;

"Prepaid Expenses and Deposits" means all amounts prepaid in connection with the Purchased Businesses in respect of the twelve month period following the Effective Date, including prepaid subscriptions, property taxes, business taxes, rents, telephone and telecommunications costs, insurance premiums in respect of insurance for the period from the Effective Date to the Closing Date, prepaid advertising amounts, other than (a) income or other taxes which are personal to the Vendors and its subsidiaries, (b) any amounts paid in respect of the Pension Plans or Benefit Plans, (c) all deposits with any public utility or any Governmental Authority, (d) deferred financing and other charges and (e) any prepaid amounts which are Excluded Assets;

"Preferred Shares" means the Class 1 Preference Shares, in the capital of CanWest having substantially the rights, privileges, terms and conditions set forth in Schedule 3.2(a);

"Print News Media Assets" means all of the Purchased Assets other than the National Post Assets, the Central Services Assets and the *Canada.com* Assets;

"Print News Media Business" means the businesses of the Vendors engaged in the operation, publication and management of newspapers, magazines, specialty publications, and ancillary communications operations in Canada and the provision of Content through the internet and the website operations of such businesses (being the operations of the Vendors that produce the revenues and sales and incur the operating costs directly relating thereto of all websites providing online access to the Content of a newspaper or magazine or its classified advertising such as *Careerclick.com*, *Carclick.com* and *Homeclick.com* but for greater certainty, does not include the operations generating the costs of construction, design and technical maintenance of such websites (which are included in the *Canada.com* Assets)), including those businesses of the Vendors listed and described in Schedule 1.1(c), but not including the National Post Business, the *Canada.com* Business, the Central Services and the Excluded Businesses;

"Print News Media Business EBITDA" means the audited earnings of the Print News Media Business (including the revenues and sales and operating costs relating to the operation by the Vendors of all websites providing online access to the Content of a newspaper or magazine or its classified advertising such as *Careerclick.com*, *Carclick.com* and *Homeclick.com* but, for greater certainty, excludes the costs of construction, design and technical maintenance of such websites) for the twelve month period ending December 31, 2000 calculated without duplication before: (i) income taxes; (ii) depreciation and amortization; (iii) interest and other financing charges; (iv) the cost of the Central Services; (v) the non-recurring cost of the strike at the Calgary Herald (net of any operating cost saving realized during the strike); (vi) the non-recurring set-up costs of the introduction of new presses in Saskatoon; (vii) any employer Canada Pension Plan and Employment Insurance contributions borne by the Vendors pursuant to Section 9.11; (viii) minority interest in the earnings of subsidiaries; (ix) equity income or losses in the earnings of Affiliates; (x) dividend, interest and other sundry income not earned in the ordinary course of business; (xi) gains and losses in respect of the disposition of assets; (xii) the reversal of provisions for costs which were made in respect of prior years earnings; (xiii) unusual or extraordinary items; (xiv) pension income relating to the Southam Retirement Plan; and (xv) other expense and income items normally recorded on the income statement below the operating profit line, all as determined in accordance with GAAP on a basis consistent with prior years, calculated on a basis consistent with the indicative calculation attached as Schedule 3.6(b), all as reflected on the Vendor Year-End Financial Statement. For greater certainty, Print News Media Business EBITDA shall include those expenses relating to pensions, SERA, post-retirement and post-employment benefits of all the Employees employed in the Print News Media Business consistent with the indicative calculation attached as Schedule 3.6(b);

"Print News Media Financial Forecast" means the forecast for the Print News Media Business for the year ending December 31, 2000 included in the Confidential Information Memorandum provided to CanWest and summarized in Schedule 4.12;

"Purchase Price" has the meaning given it in Section 3.1;

"Purchased Assets" means all of the Vendors' right, title and interest, directly and indirectly, in, to and under the assets, property and undertaking owned or used or held by the Vendors for use in, or in respect of the operation of the Purchased Businesses or the National Post Business, including the following properties, assets and rights:

(a) the Owned Real Property;

(b) the Contracts including:

(i) the Real Property Leases; and

(ii) the Equipment Contracts;

(c) the Inventories;

(d) the Fixed Assets;

(e) the Goodwill;

(f) the Historical Materials;

(g) Prepaid Expenses and Deposits;

(h) the Accounts Receivable;

(i) the Intellectual Property;

(j) the Books and Records;

(k) the shares owned by the Vendors in any corporation which holds any of the Purchased Assets after the Reorganization Date other than the Purchased Shares;

(l) the Government Authorizations; and

(m) all other rights, properties and assets (other than any Excluded Assets) of the Vendors used or useful in the operation of the Purchased Businesses or the National Post Business, of whatsoever nature or kind and wherever situated other than those which are used exclusively by the Excluded Assets;

"Purchased Businesses" means all business and operations of the Vendors in Canada including the Print News Media Business, the Purchased Central Services, and the *Canada.com* Business but not including the National Post Business or any of the Excluded Businesses;

"Purchased Central Services" means the Central Services other than those which constitute Excluded Assets;

"Purchased Debt" means the NewsMediaCo Debt, Central Services Company Debt and *Canada.com* Company Debt;

"Purchased National Post Company Interest" means a fifty percent partnership interest in National Post Company;

"Purchased Shares" mean the NewsMediaCo Shares, the *Canada.com* Company Shares and the Central Services Company Shares;

"Ravelston" means The Ravelston Corporation Limited;

"Real Property" means the Owned Real Property and the Leased Real Property;

"Real Property Leases" means those agreements to lease, leases, subleases or licenses or other occupancy rights pursuant to which the Vendors use or occupy any part of the Leased Real Property;

"Registration Rights Agreement" means an agreement substantially in the form of Schedule 8.1(j);

"Release" has the meaning prescribed in any Environmental Law and includes, without limitation, any sudden, intermittent or gradual release, spill, leak, pumping, pouring, emission, addition, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, seepage, or placement;

"Remedial Order" means any complaint, direction, instruction, order or sanction which is legally binding and which is issued, filed or imposed by any Governmental Authority pursuant to any Environmental Laws and includes, without limitation, any order requiring any study, investigation, remediation, control, removal, clean-up of or other action to address any Hazardous Substance, or requiring that any Release or any related activity be reduced, modified or eliminated or requiring any form of payment or cooperation to be provided to any Governmental Authority;

"Reorganization" means the reorganization of the Purchased Businesses and the National Post Business substantially in the manner and on substantially the terms described in Schedule 2.1-1, pursuant to which Hollinger shall cause:

(a) NewsMediaCo to acquire on or prior to the Reorganization Date the Purchased Assets, other than the National Post Assets, the Central Services Assets and the *Canada.com* Assets, and to assume the Assumed Liabilities, other than the Assumed Liabilities associated with the National Post Business and the Assumed Central Services Liabilities and the Assumed *Canada.com* Liabilities, in accordance with the terms of a Transfer Agreement;

(b) *Canada.com* Company to acquire on or prior to the Reorganization Date the *Canada.com* Assets and to assume the Assumed *Canada.com* Liabilities in accordance with the terms of a Transfer Agreement;

(c) Central Services Company to acquire on or prior to the Reorganization Date the Central Services Assets and to assume the Assumed Central Services Liabilities; and

(d) NewsMediaCo Holdco, Central Services Company Holdco and *Canada.com* Company Holdco to acquire prior to the Closing Date all of the issued and outstanding shares in NewsMediaCo, Central Services Company and *Canada.com* Company, respectively;

"Reorganization Date" means the date on which Hollinger completes steps 1 through 5 of the Reorganization;

"Securities Commissions" means each of the Canadian provincial and territorial securities regulatory authorities and the United States Securities and Exchange Commission;

"SERA" means a supplemental executive retirement arrangement listed in Part 2 of Schedule 4.32;

"Senior Secured Facility" shall have the meaning given to it in Section 5.8;

"Southam Employees" means those Employees of Southam and its subsidiaries (excluding, for this purpose, Newspapers Partnership and its subsidiaries) other than the Excluded Employees;

"Subco" means a newly incorporated direct wholly-owned subsidiary of CanWest which will own on the Closing Date all of the issued and outstanding shares of Global Television Network Inc.;

"Subordinated Debentures" means the unsecured subordinated debentures of Subco having the terms and conditions set forth in Schedule 3.2(e);

"Subordinate Voting Shares" means the subordinate voting shares in the capital of CanWest;

"Tax Returns" includes all returns, reports, declarations, elections, notices, filings, information returns and statements filed or required to be filed in respect of Taxes;

"Tax Shield Reduction Amount" shall have the meaning given in Section 3.6(c);

"Taxes" includes all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof including those levied on, or measured by, or referred to as income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, payroll, employment, health, employer health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all license, franchise and registration fees and all unemployment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions;

"Technology" means any computer software and hardware, equipment, device, tool, method, process, procedure, technique, formula, design, plan, technical information, research data, discovery, know-how, concept or invention, whether or not patentable, and any other subject matter of a technical or functional nature;

"Trade-marks" means trade-marks, brand names, internet domain names, trade names, slogans, URLs, designs, graphics and logos, and other indicia of origin, whether or not registered;

"Transfer Agreement" means an asset transfer agreement, substantially in the form of Schedule 2.1-2, providing for the transfer of a portion of the Purchased Assets and assumption of a portion of the Assumed Liabilities;

"Transferred Employees" means the Southam Employees and the Newspaper Partnership Employees who accept employment with NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be;

"Transferring Plan" means a Transferring Plan as defined in the Pension and Employee Benefit Plans Agreement;

"Union" includes any union, trade union or association that may qualify as a union or trade union pursuant to the terms of the *Ontario Labour Relations Act* or any other federal or provincial legislation;

"Union Plans" means any and all Benefit Plans which are or are required to be established and maintained pursuant to a Collective Agreement and which are not maintained or administered solely by the Vendors;

"URL" means a universal resource locator which designates a unique internet protocol address for locating and accessing an Internet website, or page or location within a website;

"Vendor Year-End Financial Statement" means the combined consolidated statement of the Print News Media Business EBITDA;

"Vendors" means, collectively, Southam, Newspapers Partnership and HCN Publications; and

"Working Capital" means those of the Current Assets relating solely to the Print News Media Business less those of the Current Liabilities relating solely to the Print News Media Business calculated in accordance with the procedures set forth in Schedule 3.7:

1.2 Certain Rules of Interpretation

In this Agreement and the Schedules:

(a) **Time** - time is of the essence in the performance of the Parties' respective obligations;

(b) **Currency** - unless otherwise specified, all references to money amounts are to Canadian currency;

(c) **Headings** - descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections;

(d) **Singular, etc.** - use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits;

(e) **Consent** - whenever a provision of this Agreement requires an approval or consent by a Party to this Agreement and notification of such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent;

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

(g) **Business Day** - whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day; and

(h) **Inclusion** - where the words "including" or "includes" appear in this Agreement, they mean "including (or includes) without limitation".

1.3 Subsidiary

In this Agreement, a Person is a subsidiary of another Person if:

(a) it is controlled by:

(i) that other Person;

(ii) that other Person and one or more other Persons each of which is controlled by that other Person; or

(iii) two or more Persons each of which is controlled by that other Person; or

(b) it is a subsidiary of a Person that is a subsidiary of that other Person.

1.4 Knowledge

Any reference to the knowledge of any Party shall mean to the actual knowledge of the executive officers of such Party (including, in the case of the Vendors, the publishers of the Business Units and for certainty including David Radler, Peter Atkinson, Jack Boultbee and David Dodd) after reviewing all relevant records and making due inquiries regarding the relevant matter.

1.5 Made Available

Any reference to information or materials being made available by the Vendors to CanWest shall mean that such information or materials were placed in the due diligence data room at the offices of Torys, counsel to the Vendors, or were placed in the due diligence data room at the office of Southam located at 1450 Don Mills Road, or were provided directly to a senior executive of CanWest.

1.6 Entire Agreement

This Agreement together with the agreements and other documents to be delivered pursuant to this Agreement and the confidentiality agreements dated May 16, 2000 between Hollinger and

CanWest, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement. No supplement, modification or waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

1.7 Applicable Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract.

1.8 Accounting Principles

All references to generally accepted accounting principles or GAAP means the principles recommended, from time to time, in the Handbook of the Canadian Institute of Chartered Accountants and all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with Canadian generally accepted accounting principles.

1.9 Schedules

The schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule	Description
Schedule 1.1(a)	Assumptions and Methods relating to Accrued Liabilities
Schedule 1.1(b)	Arbitration Procedures
Schedule 1.1(c)	Business Units
Schedule 1.1(d)	Excluded Assets
Schedule 1.1(e)	Excluded Businesses
Schedule 2.1-1	Reorganization Steps
Schedule 2.1-2	Form of Transfer Agreement
Schedule 3.1(a)	Central Services
Schedule 3.2(a)	Terms of Class 1 Preference Shares
Schedule 3.2(e)	Principal Terms of Subordinated Debentures
Schedule 3.3(a)-1	CanWest Operations
Schedule 3.3(a)-2	Description of Calculation of CanWest 2001 EBITDA
Schedule 3.6(b)	Indicative Calculation of Print News Media Business EBITDA
Schedule 3.6(c)	Estimated Tax Shield Reduction Amount
Schedule 3.7	Working Capital Procedures
Schedule 3.15	Allocation of Purchase Price
Schedule 4.3	Subsidiaries
Schedule 4.4	Permitted Encumbrances

Schedule 4.6	Capitalization
Schedule 4.11(a)	Financial Statements
Schedule 4.11(b)	National Post Financial Statements
Schedule 4.12	Print News Media Financial Forecast
Schedule 4.13	Undisclosed Liabilities
Schedule 4.14(e)	Unusual Transactions
Schedule 4.15	Joint Venture Interests
Schedule 4.17	Fixed Assets
Schedule 4.22	Licenses, Permits etc.
Schedule 4.23	Restrictive Covenants
Schedule 4.24	Intellectual Property
Schedule 4.25	Equipment Contracts
Schedule 4.26	Owned Real Property
Schedule 4.27	Leased Real Property
Schedule 4.28	Real Property Generally
Schedule 4.29	Environmental Matters
Schedule 4.30 (a)	Employee Matters
Schedule 4.30 (b)	Employment Contracts
Schedule 4.30 (c)	Employment Policies
Schedule 4.30(h)	Independent Contractors
Schedule 4.31	Collective Agreements
Schedule 4.32	Pension/ Benefit Plans
Schedule 4.34	Material Contracts
Schedule 4.36	Inter-Affiliate Arrangements
Schedule 4.38	Litigation
Schedule 4.42	Trade Allowances
Schedule 4.43	Third-Party Consents
Schedule 4.44	Location of the Assets
Schedule 5.8	Title to Property
Schedule 5.9	Incorporation and Registration
Schedule 7.1(j)	Form of Non-Competition Agreements
Schedule 7.1(p)	Form of Management Services Agreement
Schedule 7.1(q)	Form of National Post Shareholders Agreement
Schedule 7.1(r)	Form of National Post Affiliation/Services Agreement
Schedule 7.1(s)	Form of Employee Interim Services Agreement
Schedule 7.1(v)	Form of Pension and Benefits Plans Agreement
Schedule 8.1(j)	Form of Registration Rights Agreement

ARTICLE 2
REORGANIZATION, PURCHASE AND SALE

2.1 The Reorganization

On or prior to the Closing Date, Hollinger shall have completed the Reorganization.

2.2 Settlement of Inter-Affiliate Payables as of Effective Date

(a) Hollinger shall cause all amounts relating to the Purchased Businesses due and owing, payable or otherwise accrued to, and all amounts relating to the Purchased Businesses receivable or otherwise accrued from, the Vendors and their subsidiaries, including the National Post Business and the Excluded Assets, to be paid or settled as of the Effective Date.

(b) Hollinger shall cause all amounts relating to the Print News Media Business due and owing, payable or otherwise accrued to, and all amounts relating to the Print News Media Business receivable or otherwise accrued from, the *Canada.com* Business and the Central Services to be paid or settled as of the Effective Date.

2.3 Intentionally deleted.

2.4 Actions by the Vendors and CanWest

At the Closing Time with effect as of and from the Effective Date:

(a) **Purchase and Sale** - The Vendors shall sell, transfer and assign or cause to be sold to CanWest and CanWest shall purchase and accept the assignment from the Vendors of the Purchased Shares, the Purchased Debt and the Purchased National Post Company Interest for the Purchase Price payable as provided in this Agreement;

(b) **Payment of Purchase Price** - CanWest shall deliver to the Vendors, or as the Vendors may direct, the Purchase Price in accordance with the provisions of Schedule 2.4(b);

(c) **Transfer and Delivery of the Purchased Shares and the Purchased National Post Company Interest** - The Vendors shall transfer or cause to be transferred and delivered to CanWest share certificates or partnership units, as the case may be, representing the Purchased Shares and the Purchased National Post Company Interest duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, by the holders of record, and shall take such steps as shall be necessary to cause NewsMediaCo Holdco, *Canada.com* Company Holdco, Central Services Company Holdco and National Post Company, respectively, to enter CanWest or its nominee(s) upon the books of NewsMediaCo Holdco, *Canada.com* Company Holdco, Central Services Company Holdco or National Post Company, respectively, and to issue one or more share certificates or partnership units, as the case may be, to CanWest or its nominee(s) representing the NewsMediaCo Shares, the *Canada.com* Company Shares, the Central Services Company Shares and the Purchased National Post Company Interest.

2.5 Place of Closing

The Closing shall take place at the Closing Time at the offices of Osler, Hoskin & Harcourt LLP, 1 First Canadian Place, Suite 6300, Toronto, Ontario, M5X 1B8, or at such other place as may be agreed upon by Hollinger and CanWest.

2.6 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel and money may be tendered by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank or trust company or, with the consent of the Party entitled to payment, by wire transfer of immediately available funds to the account specified by that Party.

2.7 No Assumption of Liabilities

For greater certainty, CanWest is not assuming, and NewsMediaCo, Central Services Company and *Canada.com* Company shall not assume, and shall not be responsible for any of the liabilities, debts or obligations of the Vendors or their subsidiaries, whether present or future, absolute or contingent and whether or not relating to the Purchased Businesses including any liability for litigation against or involving Hollinger or any of its Affiliates, including any and all Claims by or on behalf of any Employee, former Employee or Union made on or before the Closing Date in the case of the Southam Employees and on or before January 1, 2001 in the case of the Newspapers Partnership Employees, or which related to events on or before the Closing Date in the case of the Southam Employees and, subject to the terms of the Employee Interim Services Agreement, on or before January 1, 2001 in the case of the Newspapers Partnership Employees, other than, in the case of *Canada.com* Company, the Assumed *Canada.com* Liabilities, in the case of NewsMediaCo, the Assumed Print News Media Liabilities and in the case of Central Services Company, the Assumed Central Services Liabilities and the Vendors shall indemnify and save harmless CanWest from and against all liabilities, debts or obligations of Hollinger and its Affiliates or the Purchased Businesses other than the Assumed Liabilities. CanWest agrees to cause NewsMediaCo, Central Services Company and *Canada.com* Company to pay, satisfy or perform the Assumed Liabilities on and after the Closing Date and shall indemnify and save harmless the Vendors therefrom.

2.8 Assignment of Contracts

Nothing in this Agreement shall be construed as an assignment of, or an attempt to assign to NewsMediaCo, Central Services Company or *Canada.com* Company, any Contract, Intellectual Property right or Governmental Authorization which, as a matter of law or by its terms, is (i) not assignable, or (ii) not assignable without the approval or consent of the issuer thereof or the other party or parties thereto, without first obtaining such approval or consent (collectively "Non-Assignable Rights"). In connection with such Non-Assignable Rights, and without prejudice to the rights of CanWest under Section 7.1(e) the Vendors shall, at the request of CanWest:

(a) apply for and use all reasonable efforts to obtain all consents or approvals contemplated by the Contracts or Governmental Authorization, in a form satisfactory to CanWest acting reasonably;

(b) co-operate with CanWest in any reasonable and lawful arrangements designed to provide the benefits of such Non-Assignable Rights to NewsMediaCo, Central Services Company or *Canada.com* Company including holding any such Non-Assignable Rights solely in trust for or solely acting as agent for NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be;

(c) enforce any rights of the Vendors arising from such Non-Assignable Rights against the issuer thereof or the other party or parties thereto;

(d) take all such actions and do, or cause to be done, all such things at the request of CanWest as shall reasonably be necessary and proper in order that the value of any Non-Assignable Rights shall be preserved and shall endure to the benefit of NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be; and

(e) pay over to NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be, all monies collected by or paid to the Vendors in respect of such Non-Assignable Rights.

CanWest shall reimburse the Vendors for out-of-pocket expenses incurred, and shall indemnify and save the Vendors harmless from any Claims in respect of any Non-Assignable Rights in connection with or arising as a result of any action of the Vendors taken in accordance with the foregoing. If the Vendors are unable to lawfully provide the benefit of any Governmental Authorization to NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be, it shall not, at any time, use such Governmental Authorization for its own purposes or assign or provide the benefit of such Governmental Authorization to any other party.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The amount payable by CanWest for the Purchased Shares, the Purchased Debt and the Purchased National Post Company Interest (the "Purchase Price"), subject to any adjustments required by Section 3.6, and exclusive of all applicable sales and transfer taxes, shall be the amount of $3,837,760,000, being the sum of the following amounts:

(a) $3,627,760,000 for the NewsMediaCo Shares, the NewsMediaCo Debt, the Central Services Company Shares and the Central Services Company Debt, plus

(b) $100 million for the Purchased National Post Company Interest; plus

(c) $30 million for the *Canada.com* Company Shares and the *Canada.com* Company Debt; plus

(d) $80 million in consideration of the receipt by CanWest on behalf of CanWest and NewsMediaCo of the Non-Competition Agreements; less

(e) the difference, if any, between the aggregate price paid by the Vendors for the shares of CanWest acquired pursuant to the Concurrent Share Purchase Agreements and the price which would have been paid had such shares been acquired for $25.00 per share.

3.2 Satisfaction of Purchase Price

CanWest shall pay and satisfy the Purchase Price, subject to any adjustments required by Section 3.3 and as further provided in Schedule 2.4(b), as follows:

(a) as to the amount of $10,125,000, by the issuance and delivery to the Vendors or as the Vendors may direct of 2.7 million Preferred Shares representing 5.68% of the votes attached to CanWest's outstanding share capital on a fully diluted basis after giving effect to the transactions contemplated by this Agreement;

(b) as to the amount of $607,500,000, subject to any adjustments required by Section 3.3, by the issuance and delivery to the Vendors or as the Vendors may direct of 24.3 million Non-Voting Shares representing 14.01% of CanWest's outstanding share capital on a fully diluted basis after giving effect to the transactions contemplated by this Agreement;

(c) as to the amount of $114,000,000 by wire transfer of immediately available funds to an account or accounts designated by the Vendors or by delivery to the Vendors or as the Vendors may direct of a certified cheque or bank draft made payable in lawful money of Canada;

(d) as to the amount of $2,330,583,000 by wire transfer of immediately available funds to an account or accounts designated by the Vendors or by delivery to the Vendors or as the Vendors may direct of a certified cheque or bank draft made payable in lawful money of Canada; and

(e) as to the balance, by the delivery to the Vendors of Subordinated Debentures having an aggregate principal amount equal to $775,552,000 plus (i) any amount payable by CanWest to the Vendors pursuant to Sections 3.3(a) or 3.6(a), less (ii) any amounts payable by the Vendors to CanWest by a reduction in the principal amount of the Subordinated Debentures pursuant to Sections 3.6(a), (b) or (c).

3.3 Adjustment to Consideration

(a) **CanWest EBITDA Adjustment** – In the event that the CanWest 2001 EBITDA is less than $421,991,000, CanWest shall pay to the Vendors an amount equal to the product of (i) twelve (12) times the amount by which the CanWest 2001 EBITDA is less than $421,991,000 multiplied by (ii) 15.11%.

(b) **Issuance of Non-Voting Shares** – CanWest acknowledges that the Vendors have by agreement with CanWest Communications Corporation ("CCC") agreed to purchase from CCC up to 1 million Non-Voting Shares and may acquire Subordinate Voting Shares from another seller (the aggregate number of such shares being up to 2.7 million) (collectively the "Concurrent Share Purchase Agreements") on or about the Closing Date at a purchase price of up to $25.00 per share, which agreement is subject to certain conditions precedent for the benefit of CCC and Southam to be satisfied prior to the Closing Date. In the event that Southam does not acquire 2.7 million Non-Voting Shares and/or Subordinate Voting Shares (other than by reason of its default), CanWest shall sell and deliver to the Vendors or as the Vendors may direct that number of additional Non-Voting Shares as is equal to the difference between 2.7 million and the number of Non-Voting Shares and/or Subordinate Voting Shares purchased by the Vendors pursuant to the Concurrent Share Purchase Agreements at a purchase price of $25.00 per share. The purchase price for such additional Non-Voting Shares shall be satisfied by an equivalent reduction in the amount payable by CanWest to the Vendors by wire transfer, certified cheque or bank draft in accordance with Section 3.2(d).

3.4 Delivery of CanWest Year-End Financial Statement

As soon as reasonably practical after August 31, 2001 and in any event not later than 120 days thereafter, CanWest shall prepare and deliver to the Vendors the CanWest Year-End Financial Statement. The Vendors and the Hollinger Auditor shall be afforded reasonable access to the books and records of CanWest and the working papers of the CanWest Auditor for the purpose of reviewing the CanWest Year-End Financial Statement.

3.5 Payment of CanWest EBITDA Adjustment

Subject to Section 3.13, within 30 days after delivery by CanWest to the Vendors of the CanWest Year-End Financial Statement, CanWest shall pay to the Vendors any amount payable pursuant to Section 3.3(a). CanWest will satisfy such payment through an increase in the aggregate principal amount of Subordinated Debentures equal to such amount

3.6 Adjustments to the Purchase Price

(a) **Working Capital Adjustment** - The Purchase Price payable pursuant to Section 3.1 is based upon the assumption that the Working Capital as of the Effective Date is $0.00. The Purchase Price shall be increased or decreased on a dollar for dollar basis by the amount, if any, by which Working Capital reflected on the Effective Date Financial Statements is greater or less than $0.00.

(b) **Vendors EBITDA Adjustment** - The Purchase Price payable pursuant to Section 3.1 is based upon the estimate that the Print News Media Business EBITDA, is

$398,276,000. The Purchase Price shall be decreased by an amount equal to the difference between: (i) ten (10) times the amount, if any, by which the actual Print News Media Business EBITDA, is less than $398,276,000 (the "Gross Reduction") and (ii) the Tax Shield Adjustment. The Tax Shield Adjustment is the product obtained when 75% of the Gross Reduction is multiplied by 0.1640625.

(c) **Tax Shield Reduction** – The Purchase Price payable pursuant to Section 3.1 for the Purchased Shares shall be reduced by an amount ("Tax Shield Reduction Amount") determined by the following formula:

$$\text{Tax Shield Reduction Amount} = A \times \frac{C \times T \times R}{R + i} + X \quad \text{where:}$$

A = in respect of any Purchased Asset that is depreciable property, $\frac{1 + i/2}{1 + i}$; and

in respect of any other Purchased Asset, nil.

i = the agreed discount rate of 9%

T = the agreed tax rate of 37.5%

C = in respect of each Purchased Asset that is part of the Purchased Businesses, the difference between: (i) the fair market value (or in the case of a Purchased Asset that is eligible capital property ("ECP") for purposes of the *Income Tax Act* (Canada) or any applicable provincial income tax legislation ¾ of the fair market value) of such asset on the Effective Date as determined in accordance with Section 3.11 of this Agreement; and (ii) the cost amount (or in the case of a Purchased Asset that is ECP, ¾ of the cost amount) on the Effective Date to NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be, of such asset for purposes of the *Income Tax Act* (Canada) or any applicable provincial income tax legislation having regard, without limitation, to any elections executed (whether before, on or after the Closing Date) by NewsMediaCo, Central Services Company or *Canada.com* Company under either subsection 85(1) or 85(2) of the *Income Tax Act* (Canada) and any analogous provision of any provincial income tax legislation in respect of the acquisition of such asset;

in respect of each Purchased Asset that is part of the National Post Business, 50% of the difference between: (i) the fair market value (or in the case of a Purchased Asset that is ECP ¾ of the fair market value) of such asset on the Effective Date as determined in accordance with Section 3.11 of this Agreement; and (ii) the cost amount (or in the case of

Purchased Asset that is ECP, ¾ of the cost amount) on the Effective Date to The National Post Company of such asset for purposes of the *Income Tax Act* (Canada) or any applicable provincial income tax legislation;

R = in respect of any Purchased Asset that is depreciable property of a prescribed class for purposes of the *Income Tax Act* (Canada) or any applicable provincial income tax legislation, the percentage rate of capital cost allowance prescribed by Regulations to the *Income Tax Act* (Canada) or applicable provincial income tax legislation;

in respect of any Purchased Asset that is ECP 7%; and

in respect of any other Purchased Asset, nil; and

X = $10 million.

In the event that the Tax Shield Reduction Amount has not been finally determined on or prior to the Closing Date the Purchase Price payable on the Closing Date shall be reduced by the sum of $10,000,000 plus the amount of $410,135,122 representing the amount of the Tax Shield Reduction Amount calculated in accordance with Schedule 3.6(c) (the "Estimated Tax Shield Reduction Amount"). This reduction in Purchase Price shall be satisfied as to 76% of the Estimated Tax Shield Reduction Amount by a reduction in the amount payable pursuant to Section 3.2(d) and, as to 24% of the Estimated Tax Shield Reduction Amount, by a reduction in the aggregate principal amount of Subordinated Debentures issuable pursuant to Section 3.2(e).

3.7 Delivery of Effective Date Financial Statement

As soon as reasonably practical after the Effective Date and in any event not later than 90 days thereafter, the Vendors shall prepare the Effective Date Financial Statement in accordance with the procedures set forth in Schedule 3.7 and shall deliver to CanWest the Effective Date Financial Statement. CanWest shall co-operate fully with the Vendors in the preparation of the Effective Date Financial Statement. CanWest and the CanWest Auditor shall be afforded reasonable access to the Books and Records and the working papers of the Hollinger Auditor for the purposes of reviewing the Effective Date Financial Statement.

3.8 Payment of Working Capital Adjustment Amount

Subject to Section 3.12, within 30 days after delivery by the Vendors to CanWest of the Effective Date Financial Statement, the Vendors or CanWest, as the case may be, shall pay to the other the amount by which, based upon the Effective Date Financial Statement, the Purchase Price is to be adjusted pursuant to Section 3.6(a). The payment of such amount shall be satisfied, as to 76% of such amount, by wire transfer, certified cheque or bank draft and, as to 24% of such amount, by an increase or a reduction, as the case may be, in the aggregate principal amount of Subordinated Debentures.

3.9 Delivery of Vendor Year-End Financial Statement

As soon as reasonably practical after December 31, 2000 and in any event not later than 120 days thereafter, CanWest shall prepare and deliver to the Vendors the Vendor Year-End Financial Statement. The Vendors with the assistance of the Manager under the Management Services Agreement shall co-operate fully with CanWest in the preparation of the Vendor Year-End Financial Statement. The Vendors and the Hollinger Auditor shall be afforded reasonable access to the Books and Records and the working papers of the CanWest Auditor for the purpose of reviewing the Vendor Year-End Financial Statement.

3.10 Payment of Vendors EBITDA Adjustment Amount

Subject to Section 3.13, within 30 days after delivery by CanWest to the Vendors of the Vendor Year-End Financial Statement, the Vendors shall pay to CanWest the amount by which, based on the Vendor Year-End Financial Statement, the Purchase Price is to be adjusted pursuant to Section 3.6(b). The payment of such amount shall be satisfied, as to 76% of such amount, by wire transfer, certified cheque or bank draft and, as to 24% of such amount, by a reduction in the aggregate principal amount of Subordinated Debentures.

3.11 Determination of Tax Shield Reduction Amount

As soon as reasonably practicable, and in any event within 30 days following the date of this Agreement, the Vendors shall deliver to CanWest a statement of the Tax Shield Reduction Amount (the "Tax Shield Reduction Amount Statement") calculated on a basis consistent with the calculation of the Estimated Tax Shield Reduction Amount attached as Schedule 3.6(c) which shall include the Vendors' estimate of the fair market value of the Purchased Assets, together with draft election forms under subsection 85(1) or (2) of the *Income Tax Act* (Canada) and the analogous provisions of any provincial income tax legislation in respect of the asset transfers under the Transfer Agreements. CanWest, the CanWest Auditor and any valuator retained by CanWest shall be afforded reasonable access to the Books and Records, the Purchased Assets and to the working papers of the Hollinger Auditor for the purpose of reviewing the Tax Shield Reduction Amount Statement.

In the event that CanWest objects in good faith to any aspect of the Tax Shield Reduction Amount Statement including the Vendors' estimate of the fair market value of any Purchased Asset, CanWest shall so advise the Vendors by delivery to the Vendors of a written notice (the "Tax Shield Objection Notice") within 30 days after the delivery to CanWest of the Tax Shield Reduction Amount Statement. The Tax Shield Objection Notice shall set out the reasons for CanWest's objection, as well as the amount under dispute and reasonable details of the calculation of such amount. In the event that the Parties agree on a resolution of the dispute set out in the Tax Shield Objection Notice, the Parties shall confirm this resolution in writing and shall thereafter be bound by such resolution.

In the event that the Parties are unable to settle any dispute with respect to the Tax Shield Reduction Amount Statement by the Closing Date, the dispute shall forthwith be referred to an international accounting firm with no connection to either of the Parties to be chosen by lot as arbitrator. The arbitration shall, except to the extent provided for in this Section 3.11, be conducted in Toronto in accordance with the Arbitration Procedures. Arbitration under this section shall be in substitution for and precludes the bringing of any action in any court in connection with any objection made by CanWest pursuant to this Section 3.11. The determination of the arbitrator shall be made within 30 Business Days after the date on which the dispute was referred to it and the determination of the arbitrator shall be final and binding on all Parties. The Tax Shield Reduction Amount Statement shall be adjusted in accordance with the determination of the arbitrator. Within 5 Business Days after the final determination of the arbitrator, the Vendors, or CanWest, as the case may be, shall pay to the other the difference, if any, between (A) the amount by which, based on the Tax Shield Reduction Amount Statement as finally determined by the arbitrator, the Purchase Price is to be adjusted pursuant to Section 3.6(c) and (B) the amount of the Estimated Tax Shield Reduction Amount. Such amount shall be satisfied, as to 76% of such amount, by wire transfer, certified cheque or bank draft and, as to 24% of such amount, by a reduction or increase, as applicable in the aggregate principal amount of Subordinated Debentures.

3.12 Objection to Effective Date Financial Statement

(a) **Delivery of CanWest Objection Notice** - In the event that CanWest objects in good faith to any aspect of the Effective Date Financial Statement, CanWest shall so advise the Vendors by delivery to the Vendors of a written notice (the "CanWest Objection Notice") within 30 days after the delivery to CanWest of the Effective Date Financial Statement. The CanWest Objection Notice shall set out the reasons for CanWest's objection, as well as the amount under dispute and reasonable details of the calculation of such amount.

(b) **Agreement of Parties** - In the event that the Parties agree on a resolution of the dispute set out in the CanWest Objection Notice, the Parties shall confirm this resolution in writing and shall thereafter be bound by such resolution.

(c) **Arbitration** - In the event that the Parties are unable to settle any dispute with respect to the Effective Date Financial Statement within 30 days after the delivery by CanWest to the Vendors of the CanWest Objection Notice, the dispute shall forthwith, and in any event within 60 days after the delivery by CanWest to the Vendors of the CanWest Objection Notice, be referred to an international accounting firm with no connection to either of the Parties to be chosen by lot as arbitrator. The arbitration shall, except to the extent provided for in this Section 3.12, be conducted in Toronto in accordance with the Arbitration Procedures. Arbitration under this Section 3.12 shall be in substitution for and precludes the bringing of any action in any court in connection with any objection made by CanWest pursuant to this Section 3.12.

(d) **Determination of Arbitrator** - The determination of the arbitrator shall be made within 30 days after the date on which the dispute was referred to it and the determination of the arbitrator shall be final and binding on all Parties. The Effective Date Financial Statement and the Purchase Price shall be adjusted in accordance with the determination of the arbitrator.

(e) **Payment in Accordance with Determination** - Within 5 Business Days after resolution, by agreement of the Parties, of the dispute which was the subject of the CanWest Objection Notice or, failing such resolution, within 5 Business Days after the final determination of the arbitrator, the Vendors or CanWest, as the case may be, shall pay to the other the amount by which the Purchase Price is to be adjusted as a result of such resolution or final determination in the manner contemplated by Section 3.8.

3.13 Objection to CanWest Year-End Financial Statement, or Vendor Year-End Financial Statement

(a) **Delivery of Vendors Objection Notice** - In the event that the Vendors object in good faith to any aspect of the CanWest Year-End Financial Statement or Vendor Year-End Financial Statement, as the case may be, the Vendors shall so advise CanWest by delivery to CanWest of a written notice (the "Vendors Objection Notice") within 30 days after the delivery to the Vendors of the CanWest Year-End Financial Statement or Vendor Year-End Financial Statement, as the case may be. The Vendors Objection Notice shall set out the reasons for the Vendors' objection, as well as the amount under dispute and reasonable details of the calculation of such amount.

(b) **Agreement of Parties** - In the event that the Parties agree on a resolution of the dispute set out in the Vendors Objection Notice, the Parties shall confirm this resolution in writing and shall thereafter be bound by such resolution.

(c) **Arbitration** - In the event that the Parties are unable to settle any dispute with respect to the CanWest Year-End Financial Statement or Vendor Year-End Financial Statement, as the case may be, within 30 days after the delivery by the Vendors to CanWest of the Vendors Objection Notice, the dispute shall forthwith, and in any event within 60 days after the delivery by the Vendors to CanWest of the Vendors Objection Notice, be referred to an international accounting firm with no connection to either of the Parties to be chosen by lot as arbitrator. The arbitration shall, except to the extent provided for in this Section 3.13, be conducted in Toronto in accordance with the Arbitration Procedures. Arbitration under this Section 3.13 shall be in substitution for and precludes the bringing of any action in any court in connection with any objection made by the Vendors pursuant to this Section 3.13.

(d) **Determination of Arbitrator** - The determination of the arbitrator shall be made within 30 days after the date on which the dispute was referred to it and the determination of the arbitrator shall be final and binding on all Parties. The CanWest Year-End Financial Statement, Vendor Year-End Financial Statement, as the case may be, and the Purchase Price, in the case of the Vendor Year-End Financial Statement, shall be adjusted in accordance with the determination of the arbitrator.

(e) **Payment in Accordance with Determination** - Within 5 Business Days after resolution, by agreement of the Parties, of the dispute which was the subject of the Vendors Objection Notice or, failing such resolution, within 5 Business Days after the final determination of the arbitrator, the Vendors or CanWest, as the case may be, shall pay to the other the amount payable pursuant to Sections 3.5 or 3.10, as the case may be, as a result of such resolution or final determination in the manner contemplated by Sections 3.5 or 3.10, as the case may be.

3.14 Interest

The amount of the Purchase Price payable pursuant to Sections 3.2(c), (d) and (e) and all amounts paid as adjustments to the Purchase Price under Sections 3.5, 3.8, 3.10, 3.11, 3.12 and 3.13 shall be paid together with interest thereon compounding quarterly from the Effective Date to the date of payment, at the rate per annum equal to the weighted average rate of interest payable in respect of the debt financings used by CanWest to partially fund the Purchase Price, including the Subordinated Debentures.

3.15 Allocation of Purchase Price

The Purchase Price shall be allocated in accordance with the provisions of Schedule 3.15 provided that if the Purchase Price shall be adjusted pursuant to Section 3.6, the amount of adjustment required shall, if such amount cannot be reasonably allocated to the shares of a particular NewsMediaCo, be allocated on a *pro rata* basis among the various NewsMediaCo Shares listed in Schedule 3.15. The Vendors and CanWest agree to report the purchase and sale of the Purchased Shares, Purchased Debt and the Purchased National Post Company Interest in any returns required to be filed under the *Income Tax Act* (Canada) and other taxation statutes in accordance with the provisions of Schedule 3.15.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDORS

The Vendors hereby jointly and severally represent and warrant to CanWest, the matters set out below on the basis that those representations and warranties which are qualified by "Material Adverse Effect", "material", "in all material respects" and words or phrases of similar import, are true and correct and any other representations and warranties which are not qualified by "Material Adverse Effect", "material", "in all material respects" and words and phrases of similar import are true and correct in all material respects, in all cases as at the date hereof.

4.1 Incorporation and Registration

(a) Each of Hollinger, Southam, the General Partner and HCN Publications is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and Newspapers Partnership is a limited partnership properly formed and duly registered as a limited partnership under the laws of Ontario and each of the Vendors has all necessary power, authority and capacity to own its property and assets and to carry on the Purchased Businesses as presently conducted. Neither the nature of the Purchased Businesses nor the location or character of the property owned or leased by the Vendors in connection with the Purchased Businesses requires any of the Vendors to be registered, licensed or otherwise qualified as an extra-provincial or foreign corporation or limited partnership in any jurisdiction other than the jurisdictions in which each of the Vendors is duly registered, licensed or otherwise qualified for such purpose and other than jurisdictions where the failure to be so registered licensed or otherwise qualified would not have a Material Adverse Effect on any of Hollinger, Southam, the General Partner or HCN Publications.

(b) National Post Company is a general partnership properly formed and duly registered as a partnership under the laws of Ontario and has all necessary power, authority and capacity to own its property and assets and to carry on the National Post Business. National Post Company has not carried on any business other than the National Post Business.

(c) At the Closing Time, each of NewsMediaCo, *Canada.com* Company, Central Services Company, NewsMediaCo Holdco, *Canada.com* Company Holdco and Central Services Company Holdco will be a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and will have all necessary power, authority and capacity to own its property and assets and to carry on the Purchased Businesses or the National Post Business, as the case may be. None of NewsMediaCo, *Canada.com* Company, Central Services Company, NewsMediaCo Holdco, *Canada.com* Company Holdco or Central Services Company Holdco will, at the Closing Time, have carried on any business other than the Purchased Businesses or the National Post Business, as the case may be. None of NewsMediaCo, Central Services Company or *Canada.com* Company will have any liabilities as of the Effective Date other than the Assumed Liabilities. None of NewsMediaCo Holdco, Central Services Company Holdco or *Canada.com* Company Holdco will have any liabilities other than the NewsMediaCo Debt, the Central Services Company Debt and the *Canada.com* Company Debt, respectively.

4.2 Residence of the Vendors

None of the Vendors is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

4.3 Subsidiaries

At the Closing Time, except as provided in Section 9.34, other than the interests in the corporations listed in Schedule 4.3, NewsMediaCo, Central Services Company, *Canada.com* Company and National Post Company will not own, or have any interest in, any shares of any corporation.

4.4 Title to Personal Property

(a) Except as identified elsewhere in this Agreement, either Southam, Newspapers Partnership or HCN Publications is, or will be prior to the Reorganization, the sole legal and beneficial owner of the personal property included in the Print News Media Assets and *Canada.com* Assets with good and valid title, free and clear of all Encumbrances other than Permitted Encumbrances, and is exclusively entitled to possess and dispose of same (subject only to obtaining all necessary corporate and partnership approvals and in the case of Contracts, Intellectual Property rights or Governmental Authorizations, to the necessity for obtaining consents to their assignment). There has been no assignment, subletting or granting of any licence (of occupation or otherwise) of or in respect of any of the personal property included in the Print News Media Assets or *Canada.com* Assets or any granting of any agreement or right capable of becoming an agreement or option for the purchase of the personal property included in the Print News Media Assets or *Canada.com* Assets other than pursuant to the provisions of, or as disclosed in, this Agreement.

(b) National Post Company is the sole legal and beneficial owner of the personal property included in the National Post Assets with good and valid title, free and clear of all Encumbrances other than Permitted Encumbrances. There has been no assignment, subletting or granting of any licence (of occupation or otherwise) of or in respect of any of the personal property included in the National Post Assets or any granting of any agreement or right capable of becoming an agreement or option for the purchase of the personal property included in the National Post Assets other than pursuant to the provisions of, or as disclosed in, this Agreement.

(c) Upon completion of the Reorganization, NewsMediaCo will be the sole legal and beneficial owner of the personal property included in the Print News Media Assets with good and valid title, free and clear of all Encumbrances other than Permitted Encumbrances.

(d) Upon completion of the Reorganization, *Canada.com* Company will be the sole legal and beneficial owner of the personal property included in the *Canada.com* Assets with good and valid title, free and clear of all Encumbrances other than Permitted Encumbrances.

(e) Upon completion of the Reorganization, Central Services Company will be the sole legal and beneficial owner of the personal property included in the Central Services Assets with good and valid title, free and clear of all Encumbrances other than Permitted Encumbrances.

4.5 Right to Sell

At the Closing Time, either Southam, Newspapers Partnership or HCN Publications will be the sole registered and beneficial owner of the Purchased Shares, the Purchased Debt and the

Purchased National Post Company Interest free and clear of all Encumbrances except as created pursuant to this Agreement. At the Closing Time, either Southam, Newspapers Partnership or HCN Publications will have the exclusive right to dispose of the Purchased Shares, Purchased Debt and the Purchased National Post Company Interest as provided in this Agreement and such disposition will not violate, contravene, breach or offend against or result in any default under any indenture, mortgage, lease, agreement, obligation, instrument, charter or by-law provision, statute, regulation, order, judgment, decree, license, permit or law to which the Vendors are a party or subject or by which the Vendors are bound or affected. At the Closing Time, the Purchased Shares will not be subject to the terms of any shareholders' agreement.

4.6 Capitalization

At the Closing Time:

(a) the authorized and issued share capital of NewsMediaCo, *Canada.com* Company, Central Services Company, National Post Company General Partner Inc., NewsMediaCo Holdco, *Canada.com* Company Holdco and Central Services Company Holdco will be as set forth in Schedule 4.6;

(b) all of the issued and outstanding shares of NewsMediaCo, Central Services Company and *Canada.com* Company will have been duly and validly issued and will be outstanding as fully paid and non-assessable shares of NewsMediaCo, Central Services Company and *Canada.com* Company, as the case may be, and Southam, Newspapers Partnership or HCN Publications will be the sole registered and beneficial owner of such shares;

(c) all of the Purchased Shares will have been duly and validly issued and will be outstanding as fully paid and non-assessable shares of NewsMediaCo Holdco, Central Services Company Holdco or *Canada.com* Company Holdco, as the case may be;

(d) no options, warrants or other rights to purchase shares or other securities of NewsMediaCo Holdco, Central Services Company Holdco or *Canada.com* Company Holdco and no securities or obligations convertible into or exchangeable for shares or other securities of NewsMediaCo Holdco, Central Services Company Holdco or *Canada.com* Company Holdco will have been authorized or agreed to be issued or will be outstanding.

4.7 Due Authorization

(a) Each of Hollinger, Southam, HCN Publications and the General Partner has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been or will be by Closing duly authorized by all necessary corporate action on the part of each of Hollinger, Southam, HCN Publications and the General Partner.

(b) Newspapers Partnership has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly or will be by Closing authorized by all necessary action on the part of Newspapers Partnership.

4.8 Enforceability of Obligations

This Agreement constitutes a valid and binding obligation of Hollinger and each of the Vendors enforceable against each of them in accordance with its terms.

4.9 Absence of Conflicting Agreements

Except for the requirement for Competition Act Approval, none of Hollinger or the Vendors is a party to, bound or affected by or subject to any indenture, mortgage, lease, agreement, obligation, instrument, charter or by-law provision, statute, regulation, order, judgement, decree, license, permit or law which would be violated, contravened, breached by, or under which default would occur or an Encumbrance would be created as a result of the execution and delivery of this Agreement or any other agreement to be entered into under the terms of this Agreement, or the performance by Hollinger or the Vendors of any of their obligations provided for under this Agreement or any other agreement contemplated under this Agreement, except for any violation, contravention or breach which would not result in a Material Adverse Effect on any Business Unit or National Post Company.

4.10 Regulatory Approvals

No approval, order, consent of or filing with any Governmental Authority is required other than Competition Act Approval, on the part of Hollinger or the Vendors, in connection with the execution and delivery of this Agreement or any other documents and agreements to be delivered under this Agreement or the performance of Hollinger's or the Vendors' obligations under this Agreement or any other documents and agreements to be delivered under this Agreement.

4.11 Financial Statements and National Post Financial Statements

(a) The Financial Statements have been prepared in accordance with generally accepted accounting principles (other than footnotes) applied on a basis consistent with that of the preceding period and present fairly:

(i) all of the assets, liabilities and financial position of each of the Business Units as at May 31, 2000; and

(ii) the sales, earnings and results of operations of each of the Business Units for the five month period ended May 31, 2000.

(b) The National Post Financial Statements have been prepared in accordance with generally accepted accounting principles (other than footnotes) applied on a basis consistent with that of the proceeding period and present fairly:

(i) all of the assets, liabilities and financial position of National Post Company as at May 31, 2000; and

(ii) the sales, earnings and results of operations and changes in financial position of National Post Company for the five month period ended May 31, 2000.

4.12 Financial Forecasts

(a) The Print News Media Financial Forecast is based upon hypotheses and assumptions disclosed in the Print News Media Financial Forecast which have been developed based upon the budgets prepared by management of each of the Business Units. The Vendors believe such hypotheses and assumptions to be reasonable and appropriate and believe that such forecast will be achieved; the aggregate Print News Media Business EBITDA for the five months ended May 31, 2000 is $137,452,000 (before adjustment for Central Services and the Southam Retirement Plan); and

(b) The National Post Financial Forecast is based upon hypotheses and assumptions disclosed in the National Post Financial Forecast which have been developed based upon the budget prepared by management of the National Post. The Vendors believe such hypotheses and assumptions to be reasonable and appropriate and believe that such forecast will be achieved; the EBITDA for the National Post Business for the five months ended May 31, 2000 is ($19,836,000).

4.13 Absence of Undisclosed Liabilities

Since the date of the Business Unit Balance Sheet or the National Post Balance Sheet, the Vendors and their subsidiaries have not incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise) relating to the Purchased Businesses or the National Post Business, which continue to be outstanding, except as disclosed on Schedule 4.13 or incurred in the ordinary course of business and which would not have a Material Adverse Effect on any Business Unit or National Post Company.

4.14 Absence of Changes and Unusual Transactions

Since the date of the Business Unit Balance Sheet or the National Post Balance Sheet, respectively:

(a) there has not been any material change in the financial condition or operations or prospects of any Business Unit or National Post Company other than changes in the ordinary and usual course of business, none of which has resulted in a Material Adverse Effect on any Business Unit or National Post Company;

(b) there has not been any damage, destruction, loss or other event, development or condition of any character (whether or not covered by insurance) which has resulted in a Material Adverse Effect on any Business Unit or National Post Company;

(c) there has not been any change in the level of Inventories or the level of inventories of National Post Company in each case other than in the ordinary course of business;

(d) the Vendors and their subsidiaries have not transferred, assigned, sold or otherwise disposed of any of the assets shown or reflected in the Business Unit Balance Sheet or the National Post Balance Sheet, respectively, or cancelled any debts or entitlements except, in each case, in the ordinary and usual course of business;

(e) none of the Vendors or their subsidiaries has incurred or assumed any obligation or liability (fixed or contingent) constituting an Assumed Liability, except those listed in Schedule 4.14(e) and except unsecured current obligations and liabilities incurred in the ordinary and usual course of business none of which has resulted in a Material Adverse Effect on a Business Unit;

(f) none of the Vendors nor their subsidiaries has discharged or satisfied any lien or Encumbrance, or paid any obligation or liability (fixed or contingent) of the Purchased Businesses or National Post Business other than liabilities included in the Business Unit Balance Sheet or the National Post Balance Sheet, respectively, and liabilities incurred since the date of the Business Unit Balance Sheet or the National Post Balance Sheet in the ordinary and usual course of business;

(g) none of the Vendors or any of their subsidiaries has , in respect of the Print News Media Business, suffered an operating loss or any extraordinary loss, and, in respect of all of their businesses, waived or omitted to take any action in respect of any rights of substantial value, or entered into any commitment or transaction not in the ordinary and usual course of business where such loss, rights, commitment or transaction is or would be material in relation to any Business Unit or National Post Company;

(h) except in the ordinary course of business and consistent with past practice and existing arrangements, including, as provided for in any Collective Agreement, the Vendors and their subsidiaries have not granted any bonuses, whether monetary or otherwise, or made any general wage or salary increases in respect of the Employees or changed the terms of employment for any Employee;

(i) none of the Vendors or their subsidiaries has hired or dismissed any Employee other than in the ordinary course of business and there has been no material change in the number of Employees employed by any Business Unit;

(j) the Vendors and their subsidiaries have not, except as disclosed in Schedule 4.4, mortgaged, pledged, subjected to lien, granted a security interest in or otherwise encumbered any of the Purchased Assets; and

(k) the Vendors and their subsidiaries have not authorized, agreed or otherwise become committed to do any of the foregoing.

4.15 No Joint Venture Interests

Except as disclosed on Schedule 4.15, none of the Vendors, in connection with the Purchased Businesses or the National Post Business, (a) is a partner, beneficiary, trustee, co-tenant, joint-venturer or otherwise a participant in any partnership, trust, joint venture, co-tenancy or similar joint-owned business undertaking or (b) has a significant investment interest in any business owned or controlled by any third party.

4.16 Major Suppliers and Customers

The Vendors have provided to CanWest a comprehensive listing of each significant supplier of goods and services to, and each significant customer of, the Purchased Businesses and the National Post Business, together with, in each case, the amount so billed or paid. To the knowledge of the Vendors, no such significant supplier or customer has announced or advised the Vendors of any intention to materially change its relationship or the terms upon which it conducts business with the Purchased Businesses or the National Post Business, including as a result of the transfer of the Purchased Assets as contemplated in this Agreement.

4.17 Condition of Assets

Other than Fixed Assets which are under construction, the Fixed Assets, taken as a whole on a Business Unit basis, are in good condition, repair and (where applicable) proper working order, normal wear and tear excepted. The machinery and equipment included in the Fixed Assets, taken as a whole on a Business Unit basis, and the printing presses, other than the printing press in Montreal, do not require any material capital expenditure in order to ensure the continued operation of such Fixed Asset.

4.18 Inventories

All Inventories are valued on the books of the Vendors at the lower of cost, using the first in, first out method, and net realizable value. All Inventories and inventories of National Post Company are undamaged, merchantable or usable and are in quantities usable or saleable in the ordinary course of business.

4.19 Collectibility of Accounts Receivable

The Accounts Receivable are good and collectible at the aggregate recorded amounts, except to the extent of any provisions provided for such accounts in the Business Unit Balance Sheet as adjusted in the ordinary and usual course of business, and are not subject to any defence, counterclaim or set off.

4.20 Provisions and Accruals

The provisions and Accrued Liabilities disclosed on or reflected in the Financial Statements and the Books and Records and to be reflected on the Effective Date Financial Statement, are sufficient in all respects to provide for the liabilities in respect of which they have been established, including for greater certainty, all accrued liabilities with respect to all salaries and other amounts payable pursuant to Compensation Plans to Transferred Employees in accordance with the terms of their employment.

4.21 Business in Compliance with Law

In all material respects, the operations of the Purchased Businesses and the National Post Business have been and are now conducted in compliance with all Laws of each jurisdiction in which the Purchased Businesses and the National Post Business have been and are carried on and since May 31, 2000 the Vendors and their subsidiaries have not received any notice of any alleged violation of any such Laws which has not been cured.

4.22 Governmental Authorizations

Schedule 4.22 sets forth a complete list of all material Governmental Authorizations by Business Unit and for National Post Company. The Governmental Authorizations listed in Schedule 4.22 are all the material Governmental Authorizations required by the Vendors to enable them to carry on the Purchased Businesses and the National Post Business in compliance with all Laws. The Governmental Authorizations are in full force and effect in accordance with their terms in all material respects, and there have been no violations thereof and no proceedings are pending or, to the knowledge of the Vendors, threatened, which could result in their revocation or limitation.

4.23 Restrictive Covenants

Except as set forth in Schedule 4.23 or the Real Property Leases, none of Hollinger, the Vendors or any of their subsidiaries are a party to or bound or affected by any commitment, agreement or document relating to the Purchased Businesses or the National Post Business containing any covenant expressly limiting the freedom of Hollinger, the Vendors or any of their subsidiaries to compete in any line of business, transfer or move any of their assets or operations or which materially and adversely affects the business practices, operations or conditions of the Purchased Businesses or the National Post Business or the continued operation of the Purchased Businesses or the National Post Business after the Effective Date or, by reason of the shareholdings of the Vendors in CanWest after Closing, would affect the ability of CanWest to carry on any business.

4.24 Intellectual Property

(a) Schedule 4.24 sets forth a complete list and brief description of all Intellectual Property used primarily in the Purchased Businesses or the National Post Business which has been registered or for which applications for registration have been filed, including all URL's and Internet domain names, and all unregistered Intellectual Property which is material to the Purchased Businesses or the National Post Business (the "Listed Intellectual Property").

(b) The registrations of Listed Intellectual Property are valid and subsisting, and all necessary steps have been taken, including payment of fees, to maintain such registrations in full force and effect. All applications for Listed Intellectual Property have been duly filed and are being diligently prosecuted, and there is no objection or opposition to registration of such Intellectual Property which would have a Material Adverse Effect on any Business Unit or National Post Company. The Vendors have taken appropriate steps to protect all Intellectual Property which is material to the Purchased Businesses or the National Post Business. The Vendors do not register copyrights in the normal course of operating the Purchased Businesses or the National Post Business. The Vendors have registered or applied to register in Canada certain Trade-marks that in the judgement of the Vendors are material to the Purchased Businesses or the National Post Business, and the practice of the Vendors with respect to registering or applying to register Intellectual Property is consistent with practices generally prevailing in the newspaper publishing industry in Canada.

(c) Except as disclosed in Schedule 4.24, the Vendors have the sole and exclusive right to use and are the sole and exclusive owners of all right, title and interest in and to all Intellectual Property used in the Purchased Businesses or the National Post Business (with no breaks in the chain of title) or are using all such Intellectual Property only with the consent of or license from the rightful owners thereof; all material consents and licenses are in full force and effect, and there has not been any material default under any such consent or license agreement. Schedule 4.24 sets forth an accurate and complete list of (i) all material licenses or other agreements with third persons pursuant to which the Vendors have acquired rights to use Intellectual Property owned by third persons in the Purchased Businesses or the National Post Business, and (ii) all material licenses or other agreements pursuant to which the Vendors have granted any third Persons the right to use any Intellectual Property owned by Vendors and used in the Purchased Businesses or the National Post Business. All such licenses and agreements are in writing, valid and binding on the other parties to such agreements and except as disclosed in Schedule 4.24, assignable to CanWest. True copies of all material third party licenses have been delivered to CanWest.

(d) All terms of use, including privacy policies, and other agreements with on-line users of any websites that form part of the Purchased Businesses or the National Post Business are disclosed on the URL websites listed in Schedule 4.24.

(e) The Vendors have complied and are in compliance with all internet domain name registration agreements and all other applicable requirements of internet administration authorities in all material respects, with respect to all internet domain names used in the Purchased Businesses or the National Post Business, and true and complete copies of all such registration agreements and renewals or transfers thereof have been provided to CanWest.

(f) The Intellectual Property owned by the Vendors and used in the Purchased Businesses or the National Post Business is in full force and effect in all material respects and has not been used or enforced or failed to be used or enforced in a manner that would result in the abandonment, cancellation or unenforceability of any of such Intellectual Property which would result in a Material Adverse Effect on any Business Unit or National Post Company.

(g) Except as disclosed in Schedule 4.24, there is no written claim of adverse ownership, invalidity or other opposition to or conflict with any Intellectual Property used in the Purchased Businesses or the National Post Business, nor any pending or threatened suit, proceeding, claim, demand, action or investigation of any nature or kind against the Vendors relating to such Intellectual Property.

(h) Except as disclosed in Schedule 4.24, the Purchased Businesses, the National Post Business, all activities in which the Vendors are engaged in connection with the Purchased Businesses or the National Post Business, all products which the Vendors produce, use, sell or distribute in connection with the Purchased Businesses or the National Post Business, all processes, methods, or materials, including all Content, that the Vendors employ in the Purchased Businesses or the National Post Business, and the use of any of the Intellectual Property in the Purchased Businesses or the National Post Business do not breach, violate, infringe or interfere with any intellectual property rights of any third Person or require payment for the use any intellectual property right of a third Person, including any patent, trade-name, trade secret, Trade-mark and copyright which would result in a Material Adverse Effect on any Business Unit or National Post Company.

(i) Except as disclosed in Schedule 4.24, all Content used by the Vendors in the Purchased Businesses or the National Post Business is free and clear of all rights or interests of any past or present employees, contractors, or consultants of the Purchased Businesses or the National Post Business, including moral rights, and the Vendors have obtained from all such persons the right to make any and all uses of such Content, including the right to publish, distribute, fix, reproduce, communicate to the public by telecommunication and make available such Content in any media in perpetuity, and following Closing, CanWest shall have the rights to continue so to publish, distribute, fix, reproduce, communicate to the public by telecommunication and make available such Content in any media free and clear of any claims by or obligations to make payment to such Persons, or any claims by any third Person, including Claims alleging that such Content is libellous, slanderous, defamatory or otherwise in violation of any applicable laws.

4.25 Equipment Contracts

Schedule 4.25 sets forth a complete list of all Equipment Contracts constituting a Material Contract together with a description of the equipment to which such Equipment Contracts relate. All of the Equipment Contracts are in full force and effect in all material respects and no material default exists on the part of the Vendors or any of their subsidiaries, or, to the knowledge of the Vendors, on the part of any of the other parties thereto. The entire interest of the Vendors and their subsidiaries under each of the Equipment Contracts is held by it free and clear of any Encumbrances, other than Permitted Encumbrances, and all payments due under the Equipment Contracts have been duly and punctually paid.

4.26 Owned Real Property

(a) Schedule 4.26 sets forth a complete list of:

(i) the Owned Real Property in each case by reference to the current registered and beneficial owner and municipal address; and

(ii) the matters described in Sections 4.28 (f) and (o) as applicable.

(b) Either Southam, Newspapers Partnership or HCN Publications Company is, or will be prior to the Reorganization, the beneficial owner of the Owned Real Property in fee simple, with good and marketable title thereto, free and clear of all Encumbrances other than Permitted Encumbrances.

(c) As at the Closing Time, NewsMediaCo will be the legal and beneficial owner of the Owned Real Property included in the Print News Media Assets in fee simple, with good and marketable title thereto, free and clear of all Encumbrances other than Permitted Encumbrances.

(d) As at the Closing Time, Central Services Company will be the legal and beneficial owner of the Owned Real Property included in the Central Services Company Assets in fee simple, with good and marketable title thereto, free and clear of all Encumbrances other than Permitted Encumbrances.

(e) As at the Closing Time, *Canada.com* Company will be the legal and beneficial owner of the Owned Real Property included in the *Canada.com* Assets in fee simple with good and marketable title thereto, free and clear of all Encumbrances other than Permitted Encumbrances.

(f) National Post Company is the legal and beneficial owner of the Owned Real Property included in the National Post Assets in fee simple, with good and marketable title thereto, free and clear of all Encumbrances other than Permitted Encumbrances.

(g) There are, and as at the Closing Time there will be, no material agreements, undertakings or other documents which affect or relate to the title to, or ownership of such Owned Real Property except as set forth in Schedule 4.26 or as disclosed by registered title to the Owned Real Property.

(h) None of the buildings or structures situate on the Owned Real Property encroaches on any abutting or adjoining land.

4.27 Leased Real Property

(a) Schedule 4.27 sets forth a complete list of:

(i) the Leased Real Property by reference to municipal address and Real Property Leases by reference to all relevant documents including details of parties thereto and dates of documents; and

(ii) the matters described in Sections 4.28(f) and (o) as applicable.

(b) The Real Property Leases have not been altered or amended and are in full force and effect. As at the Closing Date, the Real Property Leases shall not have been altered or amended except with the consent of CanWest which may be withheld in the discretion of CanWest.

(c) There are no agreements or understandings between the landlord and tenant, or sublandlord and subtenant, other than as contained in the Real Property Leases, pertaining to the rights and obligations of the parties thereto or relating to the use and occupation of the Leased Real Property.

(d) All interests held by the Vendors as lessee or occupant under the Real Property Leases are free and clear of all Encumbrances other than Permitted Encumbrances.

(e) All payments required to be made by the Vendors pursuant to the Real Property Leases on or prior to the date of this Agreement have been duly paid, all such payments required to be paid on or prior to the Closing Date will be paid by the Closing Date and the Vendors are not otherwise in default in meeting any of their obligations under any of the Real Property Leases.

(f) To the knowledge of the Vendors, none of the landlords or sublandlords under any of the Real Property Leases is in default in meeting any of its obligations under Real Property Leases to which it is a party.

(g) Except as set out in the Real Property Leases, none of the Vendors has any option, right of first refusal or other contractual right relating to the Leased Real Property.

(h) No event exists which, but for the passing of time or the giving of notice, or both, would constitute a default by the Vendors to any of the Real Property Leases and no landlord or sublandlord is claiming any such default or taking any action based purportedly upon any such default.

(i) The Vendors have not waived, or omitted to take, any action in respect of any substantial rights under any of the Real Property Leases.

(j) As at the Closing Time, NewsMediaCo will hold all interests as lessee or occupant under the Real Property Leases included in the Print News Media Assets, free and clear of all Encumbrances other than Permitted Encumbrances.

(k) As at the Closing Time, *Canada.com* Company will hold all interests as lessee or occupant under the Real Property Leases included in the *Canada.com* Assets free and clear of all Encumbrances other than Permitted Encumbrances.

(l) As at the Closing Time, Central Services Company will hold all interests as lessee or occupant under the Real Property Leases included in the Central Services Company Assets free and clear of all Encumbrances other than Permitted Encumbrances.

(m) As at the Closing Time, The National Post Company will hold all interests as lessee or occupant under the Real Property Leases included in the National Post Assets free and clear of all Encumbrances other than Permitted Encumbrances.

4.28 Real Property Generally

(a) The plant, buildings, structures, erections, improvements and fixtures situate on or used in connection with the Real Property, taken as a whole on a Business Unit basis, are in good condition, repair and proper working order, normal wear and tear excepted. None of such plant, buildings, structures, erections, improvements or fixtures require any capital expenditures in the ordinary course of business other than as included in the Print News Media Financial Forecast or the National Post Financial Forecast, respectively.

(b) The Vendors have, and as of the Closing Time NewsMediaCo, Central Services Company and The National Post Company will have, such rights of entry and exit to and from the Real Property as are reasonably necessary to carry on the Purchased Businesses or the National Post Business upon the Real Property.

(c) Except as disclosed on Schedule 4.28 or by registered title to the Owned Real Property, no person has any right to purchase any of the Owned Real Property and no person other than the Vendors is using or has any right to use, as tenant, or is in possession or occupancy of, any part of the Real Property (other than National Post Company) and as at the Closing Time no person other than NewsMediaCo, Central Services Company, *Canada.com* Company or National Post Company, as the case may be, will be using or have any right to use, as tenant, or be in possession or occupancy of, any part of such Real Property.

(d) Except as disclosed on Schedule 4.28 or by registered title to the Owned Real Property, the Vendors have not granted any option, right of first refusal or other contractual rights with respect to any of the Real Property other than to NewsMediaCo, Central Services Company, *Canada.com* Company or National Post Company, as the case may be, pursuant to this Agreement.

(e) The Vendors have not entered into any agreement to sell, transfer, encumber, or otherwise dispose of or impair the right, title and interest of the Vendors in and to the Real Property or the air, density and easement rights relating to the Real Property except as disclosed by registered title to the Owned Real Property, any such agreements which individually or in the aggregate would not have a Material Adverse Effect on any Business Unit or National Post Company.

(f) Schedules 4.26 and 4.27 provide details on the most up-to-date surveys, prepared by licensed land surveyors, relating to the Real Property which are available to the Vendors, and such surveys have been delivered or made available to CanWest.

(g) The Vendors have not received any notification of and have no knowledge of, any outstanding or incomplete work orders in respect of any of the buildings, improvements or other structures constructed on the Real Property or of any current non-compliance (other than non-compliances which are legal non-conforming under relevant zoning by-laws) with applicable statutes and regulations or building and zoning by-laws and regulations which would result in a Material Adverse Effect on any Business Unit or National Post Company.

(h) The current uses of the Owned Real Property are permitted under current zoning regulations.

(i) The Vendors have not made application for a rezoning of any of the Real Property and have no knowledge of any proposed or pending change to any zoning affecting the Real Property.

(j) The Vendors have no knowledge of any expropriation or condemnation or similar proceeding pending or threatened against the Real Property or any material part of the Real Property.

(k) All accounts for work and services performed or materials placed or furnished upon or in respect of the construction and completion of any of the buildings, improvements or other structures constructed on the Real Property have been fully paid or adequate reserves, which are included in the Accrued Liabilities, have been taken therefor.

(l) All components of all improvements included within the Real Property, including the roofs and structural elements thereof and the heating, ventilation, air-conditioning, plumbing, electrical, mechanical, sewer, waste water and storm water systems, taken as a whole on a Business Unit basis, are in good condition, repair and proper working order, normal wear and tear excepted.

(m) The Real Property is fully serviced to permit the operations of the Purchased Businesses and the National Post Business by NewsMediaCo, Central Services Company, *Canada.com* Company or National Post Company, as the case may be, as at the Closing Date. All municipal levies, local improvements, imposts and permit fees due and payable prior to the Closing Date have been or will as at the Closing Date be paid by the Vendors.

(n) All Permitted Encumbrances which are easements, agreements, rights-of-way, restrictive covenants or restrictions are in good standing and the Vendors have performed all obligations required to be performed by them thereunder and there is no breach or default in any respect thereunder nor has there occurred any event nor does there exist any condition which, in either case, with the giving of notice or the lapse of time, would constitute such a breach or default except where the failure to perform or such breach or default would not result in a Material Adverse Effect on any Business Unit or National Post Company.

(o) All easements, rights-of-way and other similar appurtenant interests necessary for the continued use and operation of the Real Property for the Purchased Businesses or the National Post Business are listed in Schedules 4.26 and 4.27 or disclosed by registered title to the Real Property and none of such easements, rights-of-way or other interests requires the consent of any other party to the transactions contemplated by this Agreement except as set forth on Schedule 4.26 or 4.27 or as disclosed by registered title.

(p) There are no matters affecting the right, title and interest of the Vendors in and to the Real Property which, in the aggregate, would materially and adversely affect the ability of NewsMediaCo, Central Services Company, *Canada.com* Company or National Post Company, as the case may be, as of the Closing Date, to carry on the Purchased Businesses or the National Post Business upon the Real Property as it has been carried on in the ordinary course in the past.

4.29 Environmental Matters

(a) Except as disclosed in the Environmental Reports:

(i) all operations of the Vendors pertaining to the Purchased Businesses or the National Post Business or the Purchased Assets or conducted on the Real Property and the Real Property itself while occupied by the Vendors or its Affiliates are now in compliance with all Environmental Laws except to the extent that non-compliance would not result in a Material Adverse Effect on any Business Unit or National Post Company. To the knowledge of the Vendors, any Release by the Vendors or its Affiliates of any Hazardous Substance from the Purchased Businesses, the National Post Business or the Purchased Assets into the Environment complied and complies with all Environmental Laws except to the extent that non-compliance would not result in a Material Adverse Effect on any Business Unit or National Post Company;

(ii) the material Environmental Approvals have been obtained and they have been and are being complied with except to the extent that non-compliance would not result in a Material Adverse Effect on any Business Unit or National Post Company and there have been and are no proceedings commenced or, to the knowledge of the Vendors, threatened, to revoke or amend any Environmental Approvals;

(iii) none of the Purchased Businesses, the National Post Business nor any of the Purchased Assets is now the subject of any Remedial Order, nor do the

Vendors have any knowledge of any investigation or evaluation commenced or threatened as to whether any such Remedial Order is necessary nor has any threat of any such Remedial Order been made nor, to the knowledge of the Vendors, are there any circumstances or conditions which could result in the issuance of any Remedial Order with respect to the Purchased Businesses or the Purchased Assets;

(iv) with respect to the Purchased Businesses, the National Post Business and the Purchased Assets, none of the Vendors nor any of their respective officers, directors or employees (while acting within the scope of their work on behalf of the Vendors) or, to the knowledge of the Vendors, any Affiliates who were predecessors in title have ever been prosecuted for, convicted or received notice of any offence under Environmental Laws, nor have the Vendors or, to the knowledge of the Vendors, any Affiliates who were predecessors in title been found liable in any proceeding to pay any fine, damages, penalty, amount or judgment to any person as a result of any Release or threatened Release of any Hazardous Substance into the Environment or as a result of the breach of any Environmental Law and, to the knowledge of the Vendors, there is no basis for any such proceeding or action;

(v) to the knowledge of the Vendors, no part of the Real Property or any other Purchased Assets has ever been used as a landfill or for the disposal of waste;

(vi) to the knowledge of the Vendors, no asbestos or asbestos-containing materials are used, stored or otherwise present in or on the Real Property or any other Purchased Asset except in compliance with Environmental Laws and no equipment, waste or other material containing polychlorinated biphenyls (PCBs) are used, stored or otherwise present in or on the Real Property or any other Purchased Asset;

(vii) the Vendors have no knowledge of any Hazardous Substance in, on or under the Real Property at concentrations which exceed the concentrations specified in any applicable Environmental Standard;

(viii) to the knowledge of the Vendors, there are no underground storage tanks on the Real Property;

(ix) the Vendors have no knowledge of any Hazardous Substance originating from any neighbouring or adjoining properties which has migrated onto, into or under or is migrating towards any of the Real Property at concentrations which exceed any applicable Environmental Standard.

(b) the Vendors have delivered to CanWest or made available for CanWest's review all Environmental Reports. There is no other environmental documentation, information, data or study (including the results of any environmental assessment or audit) with respect to the Purchased Businesses, the National Post Business or the Purchased Assets which would identify a potential or actual Material Adverse Effect on any Business Unit or National Post Company.

(c) Notwithstanding anything else in this Agreement, the representations and warranties made in this Section 4.29 are the exclusive and only representations and warranties made to CanWest pertaining to environmental matters, including matters relating to the Environment or compliance with Environmental Laws.

4.30 Employment Matters

(a) Schedule 4.30(a) sets forth a complete list of all Employees identifying whether such Employees are employed in the National Post Business, the *Canada.com* Business or the Print News Media Business or to provide the Central Services and the Vendors will provide CanWest, by August 31, 2000 with the titles, service dates and material terms of employment, including current wages, salaries or hourly rate of pay, incentive compensation and bonus (whether monetary or otherwise) paid since the beginning of the most recently completed fiscal year or payable to each such Employee. Within thirty (30) Business Days from the date of receiving a request from CanWest, the Vendors shall provide to CanWest the most recent statement received, setting out premium rates and accident cost history under the *Workplace Safety and Insurance Act* (Ontario) and identifying the Business Units respect thereto or any other applicable workers' compensation legislation, relating to the Purchased Businesses.

(b) Except for those written Employment Contracts with Employees identified in Schedule 4.30(b), there are no written Employment Contracts nor any oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law, and there are no management agreements, retention bonuses or other agreements which provide for cash, other compensation or benefits, or other rights or contingent rights upon the consummation of all or any of the transactions contemplated in this Agreement.

(c) Except for the Benefit Plans or as set out in Schedule 4.30(c), there are no employment policies or plans, including policies or plans regarding incentive compensation, stock options, severance pay or other terms and conditions of employment or terms or conditions upon which an Employee may be terminated, which are binding upon the Vendors.

(d) The Purchased Businesses and the National Post Business have been and are being operated in compliance in all material aspects with all Laws relating to employees, including employment standards, Occupational Health and Safety Laws, human rights, labour relations and pay equity. The Vendors and their subsidiaries have complied in all material respects with and posted plans as required under the *Pay Equity Act* (Ontario). There have been no Claims nor, to the knowledge of the Vendors, are there any threatened complaints under such Laws relating to employees, independent contractors or consultants against the Vendors and their subsidiaries in respect of the Purchased Businesses or the

National Post Business except where any such Claims would not, in the aggregate, have a Material Adverse Effect on any Business Unit or National Post Company. There are no outstanding decisions or settlements or pending settlements which place any obligation upon the Vendors or any of their subsidiaries to do or refrain from doing any act the failure to comply with which would have a Material Adverse Effect on any Business Unit or National Post Company.

(e) All current assessments and obligations under the *Workplace Safety and Insurance Act* (Ontario) and any workers' compensation laws in other provinces in relation to the Purchased Businesses or the National Post Business have been paid or accrued by the Vendors and their subsidiaries and the Purchased Businesses and the National Post Business have not been and are not subject to any special or penalty assessment or obligation under such legislation which has not been paid.

(f) Upon written request of CanWest, and within ten (10) days of receiving such request, the Vendors will make available to CanWest for review, all inspection reports and remedial orders under the Occupational Health and Safety Laws relating to the Purchased Businesses or the National Post Business. To the knowledge of the Vendors, there have been no fatal or critical accidents since July 30, 1999 which might lead to charges under Occupational Health and Safety Laws. To the knowledge of the Vendors, there are no materials present in the Purchased Businesses or the National Post Business, exposure to which may result in an industrial disease as defined in the *Workplace Safety and Insurance Act* (Ontario) or similar provisions of workers' compensation laws in other provinces.

(g) The Employees of the National Post Business and in each of the Business Units included in the Purchased Businesses together with the services provided pursuant to the Management Services Agreement are sufficient to operate such businesses in substantially the same fashion as such businesses were operated prior to Closing and none of such businesses are dependent on any services or employees which are not being offered employment by NewsMediaCo, *Canada.com* Company or Central Services Company, as the case may be, in accordance with Section 9.8 of this Agreement or are employed by National Post Company other than the services being provided pursuant to the Management Services Agreement.

(h) Schedule 4.30(h) sets forth a complete list of all agreements between Hollinger or its Affiliates and any independent contractor or consultant engaged in the Purchased Businesses, the *Canada.com* Business, or the National Post Business who is entitled to annual compensation for services rendered to such business in excess of $100,000.

4.31 Collective Agreements

(a) Schedule 4.31 sets forth a complete list of the Collective Agreements, either directly or by operation of law, with any Union. Current and complete copies of all Collective Agreements have been provided to CanWest. Except as set forth in Schedule 4.31, no Union has bargaining rights with respect to any Employees of the Vendors or their subsidiaries.

(b) Except as disclosed in Schedule 4.31, there are no outstanding or, to the knowledge of the Vendors, threatened labour tribunal proceedings of any kind, including any proceedings which could result in certification of a Union as bargaining agent for any Employees or dependent contractors of the Vendors or their subsidiaries not already covered by the Collective Agreements, and there have not been any such proceedings within the last 2 years.

(c) Except as disclosed in Schedule 4.31, to the knowledge of the Vendors there are no threatened or apparent Union organizing activities involving Employees or dependent contractors of the Vendors or their subsidiaries in respect of the Purchased Businesses or the National Post Business, not already covered by the Collective Agreements.

(d) The Vendors and their subsidiaries have complied in all material respects with all Collective Agreements.

(e) Except as disclosed in Schedule 4.31, there is no strike, lock out or other labour dispute occurring, or to the knowledge of the Vendors, threatened affecting the Purchased Businesses or the National Post Business.

(f) Except as disclosed in Schedule 4.31, the Vendors and their subsidiaries do not have any unresolved grievances or pending arbitration cases outstanding or serious labour problems relating to the Purchased Businesses or the National Post Business which would have a Material Adverse Effect on any Business Unit or National Post Company.

4.32 Pension and Benefit Plans

(a) Schedule 4.32 sets forth a complete list of the Benefit Plans.

(b) Current and complete copies of all written Benefit Plans or, where oral, written summaries of the material terms thereof, have been provided or made available to CanWest together with current and complete copies of all documents relating to the Benefit Plans, including, as applicable:

(i) the most recent trust agreements and funding agreements;

(ii) the most recent insurance contracts, actuarial valuations, investment management agreements, subscription and participation agreements;

(iii) the most recent financial statements, accounting statements and reports, accounting expense letters and investment reports;

(iv) the most recent annual information returns and material correspondence with any regulatory authority; and

(v) the most recent booklets, summaries, manuals and written communications of a general nature distributed or made available to any Employees or former employees concerning any Benefit Plan.

(c) Each Benefit Plan is, and has been, established, registered (where required), and administered in compliance with (i) the terms thereof, (ii) all Laws and (iii) the Collective Agreements.

(d) There have been no improvements, increases or changes to or promised improvements, increases or changes to the benefits provided under any Benefit Plan which are not contained in the documents provided or made available to CanWest under Section 4.32(b). Except as disclosed in Schedule 4.32, none of the Benefit Plans provide for benefit increases or the acceleration of funding obligations that are contingent upon or will be triggered by the entering into of this Agreement or the completion of the transactions contemplated herein.

(e) All employer or employee payments, contributions and premiums required to be remitted, paid to or in respect of each Benefit Plan have been paid or remitted in a timely fashion in accordance with the terms thereof and all Laws, and no current Taxes, penalties or fees are owing or exigible under any Benefit Plan.

(f) There is no proceeding or Claim (other than routine claims for payment of benefits) pending or to the knowledge of the Vendors threatened, involving any Benefit Plan or their assets or any notice from any person questioning or challenging compliance with the terms of the Benefit Plans, any Laws or the Collective Agreements, nor, to the knowledge of the Vendors is there any investigation by a Governmental Authority and, to the knowledge of the Vendors, no facts exist which could reasonably be expected to give rise to any such proceeding, investigation, Claim (other than routine claims for payment of benefits) or notice.

(g) To the knowledge of the Vendors, no event has occurred respecting any registered Transferring Plan which would result in the revocation of the registration of such Transferring Plan or entitle any person (without the consent of the Vendors) to wind-up or terminate any Transferring Plan, in whole or in part, or which could otherwise reasonably be expected to adversely affect the tax status thereof.

(h) Except as disclosed in Schedule 4.32, there are no going concern unfunded actuarial liabilities or solvency deficiencies respecting any of the Transferring Plans.

(i) Except for changes in the general economic conditions, no material changes have occurred in respect of any Benefit Plans since the date of the most recent financial, accounting, actuarial or other report, as applicable, issued in connection with any Benefit Plan, which could reasonably be expected to adversely affect the relevant report (including rendering it misleading in any material respect).

(j) The Vendors have not received, or applied for, any payment of surplus out of any Transferring Plan.

(k) Except as disclosed in Schedule 4.32, (i) the Vendors have not taken any contribution or premium holidays under any Transferring Plan and, where so disclosed, the Vendors were entitled under the terms of the Transferring Plan, applicable Collective Agreements and under all Laws to take such contribution holidays; and (ii) there have been no improper withdrawals or transfers of assets from any Transferring Plan and where so disclosed such withdrawal or transfer of assets were in accordance with the terms of such Transferring Plan, applicable Collective Agreements and all Laws.

(l) Except for those Benefit Plans identified as such in Schedule 4.32, none of the Benefit Plans is a Union Plan.

(m) To the knowledge of the Vendors, all employee data necessary to administer each Benefit Plan is in the possession of the Vendors and is complete, correct and in a form which is sufficient for the proper administration of the Benefit Plan.

(n) Except as disclosed on Schedule 4.32, none of the Benefit Plans, other than the Pension Plans, provide benefits beyond retirement or other termination of service to Employees or former employees or to the beneficiaries or dependants of such employees.

(o) None of the Benefit Plans require or permit a retroactive increase in premiums or payments.

The Vendors sole obligation or liability to or in respect of any Union Plans is to make monetary contributions to the Union Plans in the amounts and in the manner set forth in the Collective Agreements disclosed to CanWest hereunder.

4.33 Insurance

The Vendors maintain such policies of insurance, issued by responsible insurers, as are appropriate to the Purchased Businesses and the National Post Business, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets. All such policies of insurance are in full force and effect and the Vendors are not in default, as to the payment of premium or otherwise, under the terms of any such policy.

4.34 Material Contracts

Schedule 4.34 sets forth a complete list of the Material Contracts that have not been listed on any other Schedule. The Material Contracts listed in Schedule 4.34 are all in full force and effect unamended and no material default exists under such Material Contracts on the part of the Vendors or, to the knowledge of the Vendors, on the part of any other party to such Material Contracts. To the knowledge of the Vendors, through the Purchased Businesses, the *Canada.com* Business and the National Post Business, the Vendors have the capacity, including the necessary personnel, equipment and supplies, to perform all their obligations under the Material Contracts.

4.35 Copies of Agreements, etc.

Current and complete copies of the Material Contracts have been made available to CanWest and there are no current or pending negotiations with respect to the renewal, repudiation or material amendment of any such agreement, plan or policy.

4.36 Inter-Affiliate Arrangements

Schedule 4.36 sets forth a complete list of all Contracts between and among Ravelston, Hollinger Inc., Hollinger, any Affiliate or subsidiary of Hollinger and the Excluded Businesses relating to the Purchased Businesses and the National Post Business. Except as disclosed on Schedule 4.36, all such Contracts are on reasonable commercial terms that are not less advantageous to any party than if such Contract had been obtained from a Person or company dealing at arm's length with such party. All such Contracts may be terminated by CanWest upon not more than 30 days prior notice without bonus or penalty.

4.37 Section 19 of the Income Tax Act (Canada)

Every issue of a newspaper published as part of the Purchased Businesses or the National Post Business during the period when such businesses have been owned by Hollinger or one of its subsidiaries has qualified as a Canadian issue of a Canadian newspaper, within the meaning of section 19 of the *Income Tax Act* (Canada). Every issue of a periodical published as part of the Purchased Businesses or the National Post Business during the period when such buinesses have been owned by Hollinger or any one of its subsidiaries has qualified as a Canadian issue of a Canadian periodical within the meaning of section 19 of the *Income Tax Act* (Canada) and, for purposes of proposed section 19.01of the *Income Tax Act* (Canada) as contained in the June 5, 2000 Notice of Ways and Means Motion to amend the *Income Tax Act* (Canada), the original editorial content of each such issue of periodicals has been 80% or more of the total non-advertising content in the issue.

4.38 Litigation

Except as disclosed in Schedule 4.38, there is no suit, action, litigation, investigation, Claim, complaint, grievance or proceeding, including appeals and applications for review, in progress, or, to the knowledge of Hollinger, the Vendors or any of their subsidiaries, pending or threatened against or relating to Hollinger, the Vendors or any of their subsidiaries before any court, Governmental Authority, commission, board, bureau, agency or arbitration panel which, if determined adversely to Hollinger, the Vendors or any of their subsidiaries, would,

(a) have a Material Adverse Effect on the Purchased Businesses or the National Post Business,

(b) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Assets, Purchased Shares or Purchased National Post Company Interest as contemplated by this Agreement, or

(c) prevent Hollinger, the Vendors or any of their subsidiaries from fulfilling all of their obligations set out in this Agreement or arising from this Agreement,

and Hollinger, the Vendors and their subsidiaries have no knowledge of any existing ground on which any such action, suit, litigation or proceeding might be commenced with any reasonable likelihood of success. Except as disclosed in such Schedule 4.38, there is not presently outstanding against Hollinger, the Vendors or any of their subsidiaries, any judgment, decree, injunction, rule or order of any court, Governmental Authority, commission, board, bureau, agency or arbitrator with respect to the Purchased Business or the National Post Business.

4.39 Tax Matters

(a) No failure, if any, of the Vendors to duly and timely pay all Taxes, including instalments on account of Taxes for the current year that are due and payable by it, will result in an Encumbrance on the Purchased Assets.

(b) There are no actions, suits, proceedings, investigations, audits or claims now pending or, to the knowledge of the Vendors, threatened against the Vendors in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Authority relating to Taxes, which will result in an Encumbrance on the Purchased Assets.

(c) The Vendors have duly and timely withheld from any amount paid or credited by them to or for the account or benefit of any Person, including any Employees, officers or directors and any non-resident person, the amount of all Taxes and other deductions required by any Laws to be withheld from any amount and have duly and timely remitted the same to the appropriate Governmental Authority.

4.40 Books and Records

All Books and Records have been made available to CanWest. Such Books and Records fairly and correctly set out and disclose in all material respects the financial position of the Purchased Businesses and all material financial transactions relating to the Purchased Businesses have been accurately recorded in such Books and Records. The Vendors have made available to CanWest all books and records of the Vendors relating to the National Post Business. Such books and records fairly and correctly set out and disclose in all material respects the financial position of the National Post Business and all financial transactions relating to the National Post Business have been accurately recorded in such books and records.

4.41 Management Recommendation Letters

All management recommendation letters received by the Vendors or their boards of directors from the Hollinger Auditor during the last 3 years, relating to the Purchased Businesses or the National Post Business owned by Hollinger or its Affiliates at the relevant request dates have been made available to CanWest.

4.42 Trade Allowances

No customers of the Purchased Businesses or the National Post Business are entitled to or customarily receive discounts, allowances, volume rebates or similar reductions in price or other trade terms arising from any agreements or understandings (whether written or oral) with or concessions granted to any customer except as are consistent with industry practice. Schedule 4.42 also includes a summary of all marketing and pricing policies, including promotions and trade allowances, relating to the Purchased Businesses or the National Post Business which are currently in effect or which have been in effect during any of the last 3 years.

4.43 Third Party Consents

Schedule 4.43 sets out a complete list of all notifications, approvals and consents required to be obtained by the Vendors in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement, except where the failure to obtain such consent would not have a Material Adverse Effect.

4.44 Location of the Assets

Except as disclosed on Schedule 4.44, all of the Purchased Assets are located on the Real Property or are in transit to or from the Real Property.

4.45 Sufficiency of Assets

The Purchased Assets together with the Management Services Agreement, the National Post Affiliation/Services Agreement and the agreements contemplated by Section 9.30 are sufficient for the continued operation of the Purchased Businesses and the National Post Business after the Closing Date in the manner in which the Purchased Businesses and the National Post Business were operated prior to the Closing Date.

4.46 No Broker

The Vendors have carried on all negotiations relating to this Agreement and the transactions contemplated in this Agreement directly and without intervention on its behalf of any other party, other than Morgan Stanley Co. Incorporated and CIBC World Markets Inc., in such manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment. The Vendors shall be solely responsible for the fees and expenses of Morgan Stanley

Co. Incorporated and CIBC World Markets Inc. with respect to their engagement by the Vendors.

4.47 Share Ownership

None of the Vendors or any of its Affiliates owns any securities of CanWest.

4.48 Full Disclosure

All information which has been made available to CanWest by Hollinger and the Vendors relating to the Purchased Businesses and the National Post Business is true and correct in all material respects and does not omit to state any material fact or facts necessary to make such information not misleading.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF CANWEST

CanWest hereby represents and warrants to the Vendors the matters set out below on the basis that those representations and warranties which are qualified by "Material Adverse Effect", "material", "in all material respects" and words or phrases of similar import, are true and correct and any other representations and warranties which are not qualified by "Material Adverse Effect", "material", "in all material respects" and words and phrases of similar import are true and correct in all material respects, in all cases as at the date hereof.

5.1 Due Authorization

CanWest has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated under this Agreement have been or will be by Closing duly authorized by all necessary corporate action of CanWest.

5.2 Enforceability of Obligations

This Agreement constitutes a valid and binding obligation of CanWest enforceable against it in accordance with the terms of this Agreement.

5.3 Investment Canada

CanWest is Canadian within the meaning of the *Investment Canada Act* (Canada).

5.4 Litigation

There is no suit, action, litigation, investigation, claim, complaint or proceeding before any Governmental Authority in progress or, to the knowledge of CanWest, pending or threatened against or relating to CanWest, which, if determined adversely to CanWest, would:

(a) prevent CanWest from paying the Purchase Price to the Vendors;

(b) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Assets, Purchased Shares or Purchased National Post Company Interest as contemplated by this Agreement; or

(c) prevent CanWest from fulfilling all of its obligations set out in this Agreement or arising from this Agreement,

and CanWest has no knowledge of any existing ground on which any such action, suit, litigation or proceeding might be commenced with any reasonable likelihood of success.

5.5 No Broker

CanWest has carried on all negotiations relating to this Agreement and the transactions contemplated in this Agreement directly and without the intervention on its behalf of any other party, other than CIBC World Markets Inc., in such manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment. CanWest shall be solely responsible for the fees and expenses of CIBC World Markets Inc. with respect to its engagement by CanWest.

5.6 CanWest Disclosure Record

The documents constituting the CanWest Disclosure Record, when filed with the Securities Commissions, conformed in all material respects with the requirements of Applicable Securities Laws and none of those documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

5.7 Absence of Changes

Neither CanWest nor any of its subsidiaries has sustained since the date of the CanWest Financial Statements any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the CanWest Disclosure Record or as would not individually or in the aggregate result in a Material Adverse Effect on CanWest and its subsidiaries taken as a whole.

5.8 Title to Property

Except as disclosed in Schedule 5.8 or as contemplated by this Agreement as required by the senior secured credit facilities ((“Senior Secured Facility”) to finance this transaction, CanWest and/or its subsidiaries has good and marketable title in fee simple to all real property which it owns and good title to all personal property which it owns, in each case that is material to the business of CanWest and its subsidiaries, taken as a whole, free and clear of all liens, Encumbrances and defects except such as are described in the CanWest Disclosure Record, non-material commercial mortgages or similar financings entered into in the ordinary and usual course of business, or such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by CanWest and its subsidiaries; and any real property or building that is material to the business of CanWest and its subsidiaries, taken as a whole, is either owned (wholly or in part) or is held under lease by CanWest or one of its subsidiaries and, where leased, is held by it under a valid, subsisting and enforceable lease with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by CanWest and its subsidiaries.

5.9 Incorporation and Registration

CanWest has been duly continued and is validly existing as a corporation under the federal laws of Canada, with power and authority (corporate or other) to own its properties and conduct its business as described in the CanWest Disclosure Record; CanWest and each CanWest Material Subsidiary has been duly qualified as an extra-provincial or foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no liability or disability by reason of the failure to be so qualified in any such jurisdiction that is material to CanWest and its subsidiaries, taken as a whole; and each CanWest Material Subsidiary has been duly incorporated, amalgamated, organized, continued or formed and is validly existing in good standing under the laws of its jurisdiction of incorporation, amalgamation, organization, continuance or formation, as the case may be, which jurisdiction is set forth under Column 3 of Schedule 5.9.

5.10 Capitalization

The authorized capital of CanWest consists of an unlimited number of Multiple Voting Shares, an unlimited number of Subordinate Voting Shares, an unlimited number of Non-Voting Shares and an unlimited number of Preference Shares, issuable in series, and all of the issued shares in the capital of CanWest have been duly and validly authorized and issued and are outstanding as fully paid and non-assessable and as of July 27, 2000, 78,040,908 Multiple Voting Shares, 69,131,115 Subordinate Voting Shares and 2,871,736 Non-Voting Shares were issued and outstanding; and all of the issued shares in the capital of each CanWest Material Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by CanWest in the percentages set forth in Column 2 on Schedule 5.9, free and clear of all liens, encumbrances, equities or claims, except as described in the CanWest Disclosure Record.

5.11 Shares

(a) The Preferred Shares and Non-Voting Shares to be issued to the Vendors pursuant to this Agreement or delivered pursuant to the Concurrent Share Purchase Agreements will be duly authorized as of the Closing Date and, when issued and delivered pursuant to this Agreement and the Concurrent Share Purchase Agreements will, be duly and validly issued and outstanding as fully paid and non-assessable shares in the capital of CanWest.

(b) The transactions contemplated by sections 3.2(a), 3.2(b) and 3.3(b) will result in the acquisition by the Vendors of shares of CanWest which collectively represent not less than 5.68% of the votes attached to CanWest's outstanding share capital and not less than 15.11% of CanWest's aggregate equity on a fully-diluted basis after giving effect to the transactions contemplated by this Agreement, and CanWest agrees that the foregoing shall not be subject to the materiality qualification generally applicable to this Section nor to Sections 8.1(a) and 10.6(c).

5.12 Subordinated Debentures

The Subordinated Debentures to be issued to the Vendors pursuant to this Agreement have been duly authorized and, when issued and delivered pursuant to this Agreement and the CanWest Indenture, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of Subco and entitled to the benefits provided by the CanWest Indenture under which they are to be issued; the CanWest Indenture will, by the Closing Time, have been duly authorized and, when executed and delivered by Subco and the trustee will constitute a valid and legally binding instrument, enforceable against Subco in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equitable principles; and no registration, filing or recording of the CanWest Indenture under the federal laws of Canada or the laws of any province is necessary in order to preserve or protect the validity or enforceability of the CanWest Indenture or the Subordinated Debentures. No Governmental Authorization of or with any Governmental Authorities is required to effect payments of principal of, premium, if any, and interest on the Subordinated Debentures.

5.13 Absence of Conflicts

Neither CanWest nor any of its subsidiaries is (a) in violation of its constating documents or (b) in default in the performance or observance of any obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except as would not result in a Material Adverse Effect on CanWest and its subsidiaries taken as a whole. The issue and sale of the CanWest Securities and the compliance by CanWest with all of the provisions of the CanWest Securities, the CanWest Indenture and this Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which CanWest or any of the CanWest Material Subsidiaries is a party or by which CanWest or any of the CanWest Material Subsidiaries is bound or to which any of the property or assets of CanWest or any of the CanWest Material Subsidiaries is subject, nor will such action result in any violation of the provisions of the Articles of Incorporation or by-laws of CanWest (as amended) or any statute or any order, rule or regulation of any Governmental Authorities having jurisdiction over CanWest or any of the CanWest Material Subsidiaries or any of their properties except for the current loan agreements of CanWest which will be terminated and replaced on the Closing Date with the Senior Secured Facility, any conflict, breach, violation or default which would not result in a Material Adverse Effect on CanWest and its subsidiaries taken as a whole; and no authorization, approval, order, consent, license or permit of or filing with any such Governmental Authorities is required on the part of CanWest in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement, including the issue and sale of the CanWest Securities, the payment of principal of, premium, if any, and interest on the Subordinated Debentures and the consummation by CanWest of the transactions contemplated by the CanWest Indenture, other than Competition Act Approval, the approval of The Toronto Stock Exchange and the filing by CanWest with the Ontario Securities Commission, within 10 days of the Closing Date, of two copies of a Form 45-501 prepared in accordance with applicable securities laws together with the prescribed fee.

5.14 Legal Proceedings

Other than as set forth in the CanWest Disclosure Record, there are no legal or governmental proceedings pending to which CanWest or any of its subsidiaries is a party or to which any property of CanWest or any of its subsidiaries is subject which, if determined adversely to CanWest or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect on CanWest and its subsidiaries taken as a whole, and to CanWest's knowledge, no such proceedings are threatened by any Governmental Authorities or threatened by others.

5.15 Government Licenses

CanWest and each of its subsidiaries have all licenses, franchises, permits, authorizations, approvals and orders and other concessions (collectively, "Governmental Licenses") of and from the CRTC and other Governmental Authorities that are necessary to own, lease, license and use their properties and conduct their businesses as described in the CanWest Disclosure Record including their television broadcasting undertakings except where the failure to have such Governmental License would not constitute a Material Adverse Effect on CanWest and its subsidiaries, taken as a whole; CanWest and its subsidiaries are in material compliance with the terms and conditions of all such Governmental Licenses; all of the Governmental Licenses are valid and in full force and effect except as would not have a Material Adverse Effect on CanWest and its subsidiaries, taken as a whole; and neither CanWest nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavourable decision, ruling or finding, would result in a Material Adverse Effect on CanWest and its subsidiaries taken as a whole.

5.16 CanWest Financial Statements

The CanWest Financial Statements, together with any notes, included or incorporated by reference in the CanWest Disclosure Record, present fairly the consolidated financial position of CanWest and its subsidiaries as of the dates indicated therein and the consolidated results of operations and changes in financial position of CanWest and its subsidiaries for the periods specified. Such financial statements were prepared in accordance with generally accepted accounting principles, in each case applied on a consistent basis throughout the periods involved.

5.17 Intellectual Property

CanWest and its subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), Trademarks, service marks, trade names or other intellectual property (collectively, "CanWest Intellectual Property") necessary to carry on the business now operated by them, and neither CanWest nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any CanWest Intellectual Property or of any facts or circumstances which would render any CanWest Intellectual Property invalid or inadequate to protect the interest of CanWest or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavourable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect on CanWest and its subsidiaries taken as a whole.

5.18 Employee Matters

No labour dispute with the employees of CanWest or any subsidiary exists or, to the knowledge of CanWest, is imminent, and CanWest is not aware of any existing or imminent labour disturbance by the employees of any of its or any subsidiary's principal suppliers, manufacturers, customers or contractors, which, in either case, may reasonably be expected to result in a Material Adverse Effect on CanWest and its subsidiaries taken as a whole.

5.19 Section 19 of the Income Tax Act

CanWest qualifies as a Person of the kind described in paragraph (e) of the definition of "Canadian newspaper or periodical" contained in section 19 of the *Income Tax Act* (Canada) and interpreted in accordance with that act and related promulgations.

5.20 Environmental Compliance

To the knowledge of CanWest, except as disclosed in the CanWest Disclosure Record and except as would not individually or in the aggregate have a Material Adverse Effect on CanWest and its subsidiaries taken as a whole, (A) CanWest and its subsidiaries are in material compliance with all applicable Environmental Laws, (B) CanWest and its subsidiaries have permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance in all material respects with their requirements, (C) there are no pending or threatened Claims against CanWest or its subsidiaries in respect of Environmental Laws, and (D) there are no conditions with respect to any property or operations of CanWest or its subsidiaries that could reasonably be expected to form the basis of a Claim against CanWest or its subsidiaries relating to Environmental Laws.

ARTICLE 6
NON-WAIVER; SURVIVAL

6.1 Non-Waiver

(a) No investigations made by or on behalf of CanWest at any time shall have the effect of waiving, diminishing the scope or otherwise affecting any representation or warranty made by the Vendors in or pursuant to this Agreement. No waiver of any condition or other provisions, in whole or in part, shall constitute as a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(b) No investigations made by or on behalf of the Vendors at any time shall have the effect of waiving, diminishing the scope or otherwise affecting any representation or warranty made by CanWest in or pursuant to this Agreement. No waiver of any condition or other provisions, in whole or in part, shall constitute as a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

6.2 Nature and Survival

(a) Subject to Subsection 6.2(b), all representations, warranties and covenants contained in this Agreement on the part of each of the Parties shall survive the Closing, the execution and delivery under this Agreement of any share or security transfer instruments or other documents of title to any of the Purchased Shares, Purchased Debt or Purchased National Post Company Interest and the payment of the consideration for the Purchased Shares, Purchased Debt or Purchased National Post Company Interest.

(b) Representations and warranties concerning environmental matters set out in Sections 4.29 and 5.20, shall survive indefinitely. Representations and warranties concerning tax matters set out in Section 4.39 shall survive for a period of one hundred and eighty days after the relevant authorities shall no longer be entitled to assess liability for tax against the Vendors for any particular taxation year ended on or prior to or that includes the Closing Date, having regard, without limitation, to any waivers given by the Vendors in respect of any such taxation year. All other representations and warranties shall only survive until June 30, 2003. If no written Claim shall have been made under this Agreement against a Party for any incorrectness in or breach of any representation or warranty made in this Agreement prior to the expiry of these survival periods, such Party shall have no further liability under this Agreement with respect to such representation or warranty.

(c) Notwithstanding the limitations set out in Subsection 6.2(b), any Claim which is based upon title to the Purchased Assets, the Purchased Shares, the Purchased National Post Company Interest, the CanWest Securities, intentional misrepresentation or fraud may be brought at any time.

ARTICLE 7
CANWEST'S CONDITIONS PRECEDENT

7.1 Conditions Precedent

The obligation of CanWest to complete the purchase of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of CanWest and may be waived by it in whole or in part):

(a) **Truth and Accuracy of Representations of Vendors at the Closing Time** – The representations and warranties of the Vendors made in or pursuant to this Agreement which are qualified by "Material Adverse Effect", "material", "in all material respects" and words or phrases of similar import, shall be true and correct and any other representations and warranties which are not qualified by "Material Adverse Effect", "material", "in all material respects" and words and phrases of similar import shall be true and correct in all material respects, in all cases as at the Closing Time and with the same effect as if made at and as of the Closing Time (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement) and CanWest shall have received a certificate from the President, Chief Executive Officer of Hollinger, confirming, to his knowledge the truth and correctness of the representations and warranties of the Vendors.

(b) **Performance of Obligations** - The Vendors shall have performed or complied with, in all material respects, all their obligations, covenants and agreements under this Agreement.

(c) **Receipt of Closing Documentation** - All documentation relating to the due authorization and completion of the Reorganization in accordance with the terms of this Agreement and the sale and purchase of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Vendors of their obligations under this Agreement, shall be satisfactory to CanWest, acting reasonably, and CanWest shall have received copies of all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement and the taking of all corporate proceedings in connection with such transactions in compliance with these conditions, in form (as to certification and otherwise) and substance satisfactory to CanWest.

(d) **Opinion of Counsel for Vendor** - CanWest and the lenders to CanWest shall have received an opinion dated the Closing Date from counsel for the Vendors, Torys and local counsel in relevant jurisdictions on terms usual and customary for transactions of this nature and otherwise reasonably satisfactory to CanWest.

(e) **Consents to Assignment** - Subject to Section 2.8, all consents or approvals from or notifications to any landlord, lessor or other person required under the terms of any of the Material Contracts with respect to the assignment of such Material Contracts to NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be, shall have been duly obtained or given, as the case may be, on or before the Closing Time.

(f) **Consents, Authorizations and Registrations** - All consents, approvals, orders and authorizations of any person (or registrations, declarations, filings or recordings with any such authorities), required in connection with the completion of any of the transactions contemplated by this Agreement (other than with respect to the Pension Plans or Benefit Plans), the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement, including (i) Competition Act Approval, (ii) approval of The Toronto Stock Exchange, (iii) approval of the shareholders of CanWest, if required, (iv) all clearance certificates required pursuant to any applicable retail sales tax legislation and (v) a Purchase Certificate from the Workplace Safety and Insurance Board (Ontario) and equivalent certificates in the other provinces of Canada shall have been obtained at or before the Closing Time.

(g) **Material Adverse Change** – There shall have been no material adverse change in the financial condition, business, assets, or prospects of the Purchased Businesses or the National Post Business, whether or not as a result of the transactions contemplated by this Agreement.

(h) **No Proceedings** - There shall be no injunction or restraining order issued preventing, and no pending or threatened claim, action, litigation or proceeding, judicial or administrative or investigation against any Party by any Person, for the purpose of enjoining or preventing the consummation of the transactions contemplated in this Agreement or otherwise claiming that this Agreement or the consummation thereof is improper or would give rise to proceedings under any statute or rule of law.

(i) **Encumbrances** - CanWest shall have received evidence satisfactory to it that all Encumbrances other than Permitted Encumbrances have been discharged and that the Purchased Assets are free and clear of all Encumbrances other than Permitted Encumbrances in each case other than any Encumbrances which CanWest has agreed in writing need not be discharged by Closing.

(j) **Non-Competition** - Ravelston, Hollinger Inc., Hollinger, Conrad Black, David Radler, Jack Boultbee and Peter Atkinson shall each have executed and delivered a Non-competition Agreement.

(k) **Actual Possession** - The Vendors shall have delivered actual possession of the Print News Media Assets, Central Services Assets and *Canada.com* Assets to NewsMediaCo, Central Services Company and *Canada.com* Company respectively.

(l) **Releases** - The Vendors shall have released the Transferred Employees, from and after the Closing Date in respect of the Southam Employees, and from and after December 31, 2000 in respect of the Newspaper Partnership Employees, from any confidentiality agreements with the Vendors except to the extent that these have been assigned to NewsMediaCo, Central Services Company or *Canada.com* Company.

(m) **Real Estate Title Work** - CanWest shall have received from its counsel, title opinions relating to the Owned Real Property and such opinions shall not have disclosed any matter which constitutes a Material Adverse Effect on any Business Unit or National Post Company.

(n) **Directors and Officers** - The Board of Directors of NewsMediaCo Holdco, Central Services Company Holdco and *Canada.com* Company Holdco at the Closing Time shall consist of individuals nominated by CanWest and there shall have been delivered to CanWest on or before the Closing Time the resignations of all individuals who are prior to the Closing Time directors or officers of NewsMediaCo Holdco, Central Services Company Holdco and *Canada.com* Company Holdco (except to the extent that the Vendors shall have been notified to the contrary by CanWest) and duly executed comprehensive releases from each such individual and from the Vendors of all their claims, respectively, against NewsMediaCo Holdco, Central Services Company Holdco and *Canada.com* Company Holdco.

(o) **Management Services Agreement** – Ravelston shall have executed and delivered the Management Services Agreement.

(p) **National Post Shareholders Agreement** – Southam shall have executed and delivered the National Post Shareholders Agreement.

(q) **National Post Affiliation/Services Agreement** –National Post Company shall have executed and delivered the National Post Affiliation/Services Agreement.

(r) **Employee Interim Services Agreement** – Newspapers Partnership, HCN Publications and NewsMediaCo shall have executed and delivered the Employee Interim Services Agreement.

(s) **Bank Financing** – The lenders to CanWest shall not have exercised their right to terminate their commitment to provide credit facilities to CanWest as a result of:

(i) there having occurred and be continuing a material adverse change in the financial, banking or capital markets generally that prevents or makes impractical funding or syndication of the credit facility to be provided to CanWest; or

(ii) there being:

(A) any suspension or limitation of trading in securities generally on the Toronto or New York Stock Exchanges, or any setting of minimum prices for trading on such exchange;

(B) any banking moratorium declared by Canadian Federal, U.S. Federal or New York authorities;

(C) any outbreak or escalation of major hostilities in which Canada or the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency; or

(D) any other material adverse change in bank or capital market conditions;

provided that, in the case of circumstances specified in clauses (C) or (D), that has had and continues to have a material adverse effect on the syndication of the credit facilities to be provided to CanWest or the consummation of a high yield offering by CanWest generally.

(t) **Pension and Employee Benefit Plans Agreement** – The Vendors and Hollinger shall have executed and delivered the Pension and Employee Benefit Plans Agreement.

(u) **Non-Competition Agreements** – Ravelston, Hollinger Inc., Hollinger, Conrad Black, David Radler, Jack Boultbee and Peter Atkinson shall have executed and delivered a Non-Competition Agreement.

7.2 Consequences of a Failure to Satisfy Conditions Precedent

If any of the foregoing conditions in this Article has not been fulfilled by Closing, CanWest may terminate this Agreement by notice in writing to the Vendors, in which event CanWest is released from all obligations under this Agreement, and unless CanWest can show that the condition relied upon could reasonably have been performed by the Vendors, the Vendors are also released from all obligations under this Agreement, provided that, in respect of the conditions specified in Sections 7.1(a), (b), (e) and (i), unless the breach results in a Material Adverse Effect on the Purchased Businesses or the National Post Business, CanWest will be required to complete the purchase of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement notwithstanding the breach of any representation and warranty, the failure on the part of the Vendors with respect to any of its covenants or the failure on the part of the Vendors to obtain all consents or approvals and CanWest shall have recourse only to a claim for damages in such event. Any such damages once agreed to or determined by an arbitrator pursuant to this Agreement may, at CanWest's option, reduce the principal amount of the Subordinate Debentures. At CanWest's option, if the breach constitutes a Material Adverse Effect in respect of a Business Unit, in lieu of a claim for damages CanWest may elect not to acquire any of the assets of the Business Unit which are the subject matter of the breach and the Purchase Price shall be reduced accordingly. However, CanWest may waive compliance with any condition in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition, in whole or in part, or to its rights to recover damages for the breach of any representation, warranty, covenant or condition contained in this Agreement.

ARTICLE 8
VENDORS' CONDITIONS PRECEDENT

8.1 Conditions Precedent

The obligations of the Vendors to complete the sale of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement shall be subject to the satisfaction of or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of the Vendors and may be waived by it in whole or in part):

(a) **Truth and Accuracy of Representations of CanWest at Closing Time** – The representations and warranties of CanWest made in or pursuant to this Agreement which are qualified by "Material Adverse Effect", "material", "in all material respects" and words or phrases of similar import, shall be true and correct and any other representations and warranties which are not qualified by "Material Adverse Effect", "material", "in all material respects" and words and phrases of similar import shall be true and correct in all material respects, in all cases as at the Closing Time and with the same effect as if made at and as of the Closing Time (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement) and the Vendors shall have received a certificate from the President, Chief Executive Officer or General Counsel of CanWest confirming to his knowledge the truth and correctness of such representations and warranties.

(b) **Performance of Obligations** - CanWest shall have performed or complied with, in all material respects, all its obligations, covenants and agreements under this Agreement.

(c) **Receipt of Closing Documentation** - All documentation relating to the due authorization and completion of the sale and purchase of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement and all actions and proceedings taken on or prior to the Closing in connection with the performance by CanWest of its obligations under this Agreement, shall be satisfactory to the Vendors, acting reasonably, and the Vendors shall have received copies of all such documentation or other evidence as they may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement and the taking of all corporate proceedings in connection with such transactions in compliance with these conditions, in form (as to certification and otherwise) and substance satisfactory to the Vendors.

(d) **Opinion of Counsel for CanWest** - The Vendors shall have received an opinion dated the Closing Date, from counsel for CanWest, Osler, Hoskin & Harcourt LLP, on terms usual and customary for transactions of this nature and otherwise reasonably satisfactory to the Vendors.

(e) **Consents, Authorizations and Registrations** - All consents, approvals, orders and authorizations of any person (or registrations, declarations, filings or recordings with any such authorities), required in connection with the completion of any of the transactions contemplated by this Agreement (other than with respect to the Pension Plans or Benefit Plans), the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement, including (i) Competition Act Approval, (ii) approval of the The Toronto Stock Exchange, and (iii) approval of the shareholders of CanWest, if required, shall have been obtained at or before the Closing Time.

(f) **No Proceedings** - There shall be no injunction or restraining order issued preventing, and no pending or threatened claim, action, litigation or proceeding, judicial or administrative or investigation against any Party by any person, for the purpose of enjoining or preventing the consummation of the transactions contemplated in this Agreement or otherwise claiming that this Agreement or the consummation thereof is improper or would give rise to proceedings under any statute or rule of law.

(g) **Material Adverse Change** - There shall have been no material adverse change in the financial condition, business, assets or prospects of CanWest and its subsidiaries taken as a whole whether or not as a result of the transactions contemplated by this Agreement.

(h) **Management Services Agreement** - CanWest shall have executed and delivered the Management Services Agreement.

(i) **National Post Shareholders Agreement** - CanWest shall have executed and delivered the National Post Shareholders Agreement.

(j) **National Post Affiliation/Services Agreement** - CanWest shall have executed and delivered the National Post Affiliation/Services Agreement.

(k) **Registration Rights Agreement** - CanWest shall have executed and delivered the Registration Rights Agreement.

(l) **Pension and Employee Benefit Plans Agreement** – CanWest shall have executed and delivered the Pension and Employee Benefit Plans Agreement.

(m) **CanWest Indenture** – CanWest and the trustee under the CanWest Indenture shall have entered into the CanWest Indenture.

(n) **CanWest Financing** – The Vendors shall have been permitted to review all closing documentation relating to the financings by CanWest used to partially fund the Purchase Price.

8.2 Consequences of Failure to Satisfy Conditions Precedent

If any of the foregoing conditions in this Article has not been fulfilled by Closing, the Vendors may terminate this Agreement by notice in writing to CanWest, in which event the Vendors are released from all obligations under this Agreement, and unless the Vendors can show that the condition relied upon could reasonably have been performed by CanWest, CanWest is also released from all obligations under this Agreement provided that, in respect of the conditions specified in Sections 8.1(a) and (b), unless the breach results in a Material Adverse Effect on CanWest, the Vendors will be required to complete the sale of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement notwithstanding the breach of any representation and warranty or the failure on the part of CanWest with respect to any of its covenants and shall have recourse only to a claim for damages in such event. Any such damages once agreed to or determined by an arbitrator pursuant to this Agreement may be used, at the Vendors' option, to increase the amount of the Subordinated Debentures. However, the Vendors may waive compliance with any condition in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition in whole or in part or to its rights to recover damages for the breach of any representation, warranty, covenant or condition contained in this Agreement.

ARTICLE 9
OTHER COVENANTS OF THE PARTIES

9.1 Conduct of Purchased Businesses Prior to Closing

During the period from the date of this Agreement to the Closing Time:

(a) **Conduct Business in the Ordinary Course** - Except as otherwise contemplated or permitted by this Agreement, the Vendors shall conduct the Purchased Businesses and the National Post Business in the usual and ordinary manner and use all reasonable efforts to maintain good relations with their respective employees, customers and suppliers. During this period, the Vendors shall not make any commitment with respect to the acquisition or disposition of any asset comprising part of the Purchased Assets or enter into, amend or cancel any Material Contract without the prior written consent of CanWest, in each case other than in the ordinary course of business.

(b) **Extraordinary Transactions** – The Vendors shall not directly or indirectly engage in any transaction, make any loan or enter into any arrangement with any officer, director, partner, shareholder, employee, consultant, independent contractor or agent of any of the Vendors relating to the Purchased Business or the National Post Business except in the ordinary course of business consistent with past custom and practice and existing arrangements.

(c) **Continue Insurance** - The Vendors shall continue in force all policies of insurance maintained by the Vendors in respect of the Purchased Businesses and the National Post Business and give all notices and present claims under all insurance policies in a timely fashion.

(d) **Perform Obligations** - The Vendors shall comply in all material respects with all Laws affecting the operation of the Purchased Businesses or the National Post Business.

(e) **Prevent Certain Changes** - The Vendors shall not, without the prior written consent of CanWest, take any of the actions, do any of the things or perform any of the acts described in Sections 4.14(d) - (k).

(f) **No Marketing Costs** - The Vendors and their subsidiaries shall not make any commitments with respect to charitable donations or marketing (i.e. tickets for sporting and cultural events, etc.) of a nature accounted for prior to the date of this Agreement as a cost of providing the Central Services;

(g) **Approvals** - CanWest shall use all reasonable efforts and diligently pursue, and the Vendors shall co-operate with CanWest and use all reasonable efforts and diligently pursue, obtaining Competition Act Approval.

(h) **Conduct of Union Negotiations** – The Vendors shall consult with CanWest with respect to the conduct of any negotiations with Unions representing Employees between the date of this Agreement and the Closing Date. The Vendors will not enter into any agreement or make any amendments to any agreement with a Union representing Employees of the Purchased Businesses without the prior consent of CanWest.

9.2 Conduct of Purchased Businesses following the Reorganization Date

(a) During the period from the Effective Date to the Closing Time:

(i) NewsMediaCo, Central Services Company and *Canada.com* Company shall not, directly or indirectly, declare or pay any dividends or declare or make any other payments or distributions on or in respect of any of its shares and shall not, directly or indirectly, purchase or otherwise acquire any of its shares; and

(ii) the Vendors and their subsidiaries shall allocate to the Business Units the costs of the Central Services to the Business Units and shall collect from the Business Units the costs of the Central Services in each case consistent with prior practice.

(b) Prior to the Effective Date, the Vendors shall cause National Post Company to make offers of employment to the Southam Employees identified on Schedule 9.2(b) and assume other costs (which together shall represent an annual cost of at least $3 million) on terms and conditions of employment, including salary, incentive compensation and benefits, substantially similar in the aggregate for each such Employee to the current terms and conditions of employment of such Employee.

9.3 Access for Investigation by CanWest

(a) The Vendors shall permit CanWest and its representatives, between the date of this Agreement and the Closing Time, without interference to the ordinary conduct of the Purchased Businesses or the National Post Business, to have reasonable access during normal business hours to (i) all locations where Books and Records or other material relevant to the Purchased Businesses or the National Post Business is stored; (ii) to all the Books and Records; (iii) to the properties and assets used in the Purchased Businesses or the National Post Business (which shall exclude invasive testing at the properties); and (iv) to senior employees of the Vendors. The Vendors shall furnish to CanWest copies of Books and Records (subject to any confidentiality agreements or covenants relating to any such Books and Records) as CanWest shall from time to time reasonably request to enable confirmation of the matters warranted in Article 4.

Without limiting the generality of the foregoing, it is agreed that the accounting representatives of CanWest shall be afforded reasonable opportunity to make a full investigation of all aspects of the financial affairs of the Vendors in connection with the Purchased Businesses and the National Post Business.

(b) Notwithstanding Subsection 9.3(a), the Vendors shall not be required to disclose any information, records, files or other data to CanWest where prohibited by any law. If any consent of any person or Governmental Authority is required to permit the Vendors to release any information to CanWest, the Vendors shall make all reasonable effort to obtain such consent.

(c) The Vendors shall forthwith, upon request by CanWest or CanWest's Counsel, execute and deliver to CanWest all necessary consents to permit CanWest to have existing records released to CanWest by the municipal building and zoning department, fire department, public works, environmental agencies, the elevator inspections branch of the provincial department of labour and other appropriate authorities as CanWest may consider advisable between the date of this Agreement and Closing. Such consents will authorize and direct the release of information to CanWest but, for greater certainty, will not permit CanWest to request that inspections be made by such Governmental Authorities.

9.4 Access for Investigation by the Vendors

(a) CanWest shall permit the Vendors and their representatives, between the date of this Agreement and the Closing Time, without interference to the ordinary conduct of the business of CanWest, to have reasonable access during normal business hours to (i) the properties and assets used in its business (which shall exclude invasive testing at the properties); and (ii) to senior employees of CanWest. CanWest shall furnish to the Vendors such information (subject to any confidentiality agreements or covenants relating to any such Books and Records) as the Vendors shall from time to time reasonably request to enable confirmation of the matters warranted in Article 5.

Without limiting the generality of the foregoing, it is agreed that the accounting representatives of the Vendors shall be afforded reasonable opportunity to make a full investigation of all aspects of the financial affairs of CanWest.

(b) Notwithstanding Subsection 9.4(a), CanWest shall not be required to disclose any information, records, files or other data to the Vendors where prohibited by any law. If any consent of any person or Governmental Authority is required to permit CanWest to release any information to the Vendors, CanWest shall make all reasonable effort to obtain such consent.

9.5 Actions to Satisfy Closing Conditions

Each of the Parties agrees to take all such commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in Articles 7, 8 or 9 which are for the benefit of any other Party.

9.6 Change Vendor's Name

Forthwith following the completion of the purchase and sale of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement, Southam shall discontinue use of the name "Southam", except where legally required to identify Southam until its name has been changed to another name. Southam shall deliver at Closing articles of amendment to change the corporate name of Southam and any Affiliate using the name "Southam" to another name not including the word "Southam" and otherwise not confusingly similar to its present name and its consent to the use of the name "Southam" by an Affiliate of CanWest. Southam shall file such articles of amendment with Industry Canada immediately following the Closing. In addition, Southam shall take all necessary steps to cause each of its Affiliates whose corporate name includes the name of one of the publications or Business Units included among the Purchased Assets to change, forthwith following the Closing, its corporate name to another name not containing the name of any of the publications or Business Units included among the Purchased Assets.

9.7 Change Name of Purchased Companies

Forthwith following the completion of the purchase and sale of the Purchased Shares, Purchased Debt and Purchased National Post Company Interest under this Agreement, CanWest shall cause any company acquired by CanWest to discontinue use of the name "Hollinger", except where legally required to identify such company until its name has been changed to another name. CanWest shall deliver at closing articles of amendment to change the corporate name of any company using the name "Hollinger" to another name not including the word "Hollinger". CanWest shall file such articles of amendment with Industry Canada immediately following the Closing.

9.8 Employees

(a) At Closing, Newspapers Partnership and HCN Publications shall enter into an Employee Interim Services Agreement with NewsMediaCo covering the supply of employee services from the Newspaper Partnership Employees from the Closing Date to December 31, 2000.

(b) On the Closing Date, NewsMediaCo shall become the successor employer under the Collective Agreements governing Newspaper Partnership Employees and shall be bound by and comply with the terms of such Collective Agreements effective January 1, 2001.

(c) On the Closing Date, NewsMediaCo shall become the successor employer under the Collective Agreements governing Southam Employees and shall be bound by and comply with the terms of such Collective Agreements effective the Closing Date.

(d) The Vendors shall cause NewsMediaCo, Central Services Company or *Canada.com* Company to offer employment, for the Southam Employees effective from the Closing Date and for the Newspaper Partnership Employees effective January 1, 2001, to all Southam Employees and Newspapers Partnership Employees whose terms of employment are not covered by the terms of a current or expired Collective Agreement ("Non-Unionized Employees") on terms and conditions of employment, including salary, incentive compensation and benefits, determined by CanWest which shall be substantially similar in the aggregate for each such Non-Unionized Employee to the current terms and conditions of employment of such Non-Unionized Employees. The Vendors shall cause NewsMediaCo, Central Services Company or *Canada.com* Company to provide CanWest with a copy of its offer of employment to such Non-Unionized Employees. The Vendors and CanWest shall exercise reasonable efforts to persuade such Non-Unionized Employees to accept such offers of employment.

(e) The Vendors shall be responsible for all notice of termination, severance and other obligations to the Employees who do not accept employment with NewsMediaCo, Central Services Company or *Canada.com* Company and the Vendors shall indemnify and save CanWest, NewsMediaCo, Central Services Company and *Canada.com* Company harmless in respect of all such obligations.

(f) The Vendors shall be responsible for and shall indemnify and save CanWest, NewsMediaCo, Central Services Company, National Post Company, *Canada.com* Company and their Affiliates harmless from and against all Claims in connection with any subsequent termination of employment by or on behalf of J. Blair MacKenzie ("MacKenzie") and/or Michael Goldbloom ("Goldbloom") pursuant to the terms of Employment Contracts they have each entered into with Southam Inc. dated December 17, 1992 in the case of MacKenzie and March 25, 1994 in the case of Goldbloom, or any similar contracts which NewsMediaCo, Central Services Company or *Canada.com* Company reasonably determine must be assumed or entered into pursuant to or in connection with the offers of employment set out in Section 9.8(d) of this Agreement or pursuant to any Claims made by, or entitlement of, any Transferred Employee in connection with any subsequent termination of employment pursuant to any change of Control provision under any SERA with, or assumed by, by CanWest, NewsMediaCo, Central Services Company, National Post Company, *Canada.com* Company or their Affiliates or under any supplemental pension arrangement which CanWest, NewsMediaCo, Central Services Company, National Post Company, *Canada.com* Company or their Affiliates reasonably determine must be provided pursuant to or in connection with an offer of employment made pursuant to Section 9.8(d) of this Agreement and which provides for benefits which are substantially similar to the benefits provided under a SERA in the event of a change of control.

(g) For greater certainty, if an Employee ceases within 12 months following the Closing Date to be an Inactive Employee and is able to return to work, the Vendors shall notify CanWest that the Employee is fit to return to work whereupon CanWest shall cause the relevant Purchased Business to offer the Employee employment on substantially the same terms as those currently applicable. In the case of an Inactive Employee who is subject to the terms of a Collective Agreement, CanWest acknowledges that any such Employee will return to work in accordance with the terms of any applicable Collective Agreement.

(h) Notwithstanding any other provision of this Agreement, CanWest will, if requested by the Vendors to accept a transfer of a Vendors' DB Pension Plan, as defined in the Pension and Employee Benefit Plans Agreement, negotiate in good faith in relation to the treatment of such Vendors' DB Pension Plan as a Transferring Pension Plan for the purposes of the Pension and Employee Benefit Plans Agreement, provided that any such inclusion will only be done on the basis that such inclusion will not result in any additional cost to CanWest under this Transaction Agreement or the Pension and Employee Benefit Plans Agreement and provided further that if such plans have an unfunded liability as at the Closing Date on either a going concern or solvency basis as determined in accordance with the actuarial methods and assumptions, applicable to that Vendors' DB Pension Plan determined in accordance with Section 2.2 of the Pension and Employee Benefit Plans Agreement, the Vendors will make, or provide to CanWest funds to enable it to make such additional payments to such Vendors' DB Pension Plans as are necessary to ensure that such plans are fully funded on both a going concern and a solvency basis as at the Closing Date or such later date as the Parties may decide.

9.9 Pension and Other Benefit Plans

CanWest, Hollinger and the Vendors shall enter into the Pension and Employee Benefit Plans Agreement.

9.10 Sales and Transfer Taxes

The Vendors and CanWest agree that NewsMediaCo, Central Services Company and *Canada.com* Company shall pay directly to the appropriate taxing authorities all sales and transfer taxes, registration charges and transfer fees other than the goods and services tax/harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada) payable by it, applicable in respect of the Reorganization in accordance with the terms of the Transfer Agreement, all of which shall be for the account of CanWest.

9.11 Canada Pension Plan and Employment Insurance

The Vendors shall be liable for and shall pay to CanWest an amount equal to the employer contributions to the Canada Pension Plan and the Unemployment Insurance Commission payable by NewsMediaCo, Central Services Company and *Canada.com* Company in respect of Transferred Employees employed by NewsMediaCo, Central Services Company and *Canada.com* Company for the period from the Closing Date to and including December 31, 2000.

9.12 Cash Flow During Interim Period

In the event that the Closing shall be completed as contemplated by this Agreement and the Reorganization Date is after the Effective Date, then (a) the amount of all cash flow after provision for the payment of Taxes in respect of the taxable income associated with such cash flow generated or used in the Purchased Businesses from the Effective Date to the Reorganization Date shall be for the account of CanWest, and (b) the amount of all cash flow generated or used in the Purchased Businesses from the Reorganization Date to the Closing Date (without regard for the provision of Taxes) shall be for the account of CanWest. In the event that the Closing shall be completed as contemplated by this Agreement and the Reorganization Date is on or before the Effective date, then (a) the amount of all cash flow generated or used in the Purchased Businesses from the Effective date to the Closing Date (without regard for the provision of Taxes) shall be for the account of CanWest, and (b) the Vendors shall pay to CanWest an amount equal to the Taxes payable in respect of the taxable income of NewsMediaCo, Central Services Company and Canada.com Company from the period form the Reorganization Date to the Effective Date. The Vendors shall deliver to CanWest within 30 days of the Closing Date a statement of the amounts payable pursuant to this Section 9.12 (the "Cashflow Statement"). In the event that CanWest objects in good faith to any aspect of such statement, CanWest shall so advise the Vendors by delivery to the Vendors of a written notice (the "Cashflow Objection Notice") within 30 days after the delivery to CanWest of the Cashflow Statement. The Cashflow Objection Notice shall set out the reasons for CanWest's objection, as well as the amount under dispute and reasonable details of the calculation of such amount. In the event that the parties agree on a resolution of the dispute set out in the Cashflow Objection Notice, the parties shall confirm this resolution in writing and shall thereafter be bound by such resolution. In the event that the parties are unable to settle any dispute with respect to the Cashflow Statement, within 30 days after the delivery by CanWest to the Vendors of the Cashflow Objection Notice, the dispute shall forthwith be referred to an international accounting firm with no connection to either of the Parties to be chosen by lot as arbitrator. The arbitration shall, except to the extent provided for in this Section 9.12, be conducted in Toronto, in accordance with the Arbitration Procedures. The determination of the arbitrator shall be made within 30 days after the date in which the dispute was referred to it and the determination of the arbitrator shall be final and binding on all parties. The Cashflow Statement shall be adjusted in accordance with the determination of the arbitrator within 5 days after resolution, by agreement of the Parties, of the dispute which was the subject of the Cashflow Objection Notice or, failing such resolution, within 5 days after the final determination of the arbitrator, the Vendors or CanWest, as the case may be, shall pay to the other the amount payable in accordance with this Section 9.12 as a result of such resolution or final determination.

9.13 Preservation of Records

CanWest shall take all reasonable steps to preserve and keep the records of the Vendors and the Purchased Businesses delivered to it in connection with the completion of the transactions contemplated by this Agreement for a period of 6 years from the Closing Date, or for any longer period as may be required by any Law or Governmental Authority, and shall make such records available to the Vendors as may be reasonably required by it. The Vendors acknowledge that CanWest shall not be liable to the Vendors in the event of any accidental destruction of such records, caused otherwise than by the gross negligence of CanWest.

9.14 Litigation Assistance

CanWest shall make available to Hollinger, at Hollinger's expense, and in response to requests from the Vendors acting reasonably, Books and Records and such Transferred Employees who are still employed by CanWest at the time of the request as may be required in connection with the defence of Claims or proceedings against Hollinger and/or its Affiliates relating to the Purchased Businesses, including but not limited to proceedings for damages for libel, contempt, and infringement of Intellectual Property. Upon reasonable request of the Vendors, CanWest will publish in one or more of requested Business Units, at Hollinger's expense, such reasonably requested correction notices, apologies or related statements in connection with the settlement of such proceedings.

9.15 CanWest's Option if Damage, Etc.

(a) The Purchased Assets shall be and remain until Closing at the risk of the Vendors. Pending Closing, the Vendors shall hold all insurance policies and the proceeds thereof in trust for the Parties as their interests may appear.

(b) If the Purchased Assets, or a portion of them are damaged or destroyed or appropriated, expropriated or seized by any Person, on or prior to the Closing Date, the Vendors shall give CanWest notice thereof forthwith after such action comes to its attention and CanWest shall have the option:

(i) to reduce the Purchase Price by an amount equal to the cost of repair or, if appropriated, expropriated, seized, destroyed or damaged beyond repair, by an amount equal to the replacement cost of such assets and to complete the purchase, in which event, the Vendors shall be entitled to all proceeds of insurance and all proceeds and claims relating to the applicable event; or

(ii) to terminate this Agreement by notice in writing to the Vendors but only if such damage, destruction, appropriation, expropriation or seizure constitutes a Material Adverse Effect on the Purchased Businesses and the National Post Business taken as a whole.

9.16 Co-operation of the Parties Regarding Tax Planning

In connection with the implementation of the transactions contemplated by this Agreement including, without limitation, those contemplated by the Reorganization, the Parties agree to cooperate in good faith to accommodate any reasonable tax planning objectives of a Party provided that any such accommodation does not adversely affect the commercial or tax position of any other Party.

9.17 Sale of *Canada.com* Business By CanWest

In the event that CanWest sells or otherwise disposes of (including by way of secondary offering) any or all of the *Canada.com* Business to a third party, other than in the ordinary course of business, between the Closing Date and the third anniversary of the Closing Date, CanWest will pay to the Vendors within 90 days of the closing of such sale, 50% of the amount by which the proceeds to CanWest of such sale, plus any distributions or return of capital from the Closing Date to the date of any such sale, exceed the sum of (a) the purchase price paid by CanWest to the Vendors for the *Canada.com* Assets, (b) any amount invested in the *Canada.com* Business by CanWest since the Closing Date, (c) the costs to CanWest of carrying its investment in the *Canada.com* Business using a rate of return of 9%,(d) any expenses of CanWest incurred in connection with such sale, and (e) Taxes payable in respect of the sale of the interest in question without taking into account any tax shelter or tax deferred opportunity otherwise available to CanWest. The Vendors acknowledge that CanWest may transfer the *Canada.com* Assets into a separate company or limited partnership controlled by CanWest. The Vendors further acknowledge that an initial public offering or private placement of securities from treasury by any corporation owning the *Canada.com* Business will not constitute a sale by CanWest to a third party of any or all of the *Canada.com* Business as contemplated by this Section 9.17. In the event that the proceeds to CanWest of any such sale of any or all of the *Canada.com* Business includes any non-cash consideration, CanWest shall deliver to the Vendors, at its option, either 50% of such non-cash consideration or a certified cheque or bank draft in an amount equal to 50% of the fair market value of such non-cash consideration as determined by an independent investment banking firm.

9.18 Sale of Print News Media Assets by CanWest

In the event that CanWest completes the sale (including by way of secondary offering) of one or more of the Business Units operated by NewsMediaCo to a third party (other than the Vendors) during the period between the Closing Date and the second anniversary of the Closing Date at a price or prices (the "Sale Price") which, in aggregate, exceeds the greater of the portion of the Purchase Price allocated in aggregate to such Business Units in accordance with Section 3.15

and 10 times the EBITDA of such Business Unit for its most recently completed fiscal year (the "Base Price"), CanWest shall pay to the Vendors, within 90 days of the second anniversary of the Closing Date, an amount equal to one-half the amount by which the aggregate Sale Price exceeds such Base Price. For the purpose of this Section 9.18, the Sale Price of any Business Unit shall be the amount of the gross proceeds of sale less (a) any amount invested in the Business Unit by CanWest since the Closing Date, (b) the costs to CanWest of carrying its investment in the Business Unit using a rate of return of 9%, (c) any expenses of CanWest incurred in connection with such sale, and (d) Taxes paid or payable in respect of the sale without taking into account any tax shelter or tax deferred opportunity otherwise available to CanWest. The Vendors acknowledge that an initial public offering or private placement of securities from treasury by any Business Unit will not constitute a sale by CanWest to a third party of the Business Unit as contemplated by this Section 9.18. In the event that the proceeds to CanWest of any such sale of any or all of the Business Units operated by NewsMediaCo includes any non-cash consideration, CanWest shall deliver to the Vendors, at its option, either 50% of such non-cash consideration or a certified cheque or bank draft in an amount equal to 50% of the fair market value of such non-cash consideration as determined by an independent investment banking firm.

9.19 Subordinated Debentures

Hollinger shall cause each of its subsidiaries which holds Subordinated Debentures from time to time not to offer, sell, contract to sell, transfer, assign or otherwise dispose of, directly or indirectly, any Subordinated Debentures for a period of 30 months following the Closing Date. As long as Hollinger and its subsidiaries are the holders of more than 50% of the outstanding aggregate principal amount of Subordinated Debentures, NewsMediaCo shall not incur capital expenditures or capital investments in excess of $75 million per year other than in the normal course of business consistent with past practice without the prior consent of Hollinger. Subject to the foregoing, the Vendors may transfer the Subordinated Debentures to Affiliates of Hollinger.

9.20 Restrictions on Sale of CanWest Stock/Subordinated Debentures

(a) The Vendors acknowledge that the Preferred Shares and Non-Voting Shares delivered to the Vendors in accordance with Section 3.2(a) and (b) will be subject to resale restrictions under applicable securities laws. The Vendors agree to enter into an undertaking, addressed to The Toronto Stock Exchange (the "TSE"), not to dispose of its Preferred Shares or Non-Voting Shares for such period, if any, as may be required by the TSE.

(b) In the event that CanWest proposes to offer debt or equity securities to the public, including as part of a restructuring of outstanding bank indebtedness, the Vendors agree to co-operate in such financing by not selling any securities of CanWest from the date of notice of a proposed financing to the date of closing of such financing, without CanWest's prior written consent which period may not exceed 90 days.

(c) The Vendors agree that they will not:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Preferred Shares or any securities convertible into or exercisable or exchangeable for Preferred Shares, or

(ii) enter into any swap or other arrangement that transfers to another in whole or in part any of the consequences of ownership of the Preferred Shares, whether any such transaction described in clauses 9.20(c)(i) or (ii) is to be settled by delivery of Preferred Shares or such other securities or cash or otherwise, provided that the restrictions in this Section 9.20(c) shall not apply to:

(A) the conversion of the Preferred Shares into Non-Voting Shares in accordance with their terms;

(B) the transfer of Preferred Shares among the Vendors and their Affiliates, provided that any such Affiliate agrees to be bound by the restrictions in this Section 9.20; or

(C) the pledge of Preferred Shares by the Vendors to a North American bank or trust company as security for indebtedness provided that any such bank or trust company agrees to be bound by the restrictions in this Section 9.20.

(d) The Vendors agree that they will not convert any Non-Voting Shares acquired pursuant to the transactions contemplated hereby to Subordinate Voting Shares in accordance with their terms, except immediately prior to the sale of such Non-Voting Shares to a Canadian third party. In no event will the Vendors exercise any of the voting rights attaching to any Subordinate Voting Shares received upon conversion of such Non-Voting Shares.

(e) The Vendors will not sell any Non-Voting Shares acquired pursuant to the transactions contemplated hereby unless the Vendors are entitled to, and upon any sale of such Non-Voting Shares the Vendors shall, convert in accordance with their terms an equivalent proportion of the Preferred Shares held by the Vendors and its Affiliates. Upon any conversion of Preferred Shares in accordance with their terms, the Vendors will sell an equivalent proportion of the Non-Voting Shares acquired pursuant to the transactions contemplated hereby.

9.21 Right of First Refusal on Assets

(a) The Vendors shall not sell, transfer or assign or permit the sale, transfer or assignment of any of the Excluded Assets for cash, other than pursuant to binding agreements of purchase and sale entered into on or before November 30, 2000, during the period ending on the fifth anniversary of the Closing Date unless it has first provided CanWest with a written offer to sell such Excluded Assets to

CanWest in accordance with procedures to be agreed by the Parties prior to Closing. For the purpose of this Section 9.21(a), a sale of assets for cash together with a contemporaneous subscription for securities of the purchaser of such assets shall not be considered to be a sale of assets for cash.

(b) CanWest shall not sell, transfer or assign or permit the sale, transfer or assignment of any of its print media assets, including the Print News Media Assets, for cash during the period ending on the fifth anniversary of the Closing Date unless it has first provided the Vendors with a written offer to sell such assets to the Vendors in accordance with the procedures to be agreed by the Parties prior to Closing. For the purpose of this Section 9.21(b), a sale of assets for cash together with a contemporaneous subscription for securities of the purchaser of such assets shall not be considered to be a sale of assets for cash.

9.22 CanWest Operations Committee

CanWest acknowledges its intention to form an Operations Committee of its board of directors to oversee the Print News Media Business and that it is proposed that the members of such Committee shall include two of the Vendors' nominees and three of CanWest's nominees to the board of directors so long as its equity position is maintained.

9.23 Affiliation Agreements with Hollinger and Purchasers of Excluded Assets

In respect of any newspaper business which constitutes an Excluded Asset, Hollinger will use its reasonable efforts to cause third party purchasers (other than direct competitors of any of the Print News Media Business) from Hollinger or any of its Affiliates of any newspaper business which constitutes an Excluded Asset to enter into an affiliation agreement with CanWest substantially in the form of Schedule 9.23 providing for mutually acceptable ink, paper and other supply arrangements and other Central Services which they may require and providing CanWest, at no additional cost, with complete and non-exclusive access to the Content of such newspaper provided that the negotiation and execution of such affiliation agreements with third party purchasers does not materially impair Hollinger's ability to sell any of the Excluded Assets. Hollinger shall provide reasonable Notice (and in any event no less than 30 days Notice) of the closing of the sale of the Excluded Assets and the termination of the existing affiliations agreement.

9.24 CanWest Financing

The Vendors shall permit CanWest and its representatives to request the assistance of the senior management employees of Southam, Newspapers Partnership or National Post Company to assist with respect to the syndication of CanWest's senior bank credit facilities and any public debt financing to be used for the purpose of partially financing the Purchase Price. In addition, the Vendors shall provide CanWest's lenders and their representatives with the same reasonable access provided to CanWest and its representatives as contemplated by Section 9.3 of this Agreement.

9.25 Consent to Jurisdiction

Each of the Parties irrevocably attorns and submits to the exclusive jurisdiction of any Ontario court sitting in Toronto in any action or proceeding arising out of or related to this Agreement and irrevocably agrees that all Claims in respect of any such action or proceeding may be heard and determined in such Ontario court. Each of the Parties irrevocably waives, to the fullest extent it may effectively do so, the defense of any inconvenient forum to the maintenance of such action or proceeding. CanWest irrevocably appoints Osler, Hoskin & Harcourt LLP (the "CanWest Process Agent"), with an office on the date hereof at Suite 6600, First Canadian Place, Toronto, Ontario, for the attention of Linda D. Robinson as its agent to receive on behalf of it and its property service of copies of the statement of claim and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to CanWest in care of the CanWest Process Agent at the CanWest Process Agent's above address, and CanWest irrevocably authorizes and directs the CanWest Process Agent to accept such service on its behalf. CanWest agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law. Hollinger and the Vendors irrevocably appoint Torys (the "Vendors' Process Agent"), with an office on the date hereof at 79 Wellington Street West, Toronto, Ontario, M5K 1N2 for the attention of Beth DeMerchant as its agent to receive on behalf of it and its property service of copies of the statement of claim and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to Hollinger or the Vendors in care of the Vendors' Process Agent at the Vendors' Process Agent's above address, and Hollinger and the Vendors irrevocably authorize and direct the Vendors' Process Agent to accept such service on its behalf. Hollinger and the Vendors agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law.

9.26 Assurance by Hollinger

Hollinger shall cause the Vendors to comply with all of their obligations and perform all of their covenants under this Agreement and shall be jointly and severally liable to CanWest with each of the Vendors for and in respect of any breach of any of the representations, warranties and covenants of the Vendors under this Agreement as if it was the principal obligor.

9.27 Offers for Purchased Assets or Excluded Assets

Hollinger will promptly advise CanWest of the substance and details of any offers and letters of intent that it receives from third parties for the acquisition of any of the Purchased Assets or the Excluded Assets.

9.28 Schedules

The Parties acknowledge that the Agreement has been executed with certain Schedules and in draft form and that such Schedules are incomplete and that certain Schedules have not been provided. The Vendors shall deliver completed Schedules no later than 30 days prior to Closing, together with all documents to which such Schedules pertain. The Vendors shall afford CanWest the opportunity to conduct complete due diligence with respect to the items on the completed Schedules. To the extent that any amendment to a Schedule or a new Schedule made or provided after the date hereof (collectively, "New Material") discloses any matter which CanWest reasonably considers to have a Material Adverse Effect on the Purchased Businesses and the National Post Business as a whole, CanWest may terminate the Agreement, or if such New Material discloses a Material Adverse Effect on an individual Business Unit, CanWest may remove the Business Unit from the transactions contemplated in this Agreement and the Purchase Price shall be reduced by 10 times the amount of the EBITDA of such Business Unit set forth in Schedule 3.6(b), in the case of the individual Business Units containing newspaper and magazine publications or by the amount of the Purchase Price attributed to such Business Unit in the case of *Canada.com* Company or National Post Company.

9.29 Victoria Times Colonist

In the event that Thompson Canada Limited exercises its right to acquire the Victoria Times Colonist pursuant to the Right of First Refusal Agreement dated July 17, 1998 among Southam Publishing (B.C.) Limited, 150275 Canada Inc. and Thompson Canada Limited, (i) the Vendors may remove the Victoria Times Colonist from the transactions contemplated in this Agreement, and (ii) CanWest may remove each Business Unit, including the Victoria Times Colonist, located on Vancouver Island from the transactions contemplated in this Agreement, and in each case, the Purchase Price shall be reduced by 10 times the amount of the EBITDA set forth in Schedule 3.6(b) of any Business Unit so removed.

9.30 Services to and from Excluded Assets

No later than 10 days prior to Closing, the Parties shall have identified those of the Excluded Assets which will require ongoing services including Central Services and those services provided by any of the Excluded Assets to the Purchased Businesses which will be continued post-Closing. The Parties shall enter into such number of services agreements as is required in order to continue the services required by each of the Excluded Assets and Purchased Businesses. The Parties shall also enter into affiliation arrangements providing for the receipt and use of Content by the Purchased Businesses from the Excluded Assets and such cross promotion arrangements as the Parties may agree. All such affiliation arrangements and services shall be on commercial terms which shall be no less favourable to the Purchased Businesses or the Excluded Businesses than were previously in effect between the Vendors and the individual Business Units.

9.31 National Post Shareholders Agreement

The Parties agree and acknowledge that their respective interest in the National Post Business will be held by them through a limited partnership structure. Accordingly, the National Post Shareholders Agreement shall be amended by the Parties to conform such agreement to a limited partnership agreement maintaining the essential structure and substantive terms.

9.32 Preemptive Rights

CanWest shall not issue any Multiple Voting Shares, Non-Voting Shares or Subordinated Voting Shares ("New Shares") or other equity shares except (a) in connection with an acquisition transaction; (b) pursuant to the conditions attached to the Class 1 Preference Shares; or (c) pursuant to the provisions of an employee stock option or share purchase plan; unless, it uses all reasonable commercial efforts to provide to (i) the Vendors the opportunity to acquire such number and type of shares of CanWest as are necessary to maintain the voting and equity position represented by those shares acquired pursuant to this Agreement and held at the date CanWest proposes to issue such New Shares and (ii) to the majority shareholder of CanWest comparable pre-emptive rights with respect to its voting and equity shareholdings.

9.33 No Dilution Prior to Closing

CanWest shall not issue or distribute by stock dividend any shares of CanWest prior to Closing (except for the issuance of shares of CanWest pursuant to the current employee stock option or share purchase plan or pursuant to a safe income dividend of no more than 5.5 million Non-Voting Shares) unless the number of Non-Voting Shares and Class 1 Preference Shares to be issued to the Vendor on Closing is increased (with a corresponding reduction in the value to be attributed to them) to compensate for the dilution.

9.34 Subsidiaries' Assets

No later than 30 days prior to Closing, CanWest shall advise the Vendors as to which, if any, of the shares of the subsidiaries (other than the Purchased Shares) of the Vendors (other than HCN Publications) holding Purchased Assets CanWest wishes to acquire directly.

9.35 Southam News Assets and Employees

CanWest, by notice to the Vendors prior to Closing, may advise that it will acquire the assets of Southam relating to the Southam News division and offer employment to the employees employed by the Southam News division and such assets and the employment of such employees who accept such employment shall be transferred to Central Services Company as if the assets were Purchased Assets and the employees were Transferred Employees.

9.36 Halifax Daily News

For greater certainty the obligation to pay the deferred purchase price in respect of the purchase by Hollinger or its Affiliates of the Halifax Daily News shall not be an obligation of CanWest, or any of the Purchased Businesses, and Hollinger shall indemnify and save harmless CanWest from any and all Claims with respect thereto.

9.37 CanWest Shareholders Meeting

In the event that the approval of the shareholders of CanWest is required in connection with the transactions contemplated by this Agreement, CanWest shall convene and hold a meeting of shareholders for the purpose of considering the matter which requires approval prior to the Closing Date.

ARTICLE 10
INDEMNIFICATION

10.1 Indemnification of CanWest by the Vendors for Breaches of Covenants and Representations and Warranties

The Vendors jointly and severally covenant and agree with CanWest (on behalf of itself, NewsMediaCo, Central Services Company and *Canada.com* Company), to indemnify and save harmless on an after-Tax basis, CanWest, its Affiliates, NewsMediaCo, Central Services Company, *Canada.com* Company and their respective directors, officers, shareholders, employees, agents and representatives, effective as and from the Closing Time, from and against all Claims which may be made or brought against any such Persons or which they may suffer or incur, directly or indirectly as a result of or in connection with any non-fulfilment of any covenant or agreement on the part of the Vendors under this Agreement or any incorrectness in or breach of any representation or warranty of the Vendors contained in this Agreement or in any certificate or other document furnished by the Vendors pursuant to this Agreement. The foregoing obligation of indemnification in respect of such Claims shall be subject to:

(a) the limitation contained in Section 6.2 respecting the survival of the representations and warranties of the Vendors;

(b) the requirement that the Vendors shall, in respect of any Claim made by any third person, be afforded an opportunity at their sole expense to resist, defend and compromise such Claim provided the Vendors acknowledge in writing their obligation to indemnify in accordance with the terms of this Agreement; and

(c) the limitation that, for Claims made in connection with any representation or warranty, the Vendors shall not be required to pay any such amount until the aggregate of such Claims exceeds $1 million and upon the aggregate of such Claims exceeding $1 million the Vendors shall be required to pay the amount owing in respect of all of such Claims including the $1 million; the foregoing limitation shall not apply to wilful breaches of representations and warranties.

10.2 Indemnity Regarding Liabilities and Encumbrances

The Vendors shall transfer the Print News Media Assets to NewsMediaCo, the Central Services Assets to Central Services Company and the *Canada.com* Assets to *Canada.com* Company in each case without liabilities or Encumbrances other than Permitted Encumbrances and the Assumed Liabilities. Accordingly, the Vendors shall indemnify CanWest its Affiliates, NewsMediaCo, Central Services Company, *Canada.com* Company and their respective directors, officers, shareholders, employees, agents and representatives from and against all Claims which may be made or brought against any such Persons or which it may suffer or incur by reason of or in respect of any other liability or Encumbrance assumed by NewsMediaCo, Central Services Company or *Canada.com* Company in connection with the Purchased

Businesses. The obligation to indemnify such Persons shall exist regardless of whether such liabilities or Encumbrances were disclosed herein or in the applicable Transfer Agreement. The Vendors shall pay or cause its Affiliates to pay the amount of such liability or pay or discharge the Encumbrance directly, failing which NewsMediaCo, Central Services Company or *Canada.com* Company shall pay and the Vendors shall reimburse NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be, for such payment forthwith after written demand for reimbursement and NewsMediaCo, Central Services Company or *Canada.com* Company, as the case may be, at its option, may set off such payment from any amounts owing by NewsMediaCo, Central Services Company or *Canada.com* Company or CanWest to the Vendors. The foregoing obligation of indemnification shall be subject to the limitation that it shall survive only until June 30, 2003 and the limitation contained in Section 10.1 (c).

10.3 Indemnity Regarding National Post Company

The Vendors shall transfer the Purchased National Post Company Interest without liabilities or Encumbrances. Accordingly, the Vendors shall indemnify CanWest its Affiliates, and their respective directors, officers, shareholders, employees, agents and representatives from and against all Claims which may be made or brought against any such Persons or which they may suffer or incur by reason of or in respect of any liability (fixed or contingent) or Encumbrance of National Post Company existing or incurred prior to the Closing Date other than those of the Assumed Liabilities relating to the National Post Business. The obligation to indemnify such Persons shall exist regardless of whether such liabilities or Encumbrances were disclosed herein. The Vendors shall pay or cause its Affiliates to pay the amount of such liability or pay or discharge the Encumbrance directly, failing which CanWest shall pay and the Vendors shall reimburse CanWest for such payment forthwith after written demand for reimbursement and, at its option, CanWest may set off such payment from any amounts owing by CanWest to the Vendors.

10.4 Bulk Sales and Retail Sales Tax Indemnity

It is agreed that CanWest shall not require the Vendors to comply, or to assist NewsMediaCo, Central Services Company or *Canada.com* Company to comply, with the requirements of the *Bulk Sales Act* (Ontario), Section 6 of the *Retail Sales Tax Act* (Ontario) and any other bulk sales or retail sales tax legislation as may be applicable in respect of the purchase and sale of the Purchased Assets pursuant to the Reorganization. Notwithstanding the foregoing, the Vendors agree to indemnify and save harmless CanWest, NewsMediaCo, Central Services Company or *Canada.com* Company from and against any Claims which may be made or brought against CanWest, NewsMediaCo, Central Services Company or *Canada.com* Company or which CanWest, NewsMediaCo, Central Services Company or *Canada.com* Company may suffer or incur as a result of, in respect of, or arising out of such non-compliance.

10.5 Environmental Indemnity

(a) The Vendors covenant and agree to indemnify and save harmless on an after-Tax basis, CanWest its Affiliates, NewsMediaCo, *Canada.com* Company, Central Services Company and each of their respective officers, directors, employees, shareholders, agents and representatives from and against all Claims which may be made or brought against such Persons or which they may suffer or incur, directly or indirectly as a result of or in connection with any Environmental Condition. For greater certainty, such indemnification shall include indemnification for any Claims as a result of or in connection with the continuation or worsening subsequent to the Closing Time of any condition, event or circumstance existing or occurring at or prior to the Closing Time unless the negligent act or negligent omission of CanWest, its Affiliates, NewsMedia Co., *Canada.com* Company, Central Services Company or any of their respective officers, directors, employees, shareholders, agents or representatives, after the Closing Time, has caused or contributed to the condition, event or circumstance, and, if such negligent act or negligent omission does occur, then the indemnification does not apply only to the extent that such negligent act or negligent omission caused or contributed to the Claims.

(b) In the event any such Environmental Condition is identified by CanWest, CanWest may notify the Vendors in writing of the existence of the Environmental Condition and the Vendors shall take all necessary action at their cost and expense to remedy or address the Environmental Condition in accordance with the industry standards applicable at the Closing Time and in accordance with applicable Environmental Laws (as such laws existed at the Closing Time), and the Vendors shall make all reasonable efforts to complete such actions as soon as is reasonably practicable. If such Environmental Condition requires immediate action or response and the Vendors are not taking the necessary steps to remedy or address the Environmental Condition in all of the circumstances, CanWest may take all necessary action to remedy or address the Environmental Condition, the reasonable costs and expenses of which shall be for the account of the Vendors. In the event of any dispute with respect to the scope or nature of the remedial action required to remedy the Environmental Condition in accordance with industry standards or the provisions of applicable Environmental Laws, either CanWest or the Vendors, upon written notice to the other, may require the matter to be resolved by binding arbitration before a recognized environmental consultant to be mutually agreed by the Parties in accordance with the Arbitration Procedures.

(c) In the event of any dispute as to whether (1) an Environmental Condition existed at or prior to the Closing Time; (2) was created or occurred after the Closing Date; or (3) any other matter with respect to an actual or alleged Environmental Condition, either CanWest or the Vendors, upon written notice to the other, may require the matter to be resolved by binding arbitration before a recognized environmental consultant to be mutually agreed by the Parties in accordance with the Arbitration Procedures.

(d) CanWest, its Affiliates, NewsMedia Co., *Canada.com* Company, Central Services Company and each of their respective officers, directors, employees, shareholders, agents and representatives shall at all times deal with any

Governmental Authority, or any third person, regarding matters that may be subject to a claim under this section 10 in good faith and in accordance with reasonably prudent business practices as though CanWest, its Affiliates, NewsMedia Co., *Canada.com* Company, Central Services Company and each of their respective officers, directors, employees, shareholders, agents and representatives did not have the benefit of the indemnities in this section 10. Without limiting the foregoing, CanWest, its Affiliates, NewsMedia Co., *Canada.com* Company, Central Services Company and each of their respective officers, directors, employees, shareholders, agents and representatives shall not, directly or indirectly, provoke the issuance of a written directive, instruction, requirement or other similar request from a Governmental Authority, a Remedial Order or a Claim by any third person.

10.6 Indemnification of Hollinger by CanWest for Breaches of Covenants and Representations and Warranties

CanWest covenants and agrees with Hollinger to indemnify and save harmless on an after-Tax basis, Hollinger, its Affiliates and their respective directors, officers, shareholders, employees, agents and representatives, effective as and from the Closing Time, from and against all Claims which may be made or brought against any such Persons or which they may suffer or incur, directly or indirectly as a result of or in connection with any non-fulfilment of any covenant or agreement on the part of CanWest under this Agreement or any incorrectness in or breach of any representation or warranty of CanWest contained in this Agreement or in any certificate or other document furnished by the pursuant to this Agreement. The foregoing obligation of indemnification in respect of such Claims shall be subject to:

(a) the limitations contained in Section 6.2 respecting the survival of the representations and warranties of CanWest;

(b) the requirement that CanWest shall, in respect of any Claim made by any third person, be afforded an opportunity at its sole expense to resist, defend and compromise such Claim provided CanWest acknowledges in writing its obligation to indemnify in accordance with the terms of this Agreement; and

(c) the limitation that, for Claims made in connection with any representation or warranty, CanWest shall not be required to pay any such amount until the aggregate of such Claims exceeds \$1 million and upon the aggregate of such Claims exceeding \$1 million CanWest shall be required to pay the amount owing in respect of all of such Claims including the \$1 million; the foregoing limitation shall not apply to wilful breaches of representations and warranties.

10.7 Indemnification Procedures for Third Party Claims

(a) In the case of Claims made by a third party with respect to which indemnification is sought, the Party seeking indemnification (in this section, the "Indemnified Party") shall give prompt written notice, and in any event within 20 days, to the other Party (in this section, the "Indemnifying Party") of any such Claims made upon it. In the event of a failure to give such notice, such failure shall not preclude the Party seeking indemnification from obtaining such indemnification but its right to indemnification may be reduced to the extent that such delay prejudiced the defence of the Claim or increased the amount of liability or cost of defence and provided that, notwithstanding anything else herein contained, no claim for indemnity in respect of the breach of any representation or warranty contained herein may be made unless notice of such Claim has been given prior to the expiry of the survival period applicable to such representation and warranty pursuant to Section 6.2.

(b) The Indemnifying Party shall have the right, by notice to the Indemnified Party given not later than 30 days after receipt of the notice described in Subsection 10.7(a) to assume the control of the defence, compromise or settlement of the Claim, provided that such assumption shall, by its terms, be without cost to the Indemnified Party and provided the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party in accordance with the terms contained in this Section 10.7 in respect of that Claim.

(c) Upon the assumption of control of any Claim by the Indemnifying Party as set out in Subsection 10.7(b), the Indemnifying Party shall diligently proceed with the defence, compromise or settlement of the Claim at its sole expense, including, if necessary, employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party with respect to any out-of-pocket expenses incurred, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are reasonably necessary to enable the Indemnifying Party to conduct such defence. The Indemnified Party shall also have the right to participate in the negotiation, settlement or defence of any Claim at its own expense.

(d) The final determination of any Claim pursuant to this Section 10.7, including all related costs and expenses, will be binding and conclusive upon the parties as to the validity or invalidity, as the case may be of such Claim against the Indemnifying Party.

(e) If the Indemnifying Party does not assume control of a Claim as permitted in Subsection 10.7(b), the Indemnified Party shall be entitled to make such reasonable settlement of the Claim as in its sole discretion may appear advisable, and such settlement or any other final determination of the Claim shall be binding upon the Indemnifying Party.

ARTICLE 11
GENERAL

11.1 Public Notices

All public notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and co-ordinated by the Vendors and CanWest and no Party shall act unilaterally in this regard without the prior approval of the other Party, such approval not to be unreasonably withheld, except where required to do so by law or by the applicable regulations or policies of any provincial or Canadian or other regulatory agency of competent jurisdiction or any stock exchange in circumstances where prior consultation with the other Party is not practicable.

11.2 Expenses

Each of the Parties shall pay their respective legal, accounting, and other professional advisory fees, costs and expenses incurred in connection with the purchase and sale of the Purchased Businesses and the Purchased Assets and the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses incurred.

11.3 Notices

Any notice or other writing required or permitted to given under this Agreement or for the purposes of this Agreement (in this Section referred to as a "Notice") shall be in writing and shall be sufficiently given if delivered, or if sent by prepaid courier or if transmitted by facsimile or other form of recorded communication tested prior to transmission to such Party:

(a) in the case of a Notice to the Vendors at:

10 Toronto Street
Toronto, Ontario
M5C 2B7

Attention: Executive Vice-President and General Counsel with a copy to the Chief Executive Officer

Facsimile: (416) 364-2088

(b) in the case of a Notice to CanWest at:

31st Floor, Toronto-Dominion Centre
201 Portage Avenue
Winnipeg, Manitoba R3B 3C7

Attention: Vice-President and General Counsel
with a copy to the Chief Executive Officer

Facsimile: (204) 947-9841

or at such other address as the Party to whom such Notice is to be given shall have last notified the Party giving the same in the manner provided in this Section 11.3. Any Notice delivered to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day. Any Notice sent by prepaid courier shall be deemed to have been given and received on the second Business Day following the date of its sending. Any Notice transmitted by facsimile or other form of recorded communication shall be deemed given and received on the first Business Day after its transmission.

11.4 Assignment

CanWest shall be entitled, upon giving written notice to the Vendors at any time whether before or after Closing, upon no less than three (3) Business Days Notice, to assign all of its rights and obligations under and the benefits of this Agreement to an Affiliate or Affiliates of CanWest. In such case, for so long as the assignee is an Affiliate of CanWest, such assignee shall have and may exercise all the rights, and shall assume all of the obligations, of CanWest under this Agreement, and any reference to CanWest in this Agreement shall be deemed to refer to such assignee. In the event of such an assignment, the Vendors and such assignee shall execute an agreement confirming such assignment and such assumption of obligations and benefits shall be on the basis that no such assignment shall release CanWest from liability for its obligations as purchaser of the Purchased Assets under this Agreement. Except as hereinbefore provided, neither this Agreement nor any benefits or burdens under this Agreement shall be assignable by any Party without the prior written consent of each of the other Parties, which consent may be withheld in the sole discretion of the consenting Party. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

11.5 Arbitration

In the event that the Parties are unable to settle any dispute relating to this Agreement or the transactions contemplated by this Agreement, the dispute shall forthwith be referred to arbitration in accordance with the Arbitration Procedures.

11.6 Planning Act (Ontario) and Similar Legislation

This Agreement shall only be effective to create an interest in the Real Property if the subdivision control provisions of the *Planning Act* (Ontario), as amended, and similar legislation in any other province are complied with by the Vendors on or before the Closing and the Vendors covenant to proceed diligently at their expense to obtain any necessary consent on or before Closing. The Vendors have no knowledge that completion of the transactions provided for in this Agreement will require any consent under the *Planning Act* (Ontario) or similar legislation in any other province and if any consent is required the Vendors will obtain such consent prior to the Closing, at their sole cost and expense.

11.7 Further Assurances

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Closing.

11.8 Counterparts

This Agreement may be executed by the Parties in separate counterparts (including by facsimile transmission) each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

(this space intentionally left blank)

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

HOLLINGER INTERNATIONAL INC.

By: *"J. Boultbee"*
Name:
Title:

By: *"P.Y. Atkinson"*
Name:
Title:

SOUTHAM INC.

By: *"J. Boultbee"*
Name:
Title:

By: *"P.Y. Atkinson"*
Name:
Title:

HOLLINGER CANADIAN NEWSPAPERS, LIMITED PARTNERSHIP
By its General Partner, HOLLINGER CANADIAN NEWSPAPERS G.P.

By: *"J. Boultbee"*
Name:
Title:

By: *"P.Y. Atkinson"*
Name:
Title:

HCN PUBLICATIONS COMPANY

By: *"J. Boultbee"*
Name:
Title:

By: *"P.Y. Atkinson"*
Name:
Title:

CANWEST GLOBAL COMMUNICATIONS CORPORATION

By: *"Israel H. Asper"*
Name: Israel Asper
Title: Executive Chairman

By: *"Leonard Asper"*
Name: Leonard Asper
Title: President and Chief Executive Officer

LIST OF SCHEDULES

SCHEDULE 1.1(A)	ASSUMPTIONS AND METHODS RELATING TO ACCRUED LIABILITIES
SCHEDULE 1.1 (B)	ARBITRATION PROCEDURES
SCHEDULE 1.1(C)	BUSINESS UNITS
SCHEDULE 1.1(D)	EXCLUDED ASSETS
SCHEDULE 1.1(E)	EXCLUDED BUSINESSES
SCHEDULE 2.1-1	REORGANIZATION STEPS
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SCHEDULE 3.1(A)	CENTRAL SERVICES
SCHEDULE 3.2(A)	TERMS OF CLASS 1 PREFERENCE SHARES
SCHEDULE 3.2(E)	PRINCIPAL TERMS OF SUBORDINATED DEBENTURES
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SCHEDULE 3.6(B)	INDICATIVE CALCULATION OF PRINT NEWS MEDIA BUSINESS EBITDA
SCHEDULE 3.6(C)	ESTIMATED TAX SHIELD REDUCTION AMOUNT
SCHEDULE 3.7	WORKING CAPITAL PROCEDURES
SCHEDULE 3.15	ALLOCATION OF PURCHASE PRICE
SCHEDULE 4.3	SUBSIDIARIES
SCHEDULE 4.4	PERMITTED ENCUMBRANCES
SCHEDULE 4.6	CAPITALIZATION
SCHEDULE 4.11(A)	FINANCIAL STATEMENTS
SCHEDULE 4.11(B)	NATIONAL POST FINANCIAL STATEMENTS
SCHEDULE 4.12	PRINT NEWS MEDIA FINANCIAL FORECAST
SCHEDULE 4.13	UNDISCLOSED LIABILITIES
SCHEDULE 4.14(E)	UNUSUAL TRANSACTIONS
SCHEDULE 4.15	JOINT VENTURE INTERESTS
SCHEDULE 4.17	FIXED ASSETS
SCHEDULE 4.22	LICENSES, PERMITS ETC.
SCHEDULE 4.23	RESTRICTIVE COVENANTS
SCHEDULE 4.24	INTELLECTUAL PROPERTY
SCHEDULE 4.25	EQUIPMENT CONTRACTS
SCHEDULE 4.26	OWNED REAL PROPERTY
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SCHEDULE 4.28	REAL PROPERTY GENERALLY
SCHEDULE 4.29	ENVIRONMENTAL MATTERS
SCHEDULE 4.30(A)	EMPLOYEE MATTERS
SCHEDULE 4.30(B)	EMPLOYMENT CONTRACTS
SCHEDULE 4.30(C)	EMPLOYMENT POLICIES
SCHEDULE 4.30(H)	INDEPENDENT CONTRACTORS
SCHEDULE 4.31	COLLECTIVE AGREEMENTS
SCHEDULE 4.32	PENSION/ BENEFIT PLANS
SCHEDULE 4.34	MATERIAL CONTRACTS
SCHEDULE 4.36	INTER-AFFILIATE ARRANGEMENTS

SCHEDULE 4.4
PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means:

1. Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements and building restrictions which do not in the aggregate materially adversely affect the current use or value of the Real Property affected thereby and provided the same have been complied with in all material respects to the Closing Date including the posting of any required security for performance of obligations thereunder.

2. Any easements, servitudes, rights-of-way, licenses, restrictions that run with the land and other minor Encumbrances (including easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) which do not materially adversely affect the current use or value of the Real Property affected thereby and provided the same have been complied with in all material respects to the Closing Date.

3. Defects or irregularities in title to the Real Property which are of a minor nature and do not materially adversely affect the current use or value of the Real Property affected thereby and provided the same have been complied with in all material respects to the Closing Date.

4. Inchoate liens for taxes, assessments, governmental charges or levies not due as at the Closing Date.

5. Inchoate liens for public utilities not due as at the Closing Date.

6. Rights of equipment lessors under Equipment Contracts provided the terms of such Equipment Contracts have been fully performed to the Closing Date.

7. The reservations in any original grants from the Crown of any land or interests therein and statutory exceptions to title.

8. Any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under Contracts, or Real Property Leases, so long as the payment of such or the performance of such other obligation or act is not delinquent and provided that such liens or privileges do not materially adversely effect the use or value of the Purchased Assets affected thereby.

SCHEDULE 4.32 - BENEFIT PLANS

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Part 1: Registered Pension Plans

Tab	Plan Name	Application
1	Southam Retirement Plan Draft - Amended and Restated as at January 1, 1999.	Southam Corporate Office, Corporate offices of Vancouver Papers, Edmonton Journal, Calgary Herald, Ottawa Citizen, Montreal Gazette, National Post, Windsor Star, Brantford Expositor, St. Catharines Standard, SMIG, The Brabant Group, Fairway Group, Pacific Press, Southam Inc., SITG, Canada.com, Hamilton Web, ADitus, Southam Editorial Services
2	Southam Inc. Pension Plan for the Employees of Newspapers Formerly Owned by Thomson Newspapers Restated at December 1, 1998.	Bathurst Northern Light, Charlottetown Guardian, New Glasgow Evening News, Corner Brook Western Star, Truro Daily News, Chatham Daily News, Sarnia Observer, Nanaimo Daily News, Victoria TimesColonist, St. John's Telegram, Cape Breton Post
3	Hollinger Inc. Pension Plan for Employees formerly Owned by Thomson Newspapers Dated January, 1996.	Moose Jaw Times-Herald, Prince Albert Daily Herald, Dunnvile Chronicle, Welland Tribune, Niagara Falls Review
4	Hollinger Inc. Pension Plan for Employees in the Armadale Division of Sterling Newspapers Company November, 1997. As amended and restated effective January 1, 1996.	The Regina Leader Post, The Saskatoon StarPhoenix
5	Sterling Newspapers Limited Pension Plan Amended and restated effective January 1, 1992.	Port Alberni, Ucluelet Westerly News
6	Journal Publishing Company Limited Employees' Pension Plan Amended April 30, 1994	The Summerside Group

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Plan Name	Application
7	Windsor Star, Division of Southam Inc. Employees Pension Plan Amended and restated as of January 1, 1988 and amended as of January 1, 1992.	The Windsor Star
8	Revised Pension Plan for Employees of Cape Breton Post Dated July 18, 1989.	Cape Breton Post
9	Pension Plan for the Employees of the Fairway Group Incorporated Revised January 1, 1992.	The Fairway Group
10	Staff Pension Plan for Employees of Rannie Publishing, Division of Burgoyne Community Newspapers Limited Dated July 1, 1995.	Rannie Group
11(a)	The Daily News (Halifax) Pension Plan Dated August 6, 1997.	Halifax Daily News

SCHEDULE 4.32 - BENEFIT PLANS

Part 2: SERAs:

Southam Executive Retirement Agreement (SERA) - Individual Agreements	Date of Agreement
Don Babick	Memorandum of Agreement, June 6, 1994 Revised SERA Agreement, June 29, 1994
Herschel Fenik	Memorandum of Agreement, January 12, 1996
Gordon D. Fisher	Retiring Arrangement Agreement, January 1, 1998
Michael Goldbloom	Memorandum of Agreement, March 25, 1994
Linda Hughes	Memorandum of Agreement, May 7, 1993
Blair Mackenzie	Memorandum of Agreement, February 23, 1993
Jim McCormack	Retiring Arrangement Agreement, January 1, 1998
Russell A. Mills	Memorandum of Agreement, July 13, 1990
Charles W. Peters	Memorandum of Agreement, September 3, 1992
Don Ross	Memorandum of Agreement, September 20, 1990
Dennis L. Skulsky	Retiring Arrangement Agreement, January 1, 1998

SCHEDULE 4.32 - BENEFIT PLANS

Part 3: Union Plans:

(a) Pension Plans

Pacific Press Pension Plan

Pacific Press Retirement Plan

CWA/ITU Negotiated Pension Plan (Canada)

GCIU Retirement Fund of Canada

CEP Multi-Employer Pension Plan

(b) Welfare Benefit Plans

GCIU Welfare Plan

GCIU Dental Fund

Printing Industry Dental Plan

Printing Industry Welfare Plan

SCHEDULE 4.32 - BENEFIT PLANS

Part 4: Insurance and Compensation Plans

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
1	Southam Inc.	Optional Long Term Disability Dated October 31, 1997	Manulife Financial	GH 35768	SITG, SMIG, Southam Inc., National Post, The Fairway Group, Pacific Press, The Calgary Herald, The Edmonton Journal, The Ottawa Citizen, The Gazette, The Brantford Expositor, St. Catharines Standard, The Windsor Star, The Flyer Force - Ottawa, The Flyer Force - Edmonton, Flyer Force -Calgary, Halifax Daily News
2	Southam Inc.	Weekly Indemnity Dated October 31, 1997	Manulife Financial	GH 37613	The Flyer Force -Calgary, The Halifax Daily News, Rannie Publications and Flamborough Review, The Flyer Force - Edmonton, The Flyer Force - Ottawa, The Fairway Group (active employees), Durham Post
3	Southam Inc.	Dental Dated July 3, 1998	Manulife Financial	ASO 83173	Pacific Press, The Flyer Force - Calgary Non-Union, The Halifax Daily News (options 1, 2 & 3), Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc., Hollinger Digital Canada Ltd., St. Catharines Standard Newspaper (active), The Flyer Force - Edmonton Non-Union, The Flyer Force - Ottawa Non-Union, SMIG, The Gazette, The Brantford Expositor, The Windsor Star, The National Post

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
4	Southam Inc.	Voluntary Accidental Death & Dismemberment Dated October 31, 1997	Manulife Financial	GH 36935	Pacific Press, The Halifax Daily News, Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc., Hollinger Digital Canada Ltd., SMIG, The Gazette, The Brantford Expositor, The Windsor Star, St. Catharines Standard Newspaper, The National Post
5	Southam Inc.	Employee Optional Life, Spousal Optional Life, Dependent Optional Life Dated October 31, 1997	Manulife Financial	GL 36934	Pacific Press, The Halifax Daily News, Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc., Hollinger Digital Canada Ltd., SMIG, The Gazette, The Brantford Expositor, The Windsor Star, The St. Catharines Standard Newspaper, The National Post
6	Southam Inc.	Life Dependent Life Dated October 31, 1997	Manulife Financial	GL 36933-L	Pacific Press, The Flyer Force - Calgary, The Halifax Daily News, Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc, Hollinger Digital Canada Ltd., **St. Catharines Standard Newspaper (active)**, The Flyer Force - Edmonton, The Flyer Force - Ottawa, SMIG, The Gazette, The Brantford Expositor, The Windsor Star, The National Post
7	Southam Inc	Hospital Major Medical Dated February 26, 1998	Manulife Financial	GH 37802	Rannie Publications and Flamborough Review, The Fairway Group (active employees), Brabant Newspapers, Durham Post, Hamilton Web

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
8	Southam Inc.	Major Medical Dated November 3, 1997	Manulife Financial	ASO 83497	Pacific Press Limited, The Flyer Force - Calgary - Non-Union, Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc, The Flyer Force - Edmonton, The Flyer Force - Ottawa, SMIG, The Gazette, The Brantford Expositor, The St. Catharines Standard Newspaper, The National Post
9	Southam Inc.	Basic Long Term Disability Dated November 13, 1997	Manulife Financial	ASO 83174	Pacific Press, Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc., Hollinger Digital Canada Ltd., SMIG, TheGazette, Fairway Group, Brantford Expositor, Windsor Star, St. Catharines Standard, National Post
10	Southam Inc.	Accidental Death and Dismemberment Dated October 21, 1998	Manulife Financial	GH 38468	Rannie Publications and Flamborough Review, The Fairway Group (active and retired employees), Brabant Newspapers, Durham Post, Hamilton Web
11	Southam Inc.	Life Accidental Death and Dismemberment Dependent Life Dated May 4, 2000	Manulife Financial	GL 38460	Welland Tribune, Dunnville Chronicle, Niagara Falls Review, Moose Jaw This Week, Prince Albert Daily Herald, Moose Jaw Times-Herald, Sterling Newspapers, The Charlottetown Guardian, Sarnia Observer, Chatham Daily News, Bathurst Northern Light, Truro Daily News, New Glasgow Evening News, Cape Breton Post, St. John's Evening Telegram, Corner Brook Western Star, Victoria TimesColonist, Nanaimo Daily News

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
12	Southam Inc.	Dental Dated February 8, 2000	Manulife Financial	ASO 84227	Welland Tribune, Dunnville Chronicle, Niagara Falls Review, Moose Jaw This Week, Prince Albert Daily Herald, Sterling Newspapers, The Charlottetown Guardian, Sarnia Observer, Chatham Daily News, Bathurst Northern Light, Truro Daily News, New Glasgow Evening News, Cape Breton Post, St. John's Evening Telegram, Corner Brook Western Star, Nanaimo Daily News, Moose Jaw Times Herald
13	Southam Inc.	Long Term Disability Dated February 8, 2000	Manulife Financial	GH 38462	Welland Tribune, Dunnville Chronicle, Niagara Falls Review, Moose Jaw This Week, Prince Albert Daily Herald, Moose Jaw Times-Herald, Sterling Newspapers, The Charlottetown Guardian, Sarnia Observer, Chatham Daily News, Bathurst Northern Light, Truro Daily News, New Glasgow Evening News, Cape Breton Post, St. John's Evening Telegram, Corner Brook Western Star, Nanaimo Daily News
14	Southam Inc.	Dental Dated February 26, 1998	Manulife Financial	GH 38549	The Fairway Group (retired employees)
15	Southam Inc.	Life Dated November 3, 1997	Manulife Financial	ASO 83214	Pacific Press, The Flyer Force - Calgary Non-Union, Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc., The Flyer Force - Edmonton Non-Union, The Flyer Force - Ottawa Non-Union, SMIG, The Gazette, The Brantford Expositor, The Windsor Star, St. Catharines Standard, The National Post

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
16	Southam Inc.	Long Term Disability Dated February 26, 1998	Manulife Financial	GH 38472	Rannie Publications and Flamborough Review, Brabant Newspapers, Durham Post, Hamilton Web
17	Southam Inc.	Optional Life Dated February 26, 1998	Manulife Financial	GL 38471	The Fairway Group (active employees)
18	Southam Inc.	Life Dependent Life Dated September 14, 1999	Manulife Financial	GL 38469	Rannie Publications and Flamborough Review, The Fairway Group (active and retired employees), Brabant Newspapers, Durham Post, Hamilton Web
19	Southam Inc.	Dental Dated October 21, 1998	Manulife Financial	GH 38470	Rannie Publications and Flamborough Review, The Fairway Group (active employees), Brabant Newspapers, Durham Post, Hamilton Web
20	Southam Inc.	Weekly Indemnity Hospital Major Medical Dated June 26, 2000	Manulife Financial	ASO 84226	Welland Tribune, Dunnville Chronicle, Niagara Falls Review, Moose Jaw This Week, Prince Albert Daily Herald, Moose Jaw Times Herald, Sterling Newspapers, The Charlottetown Guardian, Sarnia Observer, Chatham Daily News, Bathurst Northern Light, Truro Daily News, New Glasgow Evening News, Cape Breton Post, St. John's Telegram, Corner Brook Western Star, Nanaimo Daily News

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
21	Southam Inc.	Travel Accident (Accidental Death & Dismemberment) Dated November 28, 1997	Manulife Financial	GH 36936	Pacific Press, The Flyer Force - Calgary, Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc., Hollinger Digital Canada, The Flyer Force - Edmonton, The Flyer Force - Ottawa, SMIG, The Gazette, The Fairway Group, Brabant Newspapers, Hamilton Web, The Brantford Expositor, The Windsor Star, St. Catharines Standard, The National Post
22	Southam Inc.	Hospital Major Medical Dated October 31, 1997	Manulife Financial	ASO 83172	Pacific Press, The Flyer Force - Calgary Non-Union, The Halifax Daily News (options 1, 2 & 3), Calgary Herald, The Edmonton Journal, The Ottawa Citizen, SITG, Southam Inc., Hollinger Digital Canada, St. Catharines Standard (active), The Flyer Force - Edmonton Non-Union, The Flyer Force - Ottawa Non-Union, SMIG, The Gazette, The Brantford Expositor, The Windsor Star, The National Post
23	Southam Inc.	Travel Accident (Accidental Death & Dismemberment) Dated October 25, 1999	Manulife Financial	GH 37936	The Charlottetown Guardian, Sarnia Observer, Chatham Daily News, Bathurst Northern Light, Truro Daily News, New Glasgow Evening News, Cape Breton Post, St. John's Telegram, Corner Brook Western Star, Victoria Times Colonist,
24	Hollinger Canadian Newspapers, Limited Partnership	Unit Option Plan April 27, 1999	N/A	N/A	

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
25	Southam Inc.	Senior Management Incentive Plan - Metro Newspaper Publishers, 2000	N/A	N/A	Metro Newspapers
26	Southam Inc.	Senior Management Incentive Plan - Metro Newspapers - Eligible direct reports to Publisher, 2000	N/A	N/A	Metro Newspapers
27	Hollinger Canadian Newspapers, Limited Partnership	City and Community Senior Management Bonus Plan Dated April 14, 2000	N/A	N/A	City and Community Papers
28	Ottawa Citizen	Housing Loan to employee, Russ Mills As of May 31, 2000	N/A	N/A	Ottawa Citizen
29	Ottawa Citizen	Representative Compensation Plans Undated	N/A	N/A	Ottawa Citizen
30	Pacific Press, A Division of Southam Inc.	Basic Life Effective date April 1, 1997	GWL	320107	Pacific Press
31	Pacific Press, A Division of Southam Inc.	Medical Effective date march 1, 1979. Reissue date March 1, 2000. Plan dated April 27, 2000	Pacific Blue Cross	88238	Pacific Press

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
32	Vancouver Newspaper Guild/CEP Union	Dental	Pacific Blue Cross	D909064	Pacific Press
33	Pacific Press, A Division of Southam Inc.	Short Term Disability	GWL	55003	Pacific Press Union
34	Pacific Press, A Division of Southam Inc.	Life and Long Term Disability	GWL	55002	Pacific Press Union
35	Pacific Press, A Division of Southam Inc.	Basic Medical Retiree Medical	BC Medical Services Plan	3007184	Pacific Press
36	Northern Light Ltd.	Medical Group Health Contract Dated July 1, 1988 Group Health Policy Amendment effective November 1, 1997	Blue Cross	7910-000	Bathurst Northern Light
37		Basic Life	Maritime Life	901920	Nanaimo
38		Accidental Death & Dismemberment	Seaboard	100003466	Nanaimo, Victoria
39		Medical	Pacific Blue Cross	E088962	Nanaimo
40		Dental	Pacific Blue Cross	D03315	Nanaimo
41		Long Term Disability	Maritime Life	901920	Nanaimo, Victoria
42		Medical	Pacific Blue Cross	E033324, E085662	Victoria

SCHEDULE 4.32 - BENEFIT PLANS

Tab	Policy Holder	Benefit/Incentive	Carrier	Number	Relevant Businesses Covered by Policy
43		Dental	Pacific Blue Cross	D033324, D000402	Victoria
44	Southam Inc.	Life, Dependent Life Dated September 14, 1999 and Effective May 1, 1999	Manulife	GL 38469	Rannie Publications and Flamborough Review, The Fairway Group (active and retired employees), Brabant Newspapers, Durham Post, Hamilton Web
45		Medical	Pacific Blue Cross	E033315	Nanaimo
46	Southam Inc.	Hospital, Major Medical Dated February 26, 1998 and Effective October 1, 1997	Manulife	GH38548	Fairway Group
47	Southam Inc.	Long Term Disability Dated October 31, 1997 and Effective January 1, 1997	Manulife	GH37623	Victoria
48	Pacific Press, A Division of Southam Inc.	Retiree Life	GWL	320116	Pacific Press Union

THIS IS EXHIBIT "F" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

HOLLINGER INTERNATIONAL INC., SOUTHAM INC.,
HOLLINGER CANADIAN NEWSPAPERS, LIMITED PARTNERSHIP and
HCN PUBLICATIONS COMPANY

-and-

CANWEST GLOBAL COMMUNICATIONS CORPORATION

AMENDING AGREEMENT TO THE TRANSACTION AGREEMENT

November 15, 2000

Osler, Hoskin & Harcourt LLP

THIS AMENDING AGREEMENT TO THE TRANSACTION AGREEMENT ("Amending Agreement") is made November 15, 2000

BETWEEN:

Hollinger International Inc., a corporation governed by the laws of Delaware, ("Hollinger")

- and -

Southam Inc., a corporation governed by the laws of Nova Scotia, ("Southam")

- and -

Hollinger Canadian Newspapers, Limited Partnership, a limited partnership governed by the laws of the Province of Ontario, ("Newspapers Partnership")

- and -

HCN Publications Company, a corporation governed by the laws of Nova Scotia, ("HCN Publications")

- and -

CanWest Global Communications Corporation, a corporation governed by the laws of Canada, ("CanWest")

RECITALS:

A. Hollinger, Southam, Newspapers Partnership, HCN Publications and CanWest entered into a Transaction Agreement made July 30, 2000 (the "Transaction Agreement"); and

B. Hollinger, Southam, Newspapers Partnership, HCN Publications and CanWest wish to make certain amendments to the Transaction Agreement (the Transaction Agreement as amended hereby is hereinafter referred to as the "Agreement").

THEREFORE the parties agree as follows:

1. Definitions

All terms used herein and not otherwise defined shall have the meanings ascribed to them in the Transaction Agreement.

2. **Amendments**

(a) *Canada.com* Company - The definition of "*Canada.com* Company" in Section 1.1 of the Transaction Agreement is amended by deleting the definition and substituting the following:

"means, collectively, the two newly incorporated indirect subsidiaries of Hollinger to which the *Canada.com* Assets and Assumed *Canada.com* Liabilities are transferred pursuant to the Reorganization in accordance with a transfer agreement;"

(b) *Canada.com* Company Holdco - The definition of "*Canada.com* Company Holdco" in Section 1.1 of the Transaction Agreement is amended by deleting the definition and substituting the following:

"means, collectively, the two newly incorporated indirect subsidiaries of Hollinger which, on and after the Reorganization Date, will collectively own all of the issued and outstanding shares in the capital of *Canada.com* Company;"

(c) Closing Date –The definition of "Closing Date" in Section 1.1 of the Transaction Agreement is amended by deleting the definition and substituting the following:

"means the fifteenth (15 th) day of November, 2000."

(d) Excluded Employees – The definition of "Excluded Employees" in Section 1.1 of the Transaction Agreement is amended by adding at the end of the definition the words "and (f) all persons employed by the Vendors or their subsidiaries principally in connection with the Excluded Businesses;"

(e) HCN Publications Employees – Section 1.1 of the Transaction Agreement is amended by adding the following definition of "HCN Publications Employees":

"means the Employees of HCN Publications other than the Excluded Employees;"

The definitions of "Accrued Liabilities" and "Transferred Employees" in Section 1.1 of the Transaction Agreement are amended by inserting the words ", HCN Publications Employees" after the words "Southam Employees" wherever they appear. The definition of "Newspapers Partnership Employees" is amended by inserting the words "(excluding, for this purpose, HCN Publications)" after the word "subsidiaries". Sections 2.7, 7.1(l), 9.8(c) and 9.8(d) are amended by inserting the words "and HCN Publications Employees" after the words "Southam Employees" wherever they appear. Section 7.1(r) is amended by deleting the words ", HCN Publications". Section 9.8 (a) is amended by deleting the words "HCN Publications".

(f) Reorganization Date - The definition of "Reorganization Date" in Section 1.1 of the Transaction Agreement is amended by deleting the definition and substituting the following:

"means, in respect of Southam, the date on which step III of the Reorganization is completed and in respect of Newspapers Partnership and HCN Publications, the date on which steps VII and XI of the Reorganization are completed, and "Reorganization Dates" means, collectively, both of those dates;"

(g) Schedule 3.2(e) – Schedule 3.2(e) is amended to provide that the interest rate on the Subordinated Debentures will be 12.125% provided that, effective on the date upon which any of the Subordinated Debentures are sold to any Person other than an Affiliate of Hollinger, the interest rate shall become the lesser of (i) the current market rate for instruments of like nature issued at par by issuers with similar credit ratings as that of the issuer of the Subordinated Debentures and (ii) 13%.

(h) Effective Date Financial Statements and Working Capital – Schedule 3.7 of the Transaction Agreement is amended by deleting the existing item #6 and substituting the following:

"For purposes of determining the Working Capital Adjustment, the Vendors' Auditor shall ensure a complete and accurate transaction cut-off at the Effective Date and shall assume a materiality level of $500,000 in the aggregate provided that all audit differences in excess of $100,000 in the aggregate are included in the calculation of the Working Capital Adjustment."

(i) The Parties acknowledge that pursuant to the Reorganization certain of the Purchased assets were transferred to CanWest-Montreal R.P. Holdings ULC, CanWest-Windsor R.P. Holdings ULC and CanWest-St. Catharines R.P. Holdings ULC and that all of the shares in the capital of such companies will be owned on the Closing Date by one of the Vendors. Accordingly, the terms "Purchased Shares" and "NewsMediaCo Shares", wherever they appear in the Transaction Agreement, shall include all of the shares of each of CanWest-Montreal R.P. Holdings ULC, CanWest-Windsor R.P. Holdings ULC and CanWest-St. Catharines R.P. Holdings ULC, mutatis mutandis.

(j) Capitalization – Section 4.6(a) of the Transaction Agreement is amended by deleting the phrase "National Post Company General Partner Inc.,".

(k) Southam News – The Vendors acknowledge notice from CanWest pursuant to section 9.35 of the Transaction Agreement that Central Services Company will acquire the assets relating to the Southam News division and offer employment to the employees employed by the Southam News division with the consequential amendments to the definitions of Excluded Businesses, Excluded Employees, Purchased Assets and Purchased Businesses.

(l) Purchase Price Adjustment – The parties agree that:

(i) the Southam Magazine & Information Group, the Sarnia Observer Group and the Chatham Daily News Group (collectively, the "Adjustment Assets") are to be excluded from the Purchased Assets and will continue to be owned by the Vendors. All applicable Schedules including Schedules 1.1(c), 1.1(d), 1.1(e), 3.6(b), 3.6(c), 4.26, 4.27 and 4.30 have been or shall be amended to reflect such change and are included in Appendix A appended hereto. The Purchase Price payable pursuant to Section 3.1 is reduced by $194,540,000; the Purchase Price payable pursuant to Section 3.1(a) is reduced by $194,540,000; the amount payable pursuant to Section 3.2(d), before giving effect to the amendments described in clause (ii) below, is reduced by $194,540,000; the references in Section 3.6(b) to $398,276,000 are reduced by $19,454,000 to $378,822,000;

(ii) the amount payable pursuant to Section 3.2(d), after giving effect to the amendments described in clause (i) above, is decreased by $100,000,000 and the amount payable pursuant to Section 3.2(e) is increased by $100,000,000;

(iii) the references to 76% and 24% in Sections 3.8, 3.10 and 3.11 are amended to refer to 70 % and 30 %, respectively;

(iv) the "Real Estate News (Weekly, Free)", the lease for the premises at 3355 Grandview Avenue, Vancouver, B.C. and the Kodiak Press located at such premises (collectively, the "Restricted Assets") are to be excluded from the Purchased Assets and will continue to be owned by the Vendors subject to a right of first refusal in favour of The Madison Group expiring on November 6, 2002 ("Existing Right of First Refusal"). All applicable Schedules including Schedules 1.1(c), 1.1(d), 1.1(e), 4.27 and 4.30 have been amended to reflect such change and are appended hereto and included in Appendix A. The Purchase Price payable pursuant to Section 3.1, after giving effect to the amendments described in clause (i) above, is further reduced by $21,970,000; the Purchase Price payable pursuant to Section 3.1(a), after giving effect to the amendments described in clause (i) above, is further reduced by $21,970,000; the amount payable pursuant to Section 3.2(d), after giving effect to the amendments described in clauses (i) and (ii) above, is further reduced by $15,379,000; the principal amount of Subordinated Debentures deliverable pursuant to Section 3.2(e), after giving effect to the amendments described in clause (ii) above, is reduced by $6,591,000; the references in section 3.6(b) to $398,276,000, as amended pursuant to clause (i) above to $378,822,000, is further reduced by $2,197,000 to $376,625,000;

(v) the Vendors shall not sell, transfer or assign or permit the assignment of the Restricted Assets to any other party (other than to an Affiliate or pursuant to an exercise of the Existing Right of First Refusal) unless it has first provided CanWest with a written offer to sell the Restricted Assets to CanWest in accordance with the Procedures for Right of First Refusal, as defined in section 2(m) below. The Vendors agree that, so long as they have control over the Restricted Assets, they will not make any fundamental change in the nature thereof;

(vi) as a result of the amendments in clauses (i), (ii) and (iv) above, the Purchase Price payable pursuant to Section 3.1 is $3,621,250,000; the Purchase Price payable pursuant to Section 3.1(a) is $3,411,250,000; the amount payable pursuant to Section 3.2(d) is $2,020,664,000; the amount payable pursuant to Section 3.2(e) is $868,961,000; and the references in Section 3.6(b) to $398,276,000 are reduced to $376,625,000; and

(vii) following execution and delivery of this Amending Agreement, the Vendors shall notify the holder of the the shares of Fundata not owned by the Vendors (the "Fundata Shares") that the Vendors no longer intend to sell their shares of Fundata to CanWest. If, however, CanWest subsequently acquires the Fundata Shares as a result of the exercise by the holder of the Fundata Shares of its right of first refusal, then CanWest shall offer to sell the Fundata Shares to the Vendors at the price at which CanWest pays to acquire such Fundata Shares. If the Vendors do not accept such offer within 10 Business Days of the offer, or if the sale to the Vendors is not completed within 15 Business Days of the date of the offer, the Vendors shall transfer the shares of Fundata owned by the Vendors to or at the direction of CanWest on the twentieth Business Day following the date of the CanWest offer for no consideration and, in that event, the definition of "Print News Media Business EBITDA" shall be amended by adding the following sentence at the end thereof:

"Print News Media Business EBITDA shall include 35% (being 50% of 70%) of the earnings of Fundata for the 12 month period ending December 31, 2000 calculated without duplication before the items noted above to the extent applicable."

(m) Procedures for Right of First Refusal – The parties agree that the procedures set forth in Schedule 2(m) to this Amending Agreement shall be the agreed procedures (the "Procedures for Right of First Refusal") for the purpose of Section 9.21 of the Transaction Agreement and 2(l) of this Amending Agreement.

(n) Reorganization – Schedule 2.1-1 to the Transaction Agreement is amended by deleting the schedule in its entirety and replacing it with Schedule 2.1-1 to this Amending Agreement, provided that the Parties agree that:

(i) the steps of the Reorganization will be revised by the Vendors to accommodate the removal of the Adjustment Assets and the Restricted Assets on a basis which does not adversely affect the tax position of CanWest or the Purchased Businesses from the tax position contemplated by the attached revised Schedule 2.1-1;

(ii) the consideration for the transfer by the Vendors to NewsMedia Holdco, *Canada.com* Company Holdco and Central Services Company Holdco of the shares of NewsMediaCo, *Canada.com* Company and Central Services Company, respectively, shall be in the form of shares and indebtedness of NewsMedia Holdco, *Canada.com* Company Holdco and Central Services Company Holdco, respectively, as CanWest shall direct; and

(iii) the Vendors, NewsMedia Holdco, *Canada.com* Company Holdco, Central Services Company Holdco, NewsMediaCo, *Canada.com* Company and Central Services Company will execute all required general conveyances, assignments, assumptions and deeds of transfer with respect to the transfers and assumptions contemplated by the Reorganization and will use reasonable commercial efforts to (i) effect all required registrations, including in respect of real property, business names, URLs and copyrights, (ii) and to obtain all required Third Party Consents, in each case prior to Closing.

(o) Payment of Purchase Price – Schedule 2.4(b) to the Transaction Agreement is amended by deleting the schedule in its entirety and replacing it with Schedule 2.4(b) to this Amending Agreement.

(p) Section 3.1 – Section 3.1 of the Transaction Agreement is amended by adding the words ", the Non-Competition Agreements" after the words 'Purchased Debt" in the first line of Section 3.1.

(q) Section 4.39 – Section 4.39 is amended by adding the following paragraph (d):

"(d) The HCN Reorganization (as defined in Schedule 2.1-1) will not, directly or indirectly, result in any liability of NewsMediaCo for Taxes."

(r) Section 7.1(f) – Section 7.1(f) is amended by deleting clauses (iv) and (v) and substituting the following new clause (iv):

"(iv) Purchase Certificates from the Workplace Safety and Insurance Board (Ontario) in respect of the Southam Employees, Clearance Certificates from the Workplace Safety and Insurance Board (Ontario) in respect of all other Transferred Employees, and certificates in the other provinces of Canada equivalent to such certificates shall have been obtained, in each case, at or before the Closing Time."

(s) Section 7.1(e) – CanWest agrees that receipt of the consents and approvals listed in Schedule 2(s) shall not be a condition precedent under Section 7.1 of the Transaction Agreement provided that the lenders providing credit facilities to CanWest agree at or prior to the Closing Time that the receipt of such consents and approvals shall not be a condition precedent to the provision of such credit facilities or funding thereunder.

(t) Section 9.2(b) – The Vendors acknowledge that they have not yet caused National Post Company to make offers of employment to the Southam Employees identified on Schedule 9.2(b), a copy of which is attached, or to assume the other costs totalling at least $3 million identified on Schedule 9.2(b), as contemplated by Section 9.2(b) of the Transaction Agreement and, accordingly, the Vendors shall reimburse CanWest for the pro rata portion of these costs incurred by the Print News Media Business during the period between the Effective Date and the effective date of assumption of these costs by National Post Company, which effective date shall be on or before the Closing Date. At Closing, the Vendors shall deliver evidence satisfactory to CanWest of the offers of employment and the assumption of these costs by National Post Company.

(u) Sections 9.8 and 9.11 – Subsections 9.8(c) and 9.8(d) and section 9.11 of the Transaction Agreement are amended by replacing the words "the Closing Date" wherever they appear with "the Reorganization Date applicable to those Transferred Employees".

(v) Section 9.8 – Section 9.8 of the Transaction Agreement is amended by adding subsection (i) as follows:

"(i) The Vendors acknowledge that Southam Employees have been contributing less than the amount of their required contributions to their respective Pension Plans from and after October 11, 2000. The Vendors shall pay to CanWest or the applicable Pension Plan designated by CanWest (through, at the Vendors' discretion, either a cash payment or by increasing the value of assets to be transferred from the applicable Vendors' Pension Plan) an amount equal to the difference between the Southam Employees' required contributions to the Pension Plan of which they are a member from and after October 11, 2000 until December 31, 2000 and member contributions actually remitted to such Pension Plans on their behalf during that period."

(w) Section 9.10 – Section 9.10 is amended by deleting the existing section and substituting the following:

The Vendors and CanWest agree that NewsMediaCo, Central Services Company and *Canada.com* Company shall pay directly to the appropriate taxing authorities all sales and transfer taxes, registration charges and transfer fees other than the goods and services tax/harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada) and the Quebec sales tax imposed under *An Act respecting the Quebec sales tax* payable by it, applicable in respect of the Reorganization in accordance with the terms of the Transfer Agreement, all of which shall be for the account of CanWest, except that any goods and services tax/harmonized sales tax or any Quebec sales tax payable by any of NewsMediaCo, Central Services Company or *Canada.com* Company as a result of or in connection with, directly or indirectly, (i) the failure of such NewsMediaCo, Central Services Company or *Canada.com* Company to be registered for goods and services tax/harmonized sales tax purposes or Quebec sales tax purposes, as applicable, at the time such company acquired any Purchased Assets as part of the Reorganization, or (ii) the failure to properly execute and, where required, file on a timely basis, the appropriate forms for any relevant goods and services tax/harmonized sales tax election or Quebec sales tax election to be executed and/or filed, as the case may be, in connection with the Reorganization, shall be for the account of the Vendors. Upon request of a Vendor, CanWest shall provide to that Vendor all documentation evidencing the self-assessment by NewsMediaCo, Central Services Company and *Canada.com* Company of all such sales and transfer taxes applicable to the Purchased Businesses transferred by that Vendor (including calculations relating to those Taxes), as well as copies of all documentation filed with applicable Governmental Authorities in conjunction with (or in substitution for) the remittance of those Taxes".

(x) Section 9.12 of the Transaction Agreement is amended by deleting the first two sentences of that section and substituting the following:

"In the event that the Closing shall be completed as contemplated by this Agreement, then (a) the amount of all cash flow after provision for the payment of Taxes by each Vendor in respect of the taxable income associated with such cash flow generated or used in the Purchased Businesses from the Effective Date to the Reorganization Date applicable to each Vendor shall be for the account of CanWest, and (b) the amount of all cash flow generated or used in the Purchased Businesses from the applicable Reorganization Date to the Closing Date (without regard for the provision of Taxes) shall be for the account of CanWest."

(y) Section 9.30 – The Parties agree that the Transitional Services Agreement attached as Schedule 2(y)-1 and the Services Agreement attached as Schedule 2(y)-2 are the forms of agreements contemplated by Section 9.30 of the Transaction Agreement and the execution and delivery of such agreements substantially in the form of Schedules 2(y)-1 and 2(y)-2 shall be a condition precedent to Closing under Sections 7.1 and 8.1 of the Transaction Agreement.

(z) Section 9.31 – Section 9.31 of the Transaction Agreement is amended by deleting the word "limited" in the second and third lines of section 9.31.

(aa) Section 85(1)(e.1) Election – Article 9 of the Transaction Agreement is amended by adding Section 9.38 as follows:

"9.38 **Section 85(1)(e.1) Election**

Each of the Vendors covenants and agrees to designate under paragraph 85(1)(e.1) of the *Income Tax Act* (Canada) and any equivalent provision of the income tax laws of the provinces, before the prescribed time and in the manner determined by CanWest, the order in which such Purchased Assets will be considered to have been disposed of by the Vendor for purposes of subsections 85(1)(d) and (e) and any equivalent provision of the income tax laws of the provinces, provided that:

(i) The Vendors determine, acting reasonably, that such determination will not have an adverse effect on the Vendors; and

(ii) CanWest notifies the Vendors of such determination in writing within 150 days after the Closing Date to enable the Vendors to review and comment upon such determination."

(bb) Section 10.1 – Section 10.1 of the Transaction Agreement is amended by adding at the end of subsection 10.1(c) the words "or a breach of the representation and warranty in Section 4.30(e)".

(cc) Section 10.2 – Section 10.2 of the Transaction Agreement is amended by adding to the end of the second sentence of Section 10.2 the words "or incurred by any of them as a result of, pursuant to or in connection with the Reorganization other than any liability in respect of (i) goods and services tax/harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada) or Quebec sales tax in respect of the Reorganization or (ii) any other Taxes which are for the account of CanWest pursuant to Section 9.10".

(dd) Indemnity – Article 10 of the Transaction Agreement is amended by adding Section 10.8 as follows:

"10.8 GST Indemnity

CanWest covenants and agrees with Hollinger to indemnify and save harmless on an after-tax basis, Hollinger, its Affiliates and their respective directors, officers, shareholders, employees, agents and representatives from and against all Claims which may be made or brought against any such person or which they may suffer or incur, directly or indirectly as a result of or in connection with any liability (i) in respect of goods and services tax/harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada) or Quebec sales tax imposed under *An Act respecting the Quebec sales tax* in respect of the Reorganization upon NewsMediaCo, Central Services Company or *Canada.com* Company or (ii) arising from the failure by NewsMediaCo, Central Services Company or *Canada.com* Company to properly remit to applicable Governmental Authorities any Taxes for which they are responsible pursuant to Section 9.10. Notwithstanding the foregoing, the Vendors covenant and agree with CanWest to indemnify and save harmless on an after-tax basis, CanWest, its Affiliates (including for greater certainty, NewsMediaCo, Central Services Company and *Canada.com* Company) and their respective directors, officers, shareholders, employees, agents and representatives from and against all Claims which may be made or brought against any such person or which they may suffer or incur, directly or indirectly as a result of or in connection with (i) the failure of NewsMediaCo, Central Services Company or *Canada.com* Company to be registered for goods and services tax/harmonized sales tax purposes or Quebec sales tax purposes, as applicable, at the time such company acquired Purchased Assets as part of the Reorganization and (ii) the failure to properly execute and, where required, file on a timely basis, the appropriate forms for any relevant goods and services tax/harmonized sales tax election or Quebec sales tax election to be executed and/or filed, as the case may be, in connection with the Reorganization. The foregoing obligations of indemnification in respect of such claims shall be subject to the requirement that the indemnifying party shall, in respect of any Claim made by any third person, be afforded an opportunity at its sole expense to resist, defend and compromise such Claim provided the indemnifying party acknowledges in writing its obligation to indemnify in accordance with the terms of this Agreement."

(ee) Schedules – The form of schedules attached to the Transaction Agreement as replaced or amended by the schedules delivered to counsel for CanWest on or prior to the date hereof and appended hereto as Appendix A are the final form of schedules to the Agreement.

(ff) Actuarial Methods and Assumptions – The actuarial methods and assumptions to be used for purposes of the Pension and Benefits Plan Agreement are those set forth in Schedule 2(ff)-1 hereto. The actuarial methods and assumptions to be used for purposes of the calculation of accrued liabilities as of the Effective Date relating to a SERA and post-employment and post-retirement benefits relating to Transferred Employees which were to be determined in accordance with Schedule

1.1(a) to the Transaction Agreement are those set forth in Schedule 2(ff)-2 hereto, except that the actuarial methods and assumptions to be used for purposes of the calculation of the accrued liabilities as of the Effective Date of the post-employment and post-retirement benefits identified in Schedule 2(ff)-3 (including whether the benefits should be included for the purposes of determining the value of the accrued liabilities) have not been agreed upon and, if agreement on any actuarial assumption in relation to any benefit identified in Schedule 2(ff)-3 (including whether such benefits should be included for the purposes of determining the value of the accrued liabilities) is not reached within 10 days of Closing, or such longer period as the Parties may agree, any such matter upon which agreement has not been reached shall be determined by binding arbitration in accordance with the Arbitration Procedures, provided that for the purpose of this arbitration only, "Approved Arbitrator" shall mean a qualified actuary or chartered accountant.

(gg) Section 4.5 – Section 4.5 of the Transaction Agreement is amended as follows:

(i) the words ", the Purchased Debt and the Purchased National Post Company Interest" in the first sentence are deleted and the words "and the Purchased Debt" are substituted therefor;

(ii) the following new sentence is added as a second sentence: "At the Closing Time, 3048510 Nova Scotia Company, a wholly-owned subsidiary of Southam, will be the sole registered and beneficial owner of the Purchased National Post Company Interest free and clear of all Encumbrances except as created pursuant to this Agreement."; and

(iii) the words ",3048510 Nova Scotia Company" shall be inserted after the words "Newspapers Partnership" in the third sentence.

3. Full Force and Effect

The Parties confirm that, save and except as amended pursuant to this Amending Agreement, the Transaction Agreement remains in full force and effect, unamended, as of the date hereof.

4. Counterparts

This Amending Agreement may be executed by the Parties in separate counterparts, including by way of facsimile, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS OF WHICH the Parties have duly executed this Amending Agreement.

HOLLINGER INTERNATIONAL INC.

By: ______________________
Name:
Title:

By: ______________________
Name:
Title:

SOUTHAM INC.

By: ______________________
Name:
Title:

By: ______________________
Name:
Title:

TOTAL P.03

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HOLLINGER CANADIAN NEWSPAPERS, LIMITED PARTNERSHIP
By its General Partner, HOLLINGER CANADIAN NEWSPAPERS G.P.

By: J.B. Maclean
Name:
Title:

By: ______________________
Name:
Title:

HCN PUBLICATIONS COMPANY

By: J.B. Maclean
Name:
Title:

By: ______________________
Name:
Title:

CANWEST GLOBAL COMMUNICATIONS CORPORATION

By: ______________________
Name:
Title:

By: ______________________
Name:
Title:

HCN PUBLICATIONS COMPANY

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

CANWEST GLOBAL
COMMUNICATIONS CORPORATION

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

A

SCHEDULE 2(ff)-1

CanWest/Hollinger Agreement
re
ACTUARIAL METHODS and ASSUMPTIONS
to be used for
Funded Defined Benefit Pension Plans

GOING-CONCERN BASIS:

Southam Retirement Plan:

Going-concern actuarial methods and assumptions as per the January 1, 1999 actuarial valuation report for funding purposes, except that the mortality table will be UP-1994 (projected to 2000 static) and there will be an additional loading of 3% of total actuarial liabilities (present value of accrued benefits) for transferring employees.

Hollinger Plan for Former Thomson Employees:

Going-concern actuarial methods and assumptions as per the December 31, 1997 actuarial valuation report for funding purposes.

Journal Publishing Plan:

Going-concern actuarial methods and assumptions as per the October 1, 1996 actuarial valuation report for funding purposes.

Southam Plan for Former Thomson Employees:

Going-concern actuarial methods and assumptions as per the December 31, 1998 actuarial valuation report for funding purposes.

Windsor Star Pension Plan:

Going-concern actuarial methods and assumptions as per the January 1, 2000 actuarial valuation report for funding purposes.

SOLVENCY BASIS (for each plan):

As required by the *Pension Benefits Act* and Regulations of Ontario and/or other applicable legislation and as established by the Canadian Institute of Actuaries in its:

(d) Valuation Technique Paper on *Wind-up and Solvency Valuations of Registered Pension Plans* issued effective December 1, 1999, and

(e) Memorandum of *Guidance for Year 2000 Solvency Valuation Assumptions* dated March 22, 2000.

For greater certainty, the following actuarial assumptions are to be used:

Interest Rate:

Members under age 55 (Transfer Basis):
CIA rate* in effect at Closing Date: X% for first 15 years and 6% thereafter

Members age 55 and over (Annuity Purchase Basis):
Average single premium per certificate less than $75,000: Level rate equal to the CANSIM Series B14013 rate (or other equivalent weekly series rate) at the date nearest to Closing Date
Average single premium per certificate greater than or equal to $75,000: Above rate plus .25% p.a.

* Rate specified by CIA Transfer Value Recommendations as applicable to month of Closing Date (without time lag).

Mortality Table: 1983 GAM

Expenses: $20,000 per plan plus $250 per Transferred Employee

B

SCHEDULE 2(ff) –2

Methods and Assumptions for Calculations under Definition of Accrued Liabilities		
	Post-Retirement Non-Pension Benefits	SERAs
Discount	Scotia Capital Long Term Bond Index AAA/AA yield at the month-end closest to the Closing Date rounded to the next highest .25% per annum plus .25% per annum	Scotia Capital Long Term Bond Index AAA/AA yield at the month-end closest to the Closing Date rounded to the next highest .25% per annum
Salary Scale	4.5% per annum	4.0% plus merit per annum
Medical Trend	10% per annum grading down by .714% per annum to 5% per annum after 7 years	N/A
Dental Trend	5% per annum	N/A
Medical Aging Factor	3% per annum	N/A
Dental Aging Factor	0% per annum	N/A
YMPE/CCRA Maximum	N/A	4.0% per annum
Termination Scale	Per January 1, 1999 Southam Retirement Plan Actuarial Report, Going-Concern Basis	None
Retirement Scale	100% at age 62	55 - 61: 5% 62: 5% 63: 25% 64: 25% 65: 100%
Mortality	UP94 No projection	UP94 Projected to 2000 Static
Cost Method	Per CICA 3461 (Accrued Benefit Obligation)	Projected Unit Credit
Annual Claims Cost	Annual claims cost, administration and provincial taxes for medical and dental to be updated to the Closing Date in accordance with the methodology described in the schedule attached hereto	N/A
Spousal Age Difference	Males assumed 3 years older	Males assumed 3 years older
Percentage Married at Retirement	75%	75%
Lifetime Maximums	No Projection	N/A
Government Programs	No Changes Assumed	N/A

Revised Methodology for setting the Claims Cost for Fiscal 2000

The following is a detailed description of the methods William M. Mercer Ltd. will use to develop the health and dental claim costs, for the purposes of valuing the post-retirement non-pension benefit liabilities.

1. Collect claims information.

   Retiree claims information covering the periods January 1, 1998 to December 31, 1998 and January 1, 1999 to December 31, 1999 will be used. This information will be split for each of the various plan designs and will be split between health and dental benefits. Information regarding the number of single and family retirees covered for benefits as at the beginning and end of each period will be used.

2. Dealing with non-credible groups and groups with no claims experience

   Some of the smaller divisions with unique plan designs will not have sufficient claims information for the purposes of setting separate claims cost assumptions. For these divisions Mercer will assume that the claims data is credible if there are 500 covered individuals (i.e. retirees plus spouses) and if Mercer receives two years of claims data. To the extent possible (based on the adequacy of the data) Mercer will not combine experience between divisions in different provinces due to provincial health care and drug benefit plan variations. In order to pool groups, Mercer will adjust the actual claims to reflect the relative value of the two plans prior to pooling the claims experience. For example, if a small group has a dental benefit that pays 100% of all services and a large group covers all of the same services but only at 80% then when Mercer combines the claims for the small group Mercer would only take 80% (approximate adjustment) of the claims.

   Mercer will use a similar approach for groups with no experience where Mercer will use the claim costs from a large credible group and adjust the cost to reflect the relative value of the plan with no experience.

3. Set initial per capita costs for each period

   Mercer will develop a cost per person for each of the plan designs for the two periods. The cost will be based on the paid claims provided above and the average number of people covered during each period (i.e. a retiree with a spouse counts as two people). This will be based on an average of the number of covered individuals at the beginning and end of each year. For the purposes of developing the number of covered individuals Mercer will assume that a retiree with "family coverage" represents two individuals.

4. Project per capita costs

   The per capita costs for each benefit and each year will then be projected from the mid-point of the exposure period to the mid-point of the valuation period and adjusted to the Effective Date using appropriate claim accumulation factors. Mercer will then average the results for the two years of initial exposure.

For the purposes of developing expected claims costs for the 2000 calendar year Mercer will increase the retiree health and dental claims experience for the 1998 calendar year by 17.7% (9% and 8% compounded) and 10.2% (5% compounded for two years) respectively. Similarly, Mercer will increase the retiree health and dental claims experience for the 1999 calendar year by 8% and 5% respectively. For an Effective Date in 2000, after January 1, expected claims costs are further adjusted by the 2000 trend prorated for the appropriate number of months.

5. Develop per person costs at age 65

Mercer will then develop costs at age 65 based upon the claim cost ageing assumption. To do this Mercer will create a distribution of claim costs across the retiree population reflecting the ageing and drug plan offset assumptions and which reproduce the per capita costs determined above. The distribution will be based upon the actual age of each retiree/spouse/widow and the relative size of the claims payable at that age vs. the size of the claims payable at age 65 (based upon the assumed claim cost ageing factors for each benefit). The distribution will reflect the impact of the various provincial prescription drug plans (based upon the actual distribution of the employees by province) on the total expected costs by age.

If there were any plan changes Mercer will increase (decrease) the paid claims data to reflect the relative value of the benefit improvement (reduction) for the period which the paid claims data is exposed to the prior plan design.

Note that after developing the claim cost at age 65 for the combined divisions (i.e. credible divisions combined with non-credible divisions) Mercer would then adjust the claim cost for the small divisions back to reflect their actual plan design.

6. Loading for administration costs and provincial taxes

The claim costs developed above were all based on actual paid claim information, therefore the valuation results will include adjustments for the appropriate levels of insurance company administration charges (i.e. a 5% loading in the liability), and the payment of provincial premium and sales taxes. The loading for provincial premium and sales taxes will be based upon the actual distribution of employees by province.

C

SCHEDULE 2(ff) - 3

1. The benefits identified below, being benefits referred to in the Collective Agreements identified below.

COLLECTIVE AGREEMENT	BENEFIT
The Windsor Star AND Typographical Union No. 553 (January 1, 1999)	RETIREMENT INCENTIVES (Article 6, Section 1(d))
The Windsor Star AND National Automobile, Aerospace, Transportation and General Workers Union of CAW Local 240 (Editorial and Reader Sales and Service Units) (March 1, 1999)	EARLY RETIREMENT INCENTIVE BRIDGE BENEFIT (Letter of Understanding)
The Windsor Star AND National Automobile, Aerospace, Transportation and General Workers Union of CAW, Local 240 (Advertising unit) (January 1, 1999)	EARLY RETIREMENT INCENTIVE BRIDGE BENEFIT (Letter of Understanding)
The Windsor Star AND GCIU No. 517M (January 1, 1999)	EARLY RETIREMENT INCENTIVE BRIDGE BENEFIT (Memorandum of Agreement)
The Windsor Star AND Graphic Communications International, Local 100-M (Press Room, Building Maintenace Department and Assistant Dock Foreperson) (January 1, 1999)	RETIREMENT INCENTIVES (Article 9, Section 7)
The Windsor Star AND Typographical Union No. 553 (January 1, 1999)	RETIREMENT INCENTIVES (Article 6, Section 1(d))
The Windsor Star AND National Automobile, Aerospace, Transportation and General Workers Union of CAW, Local 240 (Editorial and Reader Sales and Service Units) (March 1, 1999)	RETIREMENT INCENTIVES (Article 14 1(d))
The Windsor Star AND National Automobile, Aerospace, Transportation and General Workers Union of CAW, Local 240 (Advertising Unit) (January 1, 1999)	RETIREMENT INCENTIVES (Article 12 1(d))

The Windsor Star AND GCIU No. 517M (January 1, 1999)	EARLY RETIREMENT BONUS (Article 13.01)

2. Any benefits similar to the above described benefits available to or provided to non-union employees of The Windsor Star.

3. The benefits identified below, being benefits referred to in the Collective Agreements identified below.

COLLECTIVE AGREEMENT	BENEFIT
The Ottawa Citizen AND Ottawa Typographical Union Local 102, CWA 14020 (Mailroom Unit) (January 1, 1993)	VOLUNTARY TERMINATION ALLOWANCE (Section 16)
The Ottawa Citizen AND Ottawa Typographical Union, Local 102 (Composing Room Unit) (September 1, 1987)	VOLUNTARY TERMINATION ALLOWANCE (Section 12)

4. The benefits identified below, being benefits referred to in the Collective Agreements identified below.

COLLECTIVE AGREEMENT	BENEFIT
The Calgary Herald AND Calgary Printing Trades Union, Local No. 1 (July 1, 1997)	VOLUNTARY TERMINATION ALLOWANCE (Section 29):
The Calgary Herald AND Calgary Printing Trades Union, Local No. 1 (July 1, 1997)	RETIREMENT INCENTIVE (Section 30):
The Expositor AND Brantford Typographical Union (February 17, 1992)	BENEFITS (Section 31(B)):

5. The benefits identified below, being benefits referred to in the Collective Agreements identified below:

COLLECTIVE AGREEMENT	BENEFIT
Pacific Press AND Communications, Energy & Paperworkers Union of Canada, Local 115-M (Vancouver Newspaper Guild)	VOLUNTARY STAFF REDUCTION PLAN (Letter of Agreement #17)

COLLECTIVE AGREEMENT	BENEFIT
Times Colonist AND Vancouver Printing Pressmen, Assistants & Offset Workers' Union Local 25 (January 2, 1998)	VOLUNTARY SEVERANCE / RETIRING PROGRAM (Letter of Agreement)
Times Colonist AND Victoria – Vancouver Island Newspaper Guild Local 223 (January 1, 1998)	VOLUNTARY STAFF REDUCTION PLAN (Letter of Understanding No. 20)
Times Colonist AND Communications, Energy and Paperworkers Union of Canada, Local 2000 (January 2, 1998)	VOLUNTARY SEVERANCE / RETIRING PROGRAM (Letter of Agreement No. 2)

COLLECTIVE AGREEMENT	BENEFIT
The Edmonton Journal AND Graphic Communications International Union Local 255-C (January 1, 2000)	ANNUAL VACATION (Article 17)
Now Newspapers Ltd. AND Communications, Energy and Paperworkers Union of Canada, Local 226 (January 1, 1997)	HOLIDAYS AND VACATIONS (Section 15)
Pacific Press AND Communications, Energy & Paperworkers Union of Canada, Local 115-M (Vancouver Newspaper Guild)	EARLY RETIREMENT (Article XVI)
College Printers Ltd. AND Communications, Energy and Paperworkers Union of Canada Local 226 (June 1, 1996)	SUPPLEMENTARY VACATIONS (Section 12)
College Printers Ltd. AND Graphic Communications International Union, Local 525-M (May 1, 1996)	SICK LEAVE (Appendix E)
Pacific Press AND Graphic Communications International Union, Local 525-M	EARLY RETIREMENT (Article II)
Pacific Press AND Communications Workers of America, Local 14003	EARLY RETIREMENT (Section 33)
Pacific Press AND Communications, Energy and Paperworkers Union of Canada Local 226	EARLY RETIREMENT (Section 30)
Pacific Press AND Vancouver Printing Pressroom Assistants & Offset Workers Union No. 25	EARLY RETIREMENT (Section 25)

Pacific Press AND Local 213 of the International Brotherhood of Electrical Workers	EARLY RETIREMENT (Section 25)
Pacific Press AND International Association of Machinists and Aerospace Workers, Vancouver Lodge 692	EARLY RETIREMENT (Section 19)

THIS IS EXHIBIT "G" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

SCHEDULE "B" TO THE SETTLEMENT AGREEMENT

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the settlement of the claims advanced by CanWest Global Communications Corp. (**"CGC"**) and others against Sun-Times Media Group, Inc., formerly Hollinger International Inc. (**"STMG"**), Hollinger Canadian Publishing Holdings Co., formerly Southam Inc. (**"HCPH"**), Hollinger Canadian Newspapers, Limited Partnership (**"HCNLP"**), HCN Publications Company (**"HCNPC"**) and Hollinger Canadian Operating Company, now HCPH (**"HCOC"**) in an arbitration commenced in 2003, and the settlement of the claims advanced by STMG, HCPH, HCNLP, HCNPC, and HCOC against CGC and others in the arbitration, resulting in an arbitral award issued on January 27, 2009 and amended on February 25, 2009, and in consideration of the mutual obligations imposed pursuant to the Settlement Agreement made as of March 11, 2009 (the "**Settlement Agreement**"), and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned,

> **STMG and HCPH,** for themselves, their subsidiaries, affiliates, related companies and predecessor companies (including, in the instance of HCPH, Hollinger Canadian Operating Company and Southam Inc.) and each of their respective directors, officers, shareholders, employees, servants, agents and administrators, both present and former, and all of their respective administrators, successors and assigns and any party or parties who claim a right or interest through them (collectively, the "**STMG Group**"),

AND:

> **CGC, CANWEST MEDIA INC., formerly CanWest MediaWorks Inc., THE NATIONAL POST COMPANY/LA PUBLICATION NATIONAL POST, and CANWEST PUBLICATIONS INC./PUBLICATIONS CANWEST INC., formerly Vancouver Island Newspaper Group Inc.,** for themselves, their subsidiaries, affiliates, related companies and predecessor companies and each of their respective directors, officers, shareholders, employees, servants, agents and administrators, both present and former, and all of their respective administrators, successors and assigns and any party or parties who claim a right or interest through them (the "**CanWest Group**"),
>
> (hereinafter collectively referred to as the "Undersigned" or "the Parties")

HEREBY RELEASE, REMISE AND FOREVER DISCHARGE EACH OTHER from any and all claims, actions, causes of action, demands for monies, losses, damages, indemnity, interest, costs or injuries of every kind or nature and howsoever arising in any jurisdiction whatsoever which heretofore may have been or may hereafter be sustained by them, as a consequence of or arising from any of the following:

(a) the transaction agreement and any ancillary obligations relating thereto entered into among STMG, HCPH, HCNPC, HCNLP and CGC dated July 30, 2000, as amended by an amending agreement dated November 15, 2000 (the "**Transaction Agreement**");

(b) the arbitration proceeding commenced by the CanWest Group in 2003 (the "**Arbitration Proceeding**");

(c) all claims that were or could have been advanced in the Arbitration Proceeding by the CanWest Group in connection with the Transaction Agreement and certain other agreements that were the subject of the Arbitration Proceeding;

(d) all claims that were or could have been advanced by the STMG Group in the Arbitration Proceedings in connection with the Transaction Agreement and certain other agreements that were the subject of the Arbitration Proceeding;

(e) the arbitration award issued on January 27, 2009 and amended on February 25, 2009 in the Arbitration Proceeding (the "**Arbitral Award**"), including but without limiting the generality of the foregoing, any and all parts of the Arbitral Award that contemplate future and ongoing obligations or indemnities such as the obligation to pay any wages and benefits to any employees, payments for inactive employees at the Pacific Press, the CSST payments to Noella Jalbert and any legal fees settlements or judgments arising from third party or other litigation claims which were or could have been addressed in the Arbitration Proceeding, including the compositor's dispute involving the Montreal Gazette.

AND THE PARTIES HEREBY CONFIRM that they have authorized and instructed their solicitors to settle the Arbitration Proceeding on the terms outlined in the Settlement Agreement, and in the instance of the Canwest Group, to not seek interest or costs in the Arbitration Proceeding nor to take any steps to enforce the Arbitral Award.

AND FOR THE SAID CONSIDERATION the Parties hereby represent and warrant that they have not assigned to any person or corporation (other than to any of the other Parties) any of the claims, debts, demands, actions, causes of action, of any nature or kind referred to herein or in the Arbitration Proceeding, or with respect to which they agree not to make any claim or take any proceeding herein.

AND FOR THE SAID CONSIDERATION each of the Parties agrees not to make any claim or to take any proceedings, or to continue with any proceedings whatsoever against any person or corporation who may claim pursuant to the provisions of any applicable statute, at common law, in equity, under the provisions of the *Negligence Act*, RSO 1990 c. 91 and amendments thereto, or otherwise, contribution or indemnity from the other Parties, or any of them in relation to or in any way connected to matters released herein. (Including, in the instance of the CanWest Group, to not take any steps to enforce the Arbitral Award or any of the claims covered therein against HCOC or Ravelston Management Inc. ("RMI"), including any steps to advance such a claim in RMI's insolvency proceedings, which claim shall be forthwith withdrawn).

AND IT IS FURTHER UNDERSTOOD AND AGREED that the said payment set forth herein is deemed to be no admission of liability whatsoever on the part of the Parties.

AND IT IS HEREBY DECLARED that the terms of this Full and Final Mutual Release are fully understood, that the consideration stated herein is the sole consideration for this Full and Final Mutual Release and that the said consideration is accepted voluntarily for the purpose of making full and final compromise in settlement of all claims and proceedings advanced between the Parties, now or hereafter brought, for damages, loss or injury in respect of the matters set forth above including the Arbitration Proceeding.

IT IS UNDERSTOOD AND AGREED that this Full and Final Mutual Release may be executed in two or more counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution.

IT IS UNDERSTOOD AND AGREED that this Full and Final Mutual Release shall be immediately, unconditionally, and irrevocably effective upon receipt by Osler, Hoskin & Harcourt LLP, in trust ("OHH") of the funds described in paragraph 1 of the Settlement Agreement and the receipt by OHH of the funds described in paragraphs 3 and 4 of the Settlement Agreement.

IN WITNESS WHEREOF the Parties have executed the Full and Final Mutual Release by their hands and seals this day of , 200_.

SUN-TIMES MEDIA GROUP, INC.	**HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**
Per: ______________________	Per: ______________________
CANWEST GLOBAL COMMUNICATIONS CORP.	**CANWEST MEDIA INC.**
Per: ______________________	Per: ______________________

THE NATIONAL POST COMPANY/LA PUBLICATION NATIONAL POST

Per: ______________________

CANWEST PUBLISHING INC./PUBLICATIONS CANWEST INC.

Per: ______________________

THIS IS EXHIBIT "H" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

THIS AGREEMENT AND DECLARATION OF TRUST made as of the first day of September, 1989.

BETWEEN:

PACIFIC PRESS LIMITED

(hereinafter called the "Company")

OF THE FIRST PART

AND:

STUART H. NOBLE
MICHAEL A. PELLANT
CHARLES C. COOKE

(hereinafter collectively called the "Trustees")

OF THE SECOND PART

WHEREAS:

A. The Company proposes to establish a trust to create and establish a trust fund and plan to provide disability, death or other health and welfare benefits for Employees of the Company and Prior Disabled Persons;

B. The Trustees have agreed to accept the trust herein provided.

NOW THEREFORE these presents witness that in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto covenant and agree as follows:

Article I - Definitions

In this Agreement and Declaration of Trust unless the context otherwise requires:

1.01 "Agreement and Declaration of Trust", "this Agreement", "this Deed", "these presents", "hereto", "hereof", "herein", "hereby", "hereunder", and similar expressions refer to this instrument and include every amendment or modification hereto;

1.02 "Collective Agreement" means a collective agreement entered into between a Local Union and the Company which contains provisions requiring the Company to provide disability, death or other health and welfare benefits;

1.03 "Company" means Pacific Press Limited and its successor corporations;

1.04 "Contributions" means payments made to the Trust Fund by either the Company or Employees;

1.05 "Employee" means a person who is a member of a Local Union who is either:

a) an employee of the Company and in respect of whom the Company is making, or has made, contributions to the Trust Fund; or

b) an employee of a Local Union on leave of absence from the Company and in respect of whom that Local Union is making, or has made, contributions to the Trust Fund equivalent to contributions which the Company would have been obliged to make had the person been employed by the Company and not on a leave of absence;

1.06 "Local Union" means any one of the unions having a valid Collective Agreement in effect with the Company and any successor organization;

1.07 "Local Unions" means two or more of the unions having valid Collective Agreements in effect with the Company;

1.08 "Plan" means the Pacific Press Members' Benefits Plan established hereunder by the Trustees;

1.09 "Prior Disabled Person" means a person who was an employee of the Company and who, prior to September 1, 1989, became disabled and at September 1, 1989 was receiving a benefit under any of:

a) the short term sick leave plan of the Company;

b) the contract between CU & C Health Services Society and the Company providing disability benefits for members of Local Unions under group numbers 8448, 8449, 8450, 8451, 8452, 8453, 9229 and 9230;

c) the contract of insurance numbered H.10662 between Canada Life and the Company;

d) the contract of insurance numbered H.10049A between Canada Life and the Company

and who has not ceased to be disabled or died.

1.10 "Trustee" means any one of the Trustees herein named and any successor to any of them appointed pursuant to the terms hereof;

1.11 "Trust Fund" means the Pacific Press Members' Benefits Plan Trust Fund created hereunder and all Contributions thereto and income derived therefrom and all accretions thereto received by the Trustees;

Article II - Creation, Purposes and Application of the Trust Fund

2.01 Creation of the Trust Fund

The Trust Fund hereby created and established shall consist of all monies received by the Trustees as Contributions to the Trust Fund and all contracts (including dividends, interest, refunds or other sums payable to the Trustees on account of such contracts), all investments made and held by the Trustees, all income received from investments, and any other property received and held by the Trustees for any purpose of the trusts set forth herein.

2.02 Purposes of the Trust Fund

The Trust Fund is created and established and shall be maintained for the purposes of providing disability, death or other health and welfare benefits to Employees and Prior Disabled Persons in accordance with the provisions of the Plan.

2.03 Acceptance of Trusts and Trust Property by the Trustees

The Trustees hereby accept the trusts created hereunder and agree to hold the trust property comprising the Trust Fund in accordance with the terms and conditions of this Agreement and Declaration of Trust and for the purposes of the Plan, but assume no responsibility for the collection of funds required for the Plan to be paid to them as Trustees or for the adequacy of the Trust Fund to meet and discharge all payments and liabilities under the Plan.

Article III - The Plan

3.01 Establishment of the Plan

The Trustees are hereby authorized, empowered and directed to establish the Plan, which shall not be inconsistent with this Agreement, defining the benefits to be provided, the conditions of eligibility for such benefits and other terms as the Trustees shall deem necessary or reasonable to include.

3.02 Amendments or Modifications to the Plan

The Trustees may, at any time and from time to time, change or modify the terms and conditions of the Plan including the benefits provided under the Plan and the eligibility rule or rules, as the case may be, and any change or modification may take effect retroactively, or otherwise, as the Trustees may in their discretion decide, PROVIDED THAT no change or modification to the Plan shall be inconsistent with the provisions of this Agreement.

3.03 Contracting for Provision of Benefits

For the purpose of maintaining the Plan and providing benefits in accordance with the Plan, the Trustees shall have power in their sole and absolute discretion to enter into contracts or arrangements and to procure insurance policies as the Trustees think advisable, and shall further have power to renew, modify or terminate any contract, arrangement or policy.

Article IV - Administration of the Trust Fund

4.01 Investment of the Trust Fund

The Trustees shall invest, reinvest and keep invested the Trust Fund in its name or in the name of a corporation authorized to carry on trust business in British Columbia, appointed by them as their agent to hold and safe-guard the Trust Fund and the property thereof in investments as they deem prudent and advisable, not being limited to investments authorized for investment by trustees under the Trustee Act of British Columbia. Provided however, the Trustees may hold all or any portion of the Trust Fund uninvested in cash, as they may from time to time deem to be in the best interests of the Trust Fund, on deposit in a trust company authorized to carry on business in British Columbia or a Canadian chartered bank or other deposit-taking institution in Canada approved by the Trustees and shall ensure that interest paid on deposits shall be credited to the Trust Fund.

4.02 Appointment of Investment Manager

For the purpose of carrying out their duty of investing and reinvesting the principal and income of the Trust Fund and the property thereof as provided in Section 4.01 hereof, the Trustees may appoint an investment manager who may be the corporation appointed by them pursuant to Section 5.03 hereof or an individual investment counsellor or firm of investment counsellors or a corporate investment counsellor, which investment manager may be given by the Trustees, authority to invest the Trust Fund in accordance with the policies of the Trustees established for that purpose.

4.03 Safekeeping of Securities, etc.

All securities, money and other property and assets of the Trust Fund shall be held in safekeeping for and on behalf of the Trustees with corporations authorized to carry on trust business in British Columbia approved by the Trustees.

4.04 Payment of Benefits from the Trust Fund

The Trustees shall from time to time make payments or cause payments to be made from the Trust Fund to persons in the manner and in amounts as they shall determine are payable, in the form of benefits payable in accordance with the terms of the Plan.

4.05 Withholdings

The Trustees may withhold all or any part of any payment payable as provided in Section 4.04 to protect the Trustees or the Trust Fund against any liability or claim on account of any estate, succession, income or other tax in respect of the payment and may use all or any part of the funds so withheld to discharge any liability or claim.

4.06 Accounts, Books and Records

The Trustees shall keep or cause to be kept accurate and detailed accounts, books, and records of all investments, receipts, disbursements, payments and other transactions of the Trust Fund and all other books and records incidental to the administration and operation thereof and all accounts, books and records shall be open for inspection and audit by the parties to this Agreement.

~~4.07~~ **Payment of Expenses from the Trust Fund**

See Amending Agree't

The Trustees shall pay out of the Trust Fund:

a) all reasonable and necessary expenses incurred by them in connection with the operation and administration of the Plan and the Trust Fund including the costs of actuarial, accounting, legal, custodial, agency, investment counselling and other expert or professional services as they in their discretion deem necessary or desirable, including, but without limiting the generality of the foregoing, all actuarial, accounting and legal costs incurred by the parties hereto in respect of the making of this Agreement and the Plan and the creation of the Trust Fund;

b) all brokerage fees, commissions, transfer taxes and other expenses incurred in connection with the sale and purchase of investments in respect of the Trust Fund;

c) all property, income and other taxes of any kind at any time levied or assessed under any present or future law upon or with respect to the Trust Fund or any property included in the Trust Fund;

d) all other expenses of administering the Trust Fund including reasonable compensation for the services of any person or persons they may employ to assist them in the administration of the Trust Fund and the Plan and their own individual out-of-pocket expenses and lost wages and salary incurred in the performance of their duties.

4.08 **Reserves**

The Trustees may establish or accumulate a reserve or reserves as they shall consider desirable and adequate to provide for payment of the costs of administration, protection and maintenance of the Trust Fund and the obligations of the Trust Fund under the Plan.

~~4.09~~ **Annual Statement**

See Amending Agree't

Within ninety (90) days following the last day of each fiscal year of the Trust Fund, which shall be the calendar year, the Trustees shall furnish to the Company an annual statement of account, setting forth all assets of the Trust Fund and a summary of the receipts, disbursements and other transactions during the year, which statement and summary may, at the discretion of the Trustees, and shall, upon the written request of the Company, be in audited form.

4.10 **Experience Summaries**

The Trustees shall furnish to the Company on a periodic basis, not less frequently than annually, a summary of the experience of the Plan.

~~4.11~~ **Further Financial Statements**

See Amending Agree't

In addition to the annual statement and periodic summaries referred to in Sections 4.09 and 4.10 hereof, the Trustees shall furnish to the Company further financial statements as may be required from time to time, provided always, due notice shall be given to the Trustees that they may have a reasonable time in which to cause to be prepared the financial statements required.

Article V - Powers of the Trustees

5.01 **Powers of the Trustees**

In addition to all powers possessed by the Trustees by law and the powers hereinbefore in Article IV hereof given to the Trustees, they shall have the following express powers exercisable in their discretion with respect to the Trust Fund and the Plan:

a) to hold, purchase or otherwise acquire any property or assets and to sell, exchange, convey, lease, transfer or otherwise dispose of any property or other assets held by it by private contract or at public auction or on the market and to receive the consideration price and grant discharge therefore, and no person dealing with the Trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any sale, exchange, conveyance, transfer, lease or other disposition;

b) to exercise voting privileges, personally or by proxy, relative to any stocks, shares, bonds or other securities, to give general or special proxies or powers of attorney with or without power of substitution, to exercise any conversion privileges, subscription rights or other options in connection with any stocks, shares, bonds or other securities and to make any payments incidental thereto, to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate shares and securities and to pay any assessments or charges in connection therewith, and to accept and hold any shares or securities which may be issued as a result of any corporate reorganizations or change, and generally to exercise any of the powers of any owner with respect to stocks, shares, bonds, securities, or other property held in the Trust Fund;

c) to make, execute, acknowledge and deliver any and all documents of transfer and conveyance and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

d) to register any investment held in the Trust Fund in the name of the Trustees or their nominee or agent and to hold any investment in bearer form, but the books and records of the Trustees shall at all times show that all investments are part of the Trust Fund;

e) to acquire and hold any real property upon or in respect of which the Trustees may from time to time have held security if in the opinion of the Trustees the acquisition or holding of real property is in the interests of the members of the Plan and their beneficiaries under the Plan;

f) generally to compromise, extend time for payment of, or submit to arbitration any claim by, and any debt or obligation due from, any person, firm or corporation to the Trustees or to any person, firm or corporation from the Trustees and to reduce the rate of interest on any investment of the Trust Fund or extend or otherwise modify any rights or obligations of the Trustees in connection thereto or any security therefore and to take appropriate measures by way of proceeding at law or otherwise for the enforcement or realization of any investment forming part of the Trust Fund;

g) to borrow sums of money, upon terms, for periods of time, at rates of interest, and to pledge any securities and other property of the Trust Fund;

h) to employ agents, actuaries, lawyers, accountants, and other advisors and assistants deemed by the Trustees to be necessary for the proper operation and administration of the Trust Fund, and to rely and act on information and advice furnished by persons so employed;

i) to commence, defend, adjust or settle suits or legal proceedings in connection with the Trust Fund and to represent the Trust Fund at any suits or legal proceedings;

j) as Trustees, to make, execute and deliver any deeds, leases, mortgages, conveyances, contracts, waivers, releases and other instruments necessary or desirable for the accomplishment of any of the foregoing powers;

k) to make reciprocal agreements with any person, firm or corporation, charged with the duty of maintaining and/or operating and administering any other health and welfare plan for the reciprocal transfer of benefit entitlements between the plan and the Plan constituted hereunder, and for the payment or receipt, as the case may require, of funds required to be paid by the terms and provisions of reciprocal agreements.

5.02 **Limitations of Rights to the Trust Fund**

Save as herein expressly provided:

a) neither the Company, nor any Local Unions, nor any Employee, nor any Prior Disabled Person, nor any other person, association or corporation shall have any right, title or interest in or to the Trust Fund save as by law provided, PROVIDED HOWEVER that nothing herein contained shall impair or derogate from the right of the Employees or Prior Disabled Persons, their eligible beneficiaries and their eligible dependents to benefits under the Plan;

b) no part of the corpus or income of the Trust Fund shall be used for or diverted to purposes other than for the exclusive benefit of the Employees and Prior Disabled Persons, their eligible beneficiaries and their eligible dependents, except for necessary administration and other expenses as may be authorized herein;

c) no money, property, equity or interest of any nature whatsoever in the Trust Fund or in any benefits or monies payable therefrom shall be subject in any manner by any Employee, Prior Disabled Person, eligible beneficiary, eligible dependent or person claiming through any of them to anticipation, alienation, sale, transfer, assignment, pledge encumbrance, garnishment, lien or charge and any attempt to cause the same to be subject thereto shall be null and void.

5.03 Appointment of Agent

The Trustees are expressly empowered to appoint as their agent, or agents, a corporation or corporations, authorized to conduct business in the Province of British Columbia, to hold the assets of the Trust Fund and to perform under directions and authorities which the Trustees may from time to time give to the agent or agents the duties and powers of the Trustees imposed upon and given to the Trustees by this Agreement and Declaration of Trust and in their discretion to discharge such agent or agents and appoint others in its or their place and stead.

5.04 Acts of Trustees

The Trustees shall not be obliged to act unanimously and any action taken pursuant to a determination, decision or resolution of the Trustees made or adopted at a meeting of the Trustees in accordance with the provisions of Article VIII hereof in pursuance of the trusts hereby declared, shall be a valid and effective act of the Trustees and binding upon all parties hereto and all other persons having any interest in the Trust Fund.

5.05 Further Powers

The Trustees shall further have power;

a) to make and promulgate rules and regulations and designate forms for use in connection with the Trust Fund and the Plan as they in their discretion deem necessary or desirable for the proper and efficient operation and administration of the Trust Fund and the Plan; provided always the rules, regulations and forms shall not be inconsistent with this Agreement or the Plan;

b) to determine reasonable procedures to be followed by the Company in reporting and recording Contributions made to the Trust Fund and to take whatever actions may be necessary to ensure that these Contributions are paid as required but nothing herein shall make the Trustees liable for any Contributions not made by the Company or any failure by the Company to comply with any procedure;

c) to make determinations in accordance with the Plan with respect to the rights of any Employee or Prior Disabled Person under the Plan.

Article VI - Obligation of the Company to Make Prompt Payment of Contributions

6.01 The Trustees are expressly empowered to determine and notify the Company of the Contributions required to maintain the Trust Fund on a sound actuarial basis.

6.02 It shall be the duty and obligation of the Company and the Company agrees to pay promptly to the Trustees, or to a person, firm or corporation as the Trustees may from time to time in writing direct, all Contributions which the Trustees notify the Company are required to maintain the Trust Fund on a sound actuarial basis.

Article VII - Appointment of Trustees

~~7.01~~ **Appointment of Trustees**

See Amending Agree't

The Trustees under this Agreement and Declaration of Trust, who shall be the trustees of the Trust Fund created and established hereunder, shall be three (3) in number, all of whom shall be appointed by the Company.

The first Trustees are the persons named as being the Party of the Second Part who have been appointed as follows:

Stuart H. Noble
Michael A. Pellant
Charles C. Cooke

7.02 **Resignation of Trustee**

A Trustee may resign at any time by notice of resignation in writing given to each of the other Trustees and the Company.

7.03 **Removal of Trustee**

A Trustee may be removed as Trustee by the Company by giving notice in writing thereof to each of the other Trustees.

7.04 **Appointment of Successor Trustee**

If a Trustee dies, becomes incapable of acting, resigns or is removed by the Company, then the Company shall forthwith appoint another to act as Trustee in that person's place and stead.

7.05 **Appointment in Writing**

The appointment of a Company Trustee by the Company shall be made in writing addressed to each of the other Trustees signed for the Company by any two officers of the Company.

7.06 **Vacancy on Board of Trustees**

Notwithstanding there may at any time be a vacancy or vacancies on the Board of Trustees, the remaining Trustee or Trustees shall have the power and authority to perform the trusts hereof in accordance with the provisions regulating the conduct of business of the Trustees set forth in Article VIII hereof and notwithstanding that a quorum shall not exist by reason of the vacancies.

meeting take place other than at the office or place of business of any of the parties hereto, the Chairman shall designate a place in the City of Vancouver, in the Province of British Columbia, other than at the office or place of business of any of the parties and if notice has been given of the meeting, the request shall be made within forty-eight (48) hours of receipt of the notice of meeting and the Chairman shall give notice in writing of the change and the place designated by him for the holding of the meeting but the change shall not invalidate the notice first given, the time of the meeting or any proceedings thereat.

~~8.05~~ **Quorum**

See Amending Agree't

Save as herein provided, a quorum for a meeting of the Trustees shall be not less than two (2) Trustees represented in person.

8.06 **Adjourned Meeting - Quorum**

If at any meeting a quorum is not present within thirty (30) minutes after the time fixed for the meeting, the meeting shall be adjourned to the same time on the same day of the next following week at the same place and those present at the adjourned meeting shall constitute a quorum provided there shall be at least two (2) Trustees present, represented in person.

8.07 **Chairman at Meetings**

The Chairman appointed by the Trustees under Section 8.01 shall act as chairman at all meetings of the Trustees. If the Chairman is not present at any meeting, the Trustees present shall appoint one of their number to act as chairman of the meeting. The chairman shall be entitled to vote on all matters on which a vote is taken but shall not have a second or casting vote.

~~8.08~~ **Majority Vote**

See Amending Agree't

On all questions upon which a vote is taken at any meeting of the Trustees at which a quorum is present as defined in Section 8.05 hereof, the question shall be carried by a majority vote.

8.09 **Majority Vote at Adjourned Meetings**

On all questions upon which a vote is taken at any adjourned meeting pursuant to Section 8.06 hereof, the question shall be carried by the majority votes of those Trustees represented at the meeting, in person.

8.10 **Signing Authorities**

Any two (2) Trustees shall have the power and authority to sign for and on behalf of the Trustees, cheques, other negotiable instruments and other documents and instructions and authorities of the Trustees which require signature by the Trustees in the performance of the trusts hereof; provided the Trustees may, by resolution adopted at a duly constituted meeting as herein provided, appoint by resolution any two Trustees or any one Trustee and another person designated by the resolution to sign any cheque, negotiable instrument, document, instruction or authority on behalf of the Trustees specifically defined and referred to in the resolution and a copy of the resolution, certified under the hands of the Chairman and the Secretary of the Trustees, shall be sufficient evidence for all persons dealing with the Trustees of the authority of those Trustees named in the resolution.

Article IX - Miscellaneous

9.01 Trustees' Remuneration

The Trustees shall not be entitled to any remuneration for their services hereunder nor to compensation for any loss of wages or salary occasioned by the performance of their duties hereunder, but as provided in Section 4.07 (d) hereof, shall be entitled to reimbursement out of the Trust Fund for all out-of-pocket expenses and lost wages or salary incurred by them arising out of the performance of the trust and their duties related thereto.

9.02 Trustees' Liability

Neither the Trustees nor any Trustee shall be liable for any error of judgment or for any loss arising out of any act or omission in the administration of the Trust Fund, nor shall they or he be personally liable for any liability or debt of the Trust Fund contracted or incurred by them or him, nor for the non-fulfillment of any contract, nor shall they or he be liable for the improper application of any part of the Trust Fund, nor for any other liability arising in connection with the administration or the existence of the Trust Fund; PROVIDED HOWEVER, nothing herein shall exempt the Trustees or any Trustee from any liability, obligation or debt arising out of their or his acts or omissions done or suffered in bad faith or through fraud, gross negligence or willful misconduct.

9.03 Liability of the Company and Local Unions

Neither the Company nor any Local Union shall be liable for failure of the Trust Fund to secure the benefits provided for any Employee or Prior Disabled Person by the Plan or for any default or neglect of the Trustees, PROVIDED THAT the Trustees shall, upon becoming aware of the failure of the Company to make Contributions in accordance with a Collective Agreement, forthwith notify the Company and each of the Local Unions of the failure.

9.04 Company to Provide Records

The Company shall promptly furnish to the Trustees a record of Employees with respect to their classification, social insurance numbers, wages or salaries and hours worked and other information as the Trustees shall reasonably require in connection with the administration of the Trust Fund and Plan.

9.05 Company to Provide Information

The Company shall submit in writing to the Trustees at reasonable periodic intervals and in the form as the Trustees shall determine, information referred to in Section 9.04 hereof as the Trustees may request.

9.06 Information for Employees

The Trustees shall make or cause to be made available for the information of Employees, a written statement of terms and the conditions of the Plan, containing an explanation of the rights and duties of a participant in the Plan and of the benefits available under the Plan and other information with respect to the Plan as the Trustees shall consider desirable.

9.07 **Bonding and Insurance**

The Trustees may determine if the Trustees, or any of them, and each employee of the Trustees who may be engaged in the handling of monies or other property of the Trust Fund, shall be bonded under a fidelity bond issued by a surety company authorized to carry on business in British Columbia and may in addition obtain all manner of insurance as they may deem advisable including insurance of the Trust Fund against loss by reason of the conduct of the Trustees and to insure the Trustees against loss by reason of their acting in good faith in that capacity and the costs of the fidelity bond and insurance premiums and fees shall be payable out of the Trust Fund.

9.08 **Dealings with Trustees**

Neither the Company nor any Local Union nor any person, partnership, corporation or association having dealings with the Trustees shall be obliged to see to the application of any funds or property of the Trust Fund, or either of them, or to see that the terms of this Agreement and Declaration of Trust have been complied with, or be obliged to inquire into the necessity or expedience of any act of the Trustees.

9.09 **Notices**

Notice given to a Trustee or the Company shall, unless otherwise specified herein, be sufficient if in writing delivered in person to or sent by post-paid, first-class mail, telex, facsimile or prepaid telegram, to the last address as filed with the Trustees and if mailed shall be deemed to have been received the second day next following mailing at a post office in Canada. Except as herein otherwise provided, the delivery of any statement or document required hereunder to be made to a Trustee or the Company, shall be sufficient if delivered in person or if mailed by post-paid, first-class mail to his or its last address as filed with the Trustees.

9.10 **Action by Trustees**

The Trustees may seek judicial protection by any action or proceeding they may deem necessary to settle their accounts, or may obtain a judicial determination or declaratory judgment as to any question of construction of this Agreement and Declaration of Trust or instruction as to any action thereunder. Any determination shall be binding upon all parties to or claiming under this Agreement and Declaration of Trust.

9.11 **Costs of Suit**

The costs and expenses of any action, suit or proceeding brought by or against the Trustees or any of them (including counsel fees) shall, insofar as they relate to the operation of the Trust Fund, be paid from the Trust Fund, except in relation to matters as to which it shall be adjudged in the action, suit or proceeding that the Trustees were acting in bad faith, fraudulently, or with gross negligence in the performance of their duties hereunder.

Article X - Amendment and Termination of the Trust

10.01 Termination

This Agreement and Declaration of Trust and the Plan established hereunder shall be terminated:

a) on a date as may be agreed upon in writing by the Company and the Trustees; or

b) by the Trustees, at any time, when the Trustees reasonably conclude that Contributions to the Trust Fund have been discontinued and are not likely to be resumed within the foreseeable future; or

c) by the Trustees, in their discretion, at any time, when there is no Collective Agreement in effect between the Company and any Local Union.

10.02 Distribution of the Trust Fund on Termination

In the event of termination of this Agreement and Declaration of Trust at any time, the assets of the Trust Fund, including any refunds, rebates, dividends or other monetary benefits accruing to the Trustees pursuant to any contract or any policy of insurance acquired by the Trustees and funded out of the assets of the Trust Fund, after payment thereof of all costs and expenses of or attributable to the Trust Fund incurred to the date of distribution including costs and expenses incurred in respect of the distribution shall be distributed to the Employees and Prior Disabled Persons in the proportion as may be prescribed by the Trustees as soon as practical after termination of this Agreement and Declaration of Trust. In no event shall any portion of the Trust Fund revert to Pacific Press Limited or other participating employers, if any.

10.03 Amendments

The parties to this Agreement may at any time, by agreement, supplement, modify or amend this Agreement and Declaration of Trust, provided always no supplementation, modification or amendment hereof shall divert the Trust Fund or any part thereof to purposes other than permitted herein or permit any part of the Trust Fund to revert to or be recoverable by the Company except for necessary administration and other expenses as may be authorized herein.

Article XI - Transfer of Assets

11.01 If, at any time hereafter, any Employees or Prior Disabled Persons entitled to benefits under the Plan become or are about to become members of and entitled to benefits under another health and welfare trust fund and plan (hereinafter called the "Successor Trust Fund" and "Successor Health and Welfare Plan"), which provides to members thereof benefits either identical, or substantially similar to the benefits provided under the Trust Fund and Plan, and the Trustees, in their sole discretion, should decide that it would be advantageous to transfer and pay into the Successor Trust Fund, on behalf of all persons who, at the time of such payment and transfer are entitled to receive a benefit or benefits under the Plan established under this Agreement, such portion of the assets of the Trust Fund required for the purpose of providing for such person a benefit or benefits under the Successor Health and Welfare Plan, then, provided that the Trustees of the Successor Trust Fund and Successor Health and Welfare Plan undertake and agree to accept and to discharge all liabilities of the Trustees and of the Trust Fund and Plan to provide such benefits to such persons and agree that the benefits to be provided under the Successor Trust Fund and Successor Health and Welfare Plan shall be at least as great as those earned under the Trust Fund and Plan at the date of such payment and transfer, the Trustees may pay, and they are hereby specifically authorized and empowered to pay, such portion of the assets into the Successor Trust Fund for the purposes aforesaid.

11.02 As soon as the Trustees shall have decided to make payment into a Successor Trust Fund, as contemplated and authorized herein, the provisions of Section 10.02 shall apply to and govern the subsequent conduct and actions of the Trustees in implementing their decision, and upon such payment into the Successor Trust Fund being effected, all of the trusts contained herein relating to Employees and Prior Disabled Persons shall cease and terminate, and the Trustees shall be relieved and released of and from all obligations, responsibilities and liabilities imposed upon them by and pursuant to this Agreement and or the Plan and otherwise howsoever as they may relate to Employees and Prior Disabled Persons.

11.03 If at any time hereafter, the Trustees of any other health and welfare trust fund and plan, where the benefits provided thereunder are either identical or substantially similar to the benefits provided under the Trust Fund and Plan, (hereinafter called the "Transferor Trust Fund and Plan") and the Trustees hereunder should agree that it would be advantageous for all of the assets of any Transferor Trust Fund and Plan to be transferred and paid into the Trust Fund for the purpose of providing for designated members of the Transferor Trust Fund and Plan benefits under the Trust Fund and Plan, the Trustees are hereby expressly authorized to accept and receive all assets of the Transferor Trust Fund as part of the Trust Fund, to provide for designated members of the Transferor Trust Fund and Plan benefits under the Trust Fund and Plan, to accept and to discharge all of the liabilities of the trustees of the Transferor Trust Fund and Plan with respect to the designated members and to undertake and agree with the trustees of the Transferor Trust Fund and Plan as a condition of such transfer and payment that the benefits to be provided hereunder shall be at least as great as those provided under the Transferor Trust Fund and Plan to the designated members thereof at the date of such transfer and payment.

Article XII - Situs and Construction of the Trust

12.01 Laws of British Columbia

All questions pertaining to the validity, interpretation and performance of this Agreement shall be determined in accordance with the laws of the Province of British Columbia.

12.02 Effective Date

This Agreement, upon execution and delivery hereof by all of the parties hereto, shall be effective as of the first day of September, 1989.

12.03 Inurement

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, executors and administrators.

12.04 Assignment

This Agreement shall not be assignable by any of the parties hereto save as may be provided herein.

12.05 Gender

In this Agreement the singular includes the plural, the masculine the feminine, and vice versa, unless the context otherwise requires.

IN WITNESS WHEREOF the parties have caused these presents to be duly executed.

The Common Seal of PACIFIC PRESS LIMITED, was hereunto affixed in the presence of:

C Cooke

S H Noble

SEAL

SIGNED, SEALED AND DELIVERED by STUART H. NOBLE in the presence of:

E. Ferguson
Witness:

S H Noble
STUART H. NOBLE

SIGNED, SEALED AND DELIVERED by MICHAEL A. PELLANT in the presence of:

E. Ferguson
Witness:

M A Pellant
MICHAEL A. PELLANT

SIGNED, SEALED AND DELIVERED by CHARLES C. COOKE in the presence of:

E. Ferguson
Witness:

Charles C. Cooke
CHARLES C. COOKE

THIS IS EXHIBIT "I" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez

A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

This AMENDING AGREEMENT and DECLARATION OF TRUST made as of the 1st day of January, 1992.

BETWEEN:

PACIFIC PRESS LIMITED

(hereinafter called "the Company" or "the Employer")

OF THE FIRST PART

AND:

STUART H. NOBLE, MICHAEL A. PELLANT, DAVE DRAYCOTT

(hereinafter collectively called "The Trustees")

OF THE SECOND PART

WHEREAS:

A. By an Agreement and Declaration of Trust made as of the 1st day of September 1989 there was established the Pacific Press Members Benefits Plan and Trust Fund.

B. The Agreement and Declaration of Trust makes provision for amendment thereof.

C. The parties hereto are desirous of amending the Agreement and Declaration of Trust as hereinafter set out.

NOW THEREFORE THESE PRESENTS WITNESS that the parties hereto covenant and agree as follows:

1.01 That the Agreement and Declaration of Trust be amended by:

(a) deleting Section 4.07 and substituting:

"4.07 Payment of Expenses

The Company shall:

(a) pay all reasonable and necessary expenses incurred in connection with the administration of the Plan and the Fund including the costs of actuarial, accounting, legal, custodial, agency, investment counselling and other expert or professional services engaged in connection with the maintenance and administration of the Fund and Plan, but without limiting the generality of the foregoing, all brokerage fees, commissions, transfer taxes and other expenses incurred in connection with the sale and purchase of investments, taxes of any kind at any time levied or assessed under any present or future law upon or with respect to the Fund or any property included in the Fund, all other expenses of administering the Fund including reasonable compensation for the services of any person employed in the administration of the Fund and the Plan and the individual out-of-pocket expenses of the Trustees incurred in the performance of their duties and administration expenses which the Trustees may reasonably incur on behalf of the Fund and Plan which to the extent incurred shall be deemed to have been incurred as agent of the Company and the Trustees are expressly authorized as agents of the Company for that purpose;

(b) prepare and deliver to the Trustees at least annually within forty-five (45) days of the end of each calendar year an accounting of all expenses so incurred and paid by the Company in connection with the administration of the Plan and the Fund aforesaid."

(b) deleting Section 4.09 and substituting:

"4.09 Annual Statement

Within ninety (90) days following the delivery of the accounting referred in Section 4.07, the Trustees shall furnish to the Company an annual statement of account setting forth all assets of the Fund and a summary of the receipts, disbursements and other transactions during the year."

(c) adding to Section 4.11 the following:

"At least one financial statement in each year shall be in audited form."

(d) deleting Section 7.01 and substituting:

"7.01 Appointment of Trustees

The Trustees under this Agreement and Declaration of Trust who shall be the Trustees of the trust fund created and established hereunder shall not be less than three (3) and not more than five (5) in number, the number of whom shall be determined by the Company and all of whom shall be appointed by the Company."

(e) deleting Section 8.05 and substituting:

"8.05 Quorum

Save as herein provided, a quorum of a meeting of the trustees shall be a majority of the trustees from time to time holding office present in person."

(f) deleting Section 8.08 and substituting:

"8.08 Majority Vote

On all questions upon which a vote is taken at any meeting of the Trustees at which a quorum is present as defined herein the questions shall be carried by a majority vote of those Trustees represented at the meeting in person."

2.01 Subject to the terms, conditions and provisions herein specifically set forth, the parties ratify and affirm the Agreement and Declaration of Trust.

3.01 This Amending Agreement and Declaration of Trust shall be read and construed as part of the Agreement and Declaration of Trust made as of the 1st day of September 1989 as if set out therein and the said Agreement and Declaration of Trust is amended accordingly.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

The Corporate Seal of PACIFIC PRESS LIMITED was hereunto affixed in the presence of:

Authorized Signatory

Authorized Signatory

c/s

Signed, Sealed and Delivered by the Trustees in the presence of:

Signature of Witness

PAT YORK
Name

4991 Mahood Dr. Rmd.
Address

Human Resources Coordinator
Occupation

STUART H. NOBLE

MICHAEL A. PELLANT

DAVE DRAYCOTT

THIS IS EXHIBIT "J" REFERRED TO IN THE
AFFIDAVIT OF MICHAEL KRUPA SWORN
BEFORE ME THIS 6TH DAY OF MAY, 2014

Michael Krupa

Anita Alvarez
A Notary Public for the State of Illinois

"OFFICIAL SEAL
ANITA ALVAREZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT 09, 2015

APPOINTMENT OF TRUSTEES

Hollinger Canadian Publishing Holdings Co. (the "Company") hereby appoints the following persons to act as trustees of the Pacific Press Members' Benefits Plan Trust Fund (the "Trust") established by a declaration of trust dated September 1, 1989, as amended (the "Trust Agreement") until their respective successors are appointed:

- Peter Y. Atkinson
- J. David Dodd
- Barry Tyner

The foregoing appointment is made pursuant to section 7.04 of the Trust Agreement.

DATED the 18th day of ~~June~~ July, 2003.

HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

By: PY Atkinson
Name: PETER Y. ATKINSON
Title: EXECUTIVE VICE-PRESIDENT

By: [signature]
Name: CHARLES G. COWAN
Title: VICE-PRESIDENT AND SECRETARY

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

AFFIDAVIT OF MICHAEL KRUPA

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M5X 1A4

Derek Bell (LSUC #43420J)
Raj Sahni (LSUC #42942U)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

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

MOTION RECORD OF THE APPLICANT
(Interim Distribution Motion returnable May 12, 2014)

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Toronto, Ontario
M5X 1A4

Derek Bell (LSUC #43420J))
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Lawyers for the Applicant