Court File No. 07-CL-7120

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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** and **SUGRA LIMITED**

Applicants

MOTION RECORD
(Re: Black, Radler and Radler Ltd. Settlement Approvals and Notice)

November 12, 2014

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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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TAB 1

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** and **SUGRA LIMITED**

Applicants

NOTICE OF MOTION
(Re: Black, Radler and Radler Ltd.
Settlement Approvals and Notice)

THE APPLICANTS will make a motion before McEwen J. on November 13, 2014 at 9:30 in the morning or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard in writing as it is unopposed.

THE MOTION IS FOR:

1. An Order approving the settlement agreement between Hollinger Inc. ("**Hollinger**") and the Litigation Trustee on the one hand and F. David Radler ("**Radler**") on the other hand, dated August 13, 2014 (the "**Radler Settlement Agreement**") and granting releases in favour of Radler from the Applicants and their subsidiaries (but not including the Chicago Newspapers Liquidation Corp. formerly known as Sun-Times Media Group, Inc. and its subsidiaries (collectively referred to as "**CNLC**")) and from third parties who are not parties to the Radler Settlement Agreement, substantially in the form of the draft

Order annexed to the Notice of Motion as **Schedule "A"** (the "**Radler Settlement Approval Order**").

2. An Order approving the settlement agreement between Hollinger and the Litigation Trustee on the one hand and North American Newspapers Ltd. (formerly known as F. D. Radler Ltd., referred to herein as "**Radler Ltd**") on the other hand, dated August 13, 2014 (the "**Radler Ltd. Settlement Agreement**") and granting releases in favour of Radler Ltd. from the Applicants and their subsidiaries (but not including the Chicago Newspapers Liquidation Corp. formerly known as Sun-Times Media Group, Inc. and its subsidiaries (collectively referred to as "**CNLC**")) and from third parties who are not parties to the Radler Ltd. Settlement Agreement, substantially in the form of the draft Order annexed to the Notice of Motion as **Schedule "B"** (the "**Radler Ltd. Settlement Approval Order**").

3. An Order approving the settlement agreement between the Applicants and the Litigation Trustee on the one hand and Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**" and together with Black, the "**Blacks**"), Moffat Management Inc., Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks' Companies**") on the one hand, and (together, the "**Parties**") on the other hand, dated November 10, 2014 (the "**Black Settlement Agreement**") and granting releases in favour of the Blacks and the Blacks' Companies from the Applicants and their subsidiaries (but not including the Chicago Newspapers Liquidation Corp. formerly known as Sun-Times Media Group, Inc. and its subsidiaries (collectively referred to as "**CNLC**")) and from third parties who are not parties to the Black Settlement Agreement, substantially in the form of the draft Order

annexed to the Notice of Motion as **Schedule "C"** (the "**Black Settlement Approval Order**").

4. An Order, substantially in the form of the draft Order annexed to the Notice of Motion as **Schedule "D"** (the "**Black Notice Order**") providing that the service of this Notice of Motion and any further materials for this or other motions relating to the Black Settlement Agreement upon the Service List as defined in and in accordance with this Court's Service and Notice Procedure Order of November 12, 2010 (the "**November 12, 2010 Order**") is good and sufficient notice of the Black Settlement Agreement and no further service or notice is required.

5. Such further and other relief as counsel may request and this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On August 1, 2007, the Applicants applied for and were granted protection from their creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to the Order of this Court dated August 1, 2007 (the "**Initial Order**") and Ernst & Young Inc. was appointed as monitor (the "**Monitor**") in the CCAA proceedings;

2. Pursuant to an Order of this Court dated May 21, 2008, as amended by the Order of this Court dated July 3, 2008 (the "**Multi-Party Settlement Order**"), BlueTree Advisors Inc. ("**BlueTree**"), an entity controlled by William Aziz, CA, ("**Aziz**") was appointed to provide the services of Aziz as the Chief Restructuring Officer of the Applicants. BlueTree was also retained to provide the services of Aziz as Chief Restructuring Officer to Domgroup Ltd., 10 Toronto Street Inc. Holcay Holdings Ltd. and 021173 N.B.

Limited A.K.A. Willett Foods F.K.A. Willett Food Company (collectively, the "**Non-Applicants**") pursuant to board resolutions passed by each of the Non-Applicants on June 16, 2008 (collectively, BlueTree and Aziz are referred to as the "**CRO**");

3. Pursuant to the Multi-Party Settlement Order, John D. Ground, Q.C. (retired judge) was appointed as an officer of this Court to be the Litigation Trustee over and in respect of all claims and causes of action in favour of the Applicants (collectively, the "**Litigation Assets**");

4. The Multi-Party Settlement Order and the Multi-Party Settlement Agreement annexed as Schedule "A" thereto, authorized the Litigation Trustee to supervise, control and administer the Litigation Assets and is responsible for administering the Litigation Assets efficiently and in a cost-effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their creditors and other stakeholders. All other assets of the Applicants and the Non-Applicants are under the CRO's supervision as are all claims made against the various entities;

5. The Litigation Assets include claims and causes of actions asserted or reserved against a number of parties, including, without limitation, against the Blacks, the Blacks' Companies, Radler and Radler Ltd.;

6. Settlements have been reached between Hollinger, the Litigation Trustee and each of the Blacks and the Blacks' Companies, Radler and Radler Ltd., pursuant to the Black Settlement Agreement, the Radler Settlement Agreement and the Radler Ltd. Settlement Agreement, respectively;

7. By the November 12, 2010 Order, this Court established a procedure for the notification of persons with an interest in the settlement of litigation by the Litigation Trustee, and in particular the settlements between Hollinger on the one hand and Torys and KPMG, respectively, on the other;

8. The only parties affected by the approval of the Black Settlement Agreement have already filed Notices of Appearance under the November 12, 2010 Order and constitute the Service List;

9. Service of this motion and any other motions relating to the Black Settlement Agreement on the Service List will ensure that all interested parties receive good and sufficient notice of the Black Settlement Agreement;

10. By Order of this Court dated August 18, 2014, a service and notice protocol was devised in accordance with the November 12, 2010 Order in respect of motions relating to the Radler Settlement Agreement and the Radler Ltd. Settlement Agreement, and service and notice of motions for those settlement approvals has been affected in accordance with the August 18, 2014 Order;

11. The Black Settlement Agreement, the Radler Settlement Agreement and the Radler Ltd. Settlement Agreement are all conditional upon the Applicants obtaining a form of settlement approval Order from this Court that approves the settlements and that gives legal effect to the third party releases contained therein;

12. The Black Settlement Agreement, the Radler Settlement Agreement and the Radler Ltd. Settlement Agreement arose as a result of privileged and confidential settlement

negotiations between the parties, facilitated by mediation, and were conducted in good faith and at arm's length;

13. The CRO is of the view that the terms of the Black Settlement Agreement, the Radler Settlement Agreement and the Radler Ltd. Settlement Agreement are fair and reasonable and are in the best interests of the Applicants and their creditors and other stakeholders;

14. The Litigation Trustee is satisfied that the terms of the Black Settlement Agreement, the Radler Settlement Agreement and the Radler Ltd. Settlement Agreement conform to his mandate of maximizing the net return from the Litigation Assets to the Applicants and their creditors and other stakeholders;

15. Such other facts as are set out in the Affidavit of William E. Aziz, sworn August 14, 2014, and the exhibits thereto;

16. Such other facts as are set out in the Affidavit of William E. Aziz, sworn November 12, 2014, and exhibits thereto;

17. Such other facts as are set out in the Litigation Trustee's Omnibus Report, dated November 10, 2014;

18. The provisions of the CCAA;

19. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure* (Ontario); and

20. Such further and other grounds as counsel may advise and this Court may deem just.

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

1. the Affidavit of William E. Aziz, sworn August 14, 2014 and accompanying Exhibits thereto;

2. the Affidavit of William E. Aziz, sworn November 12, 2014 and accompanying Exhibits thereto;

3. the Litigation Trustee's Omnibus Report, dated November 10, 2014;

4. Such further material as counsel may advise and this Court may permit.

November 12, 2014

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AND TO: **THE SERVICE LIST** (as defined in Order of Campbell J. dated November 12, 2010)

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SCHEDULE “A”

SCHEDULE "A"

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**________DAY, THE ____th**
	)	
MR. JUSTICE T. McEWEN	)	**DAY OF __________________, 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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

ORDER
(Radler Settlement Approval)

THIS MOTION brought by the Applicants for an Order approving the release and settlement agreement between Hollinger Inc. ("**Hollinger**") and F. David Radler ("**Radler**") dated August 13, 2014 (the "**Radler Release and Settlement Agreement**") and for an Order releasing and barring claims against the released parties (the "**Radler Releasees**" as more particularly defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants dated August 14, 2014, and on hearing the submissions of counsel for the Applicants, Radler and such other counsel who were present,

1. **THIS COURT ORDERS AND DECLARES** that the Order of this Court dated August 18, 2014 respecting the service protocol for this motion has been complied with.

Approval of the Radler Release and Settlement Agreement

2. **THIS COURT ORDERS** that the Radler Release and Settlement Agreement is hereby approved in its entirety and that the parties thereto (the "**Parties**") are hereby bound by this Order and by the Radler Release and Settlement Agreement and are authorized and directed to comply with their obligations thereunder, including, without limitation, to make the payment provided for therein.

3. **THIS COURT DECLARES** that the compromises, arrangements, exculpations, releases, discharges and injunctions contemplated in the Radler Release and Settlement Agreement and, in particular, those granted by and for the benefit of the Radler Releasees, are integral components of the settlement between Hollinger and Radler, and of the Radler Release and Settlement Agreement and are necessary for, and vital to, the success of the settlement between Hollinger and Radler and that all such compromises, arrangements, exculpations, releases, discharges and injunctions as set out in the Radler Release and Settlement Agreement and this Settlement Approval Order are hereby sanctioned, approved and given full force and effect in accordance with and subject to their respective terms and conditions as approved by this Settlement Approval Order.

Release by Radler Releasees

4. **THIS COURT ORDERS AND DECLARES** that any and all claims filed by the Radler Releasees in these proceedings be and are hereby extinguished and that the Radler

Releasees are hereby forever barred from asserting or advancing any claim in this proceeding, directly or indirectly, against the Applicants or any of their subsidiaries and all such claims are hereby waived.

Release by Hollinger

5. **THIS COURT ORDERS AND DECLARES** that, upon payment in full of the Full Settlement Amount, as defined in the Radler Release and Settlement Agreement, in accordance with the terms and conditions of that Agreement, each of the Applicants and their past, present and future subsidiaries and divisions including, without limitation, 4322525 Canada Inc., Sugra Limited, Domgroup Ltd. and 10 Toronto Street Ltd. (but not including the Chicago Newspapers Liquidation Corp., formally known as the Sun-Times Media Group, Inc. and its subsidiaries (collectively, "**CNLC**"); all partnerships in which any of the Applicants or any subsidiary thereof is the general partner and any corporation majority owned by such partnership; for themselves and, in respect of each of the foregoing, their respective officers, directors, employees, servants, agents, assigns, successors, heirs, administrators, insurers and any person (as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended to the date hereof, "**Person**") who claims a right or interest through any of them (collectively, "**Hollinger Releasors**") do hereby irrevocably and unconditionally fully, finally and forever release, remise, acquit and discharge, without qualification or limitation, Radler and each of his heirs, executors, administrators, successors and assigns (collectively, the "**Radler Releasees**"), separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, allegations, causes of action, counterclaims or demands whatsoever, whether direct or indirect, known or unknown, in

law or equity, of whatever kind or character, suspected, fixed or contingent, including, without limitation, any claim for contribution, indemnification, reimbursement or any other forms of claims over (collectively, "**Claims**"), that have been, that could be, or that could have been asserted by the Hollinger Releasors from the beginning of time through to and including the date of the Radler Release and Settlement Agreement (the "**Settlement Date**") against the Radler Releasees in respect of (i) Radler having served as a director and officer of Hollinger; (ii) all Claims of injury allegedly caused to the Hollinger Releasors by Radler including, without limitation, all Claims raised or which could have been raised in the Consolidated Hollinger Action (as defined in the Radler Release and Settlement Agreement), and/or (iii) any and all other Claims that the Hollinger Releasors ever had or may have against Radler including, but not limited to, any Claims not set out in the Consolidated Hollinger Action, ((i) to (iii) collectively, the "**Settled Claims**").

Third Party Releasors

6. **THIS COURT ORDERS AND DECLARES** that all former and present shareholders, former officers and directors, and all creditors, parents, subsidiaries, affiliates, and related parties of Hollinger, and including, without limitation, CNLC and its past and present shareholders, and any other Person (collectively, the "**Third Party Releasors**") hereby release, remise, acquit and forever discharge, without qualification or limitation, the Radler Releasees, separately and jointly, of and from any and all direct and indirect claims (contingent, liquidated or unliquidated, proven or unproven, known or unknown, in the nature of damages or otherwise, whether or not asserted and whether arising by contract, agreement, under statute, civil law, common law, or in equity, or otherwise in

any jurisdiction) in any way related to the subject matter of the Settled Claims or to Hollinger including, without limitation, Claims for contribution, indemnification, reimbursement or other forms of claim over in relation to a Third Party Releasor's liability to the Hollinger Releasors. For greater certainty, the Third Party Releases do not apply to any claims or defences made in the action bearing case number 11CH31356, in the Circuit Court of Cook County, Illinois County Department, Chancery Division as between Conrad Black Capital Corporation, Horizon Publications Inc., Radler and others.

7. **THIS COURT ORDERS AND DECLARES** that Hollinger's recovery from any Person against whom Hollinger pursues a claim for damages (a "**Non-Settling Defendant**") and with whom the Radler Releasees are judicially determined to be jointly and severally liable to Hollinger for damages, will be limited to the Non-Settling Defendant's proportionate share of liability, as determined by this Court, **PROVIDED THAT** the Non-Settling Defendant successfully proves a claim for contribution and indemnity from the Radler Releasees in respect of Hollinger's claim against the Non-Settling Defendant.

Restriction

8. **THIS COURT ORDERS AND DECLARES** that the releases provided for in paragraph 6 do not apply to a claim based on a final judgment that a Third Party Releasor suffered damages, or if civil law applies to such claim, prejudice, as a direct result and solely as a result of such Third Party Releasor's reliance on an express fraudulent misrepresentation made by Radler or his agents where Radler had actual knowledge that the misrepresentation was false.

Bar Orders

9. **THIS COURT ORDERS** that, without limiting the effect or validity of any provision of this Settlement Approval Order, all Third Party Releasors are permanently and forever barred, estopped, stayed and enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Radler Releasees in relation to or otherwise in connection with the subject matter of the Settled Claims or Hollinger.

10. **THIS COURT ORDERS AND DECLARES** that each and every Third Party Releasor is hereby permanently and forever barred, estopped, stayed and enjoined from: (i) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree, or order against the Radler Releasees or their property in respect of any claims relating in any way to the Settled Claims or to Hollinger; or (ii) taking any action to interfere with the implementation and consummation of the Radler Release and Settlement Agreement.

Recognition and Enforcement

11. **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 Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "B"

SCHEDULE "B"

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**_______DAY, THE ___**
	)	
MR. JUSTICE T. McEWEN	)	**DAY OF AUGUST, 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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

ORDER
(Radler Ltd. Settlement Approval)

THIS MOTION brought by the Applicants for an Order approving the release and settlement agreement between Hollinger Inc. ("**Hollinger**"), and North American Newspapers Ltd., formerly known as F. D. Radler Ltd. (referred to herein as "**Radler Ltd.**"), dated August 13, 2014 (the "**Radler Ltd. Release and Settlement Agreement**") and for an Order releasing and barring claims against the released parties (the "**Radler Ltd. Releasees**" as more particularly defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants dated August 14, 2014, and on hearing the submissions of counsel for the Applicants, Radler Ltd. and such other counsel who were present,

1. **THIS COURT ORDERS AND DECLARES** that the Order of this Court dated August 18, 2014 respecting the service protocol for this motion has been complied with.

Approval of the Radler Ltd. Release and Settlement Agreement

2. **THIS COURT ORDERS** that the Radler Ltd. Release and Settlement Agreement is hereby approved in its entirety and that the parties thereto (the "**Parties**") are hereby bound by this Order and by the Radler Ltd. Release and Settlement Agreement and are authorized and directed to comply with their obligations thereunder, including, without limitation, to make the payment provided for therein.

3. **THIS COURT DECLARES** that the compromises, arrangements, exculpations, releases, discharges and injunctions contemplated in the Radler Ltd. Release and Settlement Agreement and, in particular, those granted by and for the benefit of the Radler Ltd. Releasees, are integral components of the settlement between Hollinger and Radler Ltd., and of the Radler Ltd. Release and Settlement Agreement and are necessary for, and vital to, the success of the settlement between Hollinger and Radler Ltd. and that all such compromises, arrangements, exculpations, releases, discharges and injunctions as set out in the Radler Ltd. Release and Settlement Agreement and this Settlement Approval Order are hereby sanctioned, approved and given full force and effect in accordance with and subject to their respective terms and conditions as approved by this Settlement Approval Order.

Release by Radler Ltd. Releasees

4. **THIS COURT ORDERS AND DECLARES** that the Radler Ltd. Releasees are hereby forever barred from asserting or advancing any claim in this proceeding, directly or indirectly, against the Applicants or any of their subsidiaries and all such claims are hereby waived.

Release by Hollinger

5. **THIS COURT ORDERS AND DECLARES** that, upon payment in full of the Full Settlement Amount, as defined in the Radler Ltd. Release and Settlement Agreement, in accordance with the terms and conditions of that Agreement, each of the Applicants and their past, present and future subsidiaries and divisions including, without limitation, 4322525 Canada Inc., Sugra Limited, Domgroup Ltd. and 10 Toronto Street Ltd. (but not including the Chicago Newspapers Liquidation Corp., formally known as the Sun-Times Media Group, Inc. and its subsidiaries (collectively, "**CNLC**"); all partnerships in which any of the Applicants or any subsidiary thereof is the general partner and any corporation majority owned by such partnership; for themselves and, in respect of each of the foregoing, their respective officers, directors, employees, servants, agents, assigns, successors, heirs, administrators, insurers and any person (as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended to the date hereof, "**Person**") who claims a right or interest through any of them (collectively, "**Hollinger Releasors**") do hereby irrevocably and unconditionally fully, finally and forever release, remise, acquit and discharge, without qualification or limitation, Radler Ltd. and each of its executors, administrators, successors and assigns (collectively, the "**Radler Ltd. Releasees**"),

separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, allegations, causes of action, counterclaims or demands whatsoever, whether direct or indirect, known or unknown, in law or equity, of whatever kind or character, suspected, fixed or contingent, including, without limitation, any claim for contribution, indemnification, reimbursement or any other forms of claims over (collectively, "**Claims**"), that have been, that could be, or that could have been asserted by the Hollinger Releasors from the beginning of time through to and including the date of the Radler Ltd. Release and Settlement Agreement (the "**Settlement Date**") against the Radler Ltd. Releasees in respect of (i) Radler having served as a director and officer of Hollinger; (ii) all Claims of injury allegedly caused to the Hollinger Releasors by Radler Ltd. including, without limitation, all Claims raised or which could have been raised in the Consolidated Hollinger Action (as defined in the Radler Ltd. Release and Settlement Agreement), and/or (iii) any and all other Claims that the Hollinger Releasors ever had or may have against Radler Ltd. including, but not limited to, any Claims not set out in the Consolidated Hollinger Action, ((i) to (iii) collectively, the "**Settled Claims**").

Third Party Releasors

6. **THIS COURT ORDERS AND DECLARES** that all former and present shareholders, former officers and directors, and all creditors, parents, subsidiaries, affiliates, and related parties of Hollinger, and including, without limitation, CNLC and its past and present shareholders, and any other Person (collectively, the "**Third Party Releasors**") hereby release, remise, acquit and forever discharge, without qualification or limitation, the

Radler Ltd. Releasees, separately and jointly, of and from any and all direct and indirect claims (contingent, liquidated or unliquidated, proven or unproven, known or unknown, in the nature of damages or otherwise, whether or not asserted and whether arising by contract, agreement, under statute, civil law, common law, or in equity, or otherwise in any jurisdiction) in any way related to the subject matter of the Settled Claims or to Hollinger including, without limitation, Claims for contribution, indemnification, reimbursement or other forms of claim over in relation to a Third Party Releasor's liability to the Hollinger Releasors. For greater certainty, the Third Party Releases do not apply to any claims or defences made in the action bearing case number 11CH31356, in the Circuit Court of Cook County, Illinois County Department, Chancery Division as between Conrad Black Capital Corporation, Horizon Publications Inc., Radler and others.

7. **THIS COURT ORDERS AND DECLARES** that Hollinger's recovery from any Person against whom Hollinger pursues a claim for damages (a "**Non-Settling Defendant**") and with whom the Radler Ltd. Releasees are judicially determined to be jointly and severally liable to Hollinger for damages, will be limited to the Non-Settling Defendant's proportionate share of liability, as determined by this Court, **PROVIDED THAT** the Non-Settling Defendant successfully proves a claim for contribution and indemnity from the Radler Ltd. Releasees in respect of Hollinger's claim against the Non-Settling Defendant.

Restriction

8. **THIS COURT ORDERS AND DECLARES** that the releases provided for in paragraph 6 do not apply to a claim based on a final judgment that a Third Party Releasor suffered

damages, or if civil law applies to such claim, prejudice, as a direct result and solely as a result of such Third Party Releasor's reliance on an express fraudulent misrepresentation made by Radler or his agents where Radler had actual knowledge that the misrepresentation was false.

Bar Orders

9. **THIS COURT ORDERS** that, without limiting the effect or validity of any provision of this Settlement Approval Order, all Third Party Releasors are permanently and forever barred, estopped, stayed and enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Radler Ltd. Releasees in relation to or otherwise in connection with the subject matter of the Settled Claims or Hollinger.

10. **THIS COURT ORDERS AND DECLARES** that each and every Third Party Releasor is hereby permanently and forever barred, estopped, stayed and enjoined from: (i) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree, or order against the Radler Ltd. Releasees or their property in respect of any claims relating in any way to the Settled Claims or to Hollinger; or (ii) taking any action to interfere with the implementation and consummation of the Radler Ltd. Release and Settlement Agreement.

Recognition and Enforcement

11. **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 Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "C"

SCHEDULE "C"

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**►DAY, THE**
	)	
MR. JUSTICE ____________	)	**► DAY OF ►, 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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

ORDER
(Black Settlement Approval and Release Order)

THIS MOTION brought by the Applicants for an Order approving the release and settlement agreement between Hollinger Inc. ("**Hollinger**"), Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**" and together with Black, the "**Blacks**"), and certain private companies owned and controlled by the Blacks being Moffat Management Inc.,. Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks' Companies**") dated November 10, 2014 (the "**Black Release and Settlement Agreement**") and for an Order releasing and barring claims by and against the released parties (the "**Black Releasees**" and the "**Hollinger Releasees**" as more particularly defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants dated November 12, 2014, and the Omnibus Report of the Litigation Trustee dated November 10, 2014, and on hearing the submissions of counsel for the Applicants, Black, Amiel-Black and such other counsel who were present,

Approval of the Black Release and Settlement Agreement

1. **THIS COURT ORDERS** that the Black Release and Settlement Agreement is hereby approved in its entirety and that the parties thereto (the "**Parties**") are hereby bound by this Order and by the Black Release and Settlement Agreement and are authorized and directed to comply with their obligations thereunder, including, without limitation, to make the payments provided for therein.

2. **THIS COURT DECLARES** that the compromises, arrangements, exculpations, releases, discharges and injunctions contemplated in the Black Release and Settlement Agreement and, in particular, those granted by and for the benefit of the Black Releasees, and for the benefit of the Hollinger Releasees, are integral components of the settlement between Hollinger and the Blacks and the Blacks' Companies, and of the Black Release and Settlement Agreement and are necessary for, and vital to, the success of the settlement between Hollinger and the Blacks and the Blacks' Companies and that all such compromises, arrangements, exculpations, releases, discharges and injunctions as set out in the Black Release and Settlement Agreement and this Settlement Approval Order are

hereby sanctioned, approved and given full force and effect in accordance with and subject to their respective terms and conditions as approved by this Settlement Approval Order.

Release by Black Releasees

3. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Date, as defined in the Black Release and Settlement Agreement, any and all claims filed by the Black Releasees in these proceedings be and are hereby extinguished and that the Black Releasees are hereby forever barred from asserting or advancing any claim in this proceeding, directly or indirectly, against the Applicants or any of their subsidiaries, including for greater certainty the Non-Applicants, Domgroup Ltd. and 10 Toronto Street Inc., and all such claims are hereby waived.

Release by Hollinger

4. **THIS COURT ORDERS AND DECLARES** that, upon payment in full of the Settlement Amount, as defined in the Black Release and Settlement Agreement, in accordance with the terms and conditions of that Agreement, each of the Applicants and their past, present and future subsidiaries and divisions including, without limitation, 4322525 Canada Inc., Sugra Limited, Domgroup Ltd. and 10 Toronto Street Ltd. (but not including the Chicago Newspapers Liquidation Corp., formally known as the Sun-Times Media Group, Inc. and its subsidiaries (collectively, "**CNLC**")), all partnerships in which any of the Applicants or any wholly-owned subsidiary thereof is the general partner and any corporation majority owned by such partnership, for themselves and, in respect of

each of the foregoing, their respective officers, directors, employees, servants, agents, assigns, successors, heirs, administrators, insurers and on behalf of any person (as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended to the date hereof, "**Person**") who claims a right or interest through any of them, including the Chief Restructuring Officer of the Applicants and the Non-Applicants, the Litigation Trustee and the Litigation Trustee Advisory Committee, and all current and former advisors to the Applicants, and their heirs, executors, administrators, predecessors, successors and assigns, but not including the Black Parties or the Radler Parties, as defined in the Black Release and Settlement Agreement (collectively, "**Hollinger Releasors**") shall thereupon irrevocably and unconditionally fully, finally and forever release, remise, acquit and forever discharge, without qualification or limitation, the Blacks and each of their heirs, executors, administrators, predecessors, successors and assigns, and the Blacks' Companies and their predecessors, employees, directors, officers, servants, agents, heirs, administrators, successors and assigns (except for the Radler Parties) (collectively, the "**Black Releasees**"), separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, allegations, causes of action, counterclaims or demands whatsoever, whether direct or indirect, known or unknown, in law or equity, of whatever kind or character, suspected, fixed or contingent, including, without limitation, any claim for contribution, indemnification, reimbursement or any other forms of claims over (collectively, "**Claims**"), that have been, that could be, or that could have been asserted by the Hollinger Releasors from the beginning of time through to and including the date of the Black Release and Settlement Agreement (the "**Settlement Date**") against the Black

Releasees in respect of (i) the Blacks having served as directors of Hollinger; (ii) Black having served as an officer of Hollinger; (iii) all Claims of injury allegedly caused to the Hollinger Releasors by the Black Releasees, or any of them, including, without limitation, all Claims raised or which could have been raised in the Consolidated Hollinger Action (as defined in the Black Release and Settlement Agreement), and/or (iv) any and all other Claims that the Hollinger Releasors ever had or may have against the Black Releasees including, but not limited to, any Claims not set out in the Consolidated Hollinger Action, ((i) to (iv) collectively, the "**Settled Claims**").

Third Party Releasors

5. **THIS COURT ORDERS AND DECLARES** that all former and present shareholders, former officers and directors, and all creditors, parents, subsidiaries, affiliates, and related parties of Hollinger, and including, without limitation, CNLC and its past and present shareholders, the Indenture Trustees and any other Person (collectively, the "**Third Party Releasors**") hereby release, remise, acquit and forever discharge, without qualification or limitation, the Black Releasees, separately and jointly, of and from any and all direct and indirect claims (contingent, liquidated or unliquidated, proven or unproven, known or unknown, in the nature of damages or otherwise, whether or not asserted and whether arising by contract, agreement, under statute, civil law, common law, or in equity, or otherwise in any jurisdiction) in any way related to the subject matter of the Settled Claims or to Hollinger including, without limitation, Claims for contribution, indemnification, reimbursement or other forms of claim over in relation to a Third Party Releasor's liability to the Hollinger Releasors. For greater certainty, the Third Party

Releases do not apply to any claims or defences made in the action bearing case number 11CH31356, in the Circuit Court of Cook County, Illinois County Department, Chancery Division as between Conrad Black Capital Corporation, Horizon Publications Inc., the Radler Parties and others, and do not apply to any matters, past, present or future, relating to, pertaining to or involving Horizon Publications Inc., its shareholders, creditors, officers or directors.

6. **THIS COURT ORDERS AND DECLARES** that Hollinger's recovery from any Person against whom Hollinger pursues a claim for damages (a "**Non-Settling Defendant**") and with whom the Black Releasees are judicially determined to be jointly and severally liable to Hollinger for damages, will be limited to the Non-Settling Defendant's proportionate share of liability, as determined by this Court, PROVIDED THAT the Non-Settling Defendant successfully proves a claim for contribution and indemnity from the Black Releasees in respect of Hollinger's claim against the Non-Settling Defendant.

Restriction

7. **THIS COURT ORDERS AND DECLARES** that the releases provided for in paragraph 5 do not apply to a claim based on a final judgment that a Third Party Releasor suffered damages, or if civil law applies to such claim, prejudice, as a direct result and solely as a result of such Third Party Releasor's reliance on an express fraudulent misrepresentation made by Black or Amiel-Black where Black and /or Amiel-Black had actual knowledge that the misrepresentation was false.

Bar Orders

8. **THIS COURT ORDERS** that, without limiting the effect or validity of any provision of this Settlement Approval Order, all Third Party Releasors are permanently and forever barred, estopped, stayed and enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Black Releasees in relation to or otherwise in connection with the subject matter of the Settled Claims or Hollinger.

9. **THIS COURT ORDERS AND DECLARES** that each and every Third Party Releasor is hereby permanently and forever barred, estopped, stayed and enjoined from: (i) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree, or order against the Black Releasees or their property in respect of any claims relating in any way to the Settled Claims or to Hollinger; or (ii) taking any action to interfere with the implementation and consummation of the Black Release and Settlement Agreement.

Recognition and Enforcement

10. **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 Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "D"

SCHEDULE "D"

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**______DAY, THE___th**
	)	
MR. JUSTICE________________	)	**DAY OF November, 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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

ORDER
(Service and Notice re Black Settlement Agreement)

THIS MOTION brought by the Applicants for an Order providing for the notice of this motion and any other motions relating to the release and settlement agreement between Hollinger Inc. ("**Hollinger**"), Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**" and together with Black, the "**Blacks**"), and certain private companies owned and controlled by the Blacks being Moffat Management Inc.,. Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks' Companies**") dated November 10, 2014 (the "**Black Release and Settlement Agreement**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants dated November 12, 2014, and on hearing the submissions of counsel for the Applicants, Black, Amiel-Black and such other counsel as were present, and on being advised that the Service List including all Persons who filed Notices of Appearance in accordance with the Service and Notice Procedure Order dated November 12, 2010 were served electronically with the Applicants' motion materials:

1. **THIS COURT ORDERS** that the defined terms of this Order adopt the definitions found in this Court's Service and Notice Procedure Order of November 12, 2010 (the "**November 12, 2010 Order**", appended hereto and marked as Schedule "**A**"), except where otherwise noted.

2. **THIS COURT ORDERS** that the service of this motion and any other motions, orders or materials relating to the Black Release and Settlement Agreement upon the updated Service List (which includes all Persons who have provided a Notice of Appearance in accordance with the November 12, 2010 Order and all Defendants) in accordance with paragraph 6 below shall constitute good and sufficient notice and service upon the Creditors, Defendants, Shareholders and all other affected Persons of the Black Release and Settlement Agreement, the Black settlement approval motion (the "**Approval Motion**") and all related motions and Orders, and that no form of service or notice is required to be provided by any of the Applicants, CRO or the Monitor to any other Person and no other documents or materials need be served on any Person in respect of the Approval Motion.

3. **THIS COURT ORDERS** that any Person who filed a Notice of Appearance in accordance with the November 12, 2010 Order is entitled to participate in the Approval Motion and all motions related thereto.

4. **THIS COURT ORDERS** that any Person who did not file a Notice of Appearance in accordance with the November 12, 2010 Order:

   (a) Shall not be entitled to appear or be heard at the Approval Motion or any related motions or to receive any notice of, or materials or documentation relating to, arising out of or in conjunction with the Approval Motion or related motions;

   (b) Shall be bound by the terms of any order issued in relation to the Approval Motion or any related motions;

   (c) Shall be forever barred and enjoined from making any objection or opposition to, disputing in any manner whatsoever or appealing or moving to set aside or vary the Black Release and Settlement Agreement, any order issued in relation to the Approval Motion, or any other documents, Orders or proceedings with respect to, arising out of or in connection with the Black Release and Settlement Agreement or the Approval Motion.

5. **THIS COURT ORDERS** that the Monitor and the CRO shall have the same protections as those afforded to them in paragraphs 11 and 12, respectively, of the November 12, 2010 Order.

6. **THIS COURT ORDERS** that service pursuant to this Order may be made by forwarding true copies by pre-paid ordinary mail, courier, personal delivery or electronic or digital transmission. Any service by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next business date following the date sent, or if sent by pre-paid ordinary mail, on the fourth business day after mailing.

7. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court for directions in relation to this Order or to vary or amend this Order on not less than seven 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.

8. **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 Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE A to DRAFT NOTICE ORDER

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**FRIDAY, THE**
	)	
MR. JUSTICE CAMPBELL	)	**12TH DAY OF NOVEMBER, 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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC. AND SUGRA LIMITED**

Applicants

SERVICE AND NOTICE PROCEDURE ORDER

THIS MOTION made by the Applicants for an Order, inter alia, establishing a service and notice process in respect of a motion to be brought to approve certain settlements reached for the benefit of the Applicants and their stakeholders regarding certain claims and causes of action in favour of the Applicants was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicants' Notice of Motion dated October 29, 2010, the Affidavit of the Chief Restructuring Officer of the Applicants sworn on October 29, 2010 (the "**CRO Affidavit**"), filed, the Fourteenth Report of Ernst & Young Inc. in its capacity as Court-appointed monitor of the Applicants (the "**Monitor**") dated November 2, 2010 (the "**Fourteenth Report**"), filed, the Supplemental Affidavit of the Chief Restructuring Officer of the Applicants sworn on November 5, 2010, filed and on hearing from counsel for the Applicants, the Monitor and such other counsel as were present and on being advised that the Service List as of November 1, 2010 was served electronically with the Applicants' Motion Record,

DEFINITIONS

1. **THIS COURT ORDERS** that for the purposes of this Order, in addition to the terms defined elsewhere in this Order, the following terms shall have the following meanings:

   (a) "**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;

   (b) "**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

   (c) "**Claims Order**" means the Order of this Court dated May 21, 2008, as amended by the Order of this Court dated November 26, 2008 and as further amended by the Order of this Court dated November 10, 2009 as such Order may be further supplemented, amended or varied from time to time by this Court;

   (d) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

   (e) "**Creditor**" means any Person having a Claim (as defined in the Claims Order or the Non-Applicant Claims Order) for which they filed a proof of claim against one of the Applicants or Non-Applicants that has not been finally disallowed in full in accordance with those Orders and which term includes, without limitation, any transferee or assignee of a Claim or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person;

(f) "**CRO**" means the Chief Restructuring Officer of the Applicants which is BlueTree Advisors Inc., using the services of its sole officer and director, William E. Aziz, appointed as an officer of this Court pursuant to the Multi-Party Settlement Order;

(g) "**Defendants**" means all Persons against whom any of the Applicants have commenced legal proceedings or with whom any of the Applicants have entered into tolling agreements and which includes, without limitation, a trustee, liquidator, receiver and manager or other Person acting on behalf of such Person;

(h) "**Indenture Trustees**" means HSBC Bank USA, National Association and Delaware Trust Company, National Association;

(i) "**Initial Order**" means the Order of this Court dated August 1, 2007 as such Order may be supplemented, amended or varied from time to time by this Court;

(j) "**KPMG Settlement**" means the settlement reached among the KPMG Settlement Parties pursuant to the KPMG Settlement Agreement;

(k) "**KPMG Settlement Agreement**" means the Settlement Agreement dated October 1, 2010, among the KPMG Settlement Parties, a redacted copy of which is attached as Exhibit "C" to the CRO Affidavit;

(l) "**KPMG Settlement Parties**" means, collectively, the Applicants and their existing subsidiaries (but not including the Chicago Newspapers Liquidation Corp. formerly known as Sun Times Media Group, Inc. and its subsidiaries), the Litigation Trustee and KPMG LLP Canada, KPMG LLP (U.S.), all other member firms of KPMG International and their related or affiliated entities and their respective past, present and future partners, officers, directors, employees, servants, agents, assigns, insurers and counsel (collectively, the "KPMG Releasees");

(m) **"Litigation Trustee"** means John D. Ground, Q.C. (retired judge) appointed as an officer of this Court pursuant to the Multi-Party Settlement Order;

(n) **"Motion Record"** means the Notice of Motion, the CRO Affidavit, including a redacted version of the KPMG Settlement Agreement and a redacted version of the Torys Settlement Agreement, and the draft Settlement Approval Orders;

(o) **"Multi-Party Settlement Order"** means the Order of this Court dated May 21, 2008, as amended by the Order of this Court dated July 3, 2008 as such Order may be further supplemented, amended or varied from time to time by this Court;

(p) **"Non-Applicant Claims Order"** means the Order of this Court dated August 27 2008, as amended by the Order of this Court dated November 26, 2008 and as further amended by the Order of this Court dated November 10, 2009 as such Order may be further supplemented, amended or varied from time to time by this Court;

(q) **"Notice"** means the notice of the Settlement Approval Motion to the Creditors, the Defendants, the Shareholders and any other affected Person in substantially the form attached as Schedule "A";

(r) **"Notice of Appearance"** means the notice delivered by a Creditor or Shareholder to the Monitor and its counsel pursuant to paragraph 7, which shall be substantially in the form attached as Schedule "B";

(s) "**Notice of Appearance Bar Date**" means noon (EST) on December 3, 2010;

(t) "**Person**" includes any individual, partnership, joint venture, trust, corporation, unlimited liability company, unincorporated organization, government body or agency or instrumentality thereof, or any other judicial entity howsoever designated or constituted;

(u) "**Service List**" means the most current Service List in these proceedings;

(v) "**Settlement Approval Motion**" means the motion for, among other things, Court approval of the KPMG Settlement Agreement and the Torys Settlement Agreement and all transactions and documents related thereto, which is to be heard by the Court on a date to be set by the Court at a 9:30 a.m. Scheduling Hearing on December 6, 2010;

(w) "**Settlement Approval Orders**" means the Orders to be sought from the Court approving, among other things, the KPMG Settlement Agreement and the Torys Settlement Agreement and all transactions and documents relating thereto;

(x) "**Settlement Document Package**" means a document package that includes a copy of the Notice, Notice of Appearance, Motion Record including a redacted copy of the KPMG Settlement Agreement and a redacted copy of the Torys Settlement Agreement, the draft Settlement Approval Orders, the Fourteenth Report, this Order and such other materials as the Monitor or the CRO may consider appropriate or desirable;

(y) **"Shareholders"** means the past and present holders of all issued and outstanding shares in the capital stock of the Applicant, Hollinger Inc., whether common or preferred, and including any warrants, options or other rights therein;

(z) **"Torys Settlement"** means the settlement reached among the Torys Settlement Parties pursuant to the Torys Settlement Agreement;

(aa) **"Torys Settlement Agreement"** means the Settlement Agreement dated March 26, 2010, among the Torys Settlement Parties, a redacted copy of which is attached as Exhibit "A" to the CRO Affidavit;

(bb) **"Torys Settlement Parties"** means Hollinger Inc., the Litigation Trustee, Torys LLP (Ontario) and Torys LLP (New York); and

(cc) **"Website"** means the website of the Monitor at www.ey.com/ca/hollinger.

MONITOR'S ROLE

2. **THIS COURT ORDERS AND DIRECTS** that the Monitor, in addition to its duties under the CCAA, the Initial Order and any other Orders in these proceedings, is hereby empowered to take such other actions and fulfill such other roles as are authorized by this Order and the CCAA and that, in taking such other actions and in fulfilling such other roles, the Monitor shall have the protections given to it in the Initial Order and this Order, including without limitation the protections provided in paragraph 11 of this Order.

CRO'S ROLE

3. **THIS COURT ORDERS AND DIRECTS** that the CRO, in addition to its prescribed rights and obligations under the Multi-Party Settlement Order and any other Orders in these proceedings, is hereby empowered to take such other actions and fulfill such other

roles as are authorized by this Order and that, in taking such other actions and fulfilling such other roles, the CRO shall have the protections given to it in the Multi-Party Settlement Order and this Order, including without limitation, the protections provided in paragraph 12 of this Order.

NOTICE

4. **THIS COURT ORDERS** that:

(a) as soon as practicable, but in any event no later than two (2) days following the making of this Order, the Monitor shall post a copy of the Settlement Document Package on its Website;

(b) as soon as practicable, but in any event no later than seven (7) days following the making of this Order, the Monitor, with the assistance of the CRO, shall send a copy of the Notice to each of the Creditors to the address provided in their proof of claim filed in accordance with the Claims Order or Non-Applicant Claims Order, as applicable;

(c) as soon as practicable, but in any event no later than seven (7) days following the making of this Order, the Monitor, with the assistance of the CRO shall send a copy of the Notice to each of the Defendants at their last known address, if any, according to the records of the Applicants;

(d) as soon as practicable, but in any event no later than seven (7) days following the making of this Order, the Monitor shall cause the Notice to be published in *The Globe and Mail* (National Edition) and the *Wall Street Journal*;

(e) the Applicants shall serve the Motion Record on the Service List by electronic service in a manner described in paragraph 10 herein;

5. **THIS COURT ORDERS** that service by the Applicants of the Motion Record on the Service List, by the Monitor of the Notice on the Creditors and the Defendants, posting of the Settlement Document Package on the Website and publication of the Notice in the manner set forth herein shall constitute good and sufficient service upon the Creditors, the Defendants, the Shareholders and all other affected Persons of notice of the Settlement Approval Motion, the Motion Record, the KPMG Settlement, the KPMG Settlement Agreement, the Torys Settlement, the Torys Settlement Agreement, the Settlement Approval Orders, this Order, the Notice of Appearance Bar Date and related deadlines and procedures set forth herein and that no other form of service or notice need be made by any of the Applicants, the CRO or the Monitor to any other Person and no other documents, or materials need be served on any Person in respect of the Settlement Approval Motion, except as provided in paragraph 10 of this Order.

6. **THIS COURT ORDERS** that the form and substance of each of the Notice and the Notice of Appearance, substantially in the forms as attached as Schedule "A" and "B", respectively, to this Order are hereby approved, subject to the Applicants, the CRO and the Monitor making such minor or non-material amendments to such forms as the Applicants, the CRO and the Monitor consider necessary or desirable.

NOTICE OF APPEARANCE BAR DATE

7. **THIS COURT ORDERS** that any Person intending to file a Notice of Appearance must do so by sending it to the Monitor, with a copy to the Monitor's counsel, Lenczner Slaght

Royce Smith Griffin LLP, so that such Notice of Appearance is received by the Monitor and its counsel on or before the Notice of Appearance Bar Date, as provided for by the terms of the Notice of Appearance.

8. **THIS COURT ORDERS** that, if a Notice of Appearance is sent to the Monitor, with a copy to its counsel, and such Notice of Appearance is received by the Monitor and its counsel on or before the Notice of Appearance Bar Date:

(a) the parties by so sending the Notice of Appearance may appear in person or through such party's own counsel at such party's own expense with respect to the Settlement Approval Motion;

(b) upon receipt of each Notice of Appearance, the Monitor shall send the submitting party a receipt acknowledging the filing of such Notice of Appearance;

(c) within two (2) days following the Notice of Appearance Bar Date, the Monitor shall, by way of a Monitor's Report or otherwise at the discretion of the Monitor, provide the Service List with a list of the Notices of Appearance received in accordance with this Order that have not been withdrawn; and

(d) the Monitor shall send copies of the Notices of Appearance received in accordance with this Order that have not been withdrawn to the Applicants and counsel for the KPMG Settlement Parties, counsel for the Torys Settlement Parties and counsel for the Indenture Trustees.

9. **THIS COURT ORDERS** that any Person that does not send a Notice of Appearance as provided for herein which is received by the Monitor and its counsel on or before the Notice of Appearance Bar Date:

(a) shall not be entitled to appear or be heard at the Settlement Approval Motion, or to receive any further notice of, or materials or documentation relating to, arising out of, or in conjunction with, the Settlement Approval Motion;

(b) shall be bound by the terms of the Settlement Approval Orders and all other related Orders as may be subsequently made in these proceedings; and

(c) shall be forever barred and enjoined from making any objection or opposition to, disputing in any manner whatsoever or appealing or moving to set aside or vary the Settlement Approval Orders, the KPMG Settlement, the KPMG Settlement Agreement, the Torys Settlement, the Torys Settlement Agreement or any other documents, Orders or proceedings with respect to, arising out of, or in connection with the Settlement Approval Motion, the Settlement Approval Orders, the KPMG Settlement, the KPMG Settlement Agreement, the Torys Settlement and the Torys Settlement Agreement.

10. **THIS COURT ORDERS** that the Applicants shall be required to serve the motion materials relating to the Settlement Approval Motion on the Service List on or before November 26, 2010 and shall be required to serve the motion materials relating to the Settlement Approval Motion on any Person who has filed a Notice of Appearance as provided for herein which was received by the Monitor and its counsel on or before the Notice of Appearance Bar Date, unless such Person has withdrawn the Notice of Appearance, within two days of receipt of the Notice of Appearance and in any event on or before December 3, 2010.

PROTECTIONS FOR THE MONITOR AND CRO

11. **THIS COURT ORDERS** that (i) in carrying out the terms of this Order, the Monitor shall have all of the protections provided for it by the CCAA and the Initial Order or as an officer of this Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of its duties under this Order, (iii) the Monitor shall be entitled to rely on the books and records of the Applicants, the Proof of Claim filed in accordance with the Claims Order, and any other information provided by the Applicants, all without independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records, Proofs of Claim or information.

12. **THIS COURT ORDERS** that (i) in carrying out the terms of this Order, the CRO shall have all the protections provided for it by the Multi-Party Settlement Order, (ii) the CRO shall incur no liability or obligation as a result of assisting the Monitor in the carrying out of the provisions of this Order, (iii) the CRO shall be entitled to rely on the books and records of the Applicants, the Proofs of Claim filed in accordance with the Claims Order and any other information provided by the Applicants, all without independent investigation, and (iv) the CRO shall not be liable for any claims or damages resulting from any errors or omissions in such books, records, Proofs of Claim or information.

DIRECTIONS

13. **THIS COURT ORDERS** that any Applicant, the CRO or the Monitor may, at any time, and with such notice to the KPMG Settlement Parties, the Torys Settlement Parties, the Indenture Trustees or other Persons as this Court may require, seek directions from the

Court with respect to this Order and the process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

14. **THIS COURT ORDERS** that the Monitor, the CRO or the Applicants, as the case may be, are at liberty to deliver the Notice and any letters, notices or other documents to interested Persons by forwarding true copies thereof by pre-paid ordinary mail, courier, personal delivery or electronic or digital transmission. Any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next business day following the date sent or, if sent by pre-paid ordinary mail, on the fourth business day after mailing.

15. **THIS COURT ORDERS** that the Notice of Appearance to be given under this Order by any Person to the Monitor shall be in writing in substantially the form provided for in this Order and will be sufficiently given only if given by pre-paid ordinary mail, courier, personal delivery or electronic or digital transmission and addressed to and received by:

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Inc. and others
222 Bay Street
Toronto, ON M5K 1J7

Attention: Christopher Mediratta
Email: christopher.mediratta@ca.ey.com
Fax: (416) 943-3300

With a copy to:

Lenczner Slaght Royce Smith Griffin LLP
Lawyers for the Monitor of Hollinger Inc. and others
130 Adelaide Street West, Suite 2600
Toronto, Ontario M5H 3P5

Attention: Peter Griffin

Email: pgriffin@litigate.com
Fax: 416-865-9010

Any such notice or other communication by any Person shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

TIMETABLE FOR SETTLEMENT APPROVAL MOTION

16. **THIS COURT ORDERS** that a 9:30 a.m. Scheduling Hearing shall be held on December 6, 2010 to set a date for the Settlement Approval Motion and establish a timetable for the exchange of materials prior to the Settlement Approval Motion.

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

NOV 12 2010

PER / PAR:

SCHEDULE "A"

(NOTICE FORM ATTACHED)

NOTICE CONCERNING HOLLINGER INC., 4322525 CANADA INC. AND SUGRA LIMITED
(hereinafter collectively referred to as the "Applicants")

RE: NOTICE OF SETTLEMENT OF CLAIMS AND CAUSES OF ACTIONS IN FAVOUR OF THE APPLICANTS INVOLVING KPMG LLP CANADA (THE "KPMG SETTLEMENT"), TORYS LLP (ONTARIO) AND TORYS LLP (NEW YORK) (THE "TORYS SETTLEMENT"), AND NOTICE OF A BAR DATE RELATING TO THE KPMG SETTLEMENT AND THE TORYS SETTLEMENT AND AN ORDER APPROVING THESE SETTLEMENTS

The Applicants and the Court-appointed Litigation Trustee have entered into two settlement agreements (collectively, the "Settlements") in respect of which Court Orders will be sought.

The KPMG Settlement Agreement settles all claims and causes of action advanced by Hollinger Inc. on its own behalf and on behalf of all other CCAA applicants and their subsidiaries other than Chicago Newspaper Liquidation Corp. (formerly known as Sun-Times Media Group) and its subsidiaries. In return for payment by KPMG of the settlement amount and withdrawal of KPMG's claims against the Applicants, Hollinger is seeking a Court ordered release in favour of KPMG LLP Canada, KPMG LLP (U.S.), all other member firms of KPMG International and their related or affiliated entities and their respective past, present and future partners, officers, directors, employees, servants, agents, assigns, insurers and counsel (collectively, the "KPMG Releasees"). The intent of the release is to eliminate any basis for any direct or indirect claim by any Person against the KPMG Releasees in any way relating to the subject matter of the KPMG Settlement, save and except claims based on a final judgment that a plaintiff suffered damages or, if under civil law, prejudice as a direct result of the plaintiff's reliance on express fraudulent misrepresentation made by any or all of the KPMG Releasees or their agents when any or all the KPMG Releasees had actual knowledge that the misrepresentation was false.

The Torys Settlement Agreement settles all claims and causes of action advanced by Hollinger Inc. on its own behalf and on behalf of all other CCAA applicants and their subsidiaries other than Chicago Newspaper Liquidation Corp. (formerly known as Sun-Times Media Group) and its subsidiaries. In return for payment by Torys of the settlement amount and Torys agreement that it will not file any claims against the estates of any of the Applicants, Hollinger is seeking a Court ordered release in favour of Torys and its past, present and future partners, employees, directors, officers, affiliates, agents, advisors, insurers and their predecessors, successors and assigns (collectively, the "Torys Releasees"). The intent of the release is to eliminate any basis for any direct or indirect claim by any Person against the Torys Releasees in any way relating to the subject matter of the Torys Settlement, save and except claims based on a final judgment that a plaintiff suffered damages or, if under civil law, prejudice as a direct result of the plaintiff's reliance on express fraudulent misrepresentation made by any or all of the Torys Releasees or their agents when any or all the Torys Releasees had actual knowledge that the misrepresentations was false.

The Settlements and the Settlement Approval Orders sought contain terms and provisions that may compromise, limit or release certain of your rights. Please consult the Settlement Document Package for more details at the Monitor's website www.ey.com/ca/hollinger.

This Notice is being published pursuant to an Order of the Superior Court of Justice (the "Court") made November 12, 2010 (the "Service and Notice Procedure Order"). This Notice has been approved by the Court pursuant to the Service and Notice Procedure Order. A copy of this Notice will be sent to Creditors and Defendants (as defined in the Service and Notice Procedure Order) on or before November 19, 2010 in accordance with the Service and Notice Procedure Order. Persons may obtain a Settlement Document Package, including the forms of the Settlement Approval Orders, further details of the KPMG Settlement Agreement and the Torys Settlement Agreement and a form of Notice of Appearance (the "Notice of Appearance"), from the Monitor's website at www.ey.com/ca/hollinger.

A motion for approval and implementation of the Settlements including for the barring and release of certain claims (the "Settlement Approval Motion") is to be heard on a date to be set by the Court at a 9:30 a.m. Scheduling Hearing on December 6, 2010. If you wish to attend and be heard at the Settlement Approval Motion, a Notice of Appearance must be submitted by pre-paid ordinary mail, courier, email or fax to the Monitor and its counsel, Lenczner Slaght Royce Smith Griffin LLP, at the following addresses:

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Inc. and others
222 Bay Street
Toronto, ON M5K 1J7

Attention: Christopher Mediratta
Email: christopher.mediratta@ca.ey.com
Fax: (416) 943-3300

Lenczner Slaght Royce Smith Griffin LLP
Lawyers for the Monitor of Hollinger Inc. and others
130 Adelaide Street West, Suite 2600
Toronto, Ontario M5H 3P5

Attention: Peter Griffin
Matthew Lerner
Email: pgriffin@litigate.com
mlerner@litigate.com
Fax: 416-865-9010

All Notices of Appearance must be received by the Monitor and its counsel by noon (EST) on December 3, 2010 (the "Notice of Appearance Bar Date"). It is your responsibility to ensure that the Monitor and its counsel receive your Notice of Appearance by the Notice of Appearance Bar Date if you wish to appear and be heard. If you file a Notice of Appearance by the Notice of Appearance Bar Date you must be represented in person or through legal counsel at your own expense with respect to the Settlement Approval Motion and any other proceedings regarding the Settlements in which you wish to participate.

PERSONS WILL BE BOUND BY ALL TERMS OF THE SETTLEMENT APPROVAL ORDERS AND WILL BE BARRED AND ENJOINED FROM OBJECTING TO, DISPUTING IN ANY MANNER WHATSOEVER, APPEALING OR MOVING TO SET ASIDE OR VARY THE SETTLEMENTS OR THE SETTLEMENT APPROVAL

ORDERS IF A NOTICE OF APPEARANCE IS NOT RECEIVED BY THE MONITOR AND ITS COUNSEL ON OR BEFORE THE NOTICE OF APPEARANCE BAR DATE AND SUCH PERSON DOES NOT ATTEND IN PERSON OR BY LEGAL COUNSEL AT THE SETTLEMENT APPROVAL MOTION TO BE HEARD ON A DATE TO BE SET BY THE COURT AT A 9:30 A.M. SCHEDULING HEARING ON DECEMBER 6, 2010 AT THE COURTHOUSE, 8TH FLOOR, 330 UNIVERSITY AVENUE, TORONTO, ONTARIO.

DATED at Toronto this ► day of ►, 2010.

SCHEDULE "B"

(NOTICE OF APPEARANCE FORM ATTACHED)

Court File No. 07-CL-7120

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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

NOTICE OF APPEARANCE

TO: ERNST & YOUNG INC.
Court-appointed Monitor of Hollinger Inc, and others
222 Bay Street
Toronto, Ontario
Canada M5K 1J7

Attention: Christopher Mediratta
Phone: **1-888-788-9099**
Email: christopher.mediratta@ca.ey.com
Fax: (416) 943-3300

AND TO: LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP
Lawyers for the Monitor of Hollinger Inc. and others
130 Adelaide Street West
Suite 2600
Toronto, Ontario
Canada M5H 3P5

Attention: Peter Griffin
Matthew Lerner
Email: pgriffin@litigate.com
mlerner@litigate.com
Fax: (416) 865-9010

I, ____________________________(please check at least on of the following boxes as applicable: (insert name)

- ☐ am a Creditor of the Applicants or the Non-Applicants;
- ☐ am an officer of a Creditor.
- ☐ am a current or former Shareholder of Hollinger Inc.;
- ☐ am a Defendant; or
- ☐ am another affected Person;

Under the Order of Mr. Justice Campbell dated ►, 2010, Persons who wish to appear and be heard on the motion to be scheduled at a 9:30 a.m. Scheduling Hearing on December 6, 2010 (the "Settlement Approval Motion") to approve the settlements described in the Notice sent to such parties (the "Settlements") may do so by filing this Notice of Appearance with the Monitor and Lenczner Slaght Royce Smith Griffin LLP by way of fax/email/regular mail/courier provided that such Notice of Appearance is received by the Monitor and its counsel on or before noon (EST) on December 3, 2010.

I hereby notify the Monitor that: (a) I intend to appear at the Settlement Approval Motion; and (b) I will appear in person or through my own counsel at my own expense at the Settlement Approval Motion and to the extent I wish to appear in any other proceedings relating to the Settlements.

Failure to file a Notice of Appearance with the Monitor and its counsel on or before noon (EST) on December 3. 2010 will result in you being bound by all terms of the Settlement Approval Orders and in you being forever barred and enjoined from objecting to, opposing, disputing in any manner whatsoever, appealing or moving to set aside or vary the Settlements and the Settlement Approval Orders.

______________________________	______________________________
Date	Signature
My contact information for service is as follows:	My lawyer's address for service is as follows:
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
(please insert an email address for service or a street address if you do not have an email address)	(please complete the above information for the lawyer, if any, you have retained to represent you at the Settlement Approval Motion)

My contact phone number is as follows:

____

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC. AND SUGRA LIMITED**

Court File No.: 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

SERVICE AND NOTICE PROCEDURE ORDER
(NOVEMBER 12, 2010)

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Robert I. Thornton (LSUC# 24266B)
Kyla E.M. Mahar (LSUC# 44182G)
Tel: 416-304-1616
Fax: 416-304-1313

Solicitors for the Applicants and the Non-Applicants

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT
WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** AND **SUGRA LIMITED**

Court File No.: 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

NOTICE OF MOTION
(Re: Black, Radler and Radler Ltd.
Settlement Approvals and Notice)

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Michael Barrack (LSUC# **21941W**)
Megan Keenberg (LSUC# **53735G**)

Tel: 416-304-1616
Fax: 416-304-1313

Solicitors for the Applicants and the Non-Applicants

TAB 2

Court File No. 07-CL-7120

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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** and **SUGRA LIMITED**

Applicants

AFFIDAVIT OF WILLIAM E. AZIZ
(Re: Black Settlement Approval and Notice)
(Sworn on November 12, 2014)

I, **WILLIAM E. AZIZ**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President of BlueTree Advisors Inc., Chief Restructuring Officer of the Applicants and the Non-Applicants (as defined herein). As such, I have personal knowledge of the matters to which I hereinafter depose, except where my knowledge is based on information and belief, in which case I believe such information to be true.

2. Pursuant to an Order of this Honourable Court dated May 21, 2008, as amended by the Order of this Honourable Court dated July 3, 2008, (the "**Multi-Party Settlement Order**"), I or a company or entity owned or controlled by me was appointed as the Chief Restructuring Officer of the Applicants. BlueTree Advisors Inc. ("**BlueTree**") is the

entity owned or controlled by me that was appointed to provide my services as Chief Restructuring Officer of the Applicants.

3. BlueTree was also retained to provide the services of Chief Restructuring Officer of Domgroup Ltd., 10 Toronto Street Inc., Holcay Holdings Ltd. and 021173 N.B. Limited a.k.a. Willett Foods f.k.a Willett Food Company (collectively, the "**Non-Applicants**") pursuant to board resolutions passed by each of the Non-Applicants on June 16, 2008. Collectively, BlueTree and myself are referred to herein as the "**CRO**".

Purpose

4. I swear this Affidavit as a companion to my **Affidavit of August 14, 2014**, which contains my sworn statement in respect of the settlements reached between Hollinger Inc. ("**Hollinger**") and the Litigation Trustee on one hand, and each of F. David Radler ("**Radler**") and North American Newspapers Ltd. (formerly known as F. D. Radler Ltd., referred to herein as "**Radler Ltd.**"), respectively. Each of the Radler Settlement Agreement and the Radler Ltd. Settlement Agreement, both dated August 13, 2014, are appended as **Exhibits A** and **B** to my **August 18, 2014 Affidavit**. This Affidavit is sworn in support of the motion seeking the following additional relief:

(a) an Order approving the settlement agreement between the Applicants and the Litigation Trustee on the one hand and Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**" and together with Black, the "**Blacks**"), Moffat Management Inc., Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks' Companies**") on the one hand, and (together, the

"**Parties**") on the other hand, dated November 10, 2014 (the "**Black Settlement Agreement**", attached to this Affidavit as **Exhibit "A"**) and granting releases in favour of the Blacks and the Blacks' Companies from the Applicants and their subsidiaries (but not including the Chicago Newspapers Liquidation Corp. formerly known as Sun-Times Media Group, Inc. and its subsidiaries (collectively referred to as "**CNLC**")) and from third parties who are not parties to the Black Settlement Agreement, substantially in the form of the draft Order annexed to the Notice of Motion as **Schedule "C"** (the "**Black Settlement Approval Order**"); and

(b) an Order providing for the manner of notice and service of the motions relating to the Black Settlement Agreement, substantially in the form attached to the Notice of Motion as **Schedule "D"**.

<u>Background to the Settlements</u>

5. Pursuant to the Multi-Party Settlement Order, John D. Ground, Q.C. (retired judge) was appointed as an officer of this Court to be the Litigation Trustee (the "**Litigation Trustee**") over and in respect of all claims and causes of action in favour of the Applicants (collectively, the "**Litigation Assets**").

6. Pursuant to the terms of the Multi-Party Settlement Order and the Multi-Party Settlement Agreement annexed as Schedule "A" thereto, the Litigation Trustee is to supervise, control and administer the Litigation Assets and is responsible for administering the Litigation Assets efficiently and in a cost-effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their creditors and

other stakeholders. As CRO, all other assets of the Applicants and the Non-Applicants are under my supervision as are all claims made against the various entities.

7. The Litigation Assets include claims and causes of actions asserted against a number of parties, including, without limitation, against the Blacks and the Blacks' Companies.

8. On March 29, 2005, Hollinger issued a claim against the Blacks and others bearing Court File No. 05-CL-5822. On January 27, 2006, Hollinger issued a further claim against Blacks, the Blacks' Companies and others bearing Court File No. 06-CL-6261. On April 20, 2007, Hollinger issued a third claim against Black and others bearing Court File No. 07-CL-6954. On June 19, 2012, Hollinger issued a Fresh as Amended Statement of Claim (the "**Fresh as Amended Claim**") in the proceeding bearing Court File No. 06-CL-6261. The Fresh as Amended Claim is attached to my **Affidavit of August 14, 2014** as **Exhibit C.**

9. By Order of Justice Campbell dated February 25, 2013, Hollinger's claims proceeding under Court File Numbers 05-CL-5822, 06-CL-6261 and 07-CL-6954 were consolidated and continued under Court File No. 06-CL-6261 (the "**Consolidation Order**"), as reflected in the Fresh as Amended Claim. The Consolidation Order is attached to my **Affidavit of August 14, 2014** as **Exhibit D.**

10. A Statement of Defence and Crossclaim was filed on behalf Black and certain of the Blacks' Companies on March 21, 2013. A copy of the Black Statement of Defence and Crossclaim is attached to this Affidavit as **Exhibit "B"**.

11. A Statement of Defence and Crossclaim was filed on behalf Amiel-Black on April 10, 2013. A copy of the Amiel-Black Statement of Defence and Crossclaim is attached to this Affidavit as **Exhibit "C"**.

12. On June 27, 2013, Hollinger filed a Replies to each of Black and Amiel-Black. Hollinger's Replies are attached to this Affidavit as **Exhibits "D"** and **"E"**, respectively.

13. Thereafter, Black, the Blacks' Companies and Hollinger engaged in a negotiation process which included a formal mediation before George Adams, Q.C. (retired Justice) on February 13 and 14, 2014 (the "**Mediation**"). Following the Mediation, the parties continued negotiating and reached a settlement as reflected in the Black Settlement Agreement (to which Amiel-Black is also a party, despite not attending the Mediation) (the "**Settlement**", attached hereto as **Exhibit "A"**).

14. The Settlement is conditional upon the Applicants obtaining a form of Settlement Approval Order that approves the Settlement and that gives legal effect to the third party releases contained therein.

Settlement Approval

15. I have been fully informed or consulted in respect of all aspects of the efforts of the Litigation Trustee in relation to the Litigation Assets, including the negotiations of the Settlement.

16. Having regard to my duty to act in the best interests of the estates of the Applicants and as a Court-appointed officer, in my view, the Settlement ~~are~~ is fair and reasonable and are in the best interests of the Applicants and their creditors and other stakeholders.

17. The terms of the Settlement are consistent with prior settlements between Hollinger and other settling defendants, which settlements have been approved by this Court. My **Affidavit of August 14, 2014** appends as **Exhibits G** through **M** all the orders that have been granted to date, approving prior settlements with each of KPMG LLP, Torys LLP, the Outside Directors (being Maureen Sabia, Henry Ketcham III, Allan Gotlieb and Fredrik S. Eaton), the Canadian Imperial Bank of Commerce ("**CIBC**") and R. Donald Fullerton, Ralph Barford, Peter Atkinson and John Boultbee (together, the "**Approval Orders**").

18. All of the above-noted Approval Orders approve the respective settlements in their entirety and give effect to the third party releases contained therein. The Approval Orders pertaining to the Outside Directors, Torys and KPMG were opposed and granted with reasons by this Court. None of the opposing parties sought leave to appeal those Orders. The Approval Orders pertaining to CIBC and Fullerton, Barford, Boultbee and Atkinson were not opposed and were granted after being heard in writing.

Notice and Service

19. On November 12, 2010, this Court granted a service and notice procedure order (the "**November 12, 2010 Order**") establishing a service and notice process in respect of the motions for approval of the settlements reached with Torys and KPMG. Defined terms in this section of my affidavit adopt the definitions found in the November 12, 2010 Order, which is attached to my **Affidavit of August 14, 2014** as **Exhibit N**.

20. Pursuant to the November 12, 2010 Order, extensive notice of those two settlements and their approval process was provided by way of direct mailings to Creditors, Defendants

and the CCAA Service List, as well as by publication on websites and in newspapers. Those who wished to participate in the settlement approval process were required to file a Notice of Appearance. The parties who filed Notices of Appearance include all the defendants to Hollinger-related litigation (including potential claims) as well as creditors and other stakeholders of the Applicants (collectively, the "**Service List**").

21. This Court granted several further orders in respect of the service and notice procedure for the approval motions for each of the settlements listed above. The Service and Notice Orders in respect of the Outside Directors, CIBC and Fullerton, Barford, Atkinson and Boultbee are appended to my **Affidavit of August 14, 2014**, as **Exhibits O** through **R**, respectively.

22. On August 18, 2014, this Court granted an order (the "**Radler Service Order**") providing that service of any motion materials upon the Service List relating to the approval of the settlements reached with Radler and Radler Ltd. made in accordance with the November 12, 2010 Order constitutes good and sufficient notice and service. The Radler Service Order is attached to this Affidavit as **Exhibit "F".**

23. It is my view that all persons who would have any interest in the Settlement and the approval process would also have been interested in the Torys and KPMG Settlement Agreements, the Outside Directors Settlement Agreement, the CIBC/Fullerton Settlement Agreement, the Barford Settlement Agreement, the Boultbee Settlement Agreement, the Atkinson Settlement Agreement, the Radler Settlement Agreement and their respective approval processes and would therefore have filed a Notice of Appearance pursuant to the November 12, 2010 Order. Accordingly, in my view, service of the motions relating

to the Settlements on the Service List will provide good and sufficient notice to those persons with an interest in the Settlements.

24. Based on the foregoing, as CRO I recommend that this Court grant the relief sought by the Applicants.

SWORN before me at the City of Toronto, in the Province of Ontario, this 12th day of November, 2014 Commissioner for Taking Affidavits M. Keenberg LSUC # 57135G	William E. Aziz Chief Restructuring Officer of the Applicants and the Non-Applicants

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** AND **SUGRA LIMITED**

Court File No.: 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

AFFIDAVIT OF WILLIAM E. AZIZ
(*Re: Black Settlement Approval and Notice*)
(Sworn November 12, 2014)

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Michael Barrack (LSUC# 21941W)
Megan Keenberg (LSUC# 53735G)
Tel: 416-304-1616
Fax: 416-304-1313

Solicitors for the Applicants and the Non-Applicants

THIS IS EXHIBIT "A" TO THE AFFIDAVIT OF WILLIAM E. AZIZ, SWORN THIS 12th DAY OF NOVEMBER, 2014

____
Commissioner for Taking Affidavits

M. Keenberg
LSUC #53935G

RELEASE AND SETTLEMENT AGREEMENT

THIS RELEASE AND SETTLEMENT AGREEMENT (this "**Agreement**") is made as of the 10th day of November, 2014, between Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**" and together with Black, the "**Blacks**"), Moffat Management Inc., Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks' Companies**") on the one hand, and Hollinger Inc. ("**Hollinger**"), a corporation incorporated under the *Canada Business Corporations Act*, R.S.C. 1985 c. C-44 (the "**CBCA**"), Domgroup Ltd., 4322525 Canada Inc., 10 Toronto Street Inc. and Sugra Limited on the other hand (together, the "**Parties**"); and

WHEREAS, by Statement of Claim issued March 29, 2005 and amended on July 26, 2007, bearing Court File No. 05-CL-5822 (the "**'05 Action**"), Hollinger and Domgroup Ltd. commenced an action against Black and others for liability in connection with their conduct as directors and officers of Hollinger; and

WHEREAS, by Notice of Action issued January 27, 2006 and Statement of Claim dated February 27, 2006, amended August 10, 2006, May 22, 2009, May 27, 2009 and June 19, 2012, bearing Court File No. 06-CL-6261 (the "**'06 Action**"), Hollinger, Domgroup Ltd., 4322525 Canada Inc., 10 Toronto Street Inc. and Sugra Limited commenced a further action against the Blacks, the Blacks' Companies and others for liability in connection with their conduct as directors and officers of Hollinger and the Blacks' Companies receipt of certain funds; and

WHEREAS, by Statement of Claim issued April 20, 2007, bearing Court File No. 07-CL-6954 (the "**Indemnification Action**"), Hollinger commenced an action against the Blacks and others seeking a declaration that they were not entitled to be indemnified by Hollinger pursuant to any indemnity agreement or under any statute in respect of the '05 Action, the '06 Action or any other action in which they are named defendants by virtue of their conduct as directors and officers of Hollinger; and

WHEREAS, the '05 Action, the '06 Action and the Indemnification Action were consolidated and continued under Court File No. 06-CL-6261 by Order of Justice Campbell, dated February 25, 2013 (the "**Consolidated Hollinger Action**"); and

WHEREAS, by Notice of Action issued on January 27, 2006, the Blacks and certain of the Blacks' Companies commenced an action bearing Court File No. 06-CL-6259 against Hollinger and others for contribution and indemnity in connection with certain Hollinger-related litigation (the "**Contribution and Indemnity Action**"); and

WHEREAS, by Notice of Action issued July 13, 2006, Black commenced an action bearing Court File No. 06-CV-315048-PD1 against Hollinger seeking repayment of a loan made by Black to Hollinger in connection with the satisfaction of a joint judgment issued against Black and Hollinger by the Delaware Chancery Court (the "**Delaware Judgment Action**"); and

WHEREAS, by Order of Justice Campbell, dated August 18, 2006 , varied by Order dated August 31, 2006, Hollinger, Domgroup Ltd., 4322525 Canada Inc., 10 Toronto Street Inc. and Sugra Limited obtained an *ex parte* Mareva injunction governing reporting requirements and restricting transfers and dispositions of the Blacks' assets and the Blacks' Companies' assets (the

"**Mareva Order**"), pending the resolution of claims against the Blacks in the '06 Action, later the Consolidated Hollinger Action; and

WHEREAS, the Parties entered into an agreement dated September 28, 2006 (the "**Confidential Settlement Agreement**") that was partially incorporated into a consent order dated September 29, 2006 (the "**Consent Order**") which, together, replaced the Mareva Order; and

WHEREAS, pursuant to an order of the Ontario Superior Court of Justice, Commercial List (the "**Court**"), dated August 1, 2007 (the "**Initial CCAA Order**"), Hollinger, 4322525 Canada Inc. and Sugra Limited (together, the "**CCAA Applicants**") were authorized to commence a proceeding pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), bearing Court File No. 07-CL-7120 wherein the CCAA Applicants may file a plan of compromise or arrangement (a "**Plan**"); and

WHEREAS the Contribution and Indemnity Action and the Delaware Judgment Action were stayed as a result of the Initial CCAA Order; and

WHEREAS, pursuant to an Order of the Court dated May 21, 2008, the CCAA Applicants commenced a claims process to determine and adjudicate claims of related and non-related persons; and

WHEREAS, by Proof of Claim dated July 11, 2008, Black advanced certain claims against Hollinger's estate consisting of (i) the amounts claimed in the Blacks' Contribution and Indemnity Action; (ii) the amounts claimed in the Delaware Judgment Action; (iii) the amounts for which Black may be found liable in the action bearing Action No. 0503 18023 commenced by 783783 Alberta Ltd. (c.o.b as Vue Weekly) against Black *et al.* in the Court of Queen's Bench of Alberta; and (iv) all unknown amounts (together, these claims constitute "**Black's Claims**"); and

WHEREAS, neither Amiel-Black nor any of the Blacks' Companies filed any proofs of claim against any of the CCAA Applicants; and

WHEREAS, Domgroup Ltd. and 10 Toronto Street Inc. (collectively, the "**Non-Applicants**") made a call for claims and neither the Blacks nor the Blacks' Companies made any claims against the Non-Applicants; and

WHEREAS, the CCAA Applicants, together with the Non-Applicants, are the plaintiffs in the Consolidated Hollinger Action; and

WHEREAS, pursuant to an Order of the Court dated May 21, 2008, the CCAA Applicants obtained approval of a multi-party settlement and a cost reduction/ enhancement program (the "**MPS Order**") wherein John D. Ground, Q.C. (retired Justice) was appointed as an officer of the Court to be the Litigation Trustee over and in respect of all claims and causes of action in favour of the CCAA Applicants, including the Consolidated Hollinger Action; and

WHEREAS, pursuant to the MPS Order, the Litigation Trustee was empowered to initiate, prosecute and continue the prosecution of any and all proceedings then pending or thereafter instituted with respect to the CCAA Applicants, including, *inter alia*, the power to settle or compromise any such proceeding, which includes the Consolidated Hollinger Action; and

WHEREAS, by Order of Justice Campbell dated September 3, 2009, in a proceeding brought by Catalyst Fund General Partner I Inc. against Hollinger pursuant to section 229 of the CBCA and the Endorsement of Justice Campbell dated September 19, 2013 in the Consolidated Hollinger Action, Lerners LLP is in possession of a number of boxes containing certain documents over which both Black and Hollinger have asserted ownership, which had originally been contained in thirteen sealed boxes (the "**13 Boxes of Documents**"); and

WHEREAS the CCAA Applicants, the Non-Applicants, Black and the Blacks' Companies engaged in a mediation process before George W. Adams, Q.C. (retired Justice) on May 8 and 9, 2014 (the "**Mediation**"); and

WHEREAS, although Amiel-Black did not participate in the Mediation, she agrees to be bound by the terms of this Agreement, having had the opportunity to obtain independent legal advice; and

WHEREAS the Blacks and the Blacks' Companies deny that they have any liability to the CCAA Applicants and the Non-Applicants, or have engaged in any wrongdoing;

NOW THEREFORE IN CONSIDERATION OF THE COVENANTS SET OUT BELOW AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE ACKNOWLEDGED, AND SUBJECT TO THE PROVISIONS SET OUT HEREIN RESPECTING COURT APPROVAL OF THIS SETTLEMENT AND ITS MATERIAL TERMS, the Parties agree as follows:

1. *Payment by Black of the Settlement Amount*: Black shall pay the sum of $5,000,000 (the "**Settlement Amount**") to Hollinger for the benefit of the Litigation Trustee. The Settlement Amount shall be paid in four installments (each, a "**Payment**") in accordance with the following schedule (the "**Payment Schedule**"):

    (a) Within sixty (60) days of the issuance of the Release Order (as defined herein) and the determination of any appeals or the expiration of all appeal periods in relation thereto (at which time such Order is, for the purposes hereof, "**Final**"), Black shall pay $1,500,000 (the "**First Payment**") of the Settlement Amount to Hollinger for the benefit of the Litigation Trustee;

(b) Black shall pay $1,500,000 (the "**Second Payment**") of the Settlement Amount to Hollinger for the benefit of the Litigation Trustee within six (6) months of the Closing Date;

(c) Black shall pay $1,000,000 (the "**Third Payment**") of the Settlement Amount to Hollinger for the benefit of the Litigation Trustee within eighteen (18) months of the Closing Date; and

(d) Black shall pay $1,000,000 (the "**Fourth Payment**") of the Settlement Amount to Hollinger for the benefit of the Litigation Trustee within thirty (30) months of the Closing Date.

2. *Security for Payments*: Simultaneously, upon receipt of the First Payment, Hollinger, for the benefit of the Litigation Trustee, shall be entitled to, and shall receive, a mortgage (the "**Mortgage**"), substantially in the form attached hereto as **Schedule A**, over the Blacks' residence and lands appurtenant thereto at 26 Park Lane Circle (including the amalgamated and subsequently severed adjacent lot formerly known as 24 Park Lane Circle), in Toronto, Ontario (the "**Property**"), as collateral for the Second, Third and Fourth Payments (individually, an "**Outstanding Payment**" and collectively the "**Outstanding Payments**"). The date of the First Payment and registration of the Mortgage shall be the "**Closing Date**". The Mortgage shall not be assigned, transferred, or sold by Hollinger to anyone other than Ernst & Young Inc., in its capacity as the Court-appointed monitor of the CCAA Applicants and the Non-Applicants (the "**Monitor**"). The Blacks represent that the principal amounts owing under the existing

mortgages on the Property, if any, did not exceed $12,000,000 as of May 9, 2014, and will not exceed $12,000,000 as of the Closing Date. Without derogating from Hollinger's right to exercise its remedies under the Mortgage in the event of default, the Mortgage will rank behind and be subordinated from time to time to the existing mortgages on the Property as of May 9, 2014, as they may be renewed, amended or replaced from time to time, provided that the terms of such renewed, amended or replaced mortgage(s) shall not exceed, $12,000,000 in principal amount(s). The Blacks agree that all prior ranking mortgages always will be held by arm's length mortgagees. The Parties agree that any default under the existing mortgages on the Property as of May 9, 2014, as they may be renewed, amended or replaced from time to time, shall constitute a default under the Mortgage. The Mortgage will be discharged immediately by Hollinger upon payment in full by Black of the Outstanding Payments, together with any accrued and unpaid interest thereon, to Hollinger for the benefit of the Litigation Trustee. Black shall be entitled to give a mortgage or other encumbrance upon the Property which ranks behind the Mortgage without obtaining the consent of the CCAA Applicants and Non-Applicants. Further, as of the date of this Agreement, the Parties agree that notwithstanding the Mareva Order, the Confidential Settlement Agreement and the Consent Order, Black shall be entitled to sell a portion of the Property (such portion being all or part of the lot formerly known as 24 Park Lane Circle, "**24 Park Lane Circle**") to an arm's length party for consideration of no less than $5,750,000, and the CCAA Applicants and Non-Applicants consent to and shall provide a partial discharge of the Mortgage on such sale of all or part of 24 Park Lane Circle, provided that upon completion of such sale, Hollinger shall receive one third (33.33%) of the total proceeds of sale, net only of sale transaction costs, but *not*, for greater certainty, net of any payment to prior or other mortgagees. In the event of such partial sale, the proceeds of sale payable to Hollinger shall be paid to Hollinger concurrent with such partial sale, and such payment shall reduce, on a *pro rata* basis, all then Outstanding Payments.

3. *Non-Interest Bearing Payments*: The Payments described in paragraph 1 of this Agreement shall not bear interest if they are paid on or before the due date hereunder.

4. *Default and Interest for Late Payments*: If an Outstanding Payment has not been paid within seven (7) days of its due date (the **"Cure Period"**), then the Mortgage will be in default and Hollinger may exercise all remedies available at law and /or under the Mortgage in respect of the Property including by issuing a Notice of Sale. In the event that an Outstanding Payment is late and has not been paid within the Cure Period, such Payment will bear interest on the following scale:

   (a) any Outstanding Payment that is up to three (3) months late shall bear interest at the prejudgment interest rate provided for in section 128 of the Ontario *Courts of Justice Act*, R.S.O. c. C.43, as amended;

   (b) any Outstanding Payment that is between three (3) and six (6) months late shall bear interest at 6% per annum, compounded monthly in arrears; and

   (c) any Outstanding Payment that is more than six (6) months late shall bear interest at 10% per annum, compounded monthly in arrears.

5. *Good Faith Cooperation*: The Parties agree to cooperate in good faith and to provide any necessary consents or documentation reasonably necessary to implement this Agreement including, without limitation, such consents or documentation as may be necessary to ensure that the Mortgage is a valid, binding and effective charge and mortgage on the Property.

6. *Thirteen Boxes of Documents*: Hollinger shall obtain the consent of Ernst & Young Inc., in its capacity as Inspector of Hollinger, for the release to Black by Lerners LLP of the 13 Boxes of Documents, which consent shall be effective as of the Closing Date, and Lerners LLP shall, thereafter, have no responsibility in respect of the 13 Boxes of Documents.

7. *Discharge of Consent Order and Termination of Confidential Settlement Agreement*: Upon execution of this Agreement, the Parties will execute a consent to an Order, in the form attached hereto as **Schedule B**, discharging the Consent Order. This consent will be held in escrow by Hollinger's counsel and will be released from escrow and filed with the Court immediately after the Closing Date. Thereafter, the Parties agree to take steps to obtain a formal Order to discharge the Consent Order, and the Confidential Settlement Agreement shall be automatically terminated on consent without any further action on the part of any Party. For greater certainty, upon the Closing Date, it is agreed that the Blacks will have no further obligations under the Mareva Order, the Consent Order or the Confidential Settlement Agreement.

8. *Withdrawal and Waiver of Black's Claims against the Estates of the Hollinger Parties*: Black withdraws and releases Black's Claims filed against the estate of Hollinger, and the Blacks and the Blacks' Companies (the "**Black Parties**") shall and hereby do waive and release any claims they may have or could have claimed or filed against any of the Hollinger Parties (as defined herein), including, but not limited to, the loan made by Black to Hollinger that was the subject of the Delaware Judgment Action, and agree that they shall not file or make any further claims against any of the Hollinger Parties or the estates thereof (the "**Blacks' Releases of the Estates**"). The Blacks' Releases of the Estates shall be effective at the Closing Date.

9. *Non-Opposition to Orderly Wind-Up*: The Black Parties shall not oppose the orderly wind-up of the estates of the CCAA Applicants save and except and only to the extent that they may be adversely affected financially in respect of any step or action in furtherance of such orderly winding up.

10. *Full and Final Release of the Black Releasees by the Hollinger Parties*: Upon payment in full of the Settlement Amount, Hollinger, its past, present and future subsidiaries and divisions including without limiting the foregoing, the CCAA Applicants and the Non-Applicants (but not including the Chicago Newspapers Liquidation Corporation—formerly known as the Sun-Times Media Group, Inc., and previously as Hollinger International Inc.—and its subsidiaries (collectively referred to herein as "**CNLC**")), all partnerships in which Hollinger or a wholly-owned subsidiary of Hollinger is the general partner and any corporation owned by such partnership, for themselves, their employees,

directors, officers, servants, agents, heirs, executors, administrators, predecessors, successors and assigns, and on behalf of any person (as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended to the date hereof, "**Person**") who claims a right or interest through them, and including the Chief Restructuring Officer of the CCAA Applicants and the Non-Applicants, the Litigation Trustee and the Litigation Advisory Committee, and all current and former advisors to the Hollinger Parties, and their heirs, executors, administrators, predecessors, successors, and assigns, but excluding the Black Parties (as defined herein) themselves, and excluding F. David Radler, F. D. Radler Ltd., and North American Newspapers Ltd. and their employees, directors, officers, servants, agents, heirs, executors, administrators, predecessors, successors and assigns (the "**Radler Parties**"), (collectively, the "**Hollinger Parties**"), shall thereupon irrevocably and unconditionally fully, finally and forever, release, remise, acquit and forever discharge, without qualification or limitation, the Blacks and each of their heirs, executors, administrators, successors and assigns, and the Blacks' Companies and their predecessors, employees, directors, officers, servants, agents, heirs, administrators, successors and assigns (except for the Radler Parties) (collectively, the "**Black Releasees**"), separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, allegations, causes of action, counterclaims or demands whatsoever, whether known or unknown, in law or in equity, of whatever kind or character, suspected, fixed or contingent (collectively, "**Claims**") that have been, that could be or that could have been asserted by the Hollinger Parties from the beginning of time through to the date hereof (including, without limitation, any claim for contribution, indemnification, reimbursement or any other forms of claims over that have been or could be asserted on or after the date hereof by the Hollinger Parties based on events occurring prior to and through the date hereof) against the Black Parties in respect of (i) the Blacks having served as directors of Hollinger; (ii) Black having served as an officer of Hollinger; (iii) all Claims of injury allegedly caused to the Hollinger Parties by the Black Parties or any of them, including, without limitation, all Claims raised or which could have been raised in the Consolidated Hollinger Action; and/or (iv) any and all other Claims that the Hollinger Parties ever had or may have against the Black Parties including, but not limited to, any Claims not set out in the Consolidated Hollinger Action ((i) to (iv) collectively, the "**Settled Claims**").

11. *Settled Claims*: For greater certainty, the Settled Claims includes any Claim which Hollinger has asserted with respect to the 13 Boxes of Documents and Black's Claims.

12. *Full and Final Release of the Hollinger Parties by the Black Parties*: The Black Parties shall and do hereby fully, finally and forever release, remise, acquit and forever discharge, without qualification or limitation, the Hollinger Parties and representatives of Hollinger's largest creditor group, being the Wells Fargo Delaware Trust Company, National Association (as successor by merger to the Delaware Trust Company, National Association, formerly known as Wachovia Trust Company, National Association), in its capacity as a collateral agent under an indenture dated March 10, 2003, and HSBC Bank USA, National Association, in its capacity as trustee under an indenture dated September 30, 2004 (together, the "**Indenture Trustees**"), separately and jointly, of and from the Settled Claims, which releases shall be effective upon the discharge of the Mortgage.

13. *Unknown Claims*: Without limiting the generality of paragraphs 8, 10 and 11 above, the Parties declare that the intent of the releases set out therein is to conclude all issues arising from the Settled Claims and it is understood and agreed that the releases are intended to cover, and shall cover, not only all known injuries, expenses, losses and damages, but all injuries, expenses, losses and damages not now known or anticipated, but which may later develop or be discovered, including all the effects and consequences thereof.

14. *Full and Final Releases of the Black Releasees by Third Parties:* It is the intent of the Parties that this Agreement and the terms of the Release Order will extinguish any basis for any direct or indirect claim by all former or present shareholders, officers and directors of Hollinger, and all creditors (including the Indenture Trustees), parents, subsidiaries, affiliates and related parties of Hollinger (including without limitation CNLC and its past and present shareholders) and any other person (together, the "**Third Party Releasors**") against the Black Parties in any way related to the Settled Claims or to Hollinger, including but not limited to Claims for contribution, indemnification (including claims for contribution and indemnity made by the Radler Parties against Black and others under Ontario Superior Court of Justice Court File No. 07-CL-7334 and in the Hollinger Consolidated Action) or other forms of claims over in relation to a Third Party Releasor's liability to the Hollinger Parties (the "**Third Party Releases**"). For greater certainty, the Third Party Releases do not apply to any claims or defences made in the action bearing case number 11CH31356, in the Circuit Court of Cook County, Illinois County Department, Chancery Division as between Conrad Black

Capital Corporation, Horizon Publications Inc., the Radler Parties and others, and do not apply to any matters, past, present or future, relating to, pertaining to or involving Horizon Publications Inc., its shareholders, creditors, officers or directors.

15. *Excepted Claims*: The Third Party Releases set out in paragraph 14 of this Agreement do not apply to an Excepted Claim (and only an Excepted Claim as defined herein) by a Third Party Releasor against the Black Parties for damages. An "**Excepted Claim**" means a claim that is based on a final judgment that a Third Party Releasor suffered damages, or if civil law applies to an Excepted Claim, prejudice, as a direct result and solely as a result of such Third Party Releasor's reliance on an express fraudulent misrepresentation made by Black or Amiel-Black to such Third Party Releasor when Black or Amiel-Black, as the case may be, had actual knowledge that the misrepresentation was false.

16. *Release Order:* The Parties agree and acknowledge that the Third Party Releases are a material and integral term of this Agreement and that this Agreement is contingent upon the issuance of an order of the Court substantially in the form attached hereto as **Schedule C** that will give legal effect to the Third Party Releases in favour of the Black Parties as against the Third Party Releasors (the "**Release Order**") and the following shall also be applicable thereto:

   (a) As soon as practicable after execution of this Agreement, Hollinger shall apply to the Court for approval of this Agreement ("**Settlement Approval**") and shall seek the Release Order as part of the Settlement Approval.

(b) Hollinger shall seek an order from the Court substantially in the form attached hereto as **Schedule D** respecting the service and notice procedure for the Settlement Approval.

(c) The application to the Court for Settlement Approval shall be brought on notice to all those against whom the Third Party Releases are intended to be effective, including but not limited to the following Third Party Releasors: F. David Radler, F. D. Radler Ltd., North American Newspapers Ltd., Peter Y. Atkinson, John A. Boultbee, Charles G. Cowan, Daniel W. Colson, Peter G. White, Maureen Sabia, Fredrik Eaton, Henry Ketcham III, Allan Gotlieb, Douglas G. Bassett, Ralph M. Barford, Torys LLP, KPMG LLP, the Canadian Imperial Bank of Commerce, the Toronto-Dominion Bank, the Bank of Nova Scotia, the Indenture Trustees and CNLC.

(d) If the Court declines to grant the Release Order, then the Black Parties may, in their sole discretion, terminate this Agreement within 15 days following the Court's decision becoming Final. If the Black Parties elect to terminate this Agreement, the Parties shall revert to their legal positions as of May 8, 2014.

17. *Dismissal of Consolidated Hollinger Action*: Upon execution of this Agreement, the Parties will execute a consent to an Order dismissing the Consolidated Hollinger Action as against the Black Parties on a with-prejudice, without-costs basis, in the form attached hereto as **Schedule E.** This consent will be held in escrow by Hollinger's counsel and

will be released from escrow and filed with the Court immediately upon the Closing Date.

18. *Confidentiality and Publicity*: The Parties agree that all information, including documents and oral statements, disclosed or made in the course of the Mediation or in the course of negotiating the terms of this Agreement are and remain privileged and confidential and shall not be disclosed to any person or used for any purpose. Any press release issued announcing this Agreement will be written in accordance with this paragraph and will be subject to the consent of all Parties, such consent not to be unreasonably withheld. This provision respecting confidentiality shall survive any termination of this Agreement.

19. *Remedies upon Breach of this Agreement*: The Parties agree that a breach by any Party of any of its obligations hereunder would cause irreparable harm to the other non-breaching Party for which money damages would not be an adequate remedy. Accordingly, the Parties agree that the non-breaching Party shall be entitled to specific performance of this Agreement and injunctive and other equitable relief in the event that the other Party breaches any of his/her/its obligations hereunder. Notwithstanding anything else in this Agreement, the Hollinger Parties agree and hereby irrevocably elect to pursue the enforcement of this Agreement in the event of an alleged breach, and shall not elect to pursue the Consolidated Hollinger Action in the event of such a breach or alleged breach.

20. *No Admission of Liability*: This Agreement does not in any manner constitute an admission of liability, wrongdoing or any other matter on the part of the Blacks or the Blacks' Companies.

21. *Governing Law*: This Agreement and any claim related directly or indirectly to this Agreement shall be governed by and construed in accordance with the laws of Ontario.

22. *Counterparts and Delivery*: This Agreement may be signed in any number of counterparts, all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by fax transmission or by email transmission in PDF or similar electronic document format.

23. *Admissibility*: This Agreement may be filed and used in any action or proceeding as may be necessary to consummate, enforce, or seek relief with respect to this Agreement. The Parties, and any predecessors or successors in interest, may file and use this Agreement in any action to support a defence of *res judicata*, collateral estoppel, issue estoppel, release, good faith settlement, judgment bar, reduction or any other theory of claim preclusion, issue preclusion or similar defence or counterclaim.

24. *Successors and Assigns*: Unless otherwise stated to the contrary elsewhere in this Agreement, this Agreement shall be binding upon, apply to and inure to the benefit of the Hollinger Parties, the Black Parties and their respective heirs, executors, administrators, successors and permitted assigns.

25. *No Waiver*: Any failure by any Party to insist upon the strict performance by the other Party or Parties of any of the provisions of this Agreement shall not be deemed to be a waiver of any of the provisions hereof, and such Party, notwithstanding such failure, shall

have the right thereafter to insist upon strict performance of any and all the provisions of this Agreement to be performed by such other Party or Parties.

26. *Further Assurances*: The Parties shall take such further and other steps and execute such further and other documents as may reasonably be required to give effect to the terms of this Agreement.

27. *Notice*: Any notices required to be given under this Agreement shall be in writing and shall be made by fax transmission or by email transmission to the fax numbers and email addresses set out below:

John D. Ground, Q.C., Litigation Trustee of Hollinger Inc., Hollinger Inc., 4322525 Canada Inc., Sugra Limited, Domgroup Ltd. and 10 Toronto Street Inc.

c/o **Thornton Grout Finnigan LLP** Suite 3200, Canadian Pacific Tower 100 Wellington Street West Toronto-Dominion Centre Toronto ON M5K 1K7	Fax: (416) 304-1313 Robert Thornton at rthornton@tgf.ca, Michael Barrack at mbarrack@tgf.ca, and Megan Keenberg at mkeenberg@tgf.ca

Conrad M. Black, Moffat Management Inc., Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited

c/o **Lerners LLP** 130 Adelaide Street West Suite 1400 Toronto ON M5H 3P5	Fax: (416) 867-2402 Earl A. Cherniak, Q.C. at echerniak@lerners.ca and Lisa Munro at lmunro@lerners.ca
c/o **Stikeman Elliott LLP** 5300 Commerce Court West 199 Bay Street Toronto ON M5L 1B9	Fax: (416) 947-0866 Peter F. C. Howard at phoward@stikeman.com
c/o **Aird & Berlis LLP** Brookfield Place 181 Bay Street, Suite 1800, Box 754 Toronto, ON M5J 2T9	Fax: (416) 863-1515 Stanley W.L. Freedman at sfreedman@airdberlis.com

Barbara Amiel-Black

c/o **Minden Gross LLP**
145 King Street West
Suite 2200
Toronto ON M5H 4G2

Fax: (416) 864-9223
Raymond Slattery at
rslattery@mindengross.com

28. *Entire Agreement*: This Agreement supersedes and replaces any and all prior negotiations, understandings, promises, representations, inducements and discussions, whether written or oral.

29. *Amendments*: This Agreement may not be changed or modified except in writing signed by the Blacks, Hollinger and the Litigation Trustee.

30. *Authority to Enter into the Agreement*: The undersigned Parties represent that they have the full authority necessary to execute this Agreement.

Witness
Emily Y. Fan

John D. Ground, Q.C. (retired Justice)
Litigation Trustee of Hollinger Inc.

HOLLINGER INC.

Per: William E. Aziz
Name: William E. Aziz
Title: Chief Restructuring Officer

4322525 CANADA INC.

Per: William E. Aziz
Name: William E. Aziz
Title: Chief Restructuring Officer

SUGRA LIMITED

Per: William E. Aziz
Name: William E. Aziz
Title: Chief Restructuring Officer

DOMGROUP LTD.

Per: William E. Aziz
Name: William E. Aziz
Title: Director

10 TORONTO STREET INC.

Per: William E. Aziz
Name: William E. Aziz
Title: Director

______________________________ Witness

______________________________ Barbara Amiel-Black

______________________________ Witness

______________________________ Conrad M. Black

CONRAD BLACK CAPITAL CORPORATION

Per: ______________________________
Name: Conrad M. Black
Title:

MOFFAT MANAGEMENT INC.

Per: ______________________________
Name: Conrad M. Black
Title:

SUGRA LIMITED

Per: ______________________________
Name: William E. Aziz
Title: Chief Restructuring Officer

DOMGROUP LTD.

Per: ______________________________
Name: William E. Aziz
Title: Director

10 TORONTO STREET INC.

Per: ______________________________
Name: William E. Aziz
Title: Director

D. Connors

Witness

Barbara Amiel Black

Barbara Amiel-Black

Witness

Conrad M. Black

CONRAD BLACK CAPITAL CORPORATION

Per: ______________________________
Name: Conrad M. Black
Title:

MOFFAT MANAGEMENT INC.

Per: ______________________________
Name: Conrad M. Black
Title:

SUGRA LIMITED

Per:
Name: William E. Aziz
Title: Chief Restructuring Officer

DOMGROUP LTD.

Per:
Name: William E. Aziz
Title: Director

10 TORONTO STREET INC.

Per:
Name: William E. Aziz
Title: Director

Witness

Barbara Amiel-Black

Don Reese

Witness

Conrad Black

Conrad M. Black

CONRAD BLACK CAPITAL CORPORATION

Per: Conrad Black
Name: Conrad M. Black
Title:

MOFFAT MANAGEMENT INC.

Per: Conrad Black
Name: Conrad M. Black
Title:

BLACK-AMIEL MANAGEMENT INC.

Per: Conrad Black
Name: Conrad M. Black
Title:

1269940 ONTARIO LIMITED

Per: Conrad Black
Name: Conrad M. Black
Title:

2753421 CANADA LIMITED

Per: Conrad Black
Name: Conrad M. Black
Title:

Schedule A—Mortgage

SCHEDULE A

LRO # 80 Charge/Mortgage

In preparation on 2014 08 08 at 12:41

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 1

Properties

PIN	10368 - 0291 LT	*Interest/Estate*	Fee Simple
Description	PCL A-1 SEC B2578; PT BLK A PL 2578 NORTH YORK; PT LT 6 CON 2 EYS NORTH YORK PT 1, 66R16523; TORONTO , CITY OF TORONTO		
Address	26 PARK LANE CIRCLE TORONTO		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	BLACK, CONRAD MOFFAT Acting as an individual
Address for Service	26 Park Lane Circle Toronto, Ontario M3B 1Z8

I am at least 18 years of age.

Barbara Amiel-Black is my spouse and has consented to this transaction.

This document is not authorized under Power of Attorney by this party.

Chargee(s) *Capacity* *Share*

Name	HOLLINGER INC. Acting as a company
Address for Service	c/o Thornton Grout Finnigan LLP Canadian Pacific Tower Toronto-Dominion Centre 100 Wellington Street West, Suite 3200 Toronto, ON M5K 1K7

Statements

Schedule: See Schedules

Provisions

Principal	$ 3,500,000.00	*Currency*	CDN
Calculation Period	See Schedule		
Balance Due Date	See Schedule		
Interest Rate	See Schedule		
Payments	$ 3,500,000.00		
Interest Adjustment Date			
Payment Date	See Schedule		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

Schedule A to the Mortgage in favour of Hollinger Inc.

1. *Principal Amount:* $3,500,000.

2. *Payment Terms:* The Chargor shall pay:

   (i) $1,500,000 of the Principal Amount to the Chargee within six (6) months of the date that this Charge is registered (the "**Closing Date**");

   (ii) a further $1,000,000 of the Principal Amount to the Chargee within eighteen (18) months of the Closing Date; and

   (iii) a further $1,000,000 of the Principal Amount to the Chargee within thirty (30) months of the Closing Date.

3. *Interest*: This Charge does not secure any obligation to pay interest on the amounts referenced in paragraph 2 above.

4. *Default*: If any payment has not been paid within seven (7) days of its due date (the "**Cure Period**"), then this Charge will be in default and the Chargee may exercise all remedies available at law and/or under this Charge in respect of the property that is subject to this Charge (the "**Property**") including by issuing a notice of sale. The parties agree that any default under any Permitted Prior Mortgage (as defined herein) which is not cured shall constitute a default under this Charge.

5. *Subordination:* Each mortgage on the Property that is existing as of May 9, 2014 or is renewed, amended, or replaced in accordance with the terms of this paragraph is a "**Permitted Prior Mortgage**". Without derogating from the Chargee's right to exercise its remedies under this Charge in the event that this Charge is in default, this Charge will rank behind and be subordinated from time to time to the Permitted Prior Mortgages, provided that the terms of such renewed, amended or replaced Permitted Prior Mortgages shall not, in aggregate, exceed $12,000,000 in principal amount(s) or carry an interest rate in excess of 10% per annum. The Chargee will, within 10 business days after receipt of written request for same, provide written assurances to the holder or prospective holder of any Permitted Prior Mortgage confirming that, without derogating from the Chargee's right to exercise its remedies under this Charge in the

event that this Charge is in default, this Charge is subordinated to and ranks subsequent to such Permitted Prior Mortgage (and in case of written assurance given to a prospective holder of any Permitted Prior Mortgage, without derogating from the Chargee's right to exercise its remedies under this Charge in the event that this Charge is in default, this Charge will be subordinated to and rank subsequent to such Permitted Prior Mortgage upon registration of such Permitted Prior Mortgage).

6. *Subsequent Charges:* The Chargor shall, on not less than 10 business days notice to the Chargee, be entitled to give a mortgage or other encumbrance upon the Property which ranks behind this Charge.

7. *Good Title in Fee Simple:* The Chargor's representation regarding good title in fee simple, set out in the standard charge terms forming part of this Charge, is hereby modified to except from such representation any registrations disclosed on the parcel register for the Property issued by the Land Titles Office for the Province of Ontario.

8. *Assignability*: This Charge shall not be assigned, transferred, or sold by the Chargee to anyone other than Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Chargee.

9. *Partial Discharge:* The Chargee consents to a sale of that part of the Property formerly known municipally as 24 Park Lane Circle, Toronto, Ontario (the "**24 Park Lane Circle Property**"), and shall grant a partial discharge of this Charge in respect of the 24 Park Lane Circle Property, provided that the transfer of the 24 Park Lane Circle Property is to an arm's length party for consideration of no less than $5,750,000 and provided that the Chargee receives one third (33.33%) of the total proceeds of sale, net only of transaction costs, but not, for greater certainty, net of any payment in respect of any Prior Permitted Mortgage or other mortgagees. In the event of such partial sale, the proceeds of sale payable to the Chargee shall be paid to the Chargee concurrent with such partial sale, and such payment shall reduce, on a pro rata basis all payments referenced in paragraph 2 then outstanding.

10. *Discharge:* This Charge will be discharged immediately upon payment by the Chargor of the full Principal Amount together with any accrued and unpaid interest thereon.

11. *Standard Charge Terms:* The standard charge terms forming part of this Charge (the "**Standard Charge Terms**") are hereby amended by: (i) deleting Section 6 (Interest After Default) and Section 7 (No Obligation to Advance); (ii) adding the words "following default" immediately after the words "heating charges" in Section 8 (Costs Added to Principal); (iii) deleting "or negotiating the Charge, investigating title, and registering the Charge, and other necessary deeds, and" in Section 8 (Costs Added to Principal); (iv) deleting "if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee," in Section 9 (Power of Sale); (v) deleting the ", or by publishing it once in a newspaper published in the county or district in which the land is situate" in Section 9 (Power of Sale); (vi) adding the words "upon 5 days prior written notice to the Chargor" immediately after the words "the Chargee may" in Section 10 (Quiet Possession); (vii) by adding the word "reasonably" immediately after the words "each building as may be" and immediately after the words "in amounts and on terms" in Section 16 (Obligation to Insure); (viii) by adding the words "upon 5 days prior written notice to the Chargor" immediately after the words "otherwise the Chargee may" in Section 16 (Obligation to Insure); (ix) by deleting the words " It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Charger with interest at the rate provided for in the Charge and shall also be a charge upon the land." in Section 16 (Obligation to Insure); (x) by adding the words "reasonable wear and tear excepted" immediately after "respectively," in Section 17 (Obligation to Repair); (xi) by deleting "and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge." in Section 17 (Obligation to Repair); and (xii) by deleting Section 22 (Condominium Provisions) and Section 24 (Guarantee).

12. *Paramountcy:* In the event of any inconsistency between this Schedule A and the standard charge terms forming part of this Charge, the provisions of this Schedule A shall govern.

Schedule B—Consent to Discharge of Consent Order

SCHEDULE B

Court File No. 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and -

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

CONSENT

THE PARTIES HERETO, by their lawyers, consent to an order in the form attached as Schedule "A" and certify that no party to this proceeding is under any legal disability.

Date: Nov 10, 2014

Thornton Grout Finnigan LLP

Megan Keenberg (LSUC# 53735G)
Tel: 416-304-1616
Fax: 416-304-1313
Lawyers for the Plaintiffs

Date:______________

Stikeman Elliott LLP

Peter Howard
Tel: (416) 869-5613
Fax:
Co-Lawyers for the Defendants, Conrad Black, Conrad Black Capital Corporation, Moffat Management Inc., Black-Amiel Management Inc., 1269940 Ontario Limited and 2753421 Canada Limited

Date:______________

Lerners LLP

Earl A. Cherniak, Q.C. / Lisa Munro
Tel: (416) 601-2360
Fax: (416) 867-2416
Co-Lawyers for the Defendants, Conrad Black, Conrad Black Capital Corporation, Moffat Management Inc., Black-Amiel Management Inc., 1269940 Ontario Limited and 2753421 Canada Limited

Date: NN 6, 2014

Minden Gross LLP

Raymond Slattery
Tel: (416) 601-2360
Fax: (416) 867-2416
Lawyers for the Defendant, Barbara Amiel-Black

Schedule "A"

Court File No. 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**►DAY, THE**
	)	
MR. JUSTICE________________	)	**► DAY OF ►, 2014**

BETWEEN:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and –

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

ORDER

ON READING THE CONSENT of the Plaintiffs, Hollinger Inc., Domgroup Ltd., 4322525 Canada Inc., 10 Toronto Street Inc. and Sugra Limited (the "**Hollinger Plaintiffs**"), and of the Defendants, Conrad M. Black, Barbara Amiel-Black, Conrad Black Capital Corporation, Moffat Management Inc., Black-Amiel Management Inc., 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Black Defendants**");

AND ON READING THE RELEASE AND SETTLEMENT AGREEMENT, dated November __, 2014 between the Hollinger Plaintiffs and the Black Defendants;

1. **THIS COURT ORDERS AND DECLARES** that the Order of this Court of September 29, 2006 attached hereto as Schedule A to this Order shall be and is hereby discharged.

____

SCHEDULE "A"

Court File No. 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

THE HONOURABLE	)	FRIDAY, THE 29TH DAY
	)	
JUSTICE CAMPBELL	)	OF SEPTEMBER, 2006

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

BETWEEN:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and -

THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFATT MANAGEMENT INC., AMIEL-BLACK MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS, INC., 364817 ONTARIO LIMITED, F.D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, 1406684 ONTARIO LIMITED and PETER Y. ATKINSON

Defendants

ORDER

ON HEARING the submissions of counsel for the Plaintiffs and counsel for the Defendants Conrad M. Black ("Black") and Barbara Amiel-Black ("Amiel-Black") this day at 361 University Avenue, Toronto, Ontario, and that this Order is on consent of those parties,

AND UPON HEARING that the Plaintiffs and the Black Defendants (Black, Amiel-Black, Conrad Black Capital Corporation, Black-Amiel Management Inc., 1269940

Ontario Limited, Moffatt Management Inc. and 2753421 Canada Limited, have entered into a confidential Settlement Agreement made as of September 28, 2006,

1. THIS COURT ORDERS that except as provided by the Confidential Settlement Agreement, Black and any person or entity controlled by him (directly or indirectly), acting on his behalf, in his name or for his benefit, is hereby restrained from transferring, conveying, lending, encumbering, mortgaging, pledging, assigning, donating, gifting, settling, removing or otherwise disposing of any of Black's assets, whether personal or real property, wherever situated, whether held in trust, directly or indirectly or jointly owned, including assets held by entities directly or indirectly controlled by Black (including, but not limited to, those entities listed on Schedule "A" hereto) (the "Black Assets"). For the purpose of this Order, the Black Assets include any asset which Black has the power, directly or indirectly, to dispose of or deal with as if it were his own. Black is to be regarded as having such power if a third party holds or controls the asset in accordance with his direct or indirect instructions.

2. THIS COURT ORDERS that except as provided by the confidential Settlement Agreement, Amiel-Black and any person or entity controlled by her (directly or indirectly), acting on her behalf, in her name or for her benefit, is hereby restrained from transferring, conveying, lending, encumbering, mortgaging, pledging, assigning, donating, gifting, settling, removing or otherwise disposing of any of Amiel-Black's assets, whether personal or real property, wherever situated, whether held in trust, directly or indirectly or jointly owned, including assets held by entities directly or indirectly controlled by Amiel-Black (including, but not limited to, those entities listed on Schedule "B" hereto) (the "Amiel-Black Assets"). For the purpose of this Order, the

Amiel-Black Assets include any asset which Amiel-Black has the power, directly or indirectly, to dispose of or deal with as if it were her own. Amiel-Black is to be regarded as having such power if a third party holds or controls the asset in accordance with her direct or indirect instructions.

3. THIS COURT ORDERS that, insofar as this Order purports to have any effect outside the jurisdiction of this Court, no person shall be affected by it or concerned by the terms of it until this Order is declared enforceable or registered or enforced by a foreign Court unless that person is:

(a) a party to this action or an officer or agent of a party to this action, including Black and/or Amiel-Black; or

(b) a person who is subject to the jurisdiction of this Court and given written notice of this Order at his, her or its residence or place of business within the jurisdiction.

4. THIS COURT RESPECTFULLY REQUESTS the assistance of the Courts of the United Kingdom, the United States of America and any other jurisdiction to provide aid and assistance to recognize and enforce this Order and all Orders rendered pursuant to this motion and this Action.

5. THIS ORDER shall replace the Mareva Order issued by the Court on August 18, 2006 and the Revised Order issued by this Court on August 31, 2006, and shall remain in force until final judgment in the actions set forth on Schedule "C" hereto.

6. THIS COURT ORDERS that Amiel-Black is not required to deliver to the Hollinger Group the Amiel-Black Affidavit (as that term is defined in the Mareva Order of Justice Campbell dated August 18, 2006).

L. Jennings

REGISTRAR

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

OCT 02 2006

PER/PAR: L-R-R

SCHEDULE "A"

1269940 Ontario Limited

Conrad Black Capital Corporation

Black-Amiel Management Inc.

2753421 Canada Limited

SCHEDULE "B"

1269940 Ontario Limited

Conrad Black Capital Corporation

Moffatt Management Inc.

Black-Amiel Management Inc.

SCHEDULE "C"

Ontario Superior Court of Justice File No. 05-CL-5822

Ontario Superior Court of Justice File No. 06-CL-6261

HOLLINGER INC. et al. Plaintiffs and THE RAVELSTON CORPORATION LIMITED et al. Defendants

Court File No: 06-CL-6261

ONTARIO

SUPERIOR COURT OF JUSTICE

Commercial List

Proceeding commenced at TORONTO

ORDER

LERNERS LLP
Barristers & Solicitors
130 Adelaide Street West
Suite 2400, Box 95
Toronto, ON M5H 3P5

Earl A. Cherniak, Q.C. (LSUC #09113C)
George S. Glezos (LSUC# 31382P)
Lisa C. Munro (LSUC# 36006R)
Tel: 416.867.3076
Fax: 416.867.9192

Solicitors for the defendants
Conrad M. Black and Barbara Amiel-Black

880009.1

Tor#: 1805776.4

Schedule C—draft Release Order

SCHEDULE C

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**►DAY, THE**
	)	
MR. JUSTICE ____________	)	**► DAY OF ►, 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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

ORDER
(Black Settlement Approval and Release Order)

THIS MOTION brought by the Applicants for an Order approving the release and settlement agreement between Hollinger Inc. ("**Hollinger**"), Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**" and together with Black, the "**Blacks**"), and certain private companies owned and controlled by the Blacks being Moffat Management Inc.,. Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks' Companies**") dated November __, 2014 (the "**Black Release and Settlement Agreement**") and for an Order releasing and barring claims by and against the released parties (the "**Black Releasees**" and the "**Hollinger Releasees**" as more particularly defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants dated November __, 2014, and the Omnibus Report of the Litigation Trustee dated November__ 2014, and on hearing the submissions of counsel for the Applicants, Black, Amiel-Black and such other counsel who were present,

Approval of the Black Release and Settlement Agreement

1. **THIS COURT ORDERS** that the Black Release and Settlement Agreement is hereby approved in its entirety and that the parties thereto (the "**Parties**") are hereby bound by this Order and by the Black Release and Settlement Agreement and are authorized and directed to comply with their obligations thereunder, including, without limitation, to make the payments provided for therein.

2. **THIS COURT DECLARES** that the compromises, arrangements, exculpations, releases, discharges and injunctions contemplated in the Black Release and Settlement Agreement and, in particular, those granted by and for the benefit of the Black Releasees, and for the benefit of the Hollinger Releasees, are integral components of the settlement between Hollinger and the Blacks and the Blacks' Companies, and of the Black Release and Settlement Agreement and are necessary for, and vital to, the success of the settlement between Hollinger and the Blacks and the Blacks' Companies and that all such compromises, arrangements, exculpations, releases, discharges and injunctions as set out in the Black Release and Settlement Agreement and this Settlement Approval Order are

hereby sanctioned, approved and given full force and effect in accordance with and subject to their respective terms and conditions as approved by this Settlement Approval Order.

Release by Black Releasees

3. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Date, as defined in the Black Release and Settlement Agreement, any and all claims filed by the Black Releasees in these proceedings be and are hereby extinguished and that the Black Releasees are hereby forever barred from asserting or advancing any claim in this proceeding, directly or indirectly, against the Applicants or any of their subsidiaries, including for greater certainty the Non-Applicants, Domgroup Ltd. and 10 Toronto Street Inc., and all such claims are hereby waived.

Release by Hollinger

4. **THIS COURT ORDERS AND DECLARES** that, upon payment in full of the Settlement Amount, as defined in the Black Release and Settlement Agreement, in accordance with the terms and conditions of that Agreement, each of the Applicants and their past, present and future subsidiaries and divisions including, without limitation, 4322525 Canada Inc., Sugra Limited, Domgroup Ltd. and 10 Toronto Street Ltd. (but not including the Chicago Newspapers Liquidation Corp., formally known as the Sun-Times Media Group, Inc. and its subsidiaries (collectively, "**CNLC**")), all partnerships in which any of the Applicants or any wholly-owned subsidiary thereof is the general partner and any corporation majority owned by such partnership, for themselves and, in respect of each of the foregoing, their respective officers, directors, employees, servants, agents,

assigns, successors, heirs, administrators, insurers and on behalf of any person (as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended to the date hereof, "**Person**") who claims a right or interest through any of them, including the Chief Restructuring Officer of the Applicants and the Non-Applicants, the Litigation Trustee and the Litigation Trustee Advisory Committee, and all current and former advisors to the Applicants, and their heirs, executors, administrators, predecessors, successors and assigns, but not including the Black Parties or the Radler Parties, as defined in the Black Release and Settlement Agreement (collectively, "**Hollinger Releasors**") shall thereupon irrevocably and unconditionally fully, finally and forever release, remise, acquit and forever discharge, without qualification or limitation, the Blacks and each of their heirs, executors, administrators, predecessors, successors and assigns, and the Blacks' Companies and their predecessors, employees, directors, officers, servants, agents, heirs, administrators, successors and assigns (except for the Radler Parties) (collectively, the "**Black Releasees**"), separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, allegations, causes of action, counterclaims or demands whatsoever, whether direct or indirect, known or unknown, in law or equity, of whatever kind or character, suspected, fixed or contingent, including, without limitation, any claim for contribution, indemnification, reimbursement or any other forms of claims over (collectively, "**Claims**"), that have been, that could be, or that could have been asserted by the Hollinger Releasors from the beginning of time through to and including the date of the Black Release and Settlement Agreement (the "**Settlement Date**") against the Black Releasees in respect of (i) the Blacks having served as directors of Hollinger; (ii) Black having served as an officer of Hollinger; (iii) all Claims of injury allegedly caused to the Hollinger Releasors by the Black Releasees, or any of them, including, without limitation, all Claims raised or which could have been raised in the Consolidated Hollinger Action (as defined in the Black Release and Settlement Agreement), and/or (iv) any and all other Claims that the Hollinger Releasors ever had or may have against the Black Releasees including, but not limited to, any Claims not set out in the Consolidated Hollinger Action, ((i) to (iv) collectively, the "**Settled Claims**").

Third Party Releasors

5. **THIS COURT ORDERS AND DECLARES** that all former and present shareholders, former officers and directors, and all creditors, parents, subsidiaries, affiliates, and related parties of Hollinger, and including, without limitation, CNLC and its past and present shareholders, the Indenture Trustees and any other Person (collectively, the "**Third Party Releasors**") hereby release, remise, acquit and forever discharge, without qualification or limitation, the Black Releasees, separately and jointly, of and from any and all direct and indirect claims (contingent, liquidated or unliquidated, proven or unproven, known or unknown, in the nature of damages or otherwise, whether or not asserted and whether arising by contract, agreement, under statute, civil law, common law, or in equity, or otherwise in any jurisdiction) in any way related to the subject matter of the Settled Claims or to Hollinger including, without limitation, Claims for contribution, indemnification, reimbursement or other forms of claim over in relation to a Third Party Releasor's liability to the Hollinger Releasors. For greater certainty, the Third Party Releases do not apply to any claims or defences made in the action bearing case number

11CH31356, in the Circuit Court of Cook County, Illinois County Department, Chancery Division as between Conrad Black Capital Corporation, Horizon Publications Inc., the Radler Parties and others, and do not apply to any matters, past, present or future, relating to, pertaining to or involving Horizon Publications Inc., its shareholders, creditors, officers or directors.

6. **THIS COURT ORDERS AND DECLARES** that Hollinger's recovery from any Person against whom Hollinger pursues a claim for damages (a "**Non-Settling Defendant**") and with whom the Black Releasees are judicially determined to be jointly and severally liable to Hollinger for damages, will be limited to the Non-Settling Defendant's proportionate share of liability, as determined by this Court, PROVIDED THAT the Non-Settling Defendant successfully proves a claim for contribution and indemnity from the Black Releasees in respect of Hollinger's claim against the Non-Settling Defendant.

Restriction

7. **THIS COURT ORDERS AND DECLARES** that the releases provided for in paragraph 5 do not apply to a claim based on a final judgment that a Third Party Releasor suffered damages, or if civil law applies to such claim, prejudice, as a direct result and solely as a result of such Third Party Releasor's reliance on an express fraudulent misrepresentation made by Black or Amiel-Black where Black and /or Amiel-Black had actual knowledge that the misrepresentation was false.

Bar Orders

8. **THIS COURT ORDERS** that, without limiting the effect or validity of any provision of this Settlement Approval Order, all Third Party Releasors are permanently and forever barred, estopped, stayed and enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Black Releasees in relation to or otherwise in connection with the subject matter of the Settled Claims or Hollinger.

9. **THIS COURT ORDERS AND DECLARES** that each and every Third Party Releasor is hereby permanently and forever barred, estopped, stayed and enjoined from: (i) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree, or order against the Black Releasees or their property in respect of any claims relating in any way to the Settled Claims or to Hollinger; or (ii) taking any action to interfere with the implementation and consummation of the Black Release and Settlement Agreement.

Recognition and Enforcement

10. **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 Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

Schedule D—draft Service and Notice Order

SCHEDULE D

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**►DAY, THE**
	)	
MR. JUSTICE_______________	)	**► DAY OF ►, 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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC. AND SUGRA LIMITED**

Applicants

ORDER
(Service and Notice re Black Settlement Agreement)

THIS MOTION brought by the Applicants for an Order providing for the notice of this motion and any other motions relating to the release and settlement agreement between Hollinger Inc. ("**Hollinger**"), Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**" and together with Black, the "**Blacks**"), and certain private companies owned and controlled by the Blacks being Moffat Management Inc.,. Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks' Companies**") dated November __, 2014 (the "**Black Release and Settlement Agreement**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants dated November__, 2014, and on hearing the submissions of counsel for the Applicants, Black, Amiel-Black and such other counsel as were present, and on being advised that the Service List including all Persons who filed Notices of Appearance in accordance with the Service and Notice Procedure Order dated November 12, 2010 were served electronically with the Applicants' motion materials:

1. **THIS COURT ORDERS** that the defined terms of this Order adopt the definitions found in this Court's Service and Notice Procedure Order of November 12, 2010 (the "**November 12, 2010 Order**", appended hereto and marked as Schedule "A"), except where otherwise noted.

2. **THIS COURT ORDERS** that the service of this motion and any other motions, orders or materials relating to the Black Release and Settlement Agreement upon the updated Service List (which includes all Persons who have provided a Notice of Appearance in accordance with the November 12, 2010 Order and all Defendants) in accordance with paragraph 6 below shall constitute good and sufficient notice and service upon the Creditors, Defendants, Shareholders and all other affected Persons of the Black Release and Settlement Agreement, the Black settlement approval motion (the "**Approval Motion**") and all related motions and Orders, and that no form of service or notice is required to be provided by any of the Applicants, CRO or the Monitor to any other Person and no other documents or materials need be served on any Person in respect of the Approval Motion.

3. **THIS COURT ORDERS** that any Person who filed a Notice of Appearance in accordance with the November 12, 2010 Order is entitled to participate in the Approval Motion and all motions related thereto.

4. **THIS COURT ORDERS** that any Person who did not file a Notice of Appearance in accordance with the November 12, 2010 Order:

   (a) Shall not be entitled to appear or be heard at the Approval Motion or any related motions or to receive any notice of, or materials or documentation relating to, arising out of or in conjunction with the Approval Motion or related motions;

   (b) Shall be bound by the terms of any order issued in relation to the Approval Motion or any related motions;

   (c) Shall be forever barred and enjoined from making any objection or opposition to, disputing in any manner whatsoever or appealing or moving to set aside or vary the Black Release and Settlement Agreement, any order issued in relation to the Approval Motion, or any other documents, Orders or proceedings with respect to, arising out of or in connection with the Black Release and Settlement Agreement or the Approval Motion.

5. **THIS COURT ORDERS** that the Monitor and the CRO shall have the same protections as those afforded to them in paragraphs 11 and 12, respectively, of the November 12, 2010 Order.

6. **THIS COURT ORDERS** that service pursuant to this Order may be made by forwarding true copies by pre-paid ordinary mail, courier, personal delivery or electronic

or digital transmission. Any service by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next business date following the date sent, or if sent by pre-paid ordinary mail, on the fourth business day after mailing.

7. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court for directions in relation to this Order or to vary or amend this Order on not less than seven 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.

8. **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 Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. c-36, AS AMENDED
AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
HOLLINGER INC., 4322525 CANADA INC. AND **SUGRA LIMITED**

Court File No.: **07-CL-7120**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

ORDER
(Service and Notice of Black Settlement Agreement)

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Michael E. Barrack (LSUC# **21941W**)
Megan Keenberg (LSUC# **53735G**)
Tel: 416-304-1127
Fax: 416-304-1313

Lawyers for the **Applicants**

Schedule E—Consent to Dismissal of Consolidated Hollinger Action

SCHEDULE E

Court File No. 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and -

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

CONSENT

THE PARTIES HERETO, by their lawyers, consent to an order in the form attached as Schedule "A" and certify that no party to this proceeding is under any legal disability.

Date: Nov 10, 2014

Thornton Grout Finnigan LLP

Megan Keenberg (LSUC# 53735G)
Tel: 416-304-1616
Fax: 416-304-1313
Lawyers for the Plaintiffs

Date:______________

Stikeman Elliott LLP

Peter Howard
Tel: (416) 869-5613
Fax:
Co-Lawyers for the Defendants, Conrad Black, Conrad Black Capital Corporation, Moffat Management Inc., Black-Amiel Management Inc., 1269940 Ontario Limited and 2753421 Canada Limited

Date:______________

Lerners LLP

Earl A. Cherniak, Q.C. / Lisa Munro
Tel: (416) 601-2360
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Co-Lawyers for the Defendants, Conrad Black, Conrad Black Capital Corporation, Moffat Management Inc., Black-Amiel Management Inc., 1269940 Ontario Limited and 2753421 Canada Limited

Date: MV 6, 2014

Minden Gross LLP

Raymond Slattery
Tel: (416) 601-2360
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Lawyers for the Defendant, Barbara Amiel-Black

Schedule "A"

Court File No. 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**►DAY, THE**
	)	
MR. JUSTICE_______________	)	**► DAY OF ►, 2014**

BETWEEN:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and –

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

ORDER

ON READING THE CONSENT of the Plaintiffs, Hollinger Inc., Domgroup Ltd., 4322525 Canada Inc., 10 Toronto Street Inc. and Sugra Limited (the "**Plaintiffs**"), and of the Defendants, Conrad M. Black, Barbara Amiel-Black, Conrad Black Capital Corporation, Moffat Management Inc., Black-Amiel Management Inc., 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Black Defendants**");

1. **THIS COURT ORDERS AND DECLARES** that the within action shall be and is hereby dismissed on a with prejudice, without costs basis as against the Black Defendants.

THIS IS EXHIBIT "B" TO THE AFFIDAVIT OF WILLIAM E. AZIZ, SWORN THIS 12th DAY OF NOVEMBER, 2014

____
Commissioner for Taking Affidavits

M. Keenberg
LSUC#53935G

Court File No. 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and -

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

STATEMENT OF DEFENCE AND CROSSCLAIM OF CONRAD M. BLACK, CONRAD BLACK CAPITAL CORPORATION, MOFFAT MANAGEMENT INC. and BLACK-AMIEL MANAGEMENT INC.

1. The defendants Conrad M. Black, Conrad Black Capital Corporation, Moffat Management Inc. and Black-Amiel Management Inc. (collectively "Black") admit paragraphs 3, 5, 6, 8, the first and last sentences of 9, 12, 14, the first and last sentence of 17, the first and last sentences of 19, 21, 22, 23, the first two sentences and the last sentence of 25, the first sentence of 26, the first sentence of 27, the first sentence of 28, 39, 30, 32, 33, 34, the first sentence of 35 and the first sentence of 36 of the Fresh as Amended Statement of Claim

(the "Claim"). Save as hereinafter expressly admitted, Black denies each and every other paragraph or portion of a paragraph in the Claim.

A. GENERAL & BACKGROUND

2. As disclosed in numerous public filings, Conrad Black was a director and officer of certain of the corporate entities that are plaintiffs, defendants and other entities that are referred to in the Claim. He was not a director and/or officer of the entities "at all material times" as alleged in the Claim. Probably the most important formal end times for two of the most significant entities are as follows (although the ability to influence the course of business was essentially at an end by January 2004, if not sooner):

(a) Hollinger Inc. ("Inc.") - November 2004;

(b) American Publishing Company, subsequently named Hollinger International Inc., subsequently named Sun-Times Media Group Limited, subsequently named Chicago Newspapers Liquidation Corp. ("International") - fall of 2003.

3. In addition, the two Ravelston defendants, the Ravelston Corporation Limited and Ravelston Management Inc. ("Ravelston"), filed formal insolvency proceedings on April 20, 2005 and have been under Ontario court supervision since that time.

4. In various paragraphs, presumably in an attempt to create atmosphere, the plaintiffs refer inaccurately and improperly to certain U.S. criminal proceedings. Subject to one possible matter set out below, the U.S. criminal proceedings are, to the knowledge of the plaintiffs, not admissible in a Canadian civil proceeding as proof of any facts referred to or alleged therein. With respect to the defendant F. David Radler ("Radler") the plaintiffs reference a plea agreement as between Radler and the United States of America ("USA") dated September 20, 2005. Black notes that under s. 21 of that plea agreement, Radler accepts that "his compliance with each part of this Plea Agreement extends throughout and beyond the period of his sentence ..." and Radler would perhaps be exposed to action by the USA were he to revert to the truth at this stage. Whatever is the case with Radler and whatever his motivation for agreeing to such an arrangement, nothing in his Plea

Agreement is agreed to by anyone else or binding upon or admissible as against any other defendant. In addition, based on his testimony in the U.S. proceedings, it is clear that the so-called facts attested to by Radler are not accurate and that his testimony under oath was incapable of belief or credit.

5. The Claim is expressly framed as a "Conflicts of Interests" case and includes an assorted collection of causes of action in tort, unjust enrichment, oppression and breach of duty, but there is no comprehensive structure or clear assertion of what interests and/or duties are said to conflict and how they are said to do so.

6. As a director and officer of Inc., Ravelston and International, Black owed duties to those entities that included duties of loyalty, good faith and to exercise reasonable care and skill with a view towards the best interests of the corporation. In very basic terms, an entity's interests are served by having competent or even skilled management whose actions enhance its overall enterprise value over time.

7. Black also had two personal interests that fall to be considered in this case. He had a substantial indirect ownership interest in the equity of Inc. and ultimately International that represented the lion's share of his personal wealth. This interest was entirely aligned with the interests of other owners of Inc. and International and would be expected to and did influence his conduct. The Claim ignores entirely the fact that, for example, in June 1999 Ravelston invested more than $70,000,000 in an Inc. rights offering which was objective proof of the controlling shareholder's "confidence in the splendid assets in the affiliated companies".

8. Black (as well as the other managers of Inc. and International) also had an interest in the remuneration to be received by them from the entities for the provision of management services. There was, of course, the usual tension or conflict in this regard between the interest of the manager in getting as much as he can for his services and the interest of the company in paying as little as it reasonably can for the services.

9. This "conflict" exists in every entity of any size and in the vast majority, if not all, publicly traded entities. It is addressed by separation of the entities' decision making on the issues from the managers in question by reference to a committee of directors, often struck

especially for the purpose, as a Compensation Committee, including utilization by that committee of such professionals and advice as they choose followed by disclosure of the result in public filings. The managers are thus free to seek what they consider to be the value of the services to be provided. Unsurprisingly, this was the structure, designed by professional advisers, in place and operating at Inc. and International during Black's tenure. Moreover, as will be seen, especially in juxtaposition to those that came after, Black and his management team were highly skilled and knowledgeable in the business areas of Inc. and International and were worth every penny of the management fees they received, and more.

10. Also, by way of general background, the Claim contains partial extracts or snippets taken out of context of small portions of what were titled and referred to internally as Black's "musings". It was Black's practice to generate these musings or thoughts on an informal and approximately bi-yearly basis and share them with the entire senior management team to spark discussion and debate as to possible future steps for the enterprise. Taken as a whole and in context, these musings present a picture of a well-run business with a cogent overall plan that was reviewed from time and changed as necessary based on the input of others and intervening events, with the overall goal of enhancing the enterprise value of the business. Black-led management played the largest part in creating the substantial worth of the enterprise over the years and were in the process of dealing with and even anticipating the challenges that the newspaper industry began to face in the early part of this century well before they were fully appreciated by others.

11. In broad terms, the management of the various businesses was divided up amongst the Black-led management group according to business and geographic area. As an example, Black had responsibility (assisted by Colson) for Europe and Australia as well as Eastern Canada and was based in London. Radler had responsibility for western Canada and the U.S., including the Sun-Times and the various smaller newspapers.

12. The Black-led management group included the defendants Radler, Colson, Boultbee, Atkinson, and from time to time Charles Cowan, Dixon Chant, White and others. It did not include Barbara Amiel-Black ("Amiel-Black"). To the knowledge of the plaintiffs, Amiel-Black was an editorial vice-president at certain entities as well as a director of Inc. and International. She was not a part of the senior executive management team in the sense

used in the Claim. She is added in this Claim solely for the improper purpose of attempting to exert pressure on Black.

13. As will be further described and developed herein, if Inc. were a human who faced an illness, the Black-led group was akin to a skilled team of doctors and surgeons that had known and treated her for years, correctly diagnosed her condition and planned a multi-step procedure requiring a number of operations. The first steps had proceeded well but then part way through one of the operations a group of hospital scriveners and janitors barged into the operating theatre. Shunting the surgeons aside, they took up the instruments themselves. Predictably, the procedure was then badly botched and the patient died. However the interlopers not only then sold the body parts and pocketed portions of proceeds for their "services" but as part of leaving the scene to their selected well-paid morticians they had the effrontery to also insist to the coroner that the issue of concern was not why the patient died *in pauperis* in their care but how much the surgeons that they so catastrophically displaced had been paid!

14. The central allegations in paragraphs 47 to 151 of the Claim deal with selected aspects of only some of what occurred in the period of almost 20 years from 1986 to the end of 2004. The pleading omits a great deal of information necessary for context and is incomplete as to the matters that are referenced. In addition, as part of the Claim, the plaintiffs wrongly assert that it was the defendants' conduct that was responsible for Inc. filing into CCAA proceedings (which occurred in August of 2007).

15. In fact, what occurred in the years 1986 to date may be summarized in 4 sections as follows:

(a) In the years up to 1997, the Black-led management team continued the building of a large and valuable enterprise with a substantial market capitalization through shrewd and skillful acquisitions, consolidation, sales and financing steps, all under the aegis and supervision of boards of directors with appropriate advisers and disclosure. As part of that, for reasons that were fully disclosed, the assets were gradually consolidated in International.

Black will refer to the extensive public record as well as the Board and committee minutes of the various entities that demonstrate the foregoing;

(b) Beginning in or around 1997-1998, the Black-led management group had the foresight to anticipate the potential for a decline in the newspaper industry and commenced a partial protective exit that, while Black was at the helm, generated substantial profits and returns for the stakeholders of Inc. and International through very advantageous transactions. In particular, with respect to Inc., by reason of its corporate financial structure (put in place with the approval of and/or with full disclosure to the stakeholders for sound reasons), it was asset-rich but needed to be carefully managed to ensure necessary liquidity including in its oversight and input into International. The Black-led management team was competent to provide this oversight and did so during their tenure. Unfortunately, those that replaced them had no such competence;

(c) Beginning in International and then in Inc. in the years 2003 and 2004, certain groups undertook extensive efforts to attack Black and others involved in the management of Inc. and International alleging improprieties of various types. As has become not uncommon with groups that undertake such attacks, professional service providers prepared reports for independent committees of directors and the resultant "noise", perception creation and induced finger-pointing for personal protection paralyzed the governance of the entities and led to the ouster of the management that was the target of the allegations. At all events, Black was gone from the management of International by the fall of 2003 and effectively had no ability to influence the direction of Inc. by early 2004;

(d) Since that time, the management of the business of International and Inc. has been completely incompetent in the sense described below. The managers and board were without any relevant expertise in the newspaper industry. By their actions, objectively, it may be concluded they were primarily concerned with generating fees for themselves through "investigating" the past in an effort to find enough of a basis to initiate litigation against all and sundry who had been involved in almost any capacity at the expense of preserving or realizing the value of the business enterprise. By reason of this incompetence the overall enterprise was destroyed, and the value that was not destroyed has gone almost entirely to professional advisers, including lawyers, accountants, monitors and self-styled "restructuring officer" executives, rather than to Inc. stakeholders. If it is not tragic, it is at least ironic that the first complete review on the merits of the allegations against Black will occur in this action, if it proceeds to trial, long after this entire destruction of value. It is clear beyond contestation that the stakeholders of Inc. and International would have been far better off had Black continued to manage the entities through the difficult patch they were facing in the relevant period.

B. THE SALE TRANSACTIONS INCLUDING THE TRANSACTIONS IN THE CLAIM

16. In paragraphs 48 and 49 of the Claim, the acquisition of an initial interest in The Telegraph plc in 1986 is referenced, as well as the transfer of an ownership interest in The Telegraph to International in October of 1995. The latter transaction is pleaded to be "at Black's direction". In fact, of course, Black did not have the ability to direct such a transaction, nor did he. The transaction was considered at great length by the Boards of International and Inc. with legal and financial advice and was the subject of extensive disclosure.

17. In paragraphs 50 to 54 and 73, the Claim makes allegations about what it defines as the April 18, 1997 Canadian Asset Sale and a subsequent Special Dividend. Although these terms are not later referred to specifically in the Claim, they are perhaps included in the general basket allegations of breach.

18. The facts as to these transactions were not only fully disclosed, they were supervised appropriately by the Boards of International and Inc. with professional advice. They were highly advantageous for Inc.'s shareholders.

19. The proposed Canadian Asset Sale was publicly announced on January 7, 1997 (after full board review and approval by both Inc. and International). There were at least 10 additional public disclosures prior to closing. Both International and Inc. had separate financial advisers and received fairness opinions. The transaction was structured to be tax advantageous to Inc. and Inc. realized a very substantial capital gain on the sale to International of Canadian newspaper assets in Quebec, Ontario, Saskatchewan and British Columbia while increasing its interest in International and thereby maintaining an indirect ownership interest in the assets.

20. There was no "assurance" as alleged in paragraph 52 of the Claim. If there had been, it would have been required by the boards and the advisers to be in the public disclosure. None of the boards or advisers ever raised any such issue. After the Canadian Asset Sale and Special Dividend, Inc. had substantially reduced its debt and had valuable assets, as reflected in its market capitalization.

21. The Special Dividend was considered and approved by the Inc. Board of Directors with legal and financial advice. It was an entirely proper and correct action that advantaged Inc. shareholders, but in any event it was not an act by Black.

22. In paragraphs 57 to 83 of the Claim, the plaintiffs make partial references to the conversion of Inc. into a mutual fund and the contractual arrangements in 1997 to 2000 for remuneration including the management fees and compensation to be paid and received by Inc. in those years. As is the case throughout the Claim, the references and descriptions are incomplete and inaccurate and the foundation assertion for all or most of the rest of the Claim – that there was a management contract that was a valuable Inc. asset – is untenable in fact and law.

23. In a nutshell, the provision of valuable services to any of the entities came from Black and the others on the senior management team. Under the contracts those entities to whom service was provided had the option to negotiate the fees for the service arrangements annually. This was done. Inc. always had the ability to review and approve, through its Compensation Committee, how much it was paying in service fees (and other compensation). The Compensation Committee did so with such professional advice as it

considered necessary, and the results were disclosed. Similarly, Inc. was not entitled to be paid for services that it did not provide nor would entities such as International agree to pay it for nothing, or for services provided by others. Contrary to the assertion in the Claim, the Inc.-International Services Agreement, as amended and restated as of February 7, 1996, was not a "significant corporate asset" of Inc. as, amongst other reasons, the fee to be paid to Inc. to be negotiated each year was to be "equal to [Inc.'s] cost to be incurred by it to render such Services". The structure was always that the provision of services to others was cost neutral to Inc., but it was not to be a profit centre. In addition, it could be terminated by either party on 180 days' notice. Inc. had no expectation or entitlement and could not reasonably have had any view such as the Claim asserts. In contrast, the contract as between Ravelston and Inc. for the provision of services was not so limited, but rather the fee was negotiated on an annual basis and was terminable by either party on 180 days' notice. As part of that agreement, the key Individuals as defined thereunder, which included Black, expressly waived any rights they otherwise would have for employment compensation as against Inc. which of course was valuable for Inc.

24. In the context of the structure described at the outset, Ravelston on behalf of the Individuals, was fully entitled to advance the personal interest of the Individuals to be paid what they considered their services to be worth. This overall structure was fully and appropriately considered by committees and by Inc.'s board with professional advice and fully and appropriately disclosed by Inc., International and other public subsidiaries.

25. Paragraphs 62 to 67 of the Claim contain allegations in reference to the activities of the Inc. Compensation Committee in December 1997 and January 1998. Black did not attend either meeting. The minutes show that the Compensation Committee sought and received advice from KPMG, Actuarial, Benefits & Compensation Inc. at both meetings. In the first meeting, the Committee received Ravelston's proposals for 1997 bonuses and 1998 salaries, as well as proposed option grants. The minutes reflect a full and vigorous discussion typical of a committee properly doing its job.

26. As the minutes record, the suggestion for change came from Mr. Barford and was later acceded to by Ravelston and the Committee on behalf of Inc., as it made sense.

27. Contrary to the assertion in paragraph 67, Black played no role whatsoever in Barford continuing on the Compensation Committee or otherwise and Barford continued as a director of Inc. for four more years including as a member of, *inter alia*, the Executive, Audit and Corporate Governance Committees.

28. With the knowledge and approval of the Compensation Committee of Inc., Ravelston entered into a services agreement directly with International (with, of course, the fee calculated on a different basis than the previous Inc.-International agreement). All of this was disclosed appropriately. From and after 1998 the Audit Committee of International (and a Committee of Southam Inc. as and when applicable), all of the members of which were independent with respect to Ravelston, approved the management fees to be paid to Ravelston.

29. The 1999 Inc. annual meeting proxy circular as approved by the Board stated as follows:

> In 1998 the management services arrangements between Ravelston, Hollinger and the other companies in the Hollinger group were restructured to reflect the transformation of Hollinger into an open-end investment corporation and the provision by Ravelston of management services directly to other companies in the Hollinger group. Ravelston is a provider of management services to various companies including, but not limited to, Hollinger and other companies in the Hollinger group.
>
> The business of Hollinger now consists solely of the investment of its assets in corporations. Approximately 95% of the net asset value of Hollinger is represented by its investment in Hollinger International, a U.S. public company listed on the New York Stock Exchange, which is a subsidiary but not a wholly-owned subsidiary of Hollinger. Hollinger International and its consolidated group command the substantial portion of executive services provided by Ravelston to the Hollinger group of companies. The independent directors of Hollinger International have assumed a direct role in the negotiation of fees paid to Ravelston for management services provided to Hollinger International and its wholley-owned subsidiaries (including its Canadian public holding company, Hollinger Canadian Publishing Holdings Inc., and Southam Inc.). This management fee reflects the nature and extent of services provided by Ravelston directly to Hollinger International under the supervision of the directors of Hollinger International, who are in a position to appraise the value of such services.
>
> As part of the restructuring described above, new management arrangements were made between Ravelston and Hollinger and various other key companies in the Hollinger group including, in particular, Hollinger International and Southam Inc., which during 1998 was a public company. The new arrangement with Hollinger was

effective as of January 1, 1998 (the "Management Agreement") and is generally consistent in its scope and terms with the management agreement it superseded except that it governs only the provision of management services to Hollinger. A second agreement effective as of January 1, 1998 was entered into on similar terms between Ravelston and a wholly-owned subsidiary of Hollinger which governs the provision of management services to such company and the other wholly-owned subsidiaries of Hollinger (such agreement together with the 1998 Management Agreement are collectively referred to as the "Hollinger Management Agreements").

Pursuant to the Hollinger Management Agreements, Ravelston acts as manager of Hollinger and its wholly-owned subsidiaries to carry out executive responsibilities, including management of the investment portfolio of Hollinger and provision of advice and assistance to the Hollinger board of directors in connection with the determination of the investment policies of Hollinger; arranging further investments for Hollinger; arranging for the financial requirements of Hollinger; provision of services in respect of Hollinger's daily operations; preparation of consolidated financial statements of Hollinger; ensuring Hollinger's compliance with the requirements of all relevant regulatory authorities; provision of the services of the current officers of Hollinger to serve in their present capacities; and provision of the services of all other employees necessary to carry out such executive functions. The Hollinger Management Agreements may be terminated at any time upon 180 days prior notice.

Under the Hollinger Management Agreements, the management fee for each calendar year after 1998 is to be negotiated on or before January 31 of such calendar year, failing which the agreements will be terminated. The board of directors of Hollinger has delegated the authority to settle and approve the annual management fees to the Compensation Committee, none of the members of which is a director or officer or has any other material interest in Ravelston.

Pursuant to the Hollinger Management Agreements, in 1998 Hollinger and its wholly-owned subsidiaries paid a management fee of $3,386,000 to Ravelston. The management fee paid by Hollinger and its wholly-owned subsidiaries is not calculated with reference to the compensation of Ravelston's executives who serve as officers of Hollinger and such subsidiaries, but rather reflects what is judged by the Compensation Committee to be fair value for the services described above rendered to those companies. The management fee payable to Ravelston under the Hollinger management Agreements has been set at $3,386,000 for 1999 (the same amount as was paid in 1998). The separate management fees paid to Ravelston in 1998 by Hollinger International and its subsidiaries are disclosed in the management proxy circular of Hollinger International.

The names and addresses of the insiders of Ravelston are as follows: Peter Y. Atkinson, Toronto, Ontario; Conrad M. Black, London, England; J.A. Boultbee, Toronto, Ontario; Dixon S. Chant, Toronto, Ontario; Daniel W. Colson, London, England; Charles G. Cowan, Toronto, Ontario; F. David Radler, Vancouver, British Columbia; and Peter G. White, Banff, Alberta. References is made to "Table D" for a description of any indebtedness by any insiders of Ravelston to Hollinger or to any of Hollinger's subsidiaries.

30. Also in 1997, Inc. began the process of attaining the status of a mutual fund corporation. The change was effected through a stock dividend declared by the Board of Inc. The Board received legal, tax and accounting advice as to the benefits to Inc. shareholders in effecting this step, in part to address the substantial holding company discount that impacted the shareholders of Inc.

31. In paragraphs 70 to 83 of the Claim, certain allegations are made as to a Direction and Undertaking dated as of January 1, 1998 (the "D&U"). The allegations are not complete or accurate.

32. The D&U was, as it expressly states (but which is omitted from the Claim), to be a fee for "the co-operation, co-ordination, support and collaboration" that Ravelston required from Domgroup Limited ("Domgroup") and its affiliates to allow Ravelston to provide services to International and Southam Inc. The fees were to be paid to Domgroup or as directed by it (Domgroup) to one or more of Inc. or its other wholly-owned subsidiaries. The duration or Term of the D&U was expressly conditional, as described subsequently.

33. Inc. was not a party to the D&U and indeed had no basis to compel a payment to it, because it was not providing services itself either before or after the direction. By reason of its equity interest in Inc., Ravelston did have an interest in Inc.'s liquidity, but it was Ravelston that provided the services to International, Southam Inc. and others. Inc. essentially got money for nothing, which Ravelston was prepared to countenance at the time by reason of its overall revenues and interests, including the increase in value of its interest in Inc. The D&U was not an asset of Inc.

34. In light of the foregoing, Barford could not reasonably have had the expectation pleaded in paragraph 76 of the Claim and there were no "assurances" by Black to the effect pleaded.

35. The 1999 management fee to Ravelston was approved by the 5 director members of Inc. on the Compensation Committee (being 5 members of the Inc. board who were not connected to Ravelston).

36. The same process was followed in April 2000 and 4 of the 5 members of the Compensation Committee were present and approved the fees. In addition, as the Compensation Committee noted, Ravelston had provided a limited guarantee of some of Inc.'s indebtedness.

37. In paragraphs 84 to 104 of the Claim, only a very small portion of the events in the period are set forth. Once again, the description is neither accurate nor complete.

38. In a nutshell, what happened was that Southam Inc. was sold to Can-West Global Communications Corp. ("Can-West") in the fall of 2000 by International in a transaction negotiated and arranged by the Black-led management team that greatly benefited International and Inc. The Can-West/Southam transaction closed on November 16, 2000. Some years later, Can-West filed for insolvency.

39. In paragraphs 84 to 86 of the Claim, there is passing reference to the fact that with the sale of Southam Inc. to CanWest that Ravelston (the provider of services) would not receive the same level of management fees going forward, but that an increase of $100,000,000 in the purchase price was negotiated. What is omitted in the Claim is the fact that this increase in consideration benefited Inc. as owner of International and that Inc. was certainly not entitled to have Ravelston pay amounts to Inc. for services it was not providing, or for any service that Ravelston itself was no longer providing or being paid for.

40. In fact, in discussions Can-West valued the assets on the assumption that it would cost them $17 million a year to provide their own management. In order to obtain an increase in the purchase price to be paid, Ravelston agreed to continue providing management assistance as requested for $6 million per annum. At the time Ravelston expected to incur a loss on this arrangement.

41. With respect to paragraph 86, the cancellation had nothing to do with the $11 million but rather was based on the fact that there was a substantial reduction of the assets being managed and an intention to sell most of the remaining assets which would entail sizable reduction in fees to Ravelston and reduction or elimination of virtually any profit of Ravelston on the fees.

42. In paragraphs 87 and 88 of the Claim, the plaintiffs refer to portions of two documents dated January 5, 2001, and in paragraph 89, referencing back to the previous documents state, "Acting on Black's instruction, Boultbee wrote ...", presenting a cause and effect scenario. However, the document in paragraph 89 is dated December 14, 2000, so it predates the purported "instruction" and was rather Ravelston exercising its express contractual right under its agreement with Inc. that allowed either party to terminate the agreement on 180 days' notice. The D&U states, "This Direction and Undertaking shall continue in full force and effect so long as the Services Agreement and Management Agreement are in effect". The Services Agreement with Southam Inc. terminated on the closing of the sale. There is simply nothing wrong in any way in Ravelston exercising its contractual rights as it did, and Ravelston did not require any act or approval by Inc. At the time of the letters referred to, Black was not aware that Boultbee had already terminated the contract, based on Ravelston discussions that had occurred shortly after the Can-West sale.

43. An accounting staff person did continue to accrue fees for a short period, being unaware of the termination. An immaterial accrual in quarterly financials that was reversed obviously did not require immediate public disclosure but was addressed in third quarter notes as part of explaining year to year fluctuations. Inc.'s board and auditors were advised of and obviously aware of the exercise by Ravelston of the termination right and its impact was disclosed in Inc.'s financial statements. The alternative assumption, which necessarily underlies the plaintiffs' allegation, is that the directors and auditors were so incompetent as to not read or review the financial statements. Black does not believe this assertion by the plaintiffs is tenable but if it were the case, then responsibility could not be laid at his doorstep.

44. In paragraph 98 of the Claim, there is partial reference made to the discussions as to the option of a buy-out of the Inc. minority by Black and others. This was an option much pressed by some of the Inc. directors, including Barford. Black was not adverse to the idea and steps were taken to advance it. Indeed, a Special Committee chaired by Barford was created by the Board of Inc. at its meeting of September 11, 2001, and all the other independent directors agreed to serve on the Special Committee. However, Barford's view (and that of the other members of the Board and the independent financial adviser they

retained) of the equity value of Inc. at the relevant times was much higher than that of Black. Black, of course, did not wish to make an offer without the support of the Inc. directors. It is again ironic, in light of subsequent events, that the difference at the time related to the fact that Barford and other directors at Inc. considered that the Black-led management team had created more value than even Black did. In late 2004/early 2005, when Black did propose a $7.60 per share offer and a litigation trust to the Inc. shareholders, it was vehemently opposed by the forces that had ousted him at International, as well as by the self-same restructuring experts who were to take for themselves much of the value of Inc. (and destroy the rest). In convincing the Ontario Securities Commission to restrain the bid based on the perceptions they had themselves created, these persons prevented the Inc. shareholders from receiving $7.60 a share, in part on the basis that they would deliver more. Instead, and wholly due to their mismanagement, the Inc. shareholders have lost their entire investment, and on any view of Inc.'s assets in the CCAA filing, will not receive any distribution.

45. In paragraphs 105 to 110 of the Claim, Inc. makes reference to loans made by Ravelston to Inc. which it asserts were made without the knowledge of the Inc. Board for almost 2 years and were "an improper conversion of [Inc.'s] management fee cash flow".

46. As already set forth, Inc. had no entitlement whatsoever to a "management fee cash flow" as it had no services contract, did not provide any services and in any event was incapable of doing so, so there could be no "conversion" in fact or law.

47. With respect to paragraphs 111 to 116 of the Claim, the facilities for many years had been treated by the lenders as essentially one facility and the lenders had required cross-guarantees from Ravelston. The rates obtained were market rates not unfavourable to Inc. given its credit rating. The Board of Inc. as well as the auditors and counsel were fully informed of the facilities and approvals obtained as appropriate. The details of how the financings were structured are discussed subsequently. Black will refer to the numerous minutes of Board and Committee meetings in this regard.

48. With respect to paragraphs 117 to 120 of the Claim, this was negotiated independently by Inc. directors with the benefit of independent expert advice. The bank

syndicate insisted in repayment of both the Inc. and Ravelston facilities and, in light of the cross guarantees, this was the best option available.

49. In particular, at the meeting of both the Board and the Audit Committee dated December 3 and 12, 2002 respectively, the subject of the necessity for refinancing was discussed and Black will refer to the minutes for the discussion and disclosure therein. At the Audit Committee meeting in particular, that committee indicated an intention of the independent board members to get more involved which eventually led to the appointment of a Special Committee with expert legal advice from Davies Ward Phillips & Vineberg and financial advice from BMO Nesbitt Burns. The Audit and Special Committee met separately and/or with the Board at last on January 7, 2003, January 22, 2003 (Audit), February 10, 2003 (Audit) at which the Special Committee was established, February 11, 2003 (Audit & Special), February 21, 2003 (Audit & Special), February 24, 2003 (Board) and March 6, 2003 (Board).

50. At the February 24, 2003 meeting, the Report of the Special Committee was tabled and the minutes record as follows:

> REPORT OF THE SPECIAL COMMITTEE
>
> Ms. Sabia as Chairman of the Special Committee distributed its Report dated February 24, 2003 and reviewed it with the Directors noting that the Special Committee had concluded and had recommended to the Board that the Corporation proceed with the transactions and the conditions upon which it was based. The Chairman stated that it was the intention of Management to stay within the parameters stated by the Committee. A copy of the Report is attached hereto and signed by the Secretary for identification.
>
> Ms. Sabia then said she would like to express the appreciation of the Committee to Mr. Ainley and the other members of Davies, Ward, Phillips & Vineberg LLP, who were the counsel to the Special Committee during its deliberations as to Mr. Thomas Milroy and others from BMO Nesbitt Burns who had been vigorous and diligent in their role as the Committee's financial advisors.
>
> Ms. Sabia concluded by stating that the Committee had been well served by Management, particularly by Mr. Atkinson and also by Messrs. Boultbee, Cowan and Craesey.
>
> PROPOSED ISSUE OF SENIOR SECURED NOTES
>
> Following discussion, the following Resolution was moved by Ms. Maureen J. Sabia, and seconded by Mr. Fredrik S. Eaton –

RECITALS

A. The Corporation formed a Special Committee to evaluate a refinancing transaction involving, among other things, the issuance by the Corporation of debt securities consisting of senior secured notes (the "Notes") in the approximate total principal amount of US $110,000,000 primarily in the United States (the "Offering") having an interest rate not to exceed 14%.

B. The Notes will be offered pursuant to an Offering Memorandum, a draft preliminary version (the "Preliminary Offering Memorandum") of which the directors have received and reviewed. The determination of the final terms of the Notes, within an agreed range, will be delegated to management. Once management has determined the final terms of the Notes, a final Offering Memorandum") will be prepared to reflect the price and other changes determined by management and will be distributed to prospective purchasers of the Notes.

C. The Corporation intends to use the proceeds from the Offering to (1) repay its bank facility due February 28, 2008 (the "Bank Debt"); (2) repay its unsecured demand loans and advances, including accrued interest owing to The Ravelston Corporation Limited ("RCL") (the "RCL Debt"); and (3) make an interim loan in the principal amount of approximately Cdn$17 million to be made to RCL at closing (the "RCL Loan").

D. In connection with the Offering, the Corporation expects to repay a portion of its unsecured receivable owing to Hollinger International Inc. ("HII") (the "HII Debt") with Class A common shares of HII. The remaining HII Debt will be subordinated to the Notes on terms and conditions to be negotiated with the independent directors of HII.

E. The Offering will be established in connection with Wachovia Securities Inc., as initial purchaser ("Wachovia Securities"), .Accordingly, the Notes will be initially sold to Wachovia Securities pursuant to a purchase agreement to be entered into between the Corporation and Wachovia Securities (the "Purchase Agreement").

F. The Notes will be issued under a trust indenture (the "Indenture") to be entered into between the Corporation and Wachovia Trust Company, National Association ("Wachovia Trust"), as trustee, which is organized and doing business under the federal banking laws of the United States.

G. Concurrent with the initial sale of the Notes, the Corporation will enter into a registration rights agreement with Wachovia Securities (the "Registration Rights Agreement ") and will agree to use its best efforts to register notes having substantially identical terms as the Notes, in a registration statement filed with the Securities and Exchange Commission as part of an offer to exchange freely tradable exchange notes for the Notes.

H. The Notes will be guaranteed on a senior basis by Ravelston Management Inc. ("RMI"), a wholly-owned subsidiary of RCL. In connection with this guarantee, RMI and the Corporation will enter into a support agreement (the "Support Agreement") pursuant to which RMI will agree to make quarterly advances to the Corporation in amounts that annually equate to the greater of Cdn.$19 million (the "Minimum Amount") and the Corporation's net negative cash flow.

I. The Notes will be secured by a first priority lien on the shares of common stock HII held by the Corporation and by, 504468 N.B. Inc. Each of the Corporation and 504468 N.B. Inc. will pledge the shares of HII common stock it holds and enter into one or more stock pledge agreements (collectively the "Stock Pledge Agreement").

J. RCL, RMI and the Corporation will enter into a contribution agreement (the "Contribution Agreement") pursuant to which RMI will covenant to contribute quarterly amounts which annually equate to the Corporation's net negative cash flow plus the Corporation's cash requirements to pay dividends on the Corporation's retractable common shares if the Board determines to declare such dividends. All amounts paid under the Support Agreement and the Contribution Agreement will be contributed initially by RCL as repayment of the RCL Loan. Once the RCL Loan is repaid, the contributions will be made by RMI to the Corporation as a contribution to capital without issuance of additional shares to RMI (other than (i) the amount in any year by which the Minimum Amount exceeds the net negative cash flow, and (ii) 22.2% of the amounts paid by RMI to the Corporation to fund dividends declared by the Board of the Corporation on its retractable common shares, both of which will be contributed by way of loan by RMI to the Corporation at an interest rate of LIBOR plus 3%). RCI will also guarantee the performance of RMI's obligations to the Corporation under the Support and Contribution Agreements, secured by a pledge of RMI shares. RCL and RMI will also provide the same covenants to the Corporation that they are providing to the Noteholders under the Indenture.

K. Some of the transactions contemplated by the Offering involve RCL and RMI. Lord Black and Messrs. F. David Radler, Peter G. White, Peter Y. Atkinson, Charles G. Cowan, and Daniel W. Colson, are directors of RCL or RMI or both. Pursuant to section 120(1)(c) of the Canada Business Corporations Act these directors must disclose to the Corporation their interests in the Offering as directors of RMI and RCL.

L. Since RCL and RMI are affiliates of the Corporation within the meaning of the Canada Business Corporations Act and pursuant to section 120(5)(c) of such Act, Lord Black and Messrs. Radler, White, Atkinson; Cowan and Colson are entitled to vote on these resolutions.

M. The Special Committee has reported to the board that it has reviewed the proposed transactions and unanimously recommends to the board that the Corporation proceed with these transactions.

N. The board has determined that the Offering and all of its related transactions are reasonable and fair to the Corporation in accordance with section 120(7.1) of the Canada Business Corporations Act.

NOW BE IT RESOLVED THAT

A. *Approving the Offering*

1. The authority to determine the final terms of the Notes, within the interest range described above, is hereby delegated to any senior officer of the Corporation.

2. The Offering is approved subject to (1) the determination by management of the final pricing terms within the interest range described above; and (2) the repayment terms of the HII Debt being not inferior to the upper range of acceptable terms outlined in the schedule headed Debt Repayment Terms at the end of this Resolution.

3. The repayment of the HII Debt on the terms as outlined in the said schedule is hereby authorized and approved.

B. *Approval the Use of Proceeds from the Offering*

4. The use of the proceeds from the Offering to repay the Bank Debt is hereby authorized and approved.

5. The use of the proceeds from the Offering to repay the RCL Debt after the payment of the Bank Debt is hereby authorized and approved.

6. The use of proceeds from the Offering to advance funds to RCL as the RCL Loan, after payment of the bank Debt and the RCL Debt is hereby Authorized and approved.

C. *Approval of the Offering Memorandum and Related Documentation*

7. The Preliminary Offering Memorandum is approved, and any officer or director is authorized to finalize, on behalf of the Corporation, the Preliminary Offering Memorandum relating to the proposed Offering, in the form of the draft Preliminary Offering Memorandum, with any additions, deletions and amendments thereto as that person may approve. The approval by the person finalizing the Preliminary Offering Memorandum of any additions, deletions or amendments will be conclusively deemed to be proved by that person's authorization of the use of the Final Offering Memorandum and that authorization will be conclusive evidence that the offering memorandum used is the Final Offering Memorandum authorized by this resolution.

8. The Final Offering Memorandum (which reflects the final terms approved by the Special Committee) is approved on the terms set out in the Final Offering Memorandum and any officer or director is authorized to finalize, on behalf of the Corporation, the Final Offering Memorandum, with any additions, deletions and amendments thereto as that person may approve. The approval by the person finalizing the Final Offering Memorandum of any additions, deletions or amendments will be conclusively deemed to be proved by that person's authorization of the use of the Final Offering Memorandum and that authorization will

be conclusive evidence that the offering memorandum used is the Final Offering Memorandum authorized by this resolution.

...

E. *Issuing Notes*

12. The Corporation is authorized to issue Notes in a total principal amount of up to approximately US $110,000,000 and on terms as set out in the Final Offering Memorandum. ...

SCHEDULE OF DEBT REPAYMENT TERMS
HOLLINGER INC. / HOLLINGER INTERNATIONAL INC.

Starting Point:

1. Repay a portion of the HII Debt by the delivery of 2 million Class A common shares of HII.
2. The price for the shares will be 98% of current trading price (10 day average). (this would yield about $27 million so the balance of the HII Debt is about $43 million)
3. The balance of the HII Debt will be subordinated to the proposed Notes and will not mature until after the Notes mature. The balance will mature ahead of any loans that become due to RMI as a result of support payments.
4. Interest on the HII Debt may be paid in kind ("PIK") by increasing the principal or in cash or a combination at the option of Hollinger Inc.
5. The interest rate will depend on whether we choose PIK or cash. For PIK it is 14% and for cash it is 12%.

Upper Range:

1. We are required to repay ½ of the HII Debt with Class A common shares of HIL.
2. The price would be 95% of current trading price requiring 2.65 million Class A common shares and the HII Debt reduces to $3.5 million.
3. As above.
4. As above.
5. To keep interest rates down since they will be based, in part on the Notes, RCL guarantee of the HII Debt will be secured by a pledge of its unencumbered assets. As above or if cash and P1K the same, 13%.

The Chairman and Messrs. Atkinson, Boultbee, Colson, Cowan and Radler declared their respective interests and the nature and the extent there of as Directors, Officers and Shareholders of the Ravelston Corporation Limited and as Directors and Officers of Ravelston Management Inc.

The Chairman then put the motion to the Meeting and it was passed unanimously.

51. At the March 6, 2003 Board meeting, proposed amendments to the facility were discussed and a report of the Special Committee was tabled and the minutes record as follows:

REPORT OF THE SPECIAL COMMITTEE

Mr. Fullerton, who had attended at its invitation the Meeting of the Special Committee held earlier this day, stated that although because of his recent eye surgery he had been unable to read the documentation, he had been provided with summaries and the terms of the proposed issue had been read to him. Mr. Fullerton went on to say that he wished to record that he agreed with the recommendation of the Special Committee. He then withdrew from the Meeting.

Ms. Sabia as Chairman of the Special Committee thanked the representatives of BMO Nesbitt Burns and Davies, Ward who had risen to the challenge presented by the short time available to consider and advise the Committee in respect of the amended terms of the Corporation's financing proposal.

Ms. Sabia then went on to say that the Committee had considered the increase in the size of the offering from US$ 110,000,000 to US$ 120,000,000, reviewed the terms of the Notes and the arrangements regarding the repayment of the debt owing to Hollinger International and, as a result of the discussions at the Committee Meeting held earlier this day and the Committee's deliberations, the opinion of BMO Nesbitt Burns as to the fairness of the transactions, as amended, and the advice received from Davies, Ward and BMO Nesbitt Burns, the Special Committee had concluded that no change in the recommendation made by the Special Committee to the Board in its original Report was required to be made as a result of the proposed amendments.

Ms. Sabia went on to say that the Special Committee's recommendation was based on the description of the amended transactions furnished to them and was conditional on the final documentation reflecting these terms.

She concluded by stating that the Committee had instructed their counsel to review the detailed documentation required to implement the amended transaction and to report to her that such documentation conformed to their understanding.

Mr. Atkinson then stated that the Hollinger International Audit Committee indicated that it was satisfied with the transaction by their counsel had advised that they should see the final documentation before formal approval was given and that it was expected that this would be dealt with the following day. (Note: The Audit Committee of Hollinger International met March 7, 2003 to complete its consideration of this Corporation's proposal regarding the intercompany debt and, after receiving reports from its financial advisors and attorneys, the Committee approved the proposal as outlined in Exhibit B to the resolution passed later in this Meeting).

A copy of the Supplementary Report of the Special Committee is attached as Schedule "A" hereto and signed by the Secretary for identification.

52. As such, paragraphs 117 to 120 (and 121 to 130) necessarily attack the work of the Special Committee and their counsel. Black pleads that there is no basis in fact or law to attribute any wrongdoing to him with respect thereto. The structure of the transactions was

that required by the lenders and recommended by the Special Committee with legal and financial advice.

53. Because of the actions improperly taken by those who assumed control of International and Inc. Ravelston became insolvent and could not make the payments set forth in the Support Agreement that was part of the March 2003 financing. Once again, with respect to paragraph 122, the structure was that required by the lenders and recommended by the Special Committee with the independent legal and financial advice of Davies Ward and BMO Nesbitt Burns respectively. Black and others declared their interest in Ravelston as required by corporate law at the time of the transactions which was, in part, the reason for the involvement and conduct of the negotiations by the Special Committee and their advisers.

54. In paragraphs 127 to 130, the Claim references funds advanced to Inc. by Domgroup. The Claim, presumably intentionally, does not refer to the date of the advances. Ravelston did not receive any of the funds nor benefit from the loans which were an attempt to avoid default by Inc.

55. With respect to paragraphs 131 to 151 of the Claim - the non-competition payments by International to Inc. - Black was not involved in their implementation which was done entirely at the International level, primarily by Radler and International counsel Mark Kipnis ("Kipnis") as they were within Radler's purview. Black was informed of them after the fact as were the other defendants and the directors, counsel and auditors of Inc. and the payments were recorded in the financial statements of International and Inc.

56. When the transactions were called to question, Kipnis advised that Radler had informed him that it would be appropriate to divide the non-competition payments with Inc. and the buyers had requested that all connections be covered. As admitted in paragraph 61 of the Claim, "there was nothing precluding [Inc.'s] wholly owned subsidiaries from engaging in active business" and indeed Inc. retained at least two such subsidiaries.

57. Contrary to the improper assertion in paragraph 147 of the Claim, all of the non-competition payments save one were the subject of acquittals and there was no conviction

whatsoever with respect to a "scheme". The exception was $600,000 re Forum and Paxton through clerical error at International, although approved and disclosed. Black, who was located in London, had been informed that all such matters had been handled appropriately as to approvals and disclosure and he was entitled to proceed on the basis of that information.

58. In the Claim, Inc. essentially complains about receiving approximately $16.5 million. In 2003, when the issue arose, Inc. retained an independent counsel to investigate the payments from Inc.'s point of view. In a report to the Board of Inc. dated January 20, 2004, counsel advised that Inc. had a "good defense on the merits to the claim being advanced by [International] for the repayment of U.S. $16,550,000.

C. THE DESTRUCTION OF VALUE

59. As a holding company, it was obvious and indeed publicly disclosed that Inc.'s ability to meet its obligations depended upon cash flow from its subsidiaries. Examples from numerous such statements are found in the 1994, 1995 and 1997 Annual Information Forms of Inc. as follows:

> 1994. As a holding company, the Company's ability to meet its financial obligations is dependent upon the availability of cash flow from its subsidiaries, principally the Telegraph, through dividends, interest and principal payments on intercompany advances, management fees and other payments. The Company's subsidiaries and associates are under no obligation to pay dividends to their respective shareholders, including the Company, although the Company is able to influence the dividend policy of its subsidiaries. Substantially all of the Company's shareholdings of subsidiaries and associated companies are pledged as security for loans or lines of credit."
>
> 1995. "As the bulk of its revenues are derived from its holdings in its subsidiaries and associated companies, the Company's ability to meet its financial obligations is dependent upon the availability of cash flow from its subsidiaries, principally Hollinger International, through dividends, interest and principal payments on intercompany advances, management fees and other payments. The Company's subsidiaries and associates are under no obligation to pay dividends to their respective shareholders, including the Company, although the Company is able to influence the dividend policy of its subsidiaries. All of the Company's shareholdings of subsidiaries (including Hollinger International) and certain assets of its Sterling Newspaper Group are pledged as security for loans or lines of credit."
>
> 1997. "As the bulk of its revenues are derived from its holdings in its subsidiaries and associated companies, the Company's ability to meet its financial obligations is dependent upon the availability of cash flow from its subsidiaries, principally

> Hollinger International, through dividends, interest and principal payments on intercompany advances, management fees and other payments. The Company's subsidiaries and associates are under no obligation to pay dividends to their respective shareholders, including the Company, although the Company is able to influence the dividend policy of its subsidiaries. All of the Company's shareholdings of subsidiaries (including Hollinger International) and certain assets of its subsidiaries are pledged as security for loans or lines of credit.

60. As at the time the Black-led management team were effectively put under siege at the end of 2002 and then deposed at the end of 2003, the shares of Inc. and International traded at between $5.00 and $8.65 (Cdn.) per share (Inc.) and International $6.44(U.S.) at December 31, 2002 and between $3.30 and $7.90 (Cdn.) and $10.18 (U.S.) as at December 31, 2003. The value of Inc.'s shares of International as of December 31, 2003 was $529,805,000.

61. In the period since the Black-led management team was replaced, those in charge of Inc. (and International) have presided over the destruction of the entire value of both Inc. and International. It appears that Inc. has paid professional or other fees of various types in excess of $100,000,000. It has not made any distribution to either its equity or its creditors and there does not appear to be any prospect of such a distribution.

62. In the post-Black period from 2004 to date, those involved as either directors, officers or advisers to Inc. have not formulated a cogent or indeed apparently any strategy for dealing with Inc.'s control of International beyond complete surrender and have been primarily concerned with the charging (and obtaining protection for themselves) for the highest fees possible with the result that the entire value of Inc. has gone to these advisers with little or effectively no return.

63. There has been no effective review of the conduct of the directors and management of Inc. before its CCAA filing and, as disclosed in the various monitor's reports, the almost 6 year CCAA has completed the transfer of the assets of Inc. to the professionals with no prospect of any returns to the real Inc. stakeholders. Whatever may be said about the availability of recourse for Inc. against the post-Black management and directors, their complete incompetence and the unnecessary huge payments made to them cannot be attributed to Black.

D. CLAIMS OVER

64. Paragraphs 64 to 80 are alternative paragraphs as it is the basic position of Black that Inc. does not have a tenable claim. In proceedings under the *Companies' Creditors Arrangement Act* in court file number 07-CL-7120, this court approved settlements of Inc.'s claims against Torys LLP ("Torys"), KPMG LLP ("KPMG"), Canadian Imperial Bank of Commerce and certain former outside directors of Inc. (the "Outside Directors"), namely, Donald Fullerton, Laura Sabia, Alan Gotlieb, Ralph Barford, Fred Eaton, Henry Ketcham III (collectively, the "Settling Defendants"). The order approving the settlement provides that the liability of the defendants in this action:

> ... will be limited to the Non-Settling Defendants' proportionate share of liability, as determined by this Court, PROVIDED THAT the Non-Settling Defendants successfully proves a claim for contribution and indemnity from the ... Releasees in respect of Hollinger's claim.

Torys LLP

65. At all relevant times, Torys was a principal outside counsel to Inc., Hollinger International, Ravelston Corporation Limited, Ravelston Management Inc., Argus Corporation Limited and the subsidiaries of the Ravelston corporations. At all relevant times, Torys provided legal advice to these companies and to the officers and directors of these companies with respect to the transactions referred to in the Claim. As such, Torys owed a duty of care and a fiduciary obligation to these companies, their officers and directors.

66. In the alternative, Torys was aware at all material times and accepted that the officers and directors of these companies would rely on it to render advice in a competent and professional manner in respect of their duties and responsibilities as officers and directors concerning the transactions which are the subject matter of the allegations in the Claim. Such duties of Torys would include disclosure of all relevant information in respect of those transactions.

67. Torys possessed a special degree of skill and knowledge not processed by these companies, nor by its officers and directors. It was therefore reasonable for each of these

entities and persons to have relied upon Torys, and Torys was aware that these entities and persons were relying on it.

68. Torys was responsible to and did advise the companies and their officers and directors, including the present defendants, as to the duties and responsibilities of their officers and directors involved in the transactions, including in relation to matters of disclosure.

69. Torys provided legal advice to the plaintiffs and their various officers, directors and managers in connection with the transactions giving rise to the claims advanced by the plaintiffs against Black. In particular, Torys advised Inc. in connection with:

(a) The revision of the legal agreements providing for the payment of management fees, effective January 1, 1998 and thereafter;

(b) The approval and documentation of the share transactions through which Inc. shares were repurchased or redeemed commencing January 1, 1997;

(c) The approval and documentation of the transactions through which Inc. borrowed money and entered into a support agreement in the period from 1999 to 2004; and

(d) The payment of non-competition payments to, inter alia, Inc. and the approval and documentation of such transactions.

70. If it is determined that Black has any exposure, then it is because Torys failed to properly advise Black, the companies and their subsidiaries referred to in paragraph 14 of the Claim, and their officers and directors, including the audit committees, with respect to the transactions which are the subject matter of the allegations in the Claim, in breach of Tory's duty of care and its fiduciary duty.

71. Torys had knowledge of, and involvement in, the drafting and structuring of the management and non-competition agreements and the other transactions which are the subject of the allegations in the Claim. Moreover, Torys was present at various board meetings of the said companies and audit committee meetings, including the board

meetings and audit committee meetings of International, and failed to bring to the attention of those companies, their officers and directors relevant information and to provide proper advice in respect of the transactions which form the basis of the allegations in the Claim, contrary to its duty of care and fiduciary duty.

72. These breaches of duty by Torys caused loss and damage to the plaintiffs and any liability Black may have to the plaintiffs, which is denied, must be reduced to the extent of Tory's liability in respect of the matters pleaded in the Claim herein.

<u>KPMG</u>

73. KPMG provided accounting, auditing, tax, financial and consulting advice and services to Inc. and International at the time of, and in respect of, those events which are the subject of allegations in the Claim, including advising with respect to the various transactions which are the subject matter of those allegations. KPMG owed a duty to International, Inc. and to their officers and directors to perform those services in a competent, professional and accurate manner.

74. Black says that KPMG was present at various meetings of the audit committees and board of directors meetings of International and Inc. and failed to bring to the attention of the audit committee, the board or to the officers of those companies material information with respect to the transactions which are the subject matter of allegations in the Claim thereby breaching its duty to those companies, and to the officers and directors thereof, including Black. Without limiting the generality of this pleading, it failed to advise the audit committee of International that the management fees paid to Inc. and the non-competition payments paid to the defendants, or some of them, were in any way irregular, excessive or required disclosure.

75. KPMG owed a duty to perform its services in a competent, professional and accurate manner and breached that duty of care.

76. The breaches of duty by KPMG caused loss and damage to the plaintiffs and any liability Black may have to the plaintiffs, which is denied, must be reduced to the extent of KPMG's liability in respect of the matters pleaded in the Statement of Claim herein.

The Outside Directors

77. The Outside Directors were directors of Inc. and owed to Inc. both fiduciary duties and duties of care.

78. In respect of the transactions which form the basis of the allegations in the Claim, insofar as such allegations include conduct by Inc. or a failure by Inc. to act in a reasonable and prudent manner (which is denied), such conduct resulted from the failure of the Outside Directors to act in a diligent and prudent manner with respect to the affairs of Inc. and in breach of their fiduciary duties to Inc.

79. While it is Black's position that there was no such failure, if it is determined that the Outside Directors failed in their duties, it will be with respect to providing independent oversight of the defendant Radler in respect of the transactions which form the subject matter of the allegations in the Claim. They further failed to ensure that Inc. received independent legal advice in respect of the said transactions; and failed in the performance of their duties of care to Inc. by failing to take such steps and make such inquiries so as to satisfy themselves that any of the proposed transactions referred to in the Claim represented prudent transactions in the best interests of Inc.

80. The breaches of duty by the Outside Directors caused loss and damage to the plaintiffs and any liability Black may have to the plaintiffs, which is denied, must be reduced to the extent of outside directors' liability in respect of the matters pleaded in the Claim herein.

E. LIMITATION ISSUES AND MISCELLANEOUS

81. With respect to paragraphs 152 to 154 of the Claim, Black did not breach any fiduciary duty owed to Inc. in any way.

82. With respect to paragraphs 155 to 156, leaving aside that there is no such cause of action at law, Black did not breach any applicable duty owed as a director to Inc. nor did he (or could he) cause Inc. to act in his capacity as a director.

83. With respect to paragraphs 157 and 158, there is no conduct by Black as a director that was (or could have been) oppressive to Inc. in any way. Inc. is not entitled to the retraction of the shares of Inc. held directly or indirectly by Black.

84. With respect to paragraphs 159 to 160, there is no basis in fact or law for any relief against Black.

85. With respect to paragraphs 161 to 162, the claim of the tort of conspiracy is manifestly untenable in fact or law. Ravelston was entitled to exercise its contractual rights without the approval of Inc. and did so. The epithet "surreptitious" is manifestly inapplicable and is an inflammatory attempt to create atmosphere. Inc. did not have a significant asset, did not "suffer a significant loss" and the claim is untenable in fact and law.

86. With respect to the allegations of constructive trust and unjust enrichment in paragraphs 163 to 170, Black has not been enriched in any way by the events described above. Rather, it is Black who has suffered the entire loss of his interest in Inc. through the actions and incompetence of others already described.

87. The claims for damages in paragraphs 172 to 186 of the Claim are for the reasons set out above untenable in fact or law.

88. Black relies upon the *Limitations Act* 2002. The claims advanced by the plaintiffs are barred by applicable limitation periods.

89. Black asks that the action be dismissed with costs on a substantial indemnity basis.

CROSSCLAIM

90. Black seeks judgment for contribution and indemnity against Radler with respect to any relief obtained by the plaintiffs or any of them, against Black.

March 21, 2013

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HOLLINGER INC., et al.
Plaintiffs

and

BLACK, et al.
Defendants

Court File No: 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

STATEMENT OF DEFENCE AND CROSSCLAIM

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6067011 v3

THIS IS EXHIBIT "C" TO THE AFFIDAVIT OF WILLIAM E. AZIZ, SWORN THIS 12th DAY OF NOVEMBER, 2014

____
Commissioner for Taking Affidavits

M. Keenberg
LSUC # 53435G

Court File No. 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and –

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

STATEMENT OF DEFENCE AND CROSSCLAIM OF BARBARA AMIEL-BLACK

1. The defendant, Barbara Amiel-Black ("Amiel-Black") admits paragraphs 3, 5, 6, 8, the first and last sentences of 9, 12, 14, the first and last sentence of 17, the first and last sentences of 19, 21, 22, 23, the first two sentences and the

last sentence of 25, the first sentence of 26, the first sentence of 27, the first sentence of 28, 39, 30, 32, 33, 34, the first sentence of 35 and the first sentence of 36 of the Fresh as Amended Statement of Claim (the "Claim"). Save as hereinafter expressly admitted, Amiel-Black denies each and every other paragraph or portion of a paragraph in the Claim.

2. Amiel-Black served as a director of Hollinger Inc. ("Inc."), Hollinger International Inc. ("International"), Conrad Black Capital Corporation and 1269940 Ontario Limited. She also held the position of Editorial Vice-President of Inc. and International. At no time was she a part of the Senior Executive Team as that term is used in the Claim.

3. There are no specific allegations of conduct undertaken by Amiel-Black in the Claim that would give rise to any cause of action against her by the plaintiffs. Her inclusion as a defendant is solely for the improper purpose of attempting to exert pressure on her husband and co-defendant, Conrad M. Black.

4. Amiel-Black ceased to be a director of Inc. in November 2004.

5. Amiel-Black denies that she was ever in the position of a "Ravelston Director" as that term is used in the Claim. The allegations in the Claim relating to the Ravelston Directors do not apply to Amiel-Black.

6. At no time did Amiel-Black have any involvement or knowledge in connection with the various allegations raised in the Claim relating to the payment of management fees, intercompany loans, debt restructuring support agreement and non-competition payments. At no time did she receive any payment or other benefit in connection with those transactions.

7. Amiel-Black states that all the events set out in the Claim were known to the plaintiffs many years before the issuance of the Claim. Amiel-Black pleads and relies upon the provisions of the *Limitations Act*, and states that the causes of action set out in the Claim are barred by the passage of the applicable limitation periods.

8. If the plaintiffs have suffered the damages alleged in the Claim, which is denied by Amiel-Black, the damages arose out of the mismanagement of the business and affairs of the plaintiffs by those who have been responsible for such management since at least 2004. Further, or in the alternative, the

plaintiffs have failed to take steps to properly mitigate any damages which they may have suffered.

CLAIMS OVER

9. As set out above the plaintiffs have no basis for a claim against Amiel-Black. In proceedings under the *Companies' Creditors Arrangement Act* in Court File No. 07-CL-7120, this court approved settlements of Inc.'s claims against Torys LLP ("Torys"), KPMG LLP ("KPMG"), Canadian Imperial Bank of Commerce and certain former outside directors of Inc. (the "Outside Directors"), namely, Donald Fullerton, Laura Sabia, Alan Gotlieb, Ralph Barford, Fred Eaton, Henry Ketcham III (collectively, the "Settling Defendants"). The order approving the settlement provides that the liability of the defendants in this action:

> "… will be limited to the Non-Settling Defendants' proportionate share of liability, as determined by this Court, PROVIDED THAT the Non-Settling Defendants successfully proves a claim for contribution and indemnity from the … Releasees in respect of Hollinger's claim."

10. The order further states that the order shall be filed in, among other court files, Court File No. CV-08-7581-00CL commenced by Amiel-Black against Sun-Times Media Group Inc., F. David Radler, F.D. Radler Ltd., North

American Newspapers Ltd., Torys LLP and KPMG LLP. Amiel-Black repeats the allegations set out in Court File No. CV-08-7581-00CL and further states the following.

Torys LLP

11. At all relevant times, Torys was a principal outside counsel to Inc., International, Ravelston Corporation Limited, Ravelston Management Inc., Argus Corporation Limited and the subsidiaries of the Ravelston corporations. At all relevant times, Torys provided legal advice to these companies and to the officers and directors of these companies with respect to the transactions referred to in the Claim. As such, Torys owed a duty of care and a fiduciary obligation to these companies, their officers and directors.

12. In the alternative, Torys was aware at all material times and accepted that the officers and directors of these companies would rely on it to render advice in a competent and professional manner in respect of their duties and responsibilities as officers and directors concerning the transactions which are the subject matter of the allegations in the Claim. Such duties of Torys would include disclosure of all relevant information in respect of those transactions.

13. Torys possessed a special degree of skill and knowledge not processed by these companies, nor by its officers and directors. It was therefore reasonable for each of these entities and persons to have relied upon Torys, and Torys was aware that these entities and persons were relying on it.

14. Torys was responsible to and did advise the companies and their officers and directors, including the present defendants, as to the duties and responsibilities of their officers and directors involved in the transactions, including in relation to matters of disclosure.

15. Torys provided legal advice to the plaintiffs and their various officers, directors and managers in connection with the transactions giving rise to the claims advanced by the plaintiffs against Amiel-Black.

16. If it is determined that Amiel-Black has any exposure to the Claim, which is denied, then it is because Torys failed to properly advise the directors, the companies and their subsidiaries referred to in paragraph 14 of the Claim, and their officers and directors, including the audit committees, with respect to the transactions which are the subject matter of the allegations in the Claim, in breach of Tory's duty of care and its fiduciary duty.

17. Torys had knowledge of, and involvement in, the drafting and structuring of the management and non-competition agreements and the other transactions which are the subject of the allegations in the Claim. Moreover, Torys was present at various board meetings of the said companies and audit committee meetings, including the board meetings and audit committee meetings of International, and failed to bring to the attention of those companies, their officers and directors relevant information and to provide proper advice in respect of the transactions which form the basis of the allegations in the Claim, contrary to its duty of care and fiduciary duty.

18. These breaches of duty by Torys caused loss and damage to the plaintiffs and any liability Amiel-Black may have to the plaintiffs, which is denied, must be reduced to the extent of Tory's liability in respect of the matters pleaded in the Claim herein.

KPMG

19. KPMG provided accounting, auditing, tax, financial and consulting advice and services to Inc. and International at the time of, and in respect of, those events which are the subject of allegations in the Claim, including advising with respect to the various transactions which are the subject matter of

those allegations. KPMG owed a duty to International, Inc. and to their officers and directors to perform those services in a competent, professional and accurate manner.

20. Amiel-Black says that KPMG was present at various meetings of the audit committees and board of directors meetings of International and Inc. and failed to bring to the attention of the audit committee, the board or to the officers of those companies material information with respect to the transactions which are the subject matter of allegations in the Claim thereby breaching its duty to those companies, and to the officers and directors thereof, including Amiel-Black. Without limiting the generality of this pleading, it failed to advise the audit committee of International that the management fees paid to Inc. and the non-competition payments paid to the defendants, or some of them, were in any way irregular, excessive or required disclosure.

21. KPMG owed a duty to perform its services in a competent, professional and accurate manner and breached that duty of care.

22. The breaches of duty by KPMG caused loss and damage to the plaintiffs and any liability Amiel-Black may have to the plaintiffs, which is denied, must

be reduced to the extent of KPMG's liability in respect of the matters pleaded in the Claim herein.

The Outside Directors

23. The Outside Directors were directors of Inc. and owed to Inc. both fiduciary duties and duties of care.

24. In respect of the transactions which form the basis of the allegations in the Claim, insofar as such allegations include conduct by Inc. or a failure by Inc. to act in a reasonable and prudent manner (which is denied), such conduct resulted from the failure of the Outside Directors to act in a diligent and prudent manner with respect to the affairs of Inc. and in breach of their fiduciary duties to Inc.

25. While it is Amiel-Black's position that there was no such failure, if it is determined that the Outside Directors failed in their duties, it will be with respect to providing independent oversight of the defendant, F. David Radler in respect of the transactions which form the subject matter of the allegations in the Claim. They further failed to ensure that Inc. received independent legal advice in respect of the said transactions; and failed in the performance of their duties of care to Inc. by failing to take such steps and make such inquiries so as

to satisfy themselves that any of the proposed transactions referred to in the Claim represented prudent transactions in the best interests of Inc.

26. The breaches of duty by the Outside Directors caused loss and damage to the plaintiffs and any liability Amiel-Black may have to the plaintiffs, which is denied, must be reduced to the extent of outside directors' liability in respect of the matters pleaded in the Claim herein.

27. Amiel-Black asks that the action be dismissed with costs on a substantial indemnity basis.

CROSSCLAIM

28. Amiel-Black seeks judgment for contribution and indemnity against Radler with respect to any relief obtained by the plaintiffs or any of them, against Amiel-Black.

April 10, 2013

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BETWEEN:

HOLLINGER INC. et al.
Plaintiffs

-and-

AMIEL-BLACK et al.
Defendants

Court File No. 06-CV-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

STATEMENT OF DEFENCE AND CROSSCLAIM OF BARBARA AMIEL-BLACK

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THIS IS EXHIBIT "D" TO THE AFFIDAVIT OF WILLIAM E. AZIZ, SWORN THIS 12th DAY OF NOVEMBER, 2014

Commissioner for Taking Affidavits

M. Keenberg
LSUC # 53735G

Court File No.: 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and –

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

REPLY TO THE STATEMENT OF DEFENCE AND CROSSCLAIM OF CONRAD M. BLACK, CONRAD BLACK CAPITAL CORPORATION, MOFFAT MANAGEMENT INC. AND BLACK-AMIEL MANAGEMENT INC.

June 27, 2013

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Lawyers for the Plaintiffs

1. The Plaintiffs, Hollinger Inc. ("**Hollinger**"), Domgroup Ltd. ("**Domgroup**"), 4322525 Canada Inc. and Sugra Limited (collectively, the "**CCAA Applicants**") admit the allegations contained in paragraphs 2 (except to the extent that Black claims he was not a director or officer of the entities at all material times), 3, the first sentence of paragraph 6, 8, the first two sentences of paragraph 10, the first sentence of paragraph 12, the second sentence of subparagraph 15(b), 16, first sentence of paragraph 17, first two sentences of paragraph 25, 26, 29, 30, first sentence of paragraph 31, first two sentences of paragraph 32, 35, 36, 38 (except to the extent that Black claims the CanWest transaction benefited Hollinger), 40, 41 (except to the extent that Black claims that the "cancellation had nothing to do with the $11 million"), 45, 50, 51 and 64 of the Statement of Defence and Crossclaim of Conrad M. Black ("**Black**"), Conrad Black Capital Corporation, Moffat Management Inc. and Black-Amiel Management Inc. ("**Black's Defence**").

2. Except as expressly admitted in this Reply, the Plaintiffs deny all other allegations contained in Black's Defence.

3. Black's Defence contains numerous allegations which cannot be characterised as material facts; many of Black's allegations are purely argumentative and have been included solely for colour. These allegations do not conform to the rules of pleading and should not form the foundation of any discovery or production requests in relation thereto.

4. Specifically, the allegations contained in paragraphs 12 (last sentence), 13, 15(b) (last sentence), 15(c), 15(d), 44, 53 (first sentence), 61, 62 and 63 include inflammatory accusations against non-parties for conduct that is irrelevant to the matters in issue.

5. In addition, in paragraph 58, Black refers improperly to a document which is subject to privilege. The privilege in question belongs to Hollinger, not Black. Hollinger has not waived privilege over the document referred to. This document is inadmissible in the trial of this action, and cannot form the basis for any discovery or production requests.

Management Agreements

6. Black claims that Hollinger was not entitled to be paid for services that its senior management team provided to International under the International Management Agreements (as defined in the Fresh as Amended Statement of Claim).

7. The International Management Agreements provided:

> In consideration for the Services to be rendered by Hollinger hereunder for the benefit of the Company Group [International, Hollinger International Publishing Inc. and its subsidiaries including the Telegraph], International and Publishing agree to pay to Hollinger an annual fee (the "Fee") equal to Hollinger's cost to be incurred by it to render such services...

8. Notably, the International Management Agreements specifically provide that "Hollinger" is obliged to render management services to its subsidiaries. "Hollinger" is defined as Hollinger Inc. alone. The International Management Agreements allow for Hollinger to provide services to International "either directly or through a member of its Group...". In either event, the Management Fee was always payable directly to Hollinger.

9. In addition, under the International Management Agreements, Hollinger also agreed to guarantee indebtedness and other obligations of the subsidiaries under management and was expressly entitled to receive fees in exchange for same.

10. Because the Management Fee to Hollinger was to be set on a costs basis, Black claims that the International Management Agreements were not corporate assets belonging to Hollinger. In fact, the International Management Agreements were a significant corporate asset of Hollinger. Hollinger reported significant income from management fees arising from these Agreements.

11. While it is true that Hollinger, in turn, paid its own management fees to Ravelston under the Hollinger Management Agreement, such that Hollinger sometimes ended up in a cash-neutral position, the payment of those management fees by Hollinger to Ravelston did not negate or invalidate Hollinger's contractual right to be paid for services provided to International and its subsidiaries.

12. The Hollinger Management Agreement provided that the annual management fee would be negotiated on an annual basis. In the event that the parties were unable to agree on the annual management fee, the Agreement would be terminated. The International Management Agreements were not contingent on the continuation of the Hollinger Management Agreement with Ravelston. If the Hollinger Management Agreement were terminated, or if lesser annual fees were negotiated under the Hollinger Management Agreement, Hollinger would continue to earn management fee income from International and its subsidiaries.

Direction and Undertaking

13. Black's claim that Hollinger had no entitlement to management fee cash flow under the Direction and Undertaking is without foundation.

14. To Black's knowledge, the Direction and Undertaking was valued at $100 million as a corporate asset belonging to Hollinger. That valuation was included in the retraction price calculation and formed part of the enterprise value of Hollinger. Black acknowledged the loss of value to Hollinger as a result of his decision to "take the Cdn$10 million of management fees that Hollinger Inc. had been receiving completely out" when he expressly stated that the consequence of terminating the Direction and Undertaking (after receiving approximately $20 million thereunder over two years) would be a diminution in net value of Hollinger in the amount of $80 million ($100 million less $20 million received equals $80 million).

15. Domgroup was the direct beneficiary and Hollinger was the indirect beneficiary of the Direction and Undertaking. Both Domgroup and Hollinger are plaintiffs in this action.

16. Under the Direction and Undertaking, Ravelston agreed to pay Domgroup, or Hollinger as directed by Domgroup, a portion of the management fees it received from International and its subsidiaries pursuant to the Ravelston Management Agreement. The Direction and Undertaking expressly provided that this allocation of fees was being paid in consideration for Domgroup's cooperation:

> C. In order to fulfill its obligations under the Services Agreements [the Ravelston Management Agreement] Ravelston requires the cooperation, coordination, support and collaboration of Domgroup and its affiliates and has agreed in return therefor to ensure that the payments contemplated herein are made by [International] and/or Southam to Domgroup or as directed by Domgroup to certain of its affiliates.
>
> ...

1. Domgroup Commitment and Fee

> Domgroup agrees it will provide and cause its affiliates to provide the necessary cooperation, coordination, support and collaboration required by Ravelston to enable Ravelston to fulfill its obligations to [International] and Southam pursuant to the Services Agreements. In consideration therefor, Ravelston agrees that it will direct that a portion of the amounts payable by [International] and Southam for services rendered to them pursuant to the Services Agreements (the "Domgroup Fee") be paid on a monthly basis by [International] and /or Southam to Domgroup or as directed by Domgroup to one or more of Hollinger Inc. or its other wholly-owned subsidiaries.

17. The Direction and Undertaking expressly provided that the annual Domgroup Fee (as defined therein) must be determined in negotiation between Ravelston "and a committee of the Board of Directors of Hollinger Inc. comprised of directors independent of Ravelston...". The Fee itself was directly tied to the fee payable by Hollinger to Ravelston under the Amended Hollinger Agreement, which was negotiated and executed contemporaneously with the Direction and Undertaking. Specifically, the Fee was to be a sum not less than "$10,702,000 plus the aggregate annual management fee payable to Ravelston for such year pursuant to the management agreement dated the date hereof made between Ravelston and Hollinger Inc. ..."

18. No termination of the Direction and Undertaking could be undertaken without the knowledge and approval of the independent directors of Hollinger. The independent directors of Hollinger were entitled to notice of and approval over any changes, additions or deletions to the Direction and Undertaking. Since the Direction and Undertaking was contingent on the continuance of the Ravelston Management Agreement and the

Amended Hollinger Management Agreement, those agreements could not be terminated without the express authorization of the independent directors of Hollinger.

19. The independent directors of Hollinger would never have consented to the termination of the Amended Hollinger Agreement or the Southam services agreement if they knew that such termination would result in the termination of the Direction and Undertaking.

20. Black claims that he was unaware of Boultbee's termination of the Hollinger Management Agreement, which in turn had the effect of terminating the Direction and Undertaking. He points to the fact that Boultbee's letter to himself terminating the Hollinger Management Agreement is dated slightly earlier than Black's memo instructing Boultbee to cancel the Direction and Undertaking as proof that he did not direct this action. Hollinger's Management customarily back-dated contracts and other corporate documents. Boultbee's termination notice may have been likewise back-dated. Boultbee did not take this action unilaterally, but did so at Black's direction. Nonetheless, Black breached his fiduciary duty to Hollinger by directing or allowing the surreptitious termination of the Direction and Undertaking on this basis.

21. Black's own rationale for terminating the Direction and Undertaking due to the termination of the Southam services agreement pursuant to the CanWest Deal is equally a breach of fiduciary duty. The CanWest Deal should not have closed on these terms. The sale should have been subject to ensuring that the continuing obligations to Domgroup and Hollinger under the Direction and Undertaking were either maintained or that Domgroup and Hollinger were compensated for any change. This is especially so since the Southam assets, after they were sold to CanWest, continued to be managed by

Ravelston. Any "termination" of the Southam services agreement was purely form over substance.

22. In any event, Black expressly admits that the decision to terminate the Direction and Undertaking and cancel all payments to Hollinger thereunder was based on the expected "reduction in fees to Ravelston and reduction or elimination of virtually any profit of Ravelston on the fees." This admission confirms that Black preferred his own interests and the interests of Ravelston to the interests of Hollinger, and indeed that he acted against Hollinger's interests in order to advance his own.

23. The mere fact that the Direction and Undertaking was drafted in a manner that technically allowed the Ravelston Shareholders to terminate the payments to Domgroup and Hollinger without bringing the matter before the independent directors of Hollinger does not in any way respond to the fact that by surreptitiously cancelling the payments, Black and others breached the duties they owed to Domgroup and Hollinger.

Debt Restructuring

24. The Special Committee's consideration of the debt restructuring transactions and its recommendations in respect thereof were based on an incomplete set of facts.

25. The independent directors of Hollinger had no direct insight into the business and affairs of Ravelston and RMI, both being private, non-reporting companies under the control of the Ravelston Shareholders, other than the facts they were provided by the Ravelston Shareholders themselves.

26. Black and others deliberately concealed material facts from the independent directors of Hollinger that, if known, would have altered the Committee's recommendation. Specifically, Black and others deliberately concealed from the independent directors:

(a) the termination of the Direction and Undertaking, which materially adversely impacted Hollinger's cashflows and ability to service its debt obligations both currently and under the proposed debt restructuring;

(b) the conversion of management fee cashflow to unauthorized and illegitimate intercompany debt, which "debt" should not have been repaid out of the proceeds of the Wachovia financing or at all; and

(c) the excessive management fees Ravelston was charging International, which exposed Ravelston to liability that undermined its ability to perform under the Support Agreement and the Ravelston Guarantee.

27. Had the independent directors of Hollinger been aware of these material facts and their impact, they and their advisors would have recognized that the proposed debt restructuring was built on a house of cards and would have insisted that:

(a) the Direction and Undertaking be reinstated to provide Hollinger with much-needed cash flow to enable it to meet its obligations under the proposed debt restructuring;

(b) Ravelston, with its considerable wealth from the International management fees, be responsible for repaying its own bank debt and Hollinger's cross-guarantee of Ravelston's debt only be applied if Ravelston and its shareholders were demonstrably unable to do so; and

(c) adequate safeguards were in place to protect Hollinger's interests should Ravelston and RMI refuse to perform or be incapable of performing their obligations under the Support Agreement and the Ravelston Guarantee.

Non-Competition Payments to Hollinger

28. Radler's plea agreement is a direct admission of Radler's participation in a scheme of wrongdoing vis-a-vis Hollinger in respect of the Non-Competition Payments. Radler's plea agreement and Black's criminal convictions are material facts which are relevant to the matters in issue.

Claims Over

29. Hollinger acknowledges its agreement to limit its recovery from Black to his proportionate share of liability provided that his liability is shared jointly and severally with a settling defendant against whom Black successfully proves a claim for contribution and indemnity in respect of Hollinger's claim.

30. The preconditions for the application of Hollinger's voluntary limitation of recovery are:

(a) A finding of joint and several liability between Black and one or more settling defendants; and

(b) The successful proof of a claim over by Black against the settling defendant(s) in question for contribution and indemnity in respect of Hollinger's claim.

31. Black has not satisfied these preconditions in his assertions of claims over against Torys, KPMG and the Outside Directors and therefore is not entitled to a reduction of Hollinger's recovery against him.

Torys

32. Hollinger acknowledges that Torys served as counsel to the company during the relevant period. Hollinger has no knowledge of any independent duties owed to Black or other individuals in their capacities as directors and officers of the company. In any event any alleged breach by Torys of a duty owed to Black in his personal capacity is not properly the subject of a claim over in respect of Hollinger's claim against Black.

33. Further, Black's claim over against Torys contains allegations that are inaccurate or irrelevant. At subparagraph 69(d), Black asserts that Torys advised Hollinger in connection with the approval, documentation and payment of the non-competition payments to Hollinger. As far as Hollinger is aware, Torys did not advise Hollinger in connection with its receipt of Non-Competition Payments arising from International's sales of its community newspapers. Torys served as counsel on the CanWest Deal, which involved other non-competition payments, but those non-competition payments do not form the basis of any claim Hollinger has against Black.

34. In any event, no joint and several liability can attach to Torys for Black's breaches of fiduciary duty owed to Hollinger. Likewise Torys cannot be held responsible or partly responsible for any lack of awareness or misunderstanding of material facts relating to Hollinger's business and affairs when Black or other members of the Management of Hollinger concealed or obscured such material facts from Hollinger's counsel.

KPMG

35. Hollinger acknowledges that KPMG Canada LLP provided accounting, tax and audit advice to Hollinger. Again, Black's claim over against KPMG contains allegations that are irrelevant or inaccurate. Any allegations of duties owed by KPMG US LLP or KPMG

Canada LLP to International, Black or any other party are irrelevant to the matters in issue.

36. Black's claim that KPMG "failed to advise the audit committee of *International* that the management fees it paid to [Hollinger] and the non-competition payments paid to the defendants...were in any way irregular, excessive or required disclosure" is irrelevant to the matters in issue.

37. Hollinger has not advanced claims against Black on the basis of his personal receipt of non-competition payments arising from International's sales of its community newspapers. That claim belongs to International, not to Hollinger, and therefore cannot and does not form the basis of Hollinger's claim against Black. Accordingly it cannot form the basis of any claim over by Black against KPMG.

38. Likewise, Hollinger has not advanced claims against Black in respect of Hollinger's receipt of management fees from International under the Ravelston Management Agreements. Again, this cannot form the basis of any claim over by Black against KPMG.

Outside Directors

39. Black's purported claim over as against the Outside Directors is statute-barred. Hollinger issued its claims against Black and others on March 29, 2005, January 27, 2006, and April 20, 2007. The two-year limitation period for claims over against other parties started running upon the issuance of those underlying claims. The limitation periods therefore expired on March 29, 2007, January 27, 2008 and April 20, 2009 respectively.

40. Black specifically turned his mind to issuing claims over against other parties within the prescribed limitation periods and did in fact issue independent claims over against Torys, KPMG and others in respect of Hollinger's claims against him. At no time did he issue any claim over against the Outside Directors until his baseless assertion of same in his Defence, delivered on March 21, 2013—nearly four years after the expiration of the latest limitation period. The time for claiming over against the Outside Directors has long passed.

41. Black is not entitled to avail himself of the recovery reduction mechanism set out in the Release Order to reduce his recoverable liability to Hollinger by the amount which may be attributable to the Outside Directors.

42. In any event, Black's claim over against the Outside Directors is spurious at best. Essentially, his alleges that the Outside Directors failed to protect Hollinger from the wrongdoing of Management, of which Black was the directing mind.

Limitations Period

43. Hollinger expressly denies that its claims against Black are statute-barred. Rather, Hollinger advanced its claims against Black and others within the applicable limitation period following its discovery of its causes of action against the defendants.

44. Hollinger's causes of action against Black and the other defendants largely consist of claims for breach of fiduciary duty by self-dealing and improper concealment thereof by Hollinger's own senior management. Accordingly, these claims were not discoverable until after those defendants stepped down or were removed as officers and directors of Hollinger and new management had the opportunity to review all the material documents

to gain an understanding of Hollinger's business and affairs and the fact and extent of the damage done to the company by Black and others.

June 27, 2013

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Plaintiffs

Defendants

Court File No.: **06-CL-6261**

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

Reply to the Statement of Defence and Crossclaim of Conrad M. Black, Conrad Black Capital Corporation, Moffat Management Inc. and Black-Amiel Management Inc.

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THIS IS EXHIBIT "E" TO THE AFFIDAVIT OF WILLIAM E. AZIZ, SWORN THIS 12th DAY OF NOVEMBER, 2014

Commissioner for Taking Affidavits

M. Keenberg
LSUC # 537359

Court File No.: 06-CL-6261

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

HOLLINGER INC., DOMGROUP LTD., 4322525 CANADA INC., 10 TORONTO STREET INC. and SUGRA LIMITED

Plaintiffs

- and –

CONRAD M. BLACK, BARBARA AMIEL-BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, PETER Y. ATKINSON, PETER G. WHITE, DANIEL W. COLSON, THE RAVELSTON CORPORATION LIMITED, RAVELSTON MANAGEMENT INC., 509643 N.B. INC., 509644 N.B. INC., 509645 N.B. INC., 509646 N.B. INC., 509647 N.B. INC., MOFFAT MANAGEMENT INC., BLACK-AMIEL MANAGEMENT INC., ARGUS CORPORATION LIMITED, CONRAD BLACK CAPITAL CORPORATION, HOLLINGER AVIATION INC., MOWITZA HOLDINGS INC., 364817 ONTARIO LIMITED, F. D. RADLER LTD., 1269940 ONTARIO LIMITED, 2753421 CANADA LIMITED, PETER G. WHITE MANAGEMENT LTD. and 1406684 ONTARIO LIMITED

Defendants

REPLY TO THE STATEMENT OF DEFENCE AND CROSSCLAIM OF BARBARA AMIEL-BLACK

June 27, 2013

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1. The Plaintiffs, Hollinger Inc. ("**Hollinger**"), Domgroup Ltd. ("**Domgroup**"), 4322525 Canada Inc. and Sugra Limited (collectively, the "**CCAA Applicants**") admit the allegations contained in paragraphs 2 (except the last sentence) and 4 of the statement of defence and crossclaim of Amiel-Black.

2. The CCAA Applicants deny the balance of the allegations contained in Amiel-Black's defence.

Cause of Action Pleaded

3. Hollinger specifically denies that no cause of action was been pleaded against Amiel-Black. As a director and officer of the company, Amiel-Black owed fiduciary and statutory duties to Hollinger, which she breached by preferring her own interests as a Ravelston shareholder to those of Hollinger. Contrary to her allegation at paragraph 6 Amiel-Black did in fact receive payments and other benefits to Hollinger's detriment by virtue of her shareholding in Ravelston.

4. Amiel-Black's claim that she had no involvement or knowledge in connection with the various allegations raised in Hollinger's claims relating to the payment of management fees, intercompany loans, debt restructuring support or non-competition payments is an implied admission of her own negligence as a director and officer who was specifically charged with supervising the business and affairs of Hollinger. It was Amiel-Black's job to know and understand the terms and implications of the transactions she considered on Hollinger's behalf as its director.

Claims Over

5. Hollinger acknowledges its agreement to limit its recovery from Amiel-Black to her proportionate share of liability provided that her liability is shared jointly and severally with a settling defendant against whom Amiel-Black successfully proves a claim for contribution and indemnity in respect of Hollinger's claim.

6. The preconditions for the application of Hollinger's voluntary limitation of recovery are:

   (a) A finding of joint and several liability between Amiel-Black and one or more settling defendants; and

   (b) The successful proof of a claim over by Amiel-Black against the settling defendant(s) in question for contribution and indemnity in respect of Hollinger's claim.

7. Amiel-Black has not satisfied these preconditions in her assertions of claims over against Torys, KPMG and the Outside Directors, and therefore is not entitled to any reduction of Hollinger's recovery against her.

Torys

8. Hollinger acknowledges that Torys served as counsel to the company during the relevant period. Hollinger has no knowledge of any independent duties owed to Amiel-Black or other individuals in their capacities as directors and officers of the company. In any event any alleged breach by Torys of a duty owed to Amiel-Black in her personal capacity is not properly the subject of a claim over in respect of Hollinger's claim against her.

9. Further, Amiel-Black's claim over against Torys contains allegations that are inaccurate or irrelevant. At paragraph 17 Amiel-Black alleges that Torys advised Hollinger in connection with the drafting and structuring of the Non-Competition Payments to Hollinger. As far as Hollinger is aware, Torys did not advise Hollinger in connection with its receipt of Non-Competition Payments arising from International's sales of its community newspapers. Torys served as counsel on the CanWest Deal, which involved other non-competition payments, but those non-competition payments do not form the basis of any claim Hollinger has against Amiel-Black or anyone else.

10. In any event, no joint and several liability can attach to Torys for Amiel-Black's breaches of fiduciary duty owed to Hollinger. Likewise Torys cannot be held responsible or partly responsible for any lack of awareness or misunderstanding of material facts relating to Hollinger's business and affairs when Amiel-Black or other members of the Management of Hollinger concealed or obscured such material facts from Hollinger's counsel.

KPMG

11. Hollinger acknowledges that KPMG Canada LLP provided accounting, tax and audit advice to Hollinger. Again, Amiel-Black's claim over against KPMG contains allegations that are irrelevant or inaccurate. Any allegations of duties owed by KPMG US LLP or KPMG Canada LLP to International, Amiel-Black or any other party are irrelevant to the matters in issue.

12. Amiel-Black's claim that KPMG "failed to advise the audit committee of *International* that the management fees it paid to [Hollinger] and the non-competition payments paid to the defendants...were in any way irregular, excessive or required disclosure" is irrelevant to the matters in issue.

13. Hollinger has not advanced claims against Amiel-Black on the basis of any personal receipt of non-competition payments arising from International's sales of its community newspapers. Accordingly it cannot form the basis of any claim over by Amiel-Black against KPMG.

14. Likewise, Hollinger has not advanced claims against Amiel-Black in respect of Hollinger's receipt of management fees from International under the Ravelston Management Agreements. Again, this cannot form the basis of any claim over by Amiel-Black against KPMG.

Outside Directors

15. Amiel-Black's purported claim over as against the Outside Directors is statute-barred. Hollinger issued its claims against Amiel-Black and others on March 29, 2005, January 27, 2006, and April 20, 2007. The two-year limitation period for claims over against other parties started running upon the issuance of those underlying claims. The limitation periods therefore expired on March 29, 2007, January 27, 2008 and April 20, 2009 respectively.

16. Amiel-Black specifically turned her mind to issuing claims over against other parties within the prescribed limitation periods and did in fact issue independent claims over against Torys, KPMG and others in respect of Hollinger's claims against her. At no time did she issue any claim over against the Outside Directors until her baseless assertion of same in her Defence—nearly four years after the expiration of the latest limitation period.

17. The time for claiming over against the Outside Directors has long passed. Amiel-Black is not entitled to avail herself of the recovery reduction mechanism set out in the Release

Order to reduce her recoverable liability to Hollinger by the amount which may be attributable to these non-parties.

Limitations Period

18. Hollinger expressly denies that its claims against Amiel-Black are statute-barred. Rather, Hollinger advanced its claims against Amiel-Black and others within the applicable limitation period following its discovery of its causes of action against the defendants.

19. Hollinger's causes of action against Amiel-Black and the other defendants largely consist of claims for breach of fiduciary duty by self-dealing and improper concealment thereof by Hollinger's own senior management. Accordingly, these claims were not discoverable until after those defendants stepped down or were removed as officers and directors of Hollinger and new management had the opportunity to review all the material documents to gain an understanding of Hollinger's business and affairs and the fact and extent of the damage done to the company by Amiel-Black and others.

June 27, 2013

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Hollinger Inc. et al. and **The Ravelston Corporation Ltd. et al.**

Plaintiffs

Defendants

Court File No.: **06-CL-6261**

ONTARIO

SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at **Toronto**

Reply to the Statement of Defence and Crossclaim of Barbara Amiel-Black

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THIS IS EXHIBIT "F" TO THE AFFIDAVIT OF WILLIAM E. AZIZ, SWORN THIS 12th DAY OF NOVEMBER, 2014

Commissioner for Taking Affidavits

M. Keenberg
LSUC# 53735G

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MON **DAY, THE**
	)	
MR. JUSTICE McEWEN	)	18 **th DAY OF** August, **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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

ORDER
(Service and Notice re Radler and Radler Ltd. Settlement Agreements)

THIS MOTION brought by the Applicants for an Order providing for the notice of this motion and any other motions relating to the release and settlement agreement between Hollinger Inc. ("**Hollinger**") and F. David Radler ("**Radler**") dated August 13, 2014, (the "**Radler Release and Settlement Agreement**") and relating to the release and settlement agreement between Hollinger and North American Newspapers Ltd., formerly known as F. D. Radler Ltd. ("**Radler Ltd.**") dated August 13, 2014 (the "**Radler Ltd. Release and Settlement Agreement**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants dated August 14, 2014, and on hearing the submissions of counsel for the Applicants, Radler, Radler Ltd. and such other counsel as were present, and on being advised that the Service List including all Persons who filed Notices of Appearance in accordance with the Service and Notice Procedure Order dated November 12, 2010 were served electronically with the Applicants' motion materials:

1. **THIS COURT ORDERS** that the defined terms of this Order adopt the definitions found in this Court's Service and Notice Procedure Order of November 12, 2010 (the "**November 12, 2010 Order**"), except where otherwise noted.

2. **THIS COURT ORDERS** that the service of this motion and any other motions, orders or materials relating to the Radler Release and Settlement Agreement and /or the Radler Ltd. Release and Settlement Agreement upon the updated Service List (which includes all Persons who have provided a Notice of Appearance in accordance with the November 12, 2010 Order and all Defendants) in accordance with paragraph 6 below shall constitute good and sufficient notice and service upon the Creditors, Defendants, Shareholders and all other affected Persons of the Radler Release and Settlement Agreement, the Radler Ltd. Release and Settlement Agreement, the Radler and Radler Ltd. settlement approval motions (the "**Approval Motions**") and all related motions and Orders, and that no form of service or notice is required to be provided by any of the Applicants, CRO or the Monitor to any other Person and no other documents or materials need be served on any Person in respect of the Approval Motions.

3. **THIS COURT ORDERS** that any Person who filed a Notice of Appearance in accordance with the November 12, 2010 Order is entitled to participate in the Approval Motions and all motions related thereto.

4. **THIS COURT ORDERS** that any Person who did not file a Notice of Appearance in accordance with the November 12, 2010 Order:

(a) Shall not be entitled to appear or be heard at the Approval Motions or any related motions or to receive any notice of, or materials or documentation relating to, arising out of or in conjunction with the Approval Motions or related motions;

(b) Shall be bound by the terms of any order issued in relation to the Approval Motions or any related motions;

(c) Shall be forever barred and enjoined from making any objection or opposition to, disputing in any manner whatsoever or appealing or moving to set aside or vary the Radler Release and Settlement Agreement, the Radler Ltd. Release and Settlement Agreement, any order issued in relation to the Approval Motions, or any other documents, Orders or proceedings with respect to, arising out of or in connection with the Radler Release and Settlement Agreement, the Radler Ltd. Release and Settlement Agreement or the Approval Motions.

5. **THIS COURT ORDERS** that the Monitor and the CRO shall have the same protections as those afforded to them in paragraphs 11 and 12, respectively, of the November 12, 2010 Order.

6. **THIS COURT ORDERS** that service pursuant to this Order may be made by forwarding true copies by pre-paid ordinary mail, courier, personal delivery or electronic or digital transmission. Any service by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next business date following the date sent, or if sent by pre-paid ordinary mail, on the fourth business day after mailing.

7. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court for directions in relation to this Order or to vary or amend this Order on not less than seven 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.

8. **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 Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

AUG 1 3 2014

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** AND **SUGRA LIMITED**

Court File No.: **07-CL-7120**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

ORDER
(Service and Notice re Radler and Radler Ltd.)

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TAB 3

COURT FILE NO.: 07-CL-7120

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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** and **SUGRA LIMITED**

Applicants

OMNIBUS REPORT OF HON. JOHN D. GROUND, Q.C. (retired justice) IN HIS CAPACITY AS LITIGATION TRUSTEE OF THE APPLICANTS

DATED NOVEMBER 10, 2014

PART I - INTRODUCTION

1. I, John D. Ground, Q.C., (retired Justice) make this Report in my capacity as the court-appointed Litigation Trustee over the Litigation Assets of the Applicants (as defined more particularly herein). This Report is made in support of the court approvals and accompanying bar orders sought in respect of certain settlements between Hollinger Inc. ("**Hollinger**") and each of (i) Conrad M. Black, Barbara Amiel-Black, Moffat Management Inc., Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (collectively, the "**Blacks**"); (ii) F. David Radler ("**Radler**"); and (iii) North American Newspapers Ltd. (formerly known as F. D. Radler Ltd., referred to herein as "**Radler Ltd.**").

2. This Report contains a full procedural history of the litigation pursued to date and the settlements achieved and approved to date. All documents referred to in this Report are included in the Appendices of the Twenty-Seventh Report of the Monitor, dated July 8, 2014, in the Affidavits of William E. Aziz, Chief Restructuring Officer of the Applicants, sworn August 14, 2014, and November 12, 2014, which accompany this Report.

PART II - BACKGROUND

3. Hollinger Inc. ("**Hollinger**") was a publicly held corporation incorporated under the *Canada Business Corporations Act* ("**CBCA**"), with its principal offices at 10 Toronto Street in Toronto, Ontario. Hollinger's primary asset was its majority holdings in its American public subsidiary, Hollinger International Inc. ("**International**"), which,

through its own operating subsidiaries, owned and published newspapers around the world.

4. From its inception until 2004, Hollinger was managed by a team of executives that included Conrad M. Black ("**Black**"), Barbara Amiel-Black ("**Amiel-Black**"), F. David Radler ("**Radler**"), John A. Boultbee ("**Boultbee**"), Peter Y. Atkinson ("**Atkinson**"), Peter G. White ("**White**"), Daniel Colson ("**Colson**") and Charles Cowan ("**Cowan**") (collectively, Hollinger's "**Officers**").

5. Each of Hollinger's Officers held shares, directly or indirectly, in Hollinger's private parent company, The Ravelston Corporation Ltd. ("**Ravelston**"). Ravelston held, directly and indirectly, up to 78% of Hollinger's shares. The rest of Hollinger's shares were widely held by the public . In addition, each of Hollinger's Officers served as directors on Hollinger's Board of Directors. Black, Amiel-Black, Radler, Boultbee and Atkinson (Hollinger's "**Executives**") also served as directors on International's Board and held executive positions at International.

6. In addition to the Officers, Hollinger's Board of Directors also included several independent directors who did not hold shares in Ravelston. Those directors were Maureen Sabia, Fredrik Eaton, Allan Gotlieb, Henry Ketcham III, (the "**Outside Directors**"), R. Donald Fullerton ("**Fullerton**"), Douglas Bassett ("**Bassett**") and Ralph M. Barford ("**Barford**"). In 2002, Barford stepped down from the Board. In 2003 the rest of the independent directors resigned *en masse* in connection with unaddressed concerns about allegations of wrongdoing on the part of the Executives both at Hollinger and

International. Hollinger's auditor, KPMG LLP (**"KPMG"**) followed suit and resigned as auditor shortly after the independent directors resigned.

7. As a result of these concerns, claims were advanced in the United States and Canada by International and its shareholders against the Executives and others. From 2003 to the end of 2004, Hollinger was managed exclusively by its Officers, with no independent oversight on the Board. Eventually, the Officers were removed from Hollinger's Board by Orders of the Court dated November 18, 2004 and June 8, 2005. In addition, an Inspector was appointed by the Court under section 230 of the CBCA to look into the affairs of Hollinger by Order of the Court dated October 26, 2004.

8. Once a new, independent Board was in place at Hollinger, it investigated the concerns that were initially raised by International shareholders in 2003, and cooperated with the Inspector's investigation.

9. As a result of Hollinger's independent investigations, claims against a number of potential defendants were identified and analysed. These claims became the **"Litigation Assets"** of the Applicants, as described in detail below.

PART III - LITIGATION ASSETS

Claims Against the Executives and Officers

10. Hollinger launched three actions against Hollinger's Executives and Officers:

(a) By Statement of Claim issued March 29, 2005, and amended on July 26, 2007, bearing Court File No. 05-CL-5822, Hollinger and its subsidiary Domgroup Ltd. ("**Domgroup**") commenced an action against the Executives and certain management companies run by them alleging misconduct in relation to certain financing activities at Hollinger (the "**Financing Action**");

(b) By Statement of Claim issued January 26, 2006 and amended August 10, 2006, May 22, 2009, May 27, 2009 and re-issued as a Fresh as Amended Claim on June 19, 2012, bearing Court File No. 06-CL-6261, Hollinger, Domgroup, 4322525 Canada Inc., Sugra Limited and 10 Toronto Street Inc. commenced an action against the Officers (including the Executives), their personal companies and Hollinger's parent companies alleging misconduct in relation to management fees, non-competition payments and financing activities at Hollinger (the "**Main Action**");

(c) By Statement of Claim issued April 20, 2007, bearing Court File No. 07-CL-6954, Hollinger commenced an action against the Executives alleging that the Executives were not entitled to indemnification by Hollinger in connection with Hollinger-related litigation (the "**Indemnification Action**").

11. Since many of the defendants to the above-noted actions were simultaneously defending criminal charges against them in the United States, they invoked their rights against self-incrimination and deferred filing defences until the criminal trial and all appeals were finally resolved.

12. In connection with the Main Action, Hollinger obtained a Mareva Order over assets owned and controlled by Black and his personal companies. The Mareva Order was replaced by a Confidential Settlement Agreement and Consent Order, which remains in effect to date.

13. By Order of the Court dated February 25, 2013, the Financing Action, the Main Action and the Indemnification Action were consolidated and continued under the Main Action.

14. In late 2012 and early 2013, the defendants to the Main Action filed Statements of Defence and Cross-claims against each other. On June 27, 2013, Hollinger issued Replies in respect of each of the Defences filed.

15. With the delivery of the Replies, the pleadings closed in the Main Action. The parties to the Main Action engaged in extensive debates and negotiations about the scope of productions and discoveries, which produced a stalemate. As a result, the Main Action has not progressed into productions and discoveries. In the meantime, Hollinger engaged in settlement discussions with all the defendants, which resulted in the settlements described in detail below.

Independent Directors

16. Hollinger entered into tolling agreements with the Outside Directors, Fullerton, White, Colson and Cowan to suspend the running of limitation periods.

17. Hollinger commenced an action against Barford by Notice of Action issued on February 7, 2007, bearing Court File No. 07-CL-327315PD2 (the "**Barford Action**"). Barford filed a Statement of Defence on March 8, 2010. Between August 2010 and June 22, 2011, Hollinger and Barford engaged in rolling productions of several volumes of documents. On June 22 and 23, 2011, Barford submitted to an examination for discovery by Hollinger.

The Advisors

18. Hollinger also entered into tolling agreements with its former auditor and tax advisor, KPMG LLP ("**KPMG**") and with its former general counsel, Torys LLP ("**Torys**"), to suspend the running of limitation periods.

The Banks

19. Hollinger also commenced an action against its banking syndicate, which consisted of the Canadian Imperial Bank of Commerce ("**CIBC**"), the Bank of Nova Scotia and the Toronto-Dominion Bank (together, the "**Banks**"), by Notice of Action issued May 31, 2007 (the "**Banks Action**"). The Banks did not deliver Statements of Defence.

The Litigation Assets

20. Together, the claims against the Executives and Officers made under the Main Action, the Financing Action and the Indemnification Action, the claims against the Banks made under the Banks Action, the claims made against Barford under the Barford Action and

all tolled claims against the Outside Directors, Fullerton, White, Colson, Cowan, Torys and KPMG constitute the "**Litigation Assets**".

PART IV - THE MPSA AND THE LITIGATION TRUSTEE'S MANDATE

21. By Order of the Court dated August 1, 2007, Hollinger, 4322525 Canada Inc. and Sugra Limited (collectively, the "**Applicants**") entered into creditor protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

22. On May 14, 2008, the Applicants, International (then known as the Sun-Times Media Group Inc.) and the largest third party creditor of the Applicants, Davidson Kempner Capital Management LLC ("**DK**"), entered into a multi-party settlement agreement (the "**MPSA**"). The MPSA set out, *inter alia*, a governance model and a cost reduction and asset enhancement program for the benefit of the Applicants and their stakeholders including International and DK.

23. By Order of the Court dated May 21, 2008, the MPSA was approved (the "**MPSA Order**"). Pursuant to the MPSA Order, I was appointed Litigation Trustee of the Litigation Assets of the Applicants.

24. The MPSA Order sets out my mandate as follows:

> 13. THIS COURT ORDERS that Justice John D. Ground (retired) is hereby appointed as an officer of this Court to be the Litigation Trustee over and in respect of all claims and causes of action in favour of the Applicants (collectively, the "Litigation Assets") on the terms described herein.

> 14. THIS COURT ORDERS that the CRO and the Litigation Trustee are hereby authorized to preserve, protect and realize upon the assets of the Applicants for the benefit of the Applicants and their creditors and other stakeholders as contemplated by the Multi-Party Settlement....
>
> 33. The Litigation Trustee will supervise, control and administer all aspects of the Litigation Assets of the Applicants, in consultation with the Applicants and subject to monitoring by the Monitor and supervision by the Court.
>
> 35. The Litigation Trustee will be responsible for administering the Litigation Assets efficiently and in a cost-effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their creditors and other stakeholders ...

25. The MPSA also mandated the establishment of an advisory committee consisting of one nominee from DK and one nominee from the Applicants to provide advice to me as Litigation Trustee. Pursuant to paragraph 36 of the MPSA, William Brock "**Brock**") was appointed as the representative of the Applicants, and Arnold Cader ("**Cader**") was appointed as the representative of DK; together, Brock, Cader and I formed the "**Litigation Advisory Committee**".

26. In my experience as a lawyer and former judge of the Ontario Superior Court of Justice (Commercial List), and as a specialist in alternative dispute resolution, I have had occasion to participate in or preside over numerous trials, pre-trial conferences, mediations, arbitrations and other dispute resolution processes.

27. In fulfilling my mandate as Litigation Trustee, I drew on my legal experience to consider (i) the merits of each claim; (ii) the merits of potential defences to each claim; (iii) the

evidence required to advance each claim; (iv) the likelihood of success at trial for each claim; (v) the costs of pursuing each claim to trial and the potential exposure to adverse party costs in the event of a loss; (vi) the likely duration of the litigation; and (vii) the potential recoveries available from each defendant.

28. I have assessed each incremental step in the litigation to ensure that each step was warranted in the fulfillment of my duties to the Applicants and to the Court. Where I have determined that a claim lacks sufficient merit to be worth pursuing on a cost/ benefit basis, I have elected not to pursue, and Hollinger has withdrawn, such claim.

PART V - SETTLEMENT CAMPAIGN

29. The only value of the Litigation Assets to the creditors of the Applicants lies in their monetization, and the only way to monetize the Litigation Assets is by settlement or adjudication. In my experience, it is in most cases more cost-effective to settle litigious disputes than to have them adjudicated.

30. In consultation with the Litigation Advisory Committee, I directed a settlement campaign pursuant to which Hollinger's counsel met with counsel to each of the defendants and potential defendants to Hollinger's actions with a view to providing a framework for possible settlement discussions taking into account the settlement opportunities available within the CCAA process.

31. Hollinger advised all defendants and potential defendants that it would be seeking financial contributions for the benefit of the Litigation Trustee's initiatives and for the estates of the Applicants, as well as, where appropriate, cooperation agreements, in exchange for full and final releases, including third party releases.

32. The third party releases that Hollinger proposed would be effected by court order. They would allow settling litigants to put a finite end to protracted litigation with Hollinger by settling not only Hollinger's claims, but also by effectively barring cross-claims and third party claims by non-settling defendants.

33. In my view, such third party releases are an appropriate mechanism to assist in the efficient resolution of complex litigation involving an insolvent party under the CCAA. The availability of such third party releases was an important element in my ability to monetize the Litigation Assets in accordance with my mandate under the MPSA.

34. Hollinger further agreed to waive its right to joint and several liability in respect of the liability shared between settling and non-settling defendants, by limiting its recovery from non-settling defendants to their several proportions of liability only. Essentially, Hollinger proposed a type of *Pierringer* arrangement whereby non-settling defendants would not be exposed to liability for more than their proportionate shares of Hollinger's loss. Accordingly, the interests of settling defendants in avoiding claims over by non-settling defendants were balanced against the interests of non-settling defendants in avoiding being held liable for more than their proportionate share of loss, without recourse to claim over for contribution and indemnity.

Torys Settlement

35. The first litigant to enter into a settlement on these terms with Hollinger was Torys. Hollinger and Torys participated in a two-day mediation facilitated by the Honourable George Adams Q.C. (retired Justice) (**"Adams"**) in March 2010. The Torys Release and Settlement Agreement, dated March 26, 2010 resulted from this mediation. Under the terms of the Torys Release and Settlement Agreement, Torys agreed to pay $12,800,000 to Hollinger and waive any claims into the estates of the CCAA Applicants. In exchange, Hollinger agreed to provide Torys with a full and final release from Hollinger and to seek third party releases from the Court in favour of Torys. The Torys payment was paid into escrow pending the finalization of the Release Order granted in its favour. While in escrow, the Torys payment earned approximately $300,000 in interest.

KPMG Settlement

36. Shortly after the mediation with Torys, Hollinger participated in another two-day mediation facilitated by Adams with KPMG. The KPMG Release and Settlement, dated October 1, 2010 resulted from this mediation. Under the terms of the KPMG Release and Settlement Agreement, KPMG agreed to pay $10,000,000 to Hollinger and withdraw and waive its claims into the estates of the CCAA Applicants. KPMG's claims into the estates of the CCAA Applicants included both quantified and unquantified claims. The quantified portion of KPMG's claim was for approximately $1,114,284. In exchange for KPMG's payment and withdrawal of its claims into the estates, Hollinger agreed to provide KPMG with a full and final release from Hollinger and to seek third party releases from the Court in favour of KPMG.

The Outside Directors Settlement

37. By this time, Hollinger had engaged in another round of mediation with certain former Independent Directors of Hollinger, being Maureen Sabia, Henry Ketcham, Allan Gotlieb and Fredrik Eaton (the "**Outside Directors**"), facilitated once again by Adams. This mediation resulted in the Outside Directors Release and Settlement Agreement, dated May 18, 2011. Under the terms of the Outside Directors Release and Settlement Agreement, the Outside Directors agreed to pay $2,280,000 to Hollinger, to waive all claims into the estates of the Applicants, and to cooperate with Hollinger in its pursuit of claims against the non-settling defendants. In exchange, Hollinger agreed to provide the Outside Directors with a full and final release from Hollinger and to seek third party releases from the Court in their favour. At the time of settlement with the Outside Directors, the Hollinger Directors' and Officers' insurance was exhausted. Accordingly, the Outside Directors funded their settlement payments personally.

CIBC/ Fullerton Settlement

38. In December 2011, Hollinger participated in mediation with the estate of Donald Fullerton, a former Independent Director of Hollinger, and CIBC, which was both Hollinger's lead bank and Fullerton's long-time employer. This mediation was facilitated once again, by Adams, and resulted in the CIBC/ Fullerton Release and Settlement Agreement, dated April 9, 2012. Under the terms of the CIBC/ Fullerton Release and Settlement Agreement, CIBC and the estate of Donald Fullerton agreed to pay $3,000,000, collectively, to Hollinger and to waive all claims into the estates of the Applicants. In exchange, Hollinger agreed to provide CIBC and Fullerton's estate with

full and final releases from Hollinger and to seek third party releases from the Court in their favour.

Cowan Settlement

39. Shortly thereafter, Hollinger engaged in negotiations with Cowan, through counsel, that resulted in a settlement agreement dated January 27, 2012. As a pre-condition to settlement, Cowan provided Hollinger with a sworn Statement of Personal Affairs. Upon review of his sworn Statement of Personal Affairs, Hollinger satisfied itself that Cowan lacked the funds to provide a significant financial contribution to the estate. Hollinger further satisfied itself that Cowan was not capable of providing meaningful cooperation to Hollinger in the pursuit of its claims against other defendants.

40. Under the terms of the Cowan Settlement Agreement, Cowan agreed to pay $100,000 to Hollinger in exchange for a full and final release by Hollinger. Because the Cowan Settlement involved settlement funds under the court-imposed threshold for requiring court approval, and because it did not include third party releases, Hollinger was not required to seek approval of this Settlement.

Barford Settlement

41. In the meantime, Hollinger pursued its claim against Barford and progressed through productions and discoveries in the Barford Action. Upon analysis of the probative evidence that Barford gave under his examination for discovery, which supported Hollinger's case against Black and others under the Main Action, Hollinger engaged in

settlement negotiations with Barford through counsel. The parties ultimately reached a settlement that was formalized in the Barford Release and Settlement Agreement, dated May 8, 2012.

42. Under the terms of the Barford Release and Settlement Agreement, Barford agreed to cooperate with Hollinger in the pursuit of its claims against the non-settling defendants in respect of their conduct surrounding the Direction and Undertaking (as defined in Hollinger's pleading in the Main Action). To this end, Barford agreed to submit to a *de bene esse* examination to preserve his evidence pending trial.

43. In exchange, Hollinger agreed to provide Barford with a full and final release from Hollinger, to seek third party releases from the Court in his favour, to seek approval for a priority payment to Barford in the amount of $250,000 in respect of a portion of his legal fees incurred to date, and to allow Barford's claim into the estate of Hollinger for the balance of his legal fees incurred to date, which would rank *pari passu* with the other unsecured creditors of Hollinger.

Boultbee Settlement

44. In 2010, Boultbee submitted to interviews with Hollinger's counsel and the CRO with a view to enabling Hollinger to assess the value of Boultbee's evidence. At the time, Hollinger was relying on a paper record to make its case and did yet not have any witnesses. Hollinger determined that Boultbee's evidence had significant probative value to its cases against the remaining defendants. Contemporaneously, Boultbee provided

Hollinger with a sworn Statement of Personal Affairs. Upon review of same, Hollinger satisfied itself that Boultbee lacked the necessary funds to provide Hollinger with a financial contribution to the estate by way of settlement.

45. In 2013, Hollinger formalized an informal settlement arrangement with Boultbee in a Release and Settlement Agreement dated July 4, 2013. Under the terms of the Boultbee Release and Settlement Agreement, Boultbee agreed to provide ongoing cooperation to Hollinger in the pursuit of its claims against the remaining defendants, and in the defense of claims made by those defendants into the estates of the Applicants. In addition, Boultbee agreed to withdraw and waive all claims by him and his companies into the estates of the Applicants, previously asserted in the amount of $33,208,022. In exchange, Hollinger agreed to provide Boultbee with a full and final release from Hollinger, and to seek third party releases from the Court in his favour.

Atkinson Settlement

46. In early 2013, Hollinger engaged in settlement negotiations with Atkinson, first through counsel and later, directly with Atkinson. Atkinson submitted to a recorded interview in which he provided Hollinger's counsel with information and documents relevant to and supportive of Hollinger's case against the remaining defendants to the Main Action. After assessing the probative value of Atkinson's evidence, Hollinger entered into a settlement agreement with Atkinson, dated July 18, 2013. Under the terms of the Atkinson Release and Settlement Agreement, Atkinson agreed to provide Hollinger with his cooperation in the pursuit of its claims against the remaining defendants, and to waive any claims into

the estates of the Applicants. In exchange, Hollinger agreed to provide Atkinson with a full and final release from Hollinger and to seek third party releases in his favour.

PART VI - SETTLEMENT APPROVAL HISTORY

47. Hollinger initially sought approvals of both the Torys Release and Settlement Agreement and the KPMG Release and Settlement Agreement at the same time, shortly after the finalization of the KPMG Settlement.

48. In view of the third party releases sought, Hollinger brought these approval motions forward in accordance with an expansive service and notice protocol that was approved by Order of the Court dated November 12, 2010 (the "**Service and Notice Order**"). Notices were published in national newspapers and delivered to all known affected parties (*e.g.*, all creditors and claimants in the CCAA process of the Applicants as well as all defendants to Hollinger-related litigation, together, the "**Service List**").

49. In order to protect the privilege attaching to the settlement amounts agreed to in each case, Hollinger redacted the settlement amounts from each of the Torys Settlement Agreement and the KPMG Settlement Agreement, which were filed with the Court and served upon the Service List. Hollinger sought a sealing order in respect of redacted portions of the settlement agreements.

50. In response to objections raised by certain non-settling defendants, including Black, Radler, Amiel-Black, White and Colson, Hollinger agreed to bifurcate the settlement

approval motion to deal with the issue of the sealing order first. To resolve the issues surrounding the sealing order, Hollinger agreed to allow all non-settling defendants to be informed of the settlement amounts under the terms of a confidentiality agreement, while maintaining the redactions on the record. The sealing order was granted on February 18, 2011.

51. Certain non-settling defendants, including Black, Radler and Colson, sought leave to appeal the sealing order to the Ontario Court of Appeal, and leave to appeal was granted on May 11, 2012. The Court of Appeal upheld the sealing order, by order dated November 22, 2012. By order dated May 3, 2012, the Supreme Court of Canada refused leave to appeal the Court of Appeal's decision.

52. Having finally resolved the issue of the treatment of redactions on the settlement approval record, Hollinger re-initiated its settlement approval motion in respect of Torys and KPMG, and also sought approvals in respect of the settlement agreements that had been reached in the meantime with the Outside Directors and CIBC and Fullerton's estate as set out above.

53. With no party opposing the approval of the Settlements with the Outside Directors, CIBC and Fullerton, those settlements were approved and Release Orders were granted in favour of those settling defendants on July 24, 2012. In addition, the Barford Settlement was approved over the counter, with no one opposing, and a Release Order was issued in his favour on July 24, 2012.

54. Black and his company, Conrad Black Capital Corporation, Radler and Colson maintained objections to the approvals of the Settlements with Torys and KPMG, on the grounds that their substantive and procedural rights were impaired by allowing Torys and KPMG out of the litigation thereby subjecting non-settling defendants to the non-party rules in respect of discovery and production.

55. Hollinger engaged in negotiations, facilitated by the Monitor, with the settling and non-settling defendants to resolve these issues. In the result, Torys and KPMG voluntarily entered into a Non-Party Production Protocol in an effort to address the non-settling defendants' concerns about access to third party discoveries and productions in the ongoing litigation.

56. With reasons dated September 12, 2012, the Court issued Release Orders in favour of Torys and KPMG, appending the Non-Party Production Protocol as a schedule to each order.

57. Each of Black and Radler sought leave to appeal the settlement approvals and Release Orders granted in respect of Torys and KPMG. On January 14, 2013, the Court of Appeal denied both leave applications.

58. After the Release Orders in favour of Torys, KPMG, the Outside Directors and CIBC/ Fullerton became "Final" (meaning no longer subject to appeal or leave to appeal), the settlement amounts that had been redacted from the public record under the sealing order became public, and the seal was lifted.

59. The Atkinson Settlement and the Boultbee Settlement were approved over the counter, with no one opposing, and Release Orders in favour of those settling defendants were issued on September 6, 2013.

PART VII - SUMMARY OF SETTLEMENTS TO DATE

60. Each of the settlements achieved to date have been made in accordance with and in fulfillment of my mandate as Litigation Trustee.

61. In the case of Torys, KPMG, the Outside Directors, CIBC and Fullerton, settlements were achieved in mediations facilitated by Adams. Adams is a highly regarded professional mediator and former justice of the Ontario Superior Court of Justice. Adams has substantial experience as a mediator and facilitator in a wide range of types of conflicts. In all cases, Adams considered the settlements reached to be reasonable settlements, having regard to the merits of the claims and the defences, the likelihood of success, the costs of progressing to adjudication by trial and the likelihood of recovery.

62. The settlements with Barford, Atkinson and Boultbee were achieved through negotiations, without mediation. In each case, the negotiations were conducted at arm's length, in good faith and (except for Boultbee) between experienced counsel.

63. These settlements brought considerable benefits to the Applicants. The combined monetary contributions from all settlements approved to date amount to $28,080,000 (not including interest). These proceeds provided the Applicants with sufficient funding to

cover the costs of continuing litigation against the remaining defendants. To the extent those proceeds are not required for litigation funding, they will be available for distribution to the Applicants' creditors in accordance with the MPSA. The savings retained by the withdrawals of claims by the settling defendants into the estates of the Applicants are difficult to quantify, but are notionally worth millions in funds that would otherwise have to be reserved pending adjudication, and are now available for distribution to the Applicants' creditors. In addition, the cooperation offered by the Outside Directors, Barford, Boultbee and Atkinson substantially assisted Hollinger in refining its theory of the case and in providing strong evidence from first-hand witnesses, which strengthened Hollinger's case against the remaining defendants.

64. In all cases, I am confident that the settlements approved to date were well within the zone of reasonableness and provided real and substantial benefits to the Applicants, and were settled in accordance with my mandate under the MPSA. In all cases, DK and its representative on the Litigation Advisory Committee were informed of the pending settlements.

PART VIII - CURRENT SETTLEMENTS REQUIRING APPROVAL

Radler Settlement

65. On February 13 and 14, 2014, Hollinger engaged in a two-day mediation with Radler and his company, North American Newspapers Ltd., facilitated by Adams. The parties continued negotiating after the mediation and, with the continuing assistance of Adams,

reached a settlement. Under the terms of the Radler Release and Settlement Agreement, Radler and his company have agreed to pay Hollinger a combined $6,000,000 and have agreed to withdraw and waive their claims against the estates of the Applicants. Radler's claims into the estates of the Applicants were asserted in the amount of $925,640. In exchange, Hollinger has agreed to provide Radler and his company with a full and final release by Hollinger and to seek third party releases from the Court in their favour.

66. Hollinger brought the Radler Release and Settlement Agreement before the court for approval in August 2014, anticipating that it would not be opposed, and would not require a hearing. The Radler Release and Settlement Agreement is appended to the Affidavit of William Aziz, Chief Restructuring Officer of the Applicants, sworn on August 14, 2014, in the Applicants' Motion Record of the same date. By this time, Hollinger had engaged in mediation with Black, as described below, and was in the process of finalizing settlement documentation with him. Black declined to confirm that he would not oppose the approval of the Radler Settlement Agreement unless it was brought forward co-extensively with the approval of his own settlement agreement. Accordingly, the approval of the Radler Settlement has been deferred until now.

Black Settlement

67. On May 8 and 9, 2014, Hollinger engaged in a two-day mediation, facilitated again by Adams, with Black and his companies, Moffat Management Inc., Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited. The mediation with Black and his companies resulted in a

Release and Settlement Agreement dated November 10, 2014, attached to the Affidavit of William Aziz, the Chief Restructuring Officer of the Applicants, sworn November 12 2014, as Exhibit "A". Under the terms of the Black Release and Settlement Agreement, Black agreed to pay Hollinger $5,000,000 and to withdraw his claims into the estates of the Applicants, which claims were asserted to be in excess of $83,021,973. In exchange, Hollinger agreed to provide Black, his companies and his wife, Amiel-Black, with full and final releases from Hollinger, to bring an end to the Confidential Settlement Agreement, and to seek third party releases from the Court in their favour.

PART IX - REASONABLENESS OF THE SETTLEMENTS TO BE APPROVED

68. Radler, Black and Amiel-Black (and their respective companies) are the last remaining primary defendants to Hollinger's actions. With few exceptions, Hollinger has achieved final and approved settlements or has withdrawn its claim in respect of virtually all the other defendants and potential defendants to Hollinger's claims. With these settlements finalized, the Applicants can move forward to final wind up and distribution to their creditors.

69. These settlements were conducted at arm's length and in good faith. In my view, having regard to my duties to the Applicants and my mandate under the MPSA, these settlements are well within the zone of reasonableness. The benefits to the Applicants afforded by these settlements are threefold. First, an additional $11,000,000 in settlement proceeds will be available for distribution to the creditors of the Applicants. Second, the withdrawal of large claims into the estates of the Applicants by both Radler and Black

will facilitate the orderly windup of the estates, without requiring substantial reserves to be held back. Third and finally, these settlements with the last remaining defendants bring an end to Hollinger's litigation. Hollinger will no longer be required to hold back funds for litigation expenses. Litigation expenses have been curtailed significantly by avoiding trial.

70. I have come to this conclusion with the support of the Litigation Advisory Committee, the Chief Restructuring Officer of the Applicants and input from representatives of the Applicants' largest creditor, DK.

71. I would be pleased to furnish the Court with any additional information or further detail as it may require.

Dated at Toronto, this 10th day of November, 2014.

The Honourable John D. Ground, Q.C.

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** AND **SUGRA LIMITED**

Court File No.: 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

MOTION RECORD
(Re: Black, Radler and Radler Ltd.
Settlement Approvals and Notice)

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