

September 3, 2010 Draft

Court File No. 07-CL-7120

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

THE HONOURABLE) _____ the _____ th
)
MR. JUSTICE CAMPBELL) **DAY OF** _____, 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

**ORDER
(KPMG Settlement Approval)**

THIS MOTION brought by the Applicants for an Order approving the release and settlement agreement between Hollinger Inc. and KPMG LLP Canada dated September 3, 2010 (the "**KPMG Release and Settlement Agreement**") and for Orders releasing and barring claims against the released parties (the "**KPMG 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 September 3, 2010, and on hearing the submissions of counsel for the Applicants, KPMG LLP Canada and _____,

1. **THIS COURT ORDERS AND DECLARES** that the Service Protocol Order, dated September 15, 2010, respecting the service protocol for this motion has been complied with.

Approval of the KPMG Release and Settlement Agreement

2. **THIS COURT ORDERS** that the KPMG 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 KPMG 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 KPMG Release and Settlement Agreement and, in particular, those granted by and for the benefit of the KPMG Releasees, are integral components of the settlement between Hollinger Inc. and KPMG LLP Canada and the KPMG Release and Settlement Agreement and are necessary for, and vital to, the success of the settlement between Hollinger Inc. and KPMG LLP Canada and that, effective on the release of this Settlement Approval Order, all such compromises, arrangements, exculpations, releases, discharges and injunctions as set out in the KPMG 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 KPMG Releasees

4. **THIS COURT ORDERS AND DECLARES** that any and all claims filed by the KPMG Releasees in these proceedings be and are hereby extinguished and that the KPMG 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 each of the Applicants and their past, present and future subsidiaries and divisions including, without limitation, (a) 4322525 Canada Inc., Sugra Limited, Domgroup Ltd. and 10 Toronto Street Ltd. (but not including the Sun Times Media Group, Inc. and its subsidiaries (collectively, “**STMG**”), (b) all partnerships in which any of the Applicants or any subsidiary thereof is the general partner and any corporation owned by such partnership, and (c) in respect of each of the foregoing, their respective current 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 ((a) to (c) collectively, “**Hollinger**”) does hereby irrevocably and unconditionally fully and finally release, remise, acquit and forever discharge, without qualification or limitation, 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**”) separately and jointly, of and from 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 equity, of whatever kind or character, suspected, fixed or contingent, that have been, that could be, or that could have been asserted by Hollinger through to and including the date of the KPMG Release and Settlement Agreement (including, without limitation, any claim for contribution, indemnification, reimbursement or any other form of claim over related to the subject matter of the Settled KPMG Claims (as defined below) that could be asserted on or after the date of the KPMG Release and Settlement Agreement by Hollinger based on events occurring prior to and through the date thereof) against the KPMG Releasees concerning: (i) any and all professional services provided by the KPMG Releasees including but not limited to audit, tax and consultation work on behalf of Hollinger; (ii) allegations of injury to Hollinger caused by the KPMG Releasees; (iii) any Intended Claims, as defined in the KPMG Release and Settlement Agreement; and (iv) any and all other claims that Hollinger ever had or may have against the KPMG Releasees ((i) to (iv) collectively, the “**Settled KPMG 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, STMG 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 KPMG 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) including, without limitation, for contribution, indemnification, reimbursement or other form of claim over against the KPMG Releasees for any liability to or in favour of any party against whom Hollinger has brought or in the future brings any claims against the KPMG Releasees relating in all cases in any way to the subject matter of the KPMG Settled Claims or to Hollinger.

Restriction

7. **THIS COURT ORDERS AND DECLARES** that notwithstanding the foregoing, the releases provided for in paragraphs 3, 4, 5 and 6 do not apply to a claim based on a final judgment that a plaintiff suffered damages, or if civil law applies to such claim, prejudice, as a direct result of such plaintiff's reliance on express fraudulent misrepresentations made by KPMG or its agents, when KPMG had actual knowledge that the misrepresentations were 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 KPMG Releasees or any of them in relation to or otherwise in connection with the subject matter of the KPMG Settled Claims or Hollinger. Without limiting the foregoing and for greater certainty, the provisions of this paragraph apply to the claims against the KPMG Releasees or any of them that have been brought in the following proceedings:

- (a) Ontario Superior Court of Justice (Commercial List) Court File No. CV-08-00007549-00CL, entitled *Moffat Management Inc. et al. v. Sun-Times Media Group, Inc. et al.*; and
- (b) Ontario Superior Court of Justice (Commercial List) Court File No. 06-CL-6259, entitled *Conrad M. Black et al. v. Argus Corporation Limited et al.*

9. **THIS COURT ORDERS AND DECLARES** that each and every Third Party Releasor is hereby permanently and forever barred, stopped, stayed and enjoined, as of the date of this Order, 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 KPMG Releasees or their property in respect of any claims relating in any way to the KPMG Settled Claims; or (ii) taking any action to interfere with the implementation and consummation of the KPMG 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.

The Honourable Mr. Justice C. Campbell

Schedule "A"

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

Court File No: 07-CL-7120

**ONTARIO
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COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(KPMG Settlement Approval)**

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