

**LETTER OF UNDERSTANDING**

**B E T W E E N:**

**CANADIAN PRESS ENTERPRISES INC.  
(the “Company”)**

**- and -**

**THE CANADIAN MEDIA GUILD  
(the “Guild”)**

**Re: Collective Agreement and Pension Plan Issues**

WHEREAS the Guild and the Company have been engaged in negotiations, along with certain other parties, with respect to a distressed pension plan workout scheme (the “Workout Agreement”) regarding The Canadian Press Enterprises Inc. Pension Plan for Employees Represented by the Canadian Media Guild and The Pension Plan of Canadian Press Enterprises Inc. (together the “CPE Pension Plans”);

AND WHEREAS the Company and the Guild have engaged in discussions about the possible merger of the CPE Pension Plans into the Colleges of Applied Arts and Technology Pension Plan (“CAAT”);

AND WHEREAS the Guild and the Company are parties to a collective agreement, the expiry of which is December 31, 2018 (the “collective agreement”);

AND WHEREAS the parties are desirous of entering into a Workout Agreement with the court-appointed representatives, attaining regulatory approval of the funding schedule which forms part of the Workout Agreement and of pursuing the merger of the CPE Pension Plans into CAAT;

AND WHEREAS the parties have reached the following agreements regarding certain pension plan arrangements and terms of the collective agreement;

NOW THEREFORE, contingent on (a) the parties involved entering into a Workout Agreement consisting of the funding schedule attached hereto as Appendix A (b) the Workout Agreement attaining the approval of the Company’s Board, the prescribed level of consent from all groups within the required period and ultimate approval by the Minister of Finance, and (c) ratification of this Letter of Understanding by the bargaining unit on or before (date), the parties hereto agree as follows:

1. The term of the collective agreement will be extended to December 31, 2019.
2. The Company will continue to explore a possible merger of the CPE Pension Plans into CAAT, which merger will be subject to the approvals of both of the governments of Ontario and Canada and all relevant regulators, member consent, Guild approval on behalf of its bargaining unit members and final approval by the Boards of both the Company and CAAT. The Guild commits that it will seek to obtain its members' approval of the merger and will obtain such approval not later than August 15, 2018.
3. Upon a successful completion of a merger of the CPE Pension Plans into CAAT, which for the purposes of this Letter of Understanding, shall be the date on which the regulatory authority approves the transfer of the CPE Pension Plans to CAAT and the Company's employees commence participation in CAAT:
  - (a) the Company will implement a one percent (1%) general wage increase for each full-time bargaining unit employee and will implement a pro-rated general wage increase for each part-time bargaining unit employee, for each such employee employed by the Company on the date of the merger;
  - (b) the employee contribution rate to CAAT will be seven percent (7%) and the employer matching contribution rate shall be seven percent (7%);
  - (c) The 2012 Pension Deal Sheet -Employee Participation Plan, as amended December 2015 (the "EPP") shall be:
    - (i) replaced by a purchase of past service as agreed by the parties and the EPP will be terminated accordingly unless otherwise agreed; or,
    - (ii) amended in a manner satisfactory to the parties.
  - (d) Article 29.01 of the collective agreement will be amended to reflect that the CPE Pension Plans have merged into CAAT and Letter of Understanding #6 Re: Pension Plan will be deleted from the collective agreement.
4. There will be no payments by the Company under the EPP in 2019. The interest rate for 2019 will be 2%.

5. The Guild will not request terms under the Workout Agreement other than those as set out herein.


6. If every condition precedent in this Letter of Understanding is met, a breach by either party of its obligations under the following parts will become subject to the grievance procedure under the collective agreement: Part 3(a), (b), (d), and Part 4. An arbitrator appointed under the grievance procedure shall have no jurisdiction in respect of any other matter with respect to this Letter of Understanding.

7. It is understood that if the parties do not enter into a Workout Agreement and/or the merger of the CPE Pension Plans into CAAT is not successfully completed due to an approval described in paragraph 2 above not being obtained, the parties will engage in collective bargaining as soon as practicable. For clarity, until such time, the terms of the collective agreement will continue in effect.

DATED at Toronto this 27 day of July, 2018.

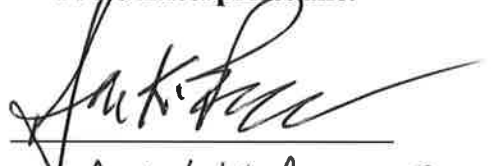
**The Canadian Media Guild**

Per:   
Name: Olivier Desharnais-Rog

Per:   
Name: TERRY PEDWELL

Per:   
Name: Michael Blanc

**Canadian Press Enterprises Inc.**

Per:   
Name: ALAN K. BOWER

Per:   
Name: Bridget Child