

January 24, 2014

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Via Regular Mail

Dear Sir/Madam:

**Re: Hollinger Canadian Publishing Holdings Co. (“HCPH”)
Proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”)
Re: Windsor Star Pension Plan (the “Windsor Star Plan”)
Our File No. 13/0246**

We are writing to provide a report on the status of the wind up of the Windsor Star Plan. We understand that you are a member of the plan.

HCPH recently informed us that the wind up process is continuing. In October 2013, the company filed a wind-up report with the Financial Services Commission of Ontario (“FSCO”) and is waiting for approval of the report by FSCO. On June 18, 2013, the company proceeded to purchase annuities with BMO Insurance using the assets in the pension fund. The annuities will operate to continue to pay the pension benefits to which you are entitled from the Windsor Star Plan in their full amount (i.e. without any pension losses). The company has informed us that BMO Insurance sent a welcome package to each Windsor Star Plan member explaining the annuity process shortly after the annuities were purchased. As of March, 2013, all eligible Windsor Star Plan members are receiving their pension benefit payments from BMO Insurance.

As we stated in past correspondence, the wind-up report of the Windsor Star Plan indicates that the pension fund should have some surplus cash after the wind up process is completed. We negotiated with HCPH that all of the surplus should be distributed to the plan members (i.e. none of the surplus should be paid to the company) and the company agreed. In order to distribute the surplus, the company is required to obtain approval from FSCO, which we expect will be granted. The company estimates that as at March 31, 2013, there is a surplus amount of \$2,294,731 in the pension fund which, subject to approval from FSCO, will be distributed among the eligible members based on the value of the members’ pension benefits under the Windsor Star Plan, in proportion to the total commuted value of pension benefits under the plan. The distribution amounts will be calculated by the plan’s actuary.

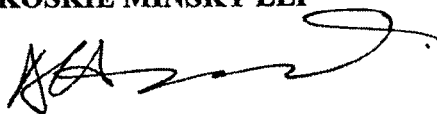
Please note that the surplus amount referred above will likely change and the exact amount will not be known until the wind up process is completed.

We will update you further as soon as we hear that FSCO approval has been received, the amounts payable to each eligible plan member has been finalized, and on the timing of the distribution.

In the interim, if you have any questions, please feel free to contact our toll-free hotline for HCPH Retirees at 1-866-545-9917 or email us at hcph@kmlaw.ca.

Yours truly,

KOSKIE MINSKY LLP



Andrew J. Hatnay
AJH:jc

cc: Barbara Walancik, *Koskie Minsky LLP*
HCPH Client Committee (Gordon Bullock, John Craig, Fraser Kean, Bill Mann, Ross Morrison and Fred Granville)