

EXECUTION VERSION

BELL MEDIA INC.

- and -

CORUS ENTERTAINMENT INC.

PURCHASE AGREEMENT

March 4, 2013

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THIS PURCHASE AGREEMENT is made as of March 4, 2013

BETWEEN:

BELL MEDIA INC., a corporation governed by the laws of
Canada,

(**"Bell"**)

AND:

CORUS ENTERTAINMENT INC., a corporation governed by
the laws of Canada,

(the **"Purchaser"**).

RECITALS:

- A. BCE Inc. (**"BCE"**) and Astral Media Inc. (**"Astral"**) entered into an arrangement agreement dated March 16, 2012, as amended on November 19, 2012 (the **"BCE-Astral Agreement"**), pursuant to which BCE agreed to acquire all of the issued and outstanding shares of Astral by way of plan of arrangement;
- B. Upon the consummation of the transactions contemplated by the BCE-Astral Agreement and completion of the Reorganizations, Bell will either (i) beneficially own and control all of the issued and outstanding shares (the **"HoldCo Shares"**) of a newly formed corporation (**"HoldCo"**) that will, in turn, beneficially own and control a 50% interest (the **"Partnership Interest"**) in Historia & Séries+, s.e.n.c., a partnership formed under the laws of Québec (the **"Partnership"**) or (ii) beneficially own and control all of the Partnership Interest;
- C. It is anticipated that as a condition to the closing of the Astral Arrangement, the direct or indirect interests that Bell will have in the Partnership following the Astral Arrangement are to be divested in order to comply with CRTC regulations and policies and/or the Competition Act;

- D. Shaw Media Group Inc. has given its consent in respect of the sale and transfer of the Partnership Interest by Bell pursuant to this Agreement and has waived, for a period of 15 months from the date of this Agreement, its right of first refusal under the Partnership Agreement in respect of such sale and transfer; and
- E. Bell has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from Bell the HoldCo Shares or, if the Transfer to HoldCo does not occur, the Partnership Interest, on the terms and conditions of this Agreement.

THEREFORE, the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

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

- (a) **“Accounts Receivable”** means accounts receivable, bills receivable, trade accounts, book debts and insurance claims recorded as receivable in the Books and Records of the Partnership, and other amounts due or deemed to be due to the Partnership, including refunds and rebates receivable;
- (b) **“Actions”** means any actions, proceedings, applications, investigations, suits, Orders, Notices, causes of action, charges, indictments, prosecutions, assessments or reassessments;
- (c) **“Affiliate”** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and **“control”** and any derivation thereof means the possession, directly or indirectly, of the power to direct the management and policies/business or affairs of a Person whether through the ownership of voting securities or otherwise; provided that with respect to the Purchaser, the term Affiliate shall not include any Person other than any Person controlled, directly or indirectly, by Purchaser;

- (d) **“Agreement”** means this Purchase Agreement, including all amendments or restatements, as permitted, and references to **“Article”** or **“Section”** mean the specified Article or Section of this Agreement;
- (e) **“Astral”** has the meaning given in the Recitals;
- (f) **“Astral Arrangement”** means the plan of arrangement transaction contemplated by the BCE-Astral Agreement;
- (g) **“Astral Benefit Plans”** means the Benefit Plans sponsored or maintained by Astral and/or its Affiliates;
- (h) **“Astral Pension Plan”** means the Pension Plan(s) sponsored or maintained by Astral and/or its Affiliates and in which the Employing Entity and its employees participate;
- (i) **“Base Purchase Price”** has the meaning given in Section 2.2;
- (j) **“BCE”** has the meaning given in the Recitals;
- (k) **“BCE-Astral Agreement”** has the meaning given in the Recitals;
- (l) **“BCE Trust Arrangements”** means the arrangements whereby the Partnership Interest (directly or indirectly) to be acquired by BCE under the Astral Arrangement may be deposited with the BCE Trustee, following the closing of the Astral Arrangement pursuant to a voting trust agreement pending the sale of the HoldCo Shares or Partnership Interest, as applicable, pursuant to the terms of this Agreement, if the Astral Arrangement is completed and such voting trust arrangements are required to be entered into pursuant to and approved in connection with any regulatory approval for the Astral Arrangement;
- (m) **“BCE Trustee”** means the person who has the power to exercise the voting rights attaching to the HoldCo Shares or Partnership Interest, as applicable, following the closing of the Astral Arrangement pursuant to the BCE Trust Arrangements;

- (n) **“Bell”** has the meaning given in the Preamble;
- (o) **“Bell Indemnified Parties”** has the meaning given in Section 9.2(a);
- (p) **“Bell Officer”** means Judith Brosseau, Senior Vice President, Programming, Canal D and Historia & Séries+, Yves Lagacé, Senior Vice-President, Finance and Operations at Astral Media Inc. and Robert Fortier, Finance and Chief Financial Officer at Astral Media Inc.;
- (q) **“Bell’s Core Representations”** has the meaning given in Section 9.1(c)(B);
- (r) **“Benefit Plans”** means plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, registered or unregistered to which the Partnership or the Employing Entity is a party or bound or in which the Employees participate or under which the Partnership or the Employing Entity has, or will have, any liability or contingent liability, or pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any of the Employees or former employees, directors or officers, individuals working on contract with the Partnership or other individuals providing services to the Partnership of a kind normally provided by employees (or any spouses, dependants, survivors or beneficiaries of any such persons), excluding any Statutory Plans;
- (s) **“Books and Records”** means books and records of a Person, including financial, corporate, operations and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, formulae, business reports, plans and projections and all other documents, surveys, plans, files, records, assessments, correspondence, and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media;
- (t) **“Broadcasting Licences”** means CRTC broadcasting licenses for (i) the French language Category A specialty service known as Historia operating under the Broadcasting Decision CRTC 2012-241, Appendix 4, as amended

from time to time, and (ii) the French language Category A specialty service known as *Séries+* operating under the Broadcasting Decision CRTC 2012-241, Appendix 7, as amended from time to time;

- (u) **“Business”** means the business of operating the Channels and any other activities relating or incidental thereto, carried on by the Partnership;
- (v) **“Business Day”** means any day, other than a Saturday or Sunday, on which banks in Toronto, Ontario and in Montréal, Québec are open for commercial banking business during normal banking hours;
- (w) **“Channel Content”** has the meaning given in Section 8.20;
- (x) **“Channels”** means collectively the specialty Category A services known as “Historia” and “Series+”;
- (y) **“Claims”** includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, penalties, fines, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (z) **“Closing”** means the completion of the sale to and purchase by the Purchaser of the HoldCo Shares or the Partnership Interest, as applicable, under this Agreement;
- (aa) **“Closing Date”** means the date of Closing as established pursuant to Section 2.4(b), or such other date as the Parties may agree in writing;

- (bb) **“Closing Time”** means 10:00 a.m. (Toronto time), on the Closing Date or such other time on the Closing Date as the Parties may agree in writing as the time at which the Closing shall take place;
- (cc) **“Closing Working Capital”** means the amount of Working Capital of the Partnership as of the time that is immediately prior to the Closing Time;
- (dd) **“Collective Agreement”** means any collective agreement, letter of understanding, or letter of intent with any trade union or association which may qualify as a trade union, which would cover any Employees;
- (ee) **“Commissioner of Competition”** means the Commissioner of Competition appointed pursuant to the Competition Act or any Person duly authorized to exercise the powers of the Commissioner of Competition;
- (ff) **“Commodity Taxes”** means all commodity taxes, including but not limited to, all sales, retail, use, goods and services, value added, excise and similar taxes imposed, levied or assessed by any Governmental Authority, excluding penalties and interest, other than taxes in the nature of a tax on income or capital;
- (gg) **“Competition Act”** means the *Competition Act* (Canada) and the regulations promulgated thereunder;
- (hh) **“Competition Act Approval”** means (A) in the event that the sale of the HoldCo Shares or the Partnership Interest is notifiable pursuant to Part IX of the Competition Act (i) the issuance of an Advance Ruling Certificate with respect to the purchase and sale of the HoldCo Shares or the Partnership Interest; (ii) notice under section 114 of the Competition Act with respect to the purchase and sale of the HoldCo Shares or the Partnership Interest, as applicable, has been given and the applicable waiting period under section 123 of the Competition Act has expired or has been terminated early in accordance with the Competition Act; or (iii) the obligation to give the requisite notice with respect to the purchase and sale of the HoldCo Shares or the Partnership Interest, as applicable, has been waived pursuant to subsection 113(c) of the

Competition Act; and (B) the purchase and sale of the HoldCo Shares or the Partnership Interest, as applicable, in accordance with this Agreement has been approved by the Commissioner of Competition pursuant to the terms of any Consent Agreement;

- (ii) **“Competition Tribunal”** means the Competition Tribunal established under the *Competition Tribunal Act* (Canada);
- (jj) **“Consent Agreement”** means any agreement between Bell and the Commissioner of Competition in relation to the Astral Arrangement that is registered with the Competition Tribunal;
- (kk) **“Contracts”** means contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which a Person is a party or by which it is bound or under which a Person has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied), and includes any quotations, orders, proposals or tenders which remain open for acceptance and warranties and guarantees;
- (ll) **“CRTC”** means the Canadian Radio-television and Telecommunications Commission or any successor body thereto;
- (mm) **“CRTC Approval”** means the approval by the CRTC of the transfer of the HoldCo Shares or the Partnership Interest, as applicable, to the Purchaser;
- (nn) **“Employee List”** means the list of Offered Employees and the information in respect thereof set out in Section 3.31, a copy of which will be provided to Purchaser by Bell before Closing;
- (oo) **“Employees”** means the individuals that provide services exclusively in connection with the Partnership on the date hereof;
- (pp) **“Employing Entity”** has the meaning given in Section 3.31(a)(ii);

- (qq) **“Encumbrances”** means pledges, liens, charges, security interests, leases, title retention agreements, mortgages, restrictions, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever;
- (rr) **“Environmental Laws”** means all Laws, Regulations, Orders or Permits relating to the protection of the environment, including those pertaining to:
 - (i) the protection, preservation or remediation of the natural environment (the air, land, surface water or ground water);
 - (ii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; and
 - (iii) Hazardous Substances, including reporting, permitting or rehabilitating in connection with any presence or release of Hazardous Substances;
- (ss) **“Financial Information”** means the unaudited balance sheet as at August 31, 2012 and December 31, 2012, the unaudited statement of earnings and cash flow statement for the twelve months period ended August 31, 2012 and the four month period ended December 31, 2012 as set forth in Schedule 1.1(ss);
- (tt) **“GAAP”** means generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which any calculation or determination is required to be made;
- (uu) **“Governmental Authority”** means any federal, provincial, state, territorial, regional, municipal or local government or authority, other political subdivision thereof or stock exchange and any entity or Person having jurisdiction exercising executive, judicial, legislative, regulatory or administrative functions of, or pertaining to, government;
- (vv) **“Governmental Authorizations”** means authorizations, approvals, franchises, Orders, certificates, consents, directives, notices, licences, permits, agreements, instructions, registrations or other rights issued to or required by a Person by or from any Governmental Authority;

- (ww) **“Hazardous Substances”** means any substance or material that is prohibited, controlled or otherwise regulated by any Governmental Authority pursuant to Laws such as contaminants, pollutants, toxic substances, dangerous goods, hazardous wastes, liquid industrial wastes, hazardous materials, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, freon, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments);
- (xx) **“HoldCo”** has the meaning given in the Recitals;
- (yy) **“HoldCo Shares”** has the meaning given in the Recitals;
- (zz) **“Indemnified Party”** has the meaning given in Section 9.3(a);
- (aaa) **“Indemnifying Party”** has the meaning given in Section 9.3(a);
- (bbb) **“Independent Accountant”** has the meaning given in Section 2.3(d);
- (ccc) **“Intellectual Property”** has the meaning given in Section 3.35;
- (ddd) **“Knowledge of Bell”** means the actual knowledge of the Bell Officer without any enquiry and without personal liability on the part of any or all of them;
- (eee) **“Knowledge of Purchaser”** means the actual knowledge, information and belief of Purchaser;
- (fff) **“Laws”** means applicable laws (including common law and civil law), statutes, by-laws, rules, regulations, Orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, or requirements, in each case of any Governmental Authority;
- (ggg) **“Material Adverse Effect”** means any event, change, fact or effect that, when considered in the aggregate with all other adverse changes, facts and effects with respect to which such phrase is used in this Agreement, has or would reasonably be expected to have a material adverse effect on the Business on a

consolidated basis or on the assets or financial condition or results of operations of the Partnership on a consolidated basis, provided, however, that when determining if a Material Adverse Effect has occurred, the following shall not be considered: any event, change, fact or effect resulting from (i) any change in Laws or GAAP or interpretations thereof; (ii) any generally applicable change or development in economic, regulatory, business or financial market conditions or in the specialty or pay television industries; (iii) any acts of terrorism or war (whether against Canada or otherwise); (iv) the execution or announcement of a sale substantially as contemplated by this Agreement and the performance of the transactions contemplated hereby, (v) the BCE Trust Arrangements, (vi) any breach of this Agreement by Purchaser, and (vii) any material act or material omission by or on behalf of Purchaser or its subsidiaries contemplated to be taken or not taken pursuant to this Agreement, except, with respect to clauses (i), (ii) and (iii), to the extent that the Partnership is disproportionately affected, relative to other companies in the industry in which the Partnership operates;

- (hhh) **“Material Agreements”** has the meaning set out in Section 3.25;
- (iii) **“Multi-Employer Plans”** means Benefit Plans to which the Partnership is required to contribute in respect of the Employees pursuant to a collective agreement and which are not maintained or administered by the Partnership or its Affiliates;
- (jjj) **“Notice”** means any citation, directive, Order, Claim, litigation, investigation, proceeding, judgement, letter or other communication, written or oral, actual or threatened, whether or not having the force of law, from any Governmental Authority;
- (kkk) **“Offer”** has the meaning given in Section 8.9(b);
- (lll) **“Offered Employees”** means (i) the Employees and (ii) any additional individuals currently employed by Astral or an Affiliate of Astral that provide certain services in connection with the Partnership on the date of this

Agreement and that are jointly designated by the Parties, each acting reasonably, prior to the Closing;

- (mmm) **“Offers of Employment”** has the meaning given in Section 8.8(a);
- (nnn) **“Orders”** means orders, injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator;
- (ooo) **“Outside Date”** has the meaning given in Section 10.1(b);
- (ppp) **“Parties”** means Bell and the Purchaser collectively, and **“Party”** means any one of them;
- (qqq) **“Partnership”** has the meaning given in the Recitals;
- (rrr) **“Partnership Agreement”** means, collectively, (i) the *Mémoire d’entente concernant le Canal Histoire*, dated September 10, 1997, between Alliance Communications Corporation, a predecessor entity of Astral Broadcasting Group Inc. and Les Réseaux Premier Choix Inc., a predecessor entity of Shaw Media Group Inc., and (ii) the *Mémoire d’entente concernant le Canal Fiction*, dated September 10, 1997, between Alliance Communications Corporation and Les Réseaux Premier Choix Inc., in each case as amended by the parties thereto verbally or through the practices of the parties thereto;
- (sss) **“Partnership Interest”** has the meaning given in the Recitals;
- (ttt) **“Pension Plans”** means Benefit Plans providing pensions, superannuation benefits or retirement savings including pension plans, top up pensions or supplemental pensions, “registered retirement savings plans” (as defined in the *Income Tax Act* (Canada)), “registered pension plans” (as defined in the *Income Tax Act* (Canada)) and “retirement compensation arrangements” (as defined in the *Income Tax Act* (Canada));

- (uuu) **“Pension Plan Unfunded Liability”** means an unfunded liability in respect of any Pension Plan, including a going concern unfunded liability, a solvency deficiency or wind-up deficiency;
- (vvv) **“Permits”** means all franchises, permits, licenses, certificates, approvals, authorizations or registrations issued by any Governmental Authority pursuant to applicable Laws in relation to the Partnership or the Business and includes those listed in Schedule 1.1(ttt);
- (www) **“Permitted Encumbrances”** means those encumbrances set out in Schedule 1.1(www);
- (xxx) **“Person”** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (yyy) **“Pre-Acquisition Reorganization”** has the meaning given in Section 8.15(a);
- (zzz) **“Purchase Price”** has the meaning given in Section 2.2;
- (aaaa) **“Purchaser”** has the meaning given in the Preamble;
- (bbbb) **“Purchaser Benefit Plans”** has the meaning given in Section 8.7(a);
- (cccc) **“Purchaser Indemnified Parties”** has the meaning given in Section 9.1(a);
- (dddd) **“Regulations”** means all regulations and other statutory instruments having the force of law promulgated under or pursuant to any Laws;
- (eeee) **“Regulatory Approvals”** means CRTC Approval and Competition Act Approval;
- (ffff) **“Regulatory ROFO Termination Date”** has the meaning given in Section 8.9(d);

- (gggg) **“Rejection Date”** has the meaning given in Section 8.9(f);
- (hhhh) **“Reorganizations”** has the meaning attributed to it in Section 8.14(a);
- (iiii) **“Required Consents”** has the meaning attributed to it in Section 8.20;
- (jjjj) **“Restricted Assets”** has the meaning attributed to it in Section 8.9(a);
- (kkkk) **“ROFO Expiry Date”** has the meaning given in Section 8.9(b);
- (llll) **“Security Interest”** means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, garnishment, trust (actual or deemed) intended as a security or collection device, encumbrance, lease intended as a security device, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property, including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor or analogous Person under a lease which would be treated as a capital lease in accordance with GAAP, a lease having the characteristics of a secured lending arrangement or any financing lease or other arrangement having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner, conditional purchaser or user of the asset to which such filing relates as debtor under the personal property security legislation of any jurisdiction, but not including the interest of a lessor under an operating lease;
- (mmmm) **“Shaw”** means Shaw Media Group Inc.;
- (nnnn) **“Statutory Plans”** means statutory benefit plans which the Partnership is required to participate in or comply with, including the Canada and Quebec Pension Plans and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation;
- (oooo) **“Subsequent Transaction”** has the meaning given in Section 10.4(a);

- (pppp) “**Subsidiary**” has the meaning ascribed to such term in the *Canada Business Corporations Act*;
- (qqqq) “**Tangible Personal Property**” means machinery, equipment, furniture, furnishings, office equipment, computer hardware, materials, vehicles, material handling equipment, implements, parts, tools, and tangible assets (other than real property) owned or used by the Partnership, including any of the foregoing which are in storage or in transit;
- (rrrr) “**Target Working Capital**” means \$13,100,000;
- (ssss) “**Tax Claim**” has the meaning set out in Section 8.6(d);
- (tttt) “**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes;
- (uuuu) “**Taxes**” means any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions;
- (vvvv) “**Transfer to HoldCo**” has the meaning given in Section 8.14(a);

(www) **“Videotron Agreement”** means the portion of the affiliation agreement between Le Groupe de Radiodiffusion Astral Inc. and Videotron Ltée dated December 17, 2008 relating to Historia and Séries+;

(xxxx) **“Videotron Litigation”** means the proceedings described in Schedule 1.1(xxxx);

(yyyy) **“Working Capital”** means, with respect to the Partnership or HoldCo, as applicable, the current assets (as such term is defined in accordance with GAAP) (and any other assets listed in Schedule 1.1(yyyy) including long term program and film rights) of the Partnership minus the current liabilities (as such term is defined in accordance with GAAP) (and any other liabilities listed in Schedule 1.1(yyyy)) of the Partnership as set forth in Schedule 1.1(yyyy) and calculated in accordance with the sample calculation set forth in Schedule 1.1(yyyy); and

(zzzz) **“Working Capital Adjustment”** has the meaning given in Section 2.3(a).

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent** – Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Currency** – Unless otherwise specified, all references to money amounts are to lawful currency of Canada.
- (c) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable in the Province of Québec.

- (d) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (e) **Including** – Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.
- (f) **No Strict Construction** – The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (g) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (h) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.
- (i) **Statutory references** – A reference to a statute includes all regulations and rules made pursuant to such statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.
- (j) **Time** – Time is of the essence in the performance of the Parties’ respective obligations.
- (k) **Time Periods** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on

which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

1.3 Entire Agreement

This Agreement and the agreements and other documents making reference hereto and/or thereto and entered into pursuant to or in connection with this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document making reference hereto and/or thereto and entered into pursuant to or in connection with this Agreement.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Bell shall sell the HoldCo Shares (or, if the Transfer to HoldCo does not occur prior to Closing, the Partnership Interest) to Purchaser and Purchaser shall purchase the HoldCo Shares (or, if the Transfer to HoldCo does not occur prior to Closing, the Partnership Interest) from Bell in consideration for the payment to Bell by Purchaser of the Purchase Price, upon and subject to the terms and conditions hereof. If the Transfer to HoldCo does not occur prior to Closing such that Bell sells the Partnership Interest to Purchaser, then in connection with such sale Bell shall assign to the Purchaser all of its rights and obligations as a partner of the Partnership, including under the Partnership Agreement.

2.2 Purchase Price and Payment

The aggregate price to be paid by Purchaser for the HoldCo Shares or the Partnership Interest, as applicable, shall be equal to \$138,600,000 (the “**Base Purchase Price**”), subject to the

adjustments determined in accordance with Section 2.3 (the Base Purchase Price with such adjustments, the **“Purchase Price”**). The Base Purchase Price shall be payable at the Closing Time in cash by way of electronic transfer of immediately available funds to such bank account as is specified in writing by Bell to the Purchaser not less than three Business Days prior to the Closing Date, or such other means as may be agreed by the Parties.

Any adjustments to the Base Purchase Price determined under Section 2.3(b) or (c) shall be made by Purchaser and Bell following the Closing Date as provided in such Sections.

2.3 Purchase Price Adjustments

- (a) The Base Purchase Price shall be increased or reduced, respectively, by one-half of the dollar amount by which the Working Capital as of the time that is immediately before the Closing Time exceeds or is less than the Target Working Capital (the **“Working Capital Adjustment”**).
- (b) Within 30 days following the Closing Date, Bell shall prepare a statement in the form set out in Schedule 1.1(yyyy) detailing the amount of the Working Capital Adjustment as of the time that is immediately prior to the Closing Time and the amount of the final adjustment, if any, required to be made to the Purchase Price in respect of the Working Capital Adjustment. Purchaser shall co-operate with Bell in connection with Bell’s preparation of such statement and shall grant to Bell reasonable access during normal business hours to all records of the Partnership for the purposes of preparing such statement and Purchaser shall ensure reasonable access to and cooperation during normal business hours from senior management and accounting personnel of the Partnership and Purchaser to assist Bell in preparing such statement.
- (c) Following delivery of the statement referred to in Section 2.3(b), Purchaser shall have a period of 30 days to review and comment on such statement. On or prior to the expiry of such 30-day period, Purchaser shall notify Bell if there is any disagreement with the amounts set forth in such statement, which notice shall specify the nature of such disagreement in reasonable detail and shall state the opinion of Purchaser as to the correct amount. If Purchaser does not notify Bell

of any disagreement on or prior to the expiry of such 30-day period, the amount of the Working Capital Adjustment as of the Closing Date and the amount of the final adjustment, if any, required to be made to the Closing Date Purchase Price in respect of the Working Capital Adjustment set out in the statement referred to in Section 2.3(b) shall be deemed to be final.

- (d) Any dispute concerning any disagreement raised in accordance with Section 2.3(c) will be first referred in written form to appropriate representatives of senior management of Purchaser and Bell. Such reference to representatives of senior management may be initiated at any time by either Bell or Purchaser on notice of not less than five Business Days to the other Party. Each of Bell and Purchaser will be afforded an opportunity to present all relevant information regarding its position to each other Party's senior management representatives. If the senior management representatives of Purchaser and Bell have not resolved the dispute to the satisfaction of Purchaser and Bell within 10 Business Days of initiation of the review by Purchaser or Bell, the dispute may be submitted in writing by either Purchaser or Bell to a senior audit partner of PricewaterhouseCoopers or, if such firm is determined not to be independent of Bell and Purchaser, such other nationally-recognized accounting firm as is agreeable to both Purchaser and Bell (the "**Independent Accountant**"). Upon written notice to the other Party and the Independent Accountant, each of Bell and Purchaser shall be entitled to make written submissions to the Independent Accountant, with copies thereof to the other Party, within 10 Business Days following submission of the dispute to the Independent Accountant, but not thereafter. Any clarification requested by the Independent Accountant shall be submitted in writing to Bell and Purchaser and any responses thereto shall be made in writing with copies thereof to the other Party. In determining a resolution to the dispute, the Independent Accountant shall be limited to selecting between the submissions of the Parties in respect of any item in dispute. The Independent Accountant shall determine a resolution to the dispute and the resultant amount of any final adjustment to the Closing Date Purchase Price payable under Section 2.3(e) and shall summarize such determination in a written report. The written report of the Independent Accountant shall be delivered to the

Parties promptly, but in any event no later than 30 Business Days after the dispute is submitted to the Independent Accountant, shall be final, conclusive and binding upon the Parties, and shall not be subject to appeal by any Party. The fees and expenses of the Independent Accountant shall be borne by the Party losing the majority of the items at issue in terms of value in dispute.

- (e) The amount of any final adjustment to the Closing Date Purchase Price as determined under Section 2.3(c) or 2.3(d) shall be paid to Purchaser or Bell, as the case may be, within five Business Days of the date on which the period referred to in Section 2.3(c) expires, assuming there is no dispute with the amount set forth in the statement of Purchaser delivered under Section 2.3(b)), and if there is any dispute with the amounts set forth in such statement, within five Business Days of the date upon which any determination is made pursuant to Section 2.3(c) or 2.3(d).

2.4 Place of Closing

- (a) The sale and purchase of the Purchased Shares shall be completed at the Closing Time at the offices of McCarthy Tétrault LLP at 1000, De la Gauchetière Street West, Suite 2500, Montréal, Québec, and shall be effective as of such time.
- (b) The Closing shall occur on the fifth Business Day after the last of the conditions to the obligations of the Parties as set forth in ARTICLE 6 and ARTICLE 7 is satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), provided, however, that notwithstanding the foregoing, if the last of the conditions of Closing in ARTICLE 6 and ARTICLE 7 that are satisfied as provided above are the conditions in Sections 6.6 and 7.6 (Astral Arrangement), the Closing shall occur forthwith following the closing of the Astral Arrangement (but only once all steps of the Reorganizations or Pre-Acquisition Reorganization, if applicable, are completed) such that the BCE Trust Arrangements will not be entered into but instead the HoldCo Shares (or, if the Transfer to HoldCo does not occur prior to Closing, the Partnership Interest) will be sold directly to Purchaser by Bell and Purchaser will acquire the HoldCo Shares (or, if the Transfer to

HoldCo does not occur prior to Closing, the Partnership Interest) directly from Bell if the CRTC Approval has been obtained.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BELL

Bell represents and warrants to the Purchaser the matters set out below.

3.1 Corporate Standing of Bell

Bell is a corporation duly incorporated, organized and subsisting under the Laws of Canada with the corporate power to own its assets and to carry on its business.

3.2 Power and Authority of Bell

Bell has good and sufficient power, authority and right to enter into and deliver this Agreement as well as all other agreements to be executed and delivered by Bell pursuant to and in connection with the terms of this Agreement and to perform the obligations contemplated hereby and thereby to be performed by it.

3.3 Necessary Corporate Action

Bell has taken all necessary actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of, this Agreement and the transactions contemplated hereby, as well as all other agreements to be executed and delivered by Bell pursuant to and in connection with the terms of this Agreement. This Agreement and all such other agreements to be entered into pursuant to and in connection with the terms of this Agreement to which Bell is or will be a party are or will be, as the case may be, legal, valid and binding obligations of Bell enforceable against Bell in accordance with their terms, subject to:

- (a) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to or affecting the enforcement of creditors' rights generally, and
- (b) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

3.4 No Violation

Subject to satisfaction of the conditions in Sections 7.5 (CRTC Approval and Competition Act Approval) and 7.6 (Astral Arrangement), the execution, delivery and performance of this Agreement and each of the other agreements to be executed and delivered by Bell pursuant to and in connection with the terms of this Agreement and the completion of the transactions contemplated hereby, do not and will not constitute or result in a violation, breach of or default under:

- (a) any term or provision of the articles, by-laws or other constating documents of Bell;
- (b) any director or shareholder resolution of Bell;
- (c) any term of any indenture, agreement (written or oral), instrument or understanding or other obligation or restriction to which Bell is a party or by which: (i) it is bound or affected, or (ii) any of the HoldCo Shares or Partnership Interest are bound or affected; or
- (d) any term or provision of any Permits or any other licenses, registrations or qualification of Bell or any Order or any Law or Regulation;

except in the case of (c)(i) or (d) where such violation would not have a Material Adverse Effect.

3.5 No Actions

There are no Actions (a) filed by, on behalf of, or against Bell, or (b) imposed by any Governmental Authority, whether or not insured or, to the Knowledge of Bell, threatened and which may reasonably be expected to materially adversely affect the ability of Bell to complete the transactions contemplated hereby.

3.6 Residency

Bell is not, and on the Closing Date will not be, a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

3.7 HoldCo Shares / Partnership Interest

At Closing, if the Transfer to HoldCo has occurred, Purchaser will acquire the legal and beneficial ownership of the HoldCo Shares free and clear of any and all Security Interests or, if the Transfer to HoldCo has not occurred, Purchaser will acquire the legal and beneficial ownership of the Partnership Interest free and clear of any and all Security Interests.

3.8 Rights of Others (HoldCo Shares)

No Person other than Purchaser has any oral or written agreement, option, warrant, right, privilege or any other right capable of becoming any of the foregoing, for the purchase of the HoldCo Shares.

3.9 Consents, Approvals, Etc.

Subject to satisfaction of the conditions in Sections 7.5 (CRTC Approval and Competition Act Approval) and 7.6 (Astral Arrangement), and except as set out in Schedule 3.9, no consent, approval, Permit, Order or authorization, or filing with any Governmental Authority or other Person is required by Bell (which, for the avoidance of doubt, shall not include the Partnership or HoldCo) in connection with (a) the Closing, (b) the execution and delivery by Bell of any other agreements to be executed and delivered by Bell pursuant to and in connection with the terms of this Agreement to which it is, or will be, a party, or (c) the observance and performance by Bell of its obligations under this Agreement or of any such other agreements, where the failure to obtain such consent, approval, Permit, Order or authorization or to make such filing would have a Material Adverse Effect.

3.10 Status of HoldCo

At the Closing Time, if the Transfer to HoldCo has occurred, HoldCo will be a corporation duly incorporated, organized, and subsisting under the Laws of Canada with the corporate power to own its assets and to carry on its business.

3.11 Subsidiaries of HoldCo

At the Closing Time, if the Transfer to HoldCo has occurred, except for the Partnership Interest, HoldCo will not own, directly or indirectly, and will not have agreed to acquire, (a) any of the

outstanding shares or securities convertible into shares of any corporation, or (b) any participating interest in any partnership, joint venture or other business enterprise.

3.12 Corporate Records of HoldCo

At the Closing Time, if the Transfer to HoldCo has occurred, the constating documents and by-laws of HoldCo will have been made available to Purchaser for its review and will constitute all of the constating documents and by-laws of HoldCo, and will be complete and correct and in full force and effect.

3.13 Authorized and Issued Capital of HoldCo

At the Closing Time, if the Transfer to HoldCo has occurred, the HoldCo Shares will constitute all of the issued and outstanding shares or other securities of HoldCo and all of the HoldCo Shares will be validly issued and outstanding as fully paid and non-assessable shares, free and clear of any Security Interests.

3.14 Entitlements (HoldCo)

At the Closing Time, if the Transfer to HoldCo has occurred, there will be no contract, option or any other right of another binding upon or which at any time in the future may become binding upon HoldCo to issue any shares of HoldCo or to transfer or sell any shares of HoldCo to any third party.

3.15 Business of HoldCo

At the Closing Time, if the Transfer to HoldCo has occurred, other than its purchase and ownership of the Partnership Interest, HoldCo shall not have owned any assets, incurred any liabilities or obligations, carried on any businesses or employed any Persons and shall not be party to any Contract.

3.16 Rights of Others (Partnership Interest)

No Person other than Bell and, if the Transfer to HoldCo has occurred, HoldCo, has any oral or written agreement, option, warrant, right, privilege or any other right capable of becoming any of the foregoing, for the purchase of the Partnership Interest.

3.17 Status of the Partnership

The Partnership is a general partnership duly formed and existing under the Laws of Québec and has all necessary power, authority and capacity to own its assets and to carry on the Business.

3.18 Subsidiaries of the Partnership

The Partnership does not have any Subsidiaries, and the Partnership does not own, directly or indirectly, and has not agreed to acquire, (i) any of the outstanding shares or securities convertible into shares of any corporation, or (ii) any participating interest in any partnership, joint venture or other business enterprise.

3.19 Partnership Agreement

At the Closing Time, other than the Partnership Agreement, there will be no other Contracts to which Bell, or if the Transfer to HoldCo has occurred, HoldCo, is a party, and to the knowledge of Bell, there are no other contracts to which any other Person is a party, relating to the establishment, business or governance of the Partnership. A complete and correct copy of the Partnership Agreement has been made available to the Purchaser. The Partnership Agreement is in full force and effect. There have been no amendments to the Partnership Agreement. At the Closing Time, Bell, or if the Transfer to HoldCo has occurred, HoldCo, will not be in breach of the Partnership Agreement.

3.20 Partnership Interest

At the Closing Time, if the Transfer to HoldCo has occurred, the Partnership Interest will constitute all of the interest in the Partnership beneficially owned by HoldCo or, if the Transfer to HoldCo has not occurred, the Partnership Interest will constitute all of the interest in the Partnership beneficially owned by Bell. To the Knowledge of Bell, at the Closing Time, the Partnership Interest will be free and clear of any Security Interests.

3.21 Entitlements (Partnership)

There is no contract, option or any other right of another binding upon or which at any time in the future may become binding upon the Partnership to issue any units or other interests of or in

the Partnership or to transfer or sell any units or other interests of or in the Partnership to any third party.

3.22 No Violation

Subject to satisfaction of the condition in Section 7.5 (CRTC Approval and Competition Act Approval), the completion of the transactions contemplated hereby by Bell will not result in a violation, breach of or default under:

- (a) any term or provision of the Partnership Agreement or any other constating documents of the Partnership or any provision of Chapter X of the Civil Code applicable to the Partnership or, if the Transfer to HoldCo has occurred, the constating documents or by-laws of HoldCo,
- (b) any director or shareholder resolution of HoldCo or partners' resolution of the Partnership or, if the Transfer to HoldCo has occurred, any director or shareholder resolution of HoldCo,
- (c) subject to obtaining the consents set out in Schedule 3.22(c), any term of any Material Agreement to which the Partnership or, if the Transfer to HoldCo has occurred, HoldCo, is a party or by which the Partnership or, if the Transfer to HoldCo has occurred, HoldCo, is bound; or
- (d) any term or provision of any Permits or any other license, registration or qualification of the Partnership or, if the Transfer to HoldCo has occurred, HoldCo, or any Order or any Law or Regulation,

except in the case of (c) and (d) where such violation would not have a Material Adverse Effect. As of the date hereof, there are no material impediments to the actions required of Bell necessary to complete the transactions contemplated hereby, except in respect of the closing of the Arrangement, CRTC Approval and Competition Act Approval and as set out in Schedule 3.22(c).

3.23 Financial Information

The Financial Information:

- (a) is derived from and in accordance with the Books and Records of Bell, Astral and the Partnership as at the dates therein indicated and for the periods therein specified; and
- (b) fairly represents in all material respects the assets, liabilities and financial position of the Partnership as at the Financial Information Date and the results of operations of the Partnership for the periods therein specified.

3.24 No Adverse Change

Except as set out in Schedule 3.24, since the Financial Information Date, and until the entering into of this Agreement, there has been no change in the financial condition or operations of the Partnership, whether arising as a result of any change in Laws, revocation of any licence or right to do business, labour dispute, or otherwise, except changes occurring in the usual and ordinary course of business, which changes considered together would not have a Material Adverse Effect.

3.25 Material Agreements

All Contracts which were entered into by or on behalf of the Partnership including, without limitation, by Les Chaînes Télé-Astral for the benefit of the Partnership, and which are in force and that (a) in respect of the content acquisition agreements only, provide for the expenditure of \$[Redacted] or more over the term, (b) in respect of affiliation agreements with BDUs only, have a term of 2 years or more, cannot be cancelled on notice of 90 days or less and have a value of \$[Redacted] or more in yearly revenues, (c) relate to any indebtedness in excess of \$[Redacted] or the guarantee of indebtedness in excess of \$[Redacted] of any other Person, (d) that were entered into outside of the ordinary course of the operations of the Partnership, (e) restrict the freedom of the Partnership to operate or compete in any way, including in a line of business or geographic space, or (f) otherwise specifically identified in Schedule 3.25 (collectively, the “**Material Agreements**”), are listed in Schedule 3.25. Each of the Material Agreements is in full force and effect and is unamended and there are no outstanding defaults or

breaches under any of the Material Agreements on the part of the Partnership which would have a Material Adverse Effect, or, to the Knowledge of Bell, of any other Person party to any Material Agreement which would have a Material Adverse Effect. True, correct and complete copies of each of the Material Agreements have been made available to Purchaser.

3.26 Real Property of the Partnership

The Partnership does not own any real property and is not a party to any real property leases.

3.27 Properties and Assets

The Partnership owns the assets that are reflected as being owned by it in the Books and Records, free and clear of all Security Interests, except for Permitted Encumbrances.

3.28 No Debt

The Partnership does not have debt other than the debt reflected in the Financial Information or indebtedness accounted for in the calculation of Working Capital, or with respect to HoldCo, future income tax liabilities.

3.29 Broadcasting Licences

Each Broadcasting Licence is valid and subsisting in good standing and in full force and effect, and all conditions of licence, expectations and nature of service comprised in each Broadcasting Licence have been complied with in all material respects.

3.30 No Sale Obligation

There is no contract, option, or any other right of another Person binding upon or which at any time in the future may become binding upon the Partnership to sell, transfer, assign or in any other way dispose of any part of the assets of the Partnership other than immaterial assets and other assets sold in the ordinary course of business.

3.31 Employment Matters

- (a) The Employee List sets forth as at the date provided prior to Closing:
 - (i) the titles of all Employees together with the location of their employment;

- (ii) the entity employing each of the Employees (the “**Employing Entity**”);
 - (iii) the date each Employee was hired;
 - (iv) the rate of annual remuneration and other compensation of each Employee, including any bonuses; and
 - (v) total annual compensation, including commissions, of sales persons or other Employees paid on commissions.
- (b) The Employee List to be provided prior to Closing will set forth a list as of the date hereof of all written employment or service contracts of the Partnership or by which the Employing Entity is bound with any Employee other than oral contracts of indefinite hire terminable without cause on reasonable notice and true, correct and complete copies of all such employment or service contracts have been made available to Purchaser.
- (c) Except as described in the Employee List, no Employee is entitled to any payment, other compensation, benefits or other rights contingent upon the Closing or any of the transactions contemplated by this Agreement.
- (d) The Employing Entity is, and has been in compliance, in all material respects, with all Laws and internal policies respecting employment and employment practices in respect of the Employees (including all applicable employment standards, employment equity, human rights, privacy, and occupational health and safety legislation), terms and conditions of employment and wages (including overtime pay) and hours of work, and are not engaged in any unfair labour practice, other than any non-compliance that would not have a Material Adverse Effect.
- (e) There are no Claims, pending Claims, nor, to the Knowledge of Bell, threatened Claims pursuant to any Laws relating to the Employees, including with respect to employment standards, employment equity, human rights, privacy, and occupational health and safety legislation, and to the Knowledge of Bell, nothing

has occurred that might lead to such a Claim under any such Laws, except as would not have a Material Adverse Effect.

- (f) The Employing Entity is not delinquent in payments to any Employees for any wages or other direct compensation, including bonuses, incentive pay, overtime pay, holiday pay, commissions and any other forms of compensation for any services performed by them.
- (g) All current assessments under Laws related to workers' compensation insurance relative to the Employees, if any, have been paid or accrued in the Books and Records of the Partnership.

3.32 Collective Agreements

Except as disclosed in Schedule 3.32, no trade union has bargaining rights in respect of any Employees, neither the Partnership nor the Employing Entity is bound to any Collective Agreement with respect to any Employees or persons performing on site services for the Partnership, and, to the Knowledge of Bell, (a) as at the date of this Agreement, no union organization campaign exists with respect to any Employees and no request or petition for union representation has been filed or made and (b) from the date of this Agreement until Closing, no union organization campaign will exist with respect to any Employees and no request or petition for union representation will have been filed or made except as would not have a Material Adverse Effect.

3.33 Benefits Plans

- (a) Schedule 3.33 contains a true and complete list of all the Benefit Plans maintained by the Employing Entity.
- (b) None of the Benefit Plans is a Multi-Employer Plan.
- (c) Current and complete copies of all written Benefit Plans as amended to date or, where oral, written summaries of the terms thereof, and all booklets and communications concerning the Benefit Plans which have been provided to Employees entitled to benefits under the Benefit Plans have been made available

to the Purchaser together with copies of all material documents relating to the Benefit Plans.

- (d) Neither the Partnership nor the Employing Entity has any formal plans and neither has made any promise or commitment, whether legally binding or not, to create any additional benefit plans that would be considered to be Benefit Plans once created or to improve or change the benefits provided under any Benefit Plan.
- (e) All employer and employee payments, contributions and premiums required, as of the Closing, to be remitted, paid to or, in respect of each Benefit Plan, payable, have been paid or remitted in a timely fashion in accordance with the terms of the Benefit Plans and all Laws.
- (f) Each Benefit Plan is, and has been, established, registered, amended, funded, administered and invested in compliance with the terms of such Benefit Plan (including the terms of any document in respect of such Benefit Plan), all Laws and the Collective Agreements, as applicable; Bell or the Employing Entity have not received in the last six years, or to the Knowledge of Bell at any time, any notice from any Person questioning or challenging such compliance; and there is no investigation by a Governmental Authority or Claims (other than routine claims for payment of benefits) pending or, to the Knowledge of Bell, threatened involving any Benefit Plan or its assets, and, to the Knowledge of Bell, no facts exists which could reasonably be expected to give rise to any such investigation or Claim (other than routine claims for payment of benefits).

3.34 No Actions

Except as disclosed in Schedule 3.34, there are no:

- (a) Actions relating to the Partnership (other than Orders and Notices of general application) that would have a Material Adverse Effect, or
- (b) matters under discussion with Governmental Authorities relating to the Partnership that would have a Material Adverse Effect;

whether or not insured, nor to the Knowledge of Bell, are any of the foregoing threatened nor, to the Knowledge of Bell, is there any reasonable basis upon which any of the foregoing could be asserted.

3.35 Intellectual Property

Set out in Schedule 3.35 is a list of all registered trademarks, trade names, patents and copyrights, trade mark registration applications and patent registration applications, both domestic and foreign, that is material to the Business, whether owned by or licensed to or otherwise employed on behalf of the Partnership (the “**Intellectual Property**”). All such Intellectual Property is currently in good standing with the relevant intellectual property office. The Partnership has the rights to use the Intellectual Property which is not owned by the Partnership. No Person has any right, licence or permission to use any portion of the Intellectual Property which is owned by the Partnership. The Partnership is not obligated to pay any royalties, fees or other compensation to any Person in respect of the Partnership’s ownership, use or license of the Intellectual Property. To the Knowledge of Bell, the conduct of the Business does not infringe on or otherwise violate the intellectual property rights of any Person.

3.36 Environmental

- (a) the Partnership is in compliance with Environmental Laws in all material respects;
- (b) to the Knowledge of Bell, there are no Hazardous Substances in violation of Environmental Laws located on, in, under or migrating from any premises in which the Partnership carries on the Business or any part thereof and relating to the Partnership, except as would not have a Material Adverse Effect; and
- (c) to the Knowledge of Bell, there are no conditions, events or circumstances relating to the Business that could give rise to liability of Bell or the Partnership or Claims against Bell or the Partnership under Environmental Laws, except as would not have a Material Adverse Effect.

3.37 Compliance with Applicable Law and Conduct of Business

The Partnership (i) is qualified to carry on business in the jurisdictions in which the Partnership carries on its business, (ii) has conducted and is conducting its business in compliance in all material respects with all applicable Laws, and (iii) holds all Permits necessary to carry on its business, is conducting its business in compliance therewith in all material respects and no Notices with respect to the termination, revocation or suspension thereof have been received.

3.38 Condition of Tangible Personal Property

The Tangible Personal Property is in good condition, repair and (where applicable) proper working order, having regard to its use and age, except as would not have a Material Adverse Effect.

3.39 Accounts Receivable

The Accounts Receivable are, to the Knowledge of Bell, good and collectible at the aggregate recorded amounts, except to the extent of any reserves and allowances for doubtful accounts provided for such Accounts Receivable in the Financial Information.

3.40 Tax Matters

- (a) HoldCo and the Partnership have prepared and filed when due all Tax Returns required to be filed by or on behalf of HoldCo and the Partnership in respect of any Taxes for all fiscal periods ending prior to the date hereof and will continue to do so in respect of any fiscal period ending on or before the Closing Date. All such Tax Returns are correct and complete in all respects, and no material fact has been omitted therefrom. No extension of time in which to file any such Tax Return is in effect.
- (b) HoldCo and the Partnership have paid all Taxes due and payable by either of them and have paid all assessments and reassessments received by them in respect of Taxes. The provision or reserve for Taxes reflected in the balance sheet forming part of the Closing Working Capital are adequate to cover any and all such Taxes owing or which may be assessed with respect to the

property, business and operations of HoldCo and the Partnership during the periods covered by the Closing Working Capital.

- (c) HoldCo and the Partnership have withheld or collected and timely remitted all amounts required to be withheld or collected and remitted by them in respect of any Taxes.
- (d) There are no reassessments of Taxes that have been issued and, to the Knowledge of Bell, are outstanding and no Governmental Authority has challenged, disputed or questioned the Partnership or HoldCo in respect of Taxes or any Tax Returns. There are no audits, investigations or other actions pending or, to the Knowledge of Bell, threatened, against the Partnership or HoldCo with respect to Taxes. Neither the Partnership nor HoldCo is negotiating any draft assessment or reassessment with any Governmental Authority. To the Knowledge of Bell, neither Partnership nor HoldCo have received any oral or written communication from any Governmental Authority indicating that an assessment or reassessment is proposed in respect of any Taxes allegedly payable by Partnership or HoldCo. Neither Partnership nor HoldCo has executed or filed or, to the Knowledge of Bell, been requested to execute or file with any Governmental Authority any agreement, arrangement, waiver or objection extending the period for assessment, reassessment or collection of any Taxes. To the Knowledge of Bell, neither Partnership nor HoldCo has waived any limitation period in respect of Taxes.

3.41 Non-Arm's Length Transactions

Other than as contemplated in this Agreement or in the Schedules hereto or as agreed to between Bell and Purchaser, no director or officer, or Employee, and none of Bell, Astral and their respective Affiliates, or any other Person not dealing at arm's length with, any of Bell, HoldCo, the Partnership or Astral, is engaged in any transaction or arrangement with or is a party to any contract, agreement or license with, or has any indebtedness, liability or other obligation to, HoldCo or the Partnership or in connection with which HoldCo or the Partnership would have

any liabilities or obligations from or after the Closing Time, except for employment arrangements with Employees and directors' fees.

3.42 Independence of Parties

The Parties are not Affiliates, and this Agreement and all other related commercial dealings amongst the Parties have been entered into at arm's length.

3.43 Absence of Undisclosed Liabilities

The Partnership has not incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise), which continue to be outstanding, except (a) as disclosed in the Financial Information or otherwise reflected in the determination of the Working Capital as of immediately prior to the Closing Time, (b) as set forth in Schedule 3.43, or (c) as incurred in the ordinary course of business, consistent with past practice since January 1, 2013 that has or could reasonably be expected to have a Material Adverse Effect.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to Bell the matters set out below:

4.1 Corporate Standing

Purchaser is a corporation duly incorporated, organized and subsisting under the Laws of its jurisdiction of incorporation and has the corporate power to own its assets and to carry on its business.

4.2 Power and Authority

Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement as well as all other agreements to be executed and delivered by Purchaser pursuant to and in connection with the terms of this Agreement and subject to the satisfaction of the condition set out in Section 7.5 (CRTC Approval and Competition Act Approval), to perform the obligations contemplated hereby and thereby to be performed by it.

4.3 Necessary Corporate Action of Purchaser

Purchaser has taken all necessary actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of, this Agreement, the purchase of the HoldCo Shares or Partnership Interest by it as contemplated herein, as well as all other agreements to be executed and delivered by it pursuant to and in connection with the terms of this Agreement. This Agreement and all such other agreements between Purchaser and Bell to be entered into pursuant to and in connection with the terms of this Agreement or to implement the transactions contemplated hereby to which Purchaser is or, on the Closing Date will be, a party are or will be, as the case may be, legal, valid and binding obligations of Purchaser enforceable against it in accordance with their terms, subject to:

- (a) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to or affecting the enforcement of creditors' rights generally, and
- (b) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court;

4.4 No Violation

Subject to satisfaction of the condition in Section 7.5 (CRTC Approval and Competition Act Approval), the execution, delivery and performance of this Agreement and each of the other agreements to be executed and delivered pursuant to and in connection with the terms of this Agreement by Purchaser and the completion of the transactions contemplated hereby, do not and will not constitute or result in a violation, breach of or default under:

- (a) any term or provision of any of the articles, by-laws or other constating documents of Purchaser,
- (b) any director or shareholder resolution of Purchaser,
- (c) any material term of any indenture, agreement (written or oral), instrument or understanding or other obligation or restriction to which Purchaser is a party or by which it is bound, or

- (d) any term or provision of any licenses, registrations or qualification of Purchaser or any Order or any Law or Regulation,

except in the case of (c) and (d) where such violation would not reasonably be expected to have a material and adverse effect on the ability of Purchaser to complete the transactions contemplated hereby; as of the date hereof, there are no material impediments to the actions required of Purchaser necessary to complete the transactions contemplated hereby, except in respect of the closing of the Arrangement, CRTC Approval and Competition Act Approval and as set out in Schedule 3.22(c).

4.5 No Actions

There are no actions, suits or proceedings (i) filed by, on behalf of, or against Purchaser or (ii) imposed by any Governmental Authority, whether or not insured, or, to the Knowledge of Purchaser, threatened and, in each case, which may reasonably be expected to materially adversely affect the ability of Purchaser to complete the transactions contemplated hereby.

4.6 Consents, Approvals, Etc.

Subject to satisfaction of the condition in Section 7.5 (CRTC Approval and Competition Act Approval), no consent, approval, Permit, Order or authorization, or filing with any Governmental Agency or other Person is required by Purchaser in connection with (a) the Closing, (b) the execution and delivery by Purchaser of this Agreement or any other agreements to be executed and delivered by Purchaser pursuant to and in connection with the terms of this Agreement to which it is, or will be, a party, or (c) the observance and performance by Purchaser of its obligations under this Agreement and any such other agreements, where the failure to obtain such consent, approval, Permit, Order or authorization or to make such filing would reasonably be expected to materially adversely affect the ability of Purchaser to complete the transactions contemplated hereby.

4.7 Share Ownership

- (a) During the period commencing on January 1, 2012 and ending at the Closing Time, the Purchaser, together with persons controlled by Purchaser (for purposes

of the *Income Tax Act* (Canada)) did not own any shares of any class in the capital of Astral, directly or indirectly, through a trust or a partnership.

- (b) To the Knowledge of the Purchaser, after reasonable enquiry, no person listed in Schedule 4.7 owned, either alone or together, 10% or more of the shares of any class in the capital of the Purchaser or of a corporation related to the Purchaser and that has a significant direct or indirect interest in any shares of the Purchaser at the Closing Time.
- (c) During the period commencing on January 1, 2012 and ending at the Closing Time, the Purchaser and its Affiliates, together, to the Knowledge of the Purchaser, after reasonable enquiry, with persons that are related to the Purchaser (for purposes of the *Income Tax Act* (Canada)), did not own, directly or indirectly, through a trust or a partnership, 10% or more of the shares of any class in the capital of Astral.

4.8 No Partner

The Purchaser has not entered into any agreement with nor does it have any partners not disclosed to Bell pursuant to which Purchaser would not be considered the sole purchaser in respect of the transactions contemplated herein.

4.9 Qualified Corporation

The Purchaser is a “Canadian” within the meaning of the *Direction to the CRTC (Ineligibility of Non-Canadians)*, SOR/97-192, as amended from time to time, and is “Canadian” as defined in the *Investment Canada Act* (Canada), and, without limiting the generality of the foregoing, Purchaser is not controlled in fact either directly or indirectly by Persons who are non-Canadians.

4.10 Independence of Parties

The Parties are not Affiliates, and this Agreement and all other related commercial dealings amongst the Parties have been entered into at arm’s length.

4.11 Continued Operation of the Business of the Partnership

It is the intent of the Purchaser that the Business will be continued by the Partnership (or another Affiliate of the Purchaser) following the acquisition of the HoldCo Shares or the Partnership Interest, as applicable, by the Purchaser.

ARTICLE 5 SURVIVAL

5.1 Nature and Survival

All representations, warranties and covenants contained in this Agreement on the part of each of the Parties shall survive the Closing for the same period of time during which an obligation to indemnify exists pursuant to Section 9.1 or 9.2.

ARTICLE 6 PURCHASER'S CONDITIONS PRECEDENT

The obligation of the Purchaser to complete the purchase of the HoldCo Shares or the Partnership Interest, as applicable, under this Agreement shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of the Purchaser and may be waived by it in whole or in part).

6.1 Truth and Accuracy of Representations of Bell at the Closing Time

The representations and warranties of Bell set forth under ARTICLE 3 that are not qualified by the term "Material Adverse Effect" or any other materiality qualifier shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time except for such representations and warranties that are made with respect to another date, including the date of this Agreement (including, for greater certainty, the representations made at Section 3.24), in which case such representations and warranties shall be true and correct in all material respects as of such other date; and the representations and warranties that are qualified by the term "Material Adverse Effect" or any other materiality qualifier, to the extent so qualified, shall be true and correct at the Closing Time with the same effect as if made at and as of such time except for such representations and warranties that are made with respect

to another date, including the date of this Agreement, in which case such representations and warranties shall be true and correct as of such other date and the Purchaser shall have received a certificate from an officer of Bell confirming the truth and correctness of such representations and warranties.

6.2 Performance of Obligations

Bell shall have performed or complied with, in all material respects, all its obligations and covenants under this Agreement and the Purchaser shall have received a certificate from an officer of Bell confirming such performance or compliance, as the case may be.

6.3 Receipt of Closing Documentation

On or prior to the Closing, Bell shall have delivered or caused to be delivered to the Purchaser:

- (a) if the Transfer to HoldCo has occurred, the certificate or certificates representing the HoldCo Shares duly endorsed for transfer to the Purchaser;
- (b) a receipt for the payment of the Purchase Price;
- (c) evidence that all applicable corporate proceedings in connection with the transactions contemplated by this Agreement have been taken by Bell, such evidence to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (d) a certificate of status of Bell, dated no more than five days prior to the Closing Date;

6.4 No Proceedings

There shall be no Order issued materially delaying, or restricting or preventing, and no pending or threatened Claim of a Governmental Authority, or judicial or administrative proceeding commenced, for the purpose of enjoining, materially delaying, restricting or preventing, the consummation of the transactions contemplated by this Agreement.

6.5 CRTC Approval and Competition Act Approval

CRTC Approval and Competition Act Approval shall have been received.

6.6 Astral Arrangement

The Astral Arrangement shall have been completed.

ARTICLE 7

BELL'S CONDITIONS PRECEDENT

The obligations of Bell to complete the sale of the HoldCo Shares or the Partnership Interest, as applicable, under this Agreement shall be subject to the satisfaction of or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of Bell and may be waived by it in whole or in part).

7.1 Truth and Accuracy of Representations of the Purchaser at Closing Time

The representations and warranties of Purchaser set forth under ARTICLE 4 that are not qualified by materiality qualifiers shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time except for such representations and warranties that are made with respect to another date, including the date of this Agreement, in which case such representations and warranties shall be true and correct in all material respects as of such other date; and the representations and warranties that are qualified by materiality qualifiers, to the extent so qualified, shall be true and correct at the Closing Time with the same effect as if made at and as of such time except for such representations and warranties that are made with respect to another date, including the date of this Agreement, in which case such representations and warranties shall be true and correct as of such other date and Bell shall have received a certificate from an officer of the Purchaser confirming the truth and correctness of such representations and warranties.

7.2 Performance of Obligations

The Purchaser shall have performed or complied with, in all material respects, all its obligations and covenants under this Agreement and Bell shall have received a certificate from an officer of the Purchaser confirming such performance or compliance, as the case may be.

7.3 Receipt of Closing Documentation

On or prior to the Closing, the Purchaser shall have delivered or caused to be delivered to Bell:

- (a) evidence that all applicable corporate proceedings in connection with the transactions contemplated by this Agreement have been taken by the Purchaser, such evidence to be in form and substance satisfactory to Bell, acting reasonably; and
- (b) a certificate of status of the Purchaser, dated no more than five days prior to the Closing Date.

7.4 No Proceedings

There shall be no Order issued materially delaying, or restricting or preventing, and no pending or threatened Claim of a Governmental Authority, or judicial or administrative proceeding commenced, for the purpose of enjoining, materially delaying restricting or preventing, the consummation of the transactions contemplated by this Agreement.

7.5 CRTC Approval and Competition Act Approval

CRTC Approval and Competition Act Approval shall have been received.

7.6 Astral Arrangement

The Astral Arrangement shall have been completed.

ARTICLE 8

OTHER COVENANTS OF THE PARTIES

8.1 Conduct of Business Prior to Astral Closing

During the period from the date of this Agreement to the date on which the transactions contemplated by the BCE-Astral Agreement have been consummated, Bell shall use its commercially reasonable efforts to cause the Partnership to conduct its Business in the ordinary course, which shall be limited to (a) using its commercially reasonable efforts to enforce each of the covenants set forth in Section 4.1 of the BCE-Astral Agreement to the extent that a failure to enforce such covenants would have an adverse effect on the Partnership and (b) not granting any waivers of any covenants or agreements made by Astral pursuant to the BCE-Astral Agreement to the extent any such waiver would have an adverse effect on the Partnership.

8.2 Conduct of Business After the Astral Closing

The Purchaser acknowledges that, if the Closing does not occur forthwith following the closing of the Astral Arrangement, such that the BCE Trust Arrangements are entered into pending Closing, the BCE Trustee shall have full power and authority to direct the voting of the HoldCo Shares or the Partnership Interest, as applicable, as is usual for trust arrangements of the type of the BCE Trust Arrangements, and agrees that any action or omission by the BCE Trustee in the conduct of the voting of the HoldCo Shares or the Partnership Interest, as applicable, shall, notwithstanding any provision to the contrary, be permitted for the duration of the BCE Trust Arrangements, it being understood that any such action or omission by the BCE Trustee shall not limit the Purchaser's right to indemnification pursuant to ARTICLE 9 if the result of such act or omission is that Bell has breached a covenant herein set forth or a representation or warranty of Bell made herein. Bell agrees that if the BCE Trust Arrangements are entered into prior to Closing, it shall, subject to the terms of the BCE Trust Arrangements, make commercially reasonable efforts to cause the BCE Trustee to act in a manner consistent with the covenants set forth in this ARTICLE 8.

8.3 Actions to Satisfy Closing Conditions

Each of the Parties shall take all such actions as are within its power to control, and use reasonable commercial efforts to cause other actions to be taken which are not within its power

to control, so as to ensure compliance with each of the conditions and covenants set forth in ARTICLE 6 (other than the condition set forth in Section 6.5 (in respect of which all obligations under this Agreement are set forth in Section 8.5) and Section 6.6), ARTICLE 7 (other than the condition set forth in Section 7.5 (in respect of which all obligations under this Agreement are set forth in Section 8.5) and Section 7.6) and ARTICLE 8 which are for the benefit of any other Party; provided, however, to the extent that the conditions set forth in either Section 7.1 or 7.2 or the covenants of the Purchaser set forth in ARTICLE 8 are not satisfied or complied with as a result of, or in connection with, a misrepresentation, inaccuracy or breach of the representations and warranties set forth in either Section 4.7(b) or 4.7(c), or as a result of a breach of a covenant related to any representations or warranties set forth in Section 4.7(b) or 4.7(c), the Purchaser shall have no liability (except to the extent of any intentional misrepresentation with respect to Section . 4.7(b) and 4.7(c) by the Purchaser or fraud of the Purchaser with respect to Section 4.7(b) or 4.7(c)).

8.4 Preservation of Records

The Purchaser shall take all reasonable steps to preserve and keep the Book and Records of the Partnership delivered to it in connection with the completion of the transactions contemplated by this Agreement for a period of six years from the Closing Date, or for any longer period as may be required by any Laws or Governmental Authority, and shall make such Books and Records available to Bell as may be reasonably required by it in connection with a Claim by the Purchaser against Bell under this Agreement or relating to any inquiries or requirements of any Governmental Authority with jurisdiction over Bell.

8.5 Regulatory Approvals

- (a) Purchaser shall use its best efforts and take any and all actions and steps required or advisable to obtain the Regulatory Approvals, including proposing, negotiating, agreeing to and implementing, in any fashion, any remedy; provided, however, that, nothing in this Agreement shall require Purchaser to agree to or implement a material remedy.
- (b) The Purchaser and Bell shall cooperate with one another in connection with obtaining the Regulatory Approvals in respect of the purchase and sale of the

HoldCo Shares or the Partnership Interest, as applicable, as contemplated by this Agreement, including providing or submitting on a timely basis all filings, written submissions, documentation and information that is required, or in the reasonable opinion of either Party, advisable, in connection with obtaining such Regulatory Approvals, provided that competitively sensitive information may be provided only to the external counsel of the other Party.

- (c) For greater certainty, with respect to the CRTC Approval, the Purchaser, on behalf of the Company, shall, as promptly as practicable, prepare a draft of all required documents, registrations, statements, petitions, filings and applications for the CRTC Approval in respect of the purchase and sale of the HoldCo Shares or the Partnership Interest, as applicable, as contemplated by this Agreement and deliver such draft application to Bell no later than 7 days following the date of this Agreement (or such later date as Bell may agree in writing). The application for the CRTC Approval will include the commitment by the Purchaser to honour the conditions of licence imposed by the CRTC that are existing as of the date hereof with respect to the Channels, in each case, on the licenses to be held by the Partnership and a proposed “tangible benefits package” equivalent to recent industry standards for transactions of this nature which shall include a proposed tangible benefits package of 10% of the value of the transaction contemplated herein as determined by the CRTC. Bell shall be entitled to comment upon such application for the CRTC Approval, it being understood that the Purchaser shall amend such application to reflect such comments inasmuch as it considers such comments to be appropriate, in its reasonable discretion. The Purchaser agrees to request the CRTC to preserve the confidentiality of such commercially sensitive information as the parties may agree upon in writing, each acting reasonably, and to take all such reasonable steps, at its cost, as may be required to preserve the confidentiality of such Schedules. Bell shall (or the Purchaser on behalf of Bell shall) file such application for the CRTC Approval no later than 15 days following the date of this Agreement. The Purchaser shall use reasonable commercial efforts to obtain the CRTC Approval in respect of the purchase and sale of the HoldCo Shares or the Partnership Interest, as applicable, as contemplated by this Agreement, including requesting that the CRTC process the

application in the most expedited manner available and requesting the earliest possible hearing date for the consideration of the application by the CRTC, should such a hearing be deemed necessary, so as to allow the Closing Date to occur as soon as possible and in any event on or prior to the Outside Date. If the CRTC rejects the transactions contemplated in this Agreement, the Purchaser shall appeal the decision and reapply to CRTC within 30 days of the CRTC decision with an application that addresses the matters raised by the CRTC and the provisions of this Section 8.5 shall apply to such new application, *mutatis mutandis*.

- (d) For greater certainty, with respect to the Competition Act Approval, the Parties shall: (i) as promptly as practicable and in any event within 5 days following the date of this Agreement, prepare and file a joint submission to the Commissioner of Competition seeking an Advance Ruling Certificate pursuant to section 102 of the *Competition Act*, a no-action letter, waiver of the obligation to provide notice under the *Competition Act*, and approval by the Commissioner of Competition under any Consent Agreement, in respect of the purchase and sale of the HoldCo Shares or the Partnership Interest, as applicable, as contemplated by this Agreement; and (ii) unless waived by the mutual agreement of the Parties, or Competition Act Approval has been received, provide notice under section 114 of the *Competition Act* with respect to the purchase and sale of the HoldCo Shares or the Partnership Interest, as applicable, by no later than March 25, 2013.
- (e) Subject to Laws, the Purchaser and Bell shall keep each other fully informed as to the status of and the processes and proceedings relating to obtaining the Regulatory Approvals, and shall promptly notify each other of any material notice or other material communication (including providing copies of any correspondence, deficiency responses, and responses to information requests) from any Governmental Authority in connection with obtaining the Regulatory Approvals. Prior to the completion of the Astral Arrangements, Purchaser shall not make any submissions or filings or respond to any information requests, or participate in any meetings or any material conversations with any Governmental Authority in respect of any filings, investigations or other inquiries related to the

obtaining of the relevant Regulatory Approval without the prior approval of Bell, not to be unreasonably withheld. Following completion of the Astral Arrangements, neither Party shall make any submissions or filings or respond to any information requests, participate in any meetings or any material conversations with any Governmental Authority in respect of any filings, investigations or other inquiries related to the obtaining of the relevant Regulatory Approval unless it consults with the other Party in advance and gives the other Party the opportunity to review drafts of any such submissions, filings, or responses and considers its comments in good faith, or to attend and participate in any meetings or material communications. Despite the foregoing, submissions, filings, documentation or other written communications with any Governmental Authority may be redacted as necessary before sharing with the other Party to address reasonable attorney-client or other privilege or confidentiality concerns, provided that a Party shall provide external legal counsel to the other Party non-redacted versions of drafts or final submissions, filings or other written communications with such Governmental Authority on the basis that the redacted information will not be shared with its clients.

- (f) For greater certainty, any changes or amendments proposed to be made by the Purchaser to the application for the CRTC Approval as filed, or any response to be filed in respect of a deficiency question, or any filings, submissions or responses to information requests made in connection with the Competition Act Approval shall be submitted to Bell for comments, prior to being filed, it being understood that the Purchaser shall amend the relevant materials to reflect such comments inasmuch as the Purchaser considers such comments to be appropriate, in Purchaser's reasonable discretion.
- (g) Time is of the essence and neither Party shall take any action that could reasonably be expected to negatively affect, hinder or delay the receipt of regulatory approvals for and completion of the Astral Arrangement, the Regulatory Approvals, or the completion of the purchase and sale of any of the HoldCo Shares or the Partnership Interest, as applicable, as contemplated by this Agreement.

- (h) All costs and expenses incurred in connection with obtaining the Regulatory Approvals (including all filing fees, the costs and expenses of any tangible benefits package or any other regulatory levies, charges or payments) shall be borne by the Purchaser, other than costs and expenses of any advisors retained by, or for the benefit of, Bell, including legal counsel, which costs and expenses shall be for the account of Bell.

8.6 Tax Matters

- (a) Bell shall be responsible and shall indemnify Purchaser for (i) 50% of the Taxes payable by the Partnership, (ii) 100% of the Taxes payable by HoldCo for periods or portions of periods ending on or prior to the Closing Date, and (iii) any Taxes payable by HoldCo on taxable income of the Partnership for the periods or portion of periods ending on or before the Closing Date that is included in HoldCo's income for periods ending after the Closing Date, except to the extent that such Taxes are taken into account in computing the Working Capital as of the Closing Date or are the result of the Pre-Acquisition Reorganization.
- (b) Bell shall prepare or cause to be prepared and filed all Tax Returns of the Partnership and, if the Transfer to HoldCo occurs, Holdco, required to be filed after the Closing Date in respect of periods ending on or before or which include the Closing Date. Purchaser covenants that it will provide reasonable cooperation, and will cause the Partnership and, if applicable, HoldCo and any successor to either the Partnership or, if applicable, HoldCo by amalgamation, liquidation or other means to provide reasonable cooperation, with Bell in order to facilitate preparation of such Tax Returns, including by providing Bell reasonable access to all records of the Partnership and, if applicable, HoldCo and reasonable access to and cooperation from accounting and tax personnel.
- (c) Bell shall have the right to prepare or cause to be prepared and filed any amended Tax Returns of the Partnership and, if applicable, HoldCo that Bell determines are necessary to be filed after the Closing Date in respect of periods ending on or before or which include the Closing Date. Purchaser shall not file, or permit there to be filed, any such amended Tax Returns in respect of any such periods except

with the written consent of Bell which shall not be unreasonably withheld. The obligations of Bell hereunder with respect to any Tax Claim shall not extend to or include any Tax Claim relating to a period ending on or before or which includes the Closing Date arising from any settlement with a Governmental Authority by Purchaser or any other action by Purchaser or the Partnership or, if applicable, HoldCo from and after the Closing Date unless the written approval of Bell, not to be unreasonably withheld or delayed, has been given to such settlement or other action, unless Bell has decided not to represent the interest of the Partnership or HoldCo in respect of such Tax Claim as herein provided.

- (d) Purchaser shall notify Bell in writing within 10 Business Days of receipt by the Partnership or HoldCo or any successor to either the Partnership or HoldCo by amalgamation, liquidation or otherwise of written notice of any pending or threatened Tax audits or assessments or reassessments of (i) Taxes relating to a taxation year of the Partnership or HoldCo ending on or prior to the Closing Date and (ii) Taxes payable by HoldCo on taxable income of the Partnership for the periods or portions of periods ending on or prior to the Closing Date that is included in HoldCo's taxable income for periods ending after the Closing Date (each, a "**Tax Claim**"). Bell shall, at its own expense, have the right, with counsel of its choice, to represent the interests of the Partnership or HoldCo, as applicable, or any successors to the Partnership or HoldCo (in the name of such company where necessary) in any Tax audit or administrative or court proceeding relating to taxation years of the Partnership or HoldCo, as applicable, ending on or prior to the Closing Date and to control the conduct of such audit or proceeding, including settlement or other disposition thereof. Bell shall notify Purchaser of any such decision to represent the interests of the Partnership or HoldCo, as applicable, in writing at least 30 days prior to the date upon which the right to contest, object or appeal an assessment or decision in respect of a Tax Claim expires, except in the case where the period to contest, object or appeal is 60 days or less, in which case such notice shall be given at least 15 days prior to such expiry date. Any such notice provided by Bell shall be irrevocable and final. If Bell fails to provide such notice by such applicable date, Bell shall be deemed to have provided notice of its decision not to represent the interests of the Partnership or HoldCo, as applicable,

in respect of such Tax Claim. Any settlement or other disposition to be agreed upon by Bell in respect of a Tax Claim shall not have the effect of increasing the amount of Taxes or reducing any loss of the Partnership or HoldCo, as applicable, or any successors to the Partnership or HoldCo, as applicable, in respect of periods ending after the Closing Time unless such Taxes or such reduction arise due to a decrease in the amount of losses that were realized in periods ending on or before or which include the Closing Date. Purchaser agrees that it will co-operate, and cause the Partnership or HoldCo, as applicable, or any such successor to the Partnership or HoldCo, as applicable, and their respective auditors, accountants and counsel to provide reasonable cooperation to Bell and their counsel in the defence of, or compromise of, any Tax Claim in any such audit or proceeding. Purchaser shall upon reasonable notice afford to Bell reasonable access to such employees of Purchaser, the Partnership or HoldCo, as applicable, or any such successors as have knowledge of the matters relating to any such Tax Claim. Bell shall keep Purchaser (including its counsel or other representatives as notified in writing by Purchaser) informed of all material developments in connection with such Tax Claims and Purchaser shall have the right at its expense to participate in the audit or proceedings.

- (e) Where Bell chooses not to exercise its rights to represent the interests of the Partnership or HoldCo, as applicable, in respect of a Tax Claim pursuant to Section 8.6, Purchaser shall be under no obligation to contest or challenge such Tax Claim.
- (f) Where Bell chooses to exercise its rights to represent the interests of the Partnership or HoldCo, as applicable, in respect of a Tax Claim pursuant to Section 8.6, and by virtue of any Law, all or any portion of the amount in dispute is required to be paid prior to the resolution of such matter, Bell shall pay or cause to be paid such amount within the required time period. Upon resolution of such matter, if the amount of any liability of the Partnership or HoldCo, as applicable, under the Tax Claim, as finally determined, is less than the amount that was paid or caused to be paid by Bell, Purchaser shall, forthwith after receipt of the difference by any of Purchaser, the Partnership, HoldCo or any successor thereof,

from any Governmental Authority, pay or cause to be paid to Bell the amount of such difference (including any interest received thereon) after deduction of an amount equal to the amount of Taxes, if any, payable by the recipient as a result of the receipt of such amount, on the assumption that such recipient had no deductions for the purposes of calculating its income.

- (g) If a refund of Taxes is received by, or credited to the account of, any of Purchaser, the Partnership, HoldCo, or any successor to the Partnership or HoldCo by amalgamation, liquidation or otherwise in respect of a taxation year ending on or prior to or which includes the Closing Date, other than an amount included in the Working Capital as of the Closing Date, such recipient shall pay such amount (or one half of such amount if received by the Partnership) (including any interest received thereon) to Bell as an increase in the Purchase Price, after deduction of an amount equal to the amount of Taxes, if any, payable by the recipient as a result of the receipt or crediting of such refund, on the assumption that such recipient had no deductions for the purposes of calculating its income.
- (h) The failure by Purchaser to give to Bell the notice required by Section 8.6 with respect to any Tax Claim relating to Tax matters shall relieve Bell of its obligations with respect to such Tax Claim to the extent only that such failure materially adversely affects Bell.
- (i) In the event that Bell shall retain counsel pursuant to Section 8.6(d), Purchaser shall have the right to retain its own counsel but the fees and expenses of such counsel shall be borne solely by Purchaser.
- (j) For greater certainty, Bell shall be responsible for any penalties that may result from a late filing of the Tax elections with respect to the transfer of the Partnership Interest to HoldCo, if applicable, occurring prior to the date hereof.

8.7 Benefit Plans

- (a) Effective as of the Closing Time, Purchaser shall establish or otherwise designate benefit plans (the “**Purchaser Benefit Plans**”) to provide benefits to the Offered Employees in respect of the period after the Closing Time. For greater certainty,

nothing in this Section shall limit the right of Purchaser to, after the Closing Time, amend or terminate in whole or in part any Purchaser Benefit Plans nor shall anything in this Agreement require any Purchaser Benefit Plans to replicate any particular benefit provided under a Benefit Plan, including any post-employment or post-retirement medical, dental, life insurance benefit or other similar benefits and arrangements in respect of any Employee (or any spouse, beneficiary or dependant of any Employee). Notwithstanding the foregoing, the Purchaser shall (i) respect the Partnership's obligations in respect of Offers of Employment under Section 8.8(a), and (ii) provide to any Offered Employee that is terminated within 12 months following the Closing Time with the same termination and severance benefits as such Offered Employee would have received had his or her employment been terminated immediately prior to the Reorganizations.

- (b) Effective as of the Closing Time, each Offered Employee shall cease to participate in and accrue benefits under the Astral Benefit Plans, and shall commence participation in the Purchaser Benefit Plans, provided that if any Offered Employee suffers a disability after the Closing Date and such disability is considered under the terms of the relevant Astral Benefit Plan in which the Offered Employee participated, to be a recurrence of a disability that occurred on or prior to the Closing Date that is eligible for coverage, then the relevant Astral Benefit Plan shall, to the extent permitted under such Astral Benefit Plan, make disability payments to the Offered Employee in relation to such recurring disability.
- (c) The Purchaser Benefit Plans shall, to the extent permitted by Laws, recognize all service with the Partnership and/or membership in the Benefit Plans for the purposes of determining eligibility for membership in, and entitlement to benefits under, the Purchaser Benefit Plans that provide pension benefits.
- (d) Bell shall be responsible, in accordance with the terms of the applicable Astral Benefit Plan, for any and all claims incurred by the Offered Employees (and their eligible spouses, beneficiaries and dependants) prior to the Closing Time. The Purchaser shall be responsible, in accordance with the terms of the applicable

Purchaser Benefit Plan, for any and all claims incurred by the Offered Employees (and their eligible spouses, beneficiaries and dependents) on and after the Closing Time.

- (e) Subject to applicable Laws, Bell shall provide to the Purchaser, as soon as practicable after the Closing Date, such data, records, documentation and information relating to Offered Employees and their participation in any Benefit Plan as the Purchaser may reasonably require for the administration of claims under the Purchaser Benefit Plans.
- (f) Notwithstanding any other provisions in this Agreement, Bell shall, if requested by the Purchaser, make commercially reasonable efforts to cause the Offered Employees (and their eligible spouses, beneficiaries and dependents) to continue to participate in and receive benefits under certain Astral Benefit Plans for a transitional period following the Closing Date on the terms and subject to the conditions to be agreed upon by Bell and the Purchaser.
- (g) Effective as of the Closing Time, each Offered Employee who is a member of an Astral Pension Plan shall cease to participate in and accrue benefits under the Astral Pension Plan, and shall commence participation in the Purchaser Benefit Plans for service with the Partnership as of the day immediately following the Closing Date.
- (h) Bell shall assume and remain responsible for any liabilities and obligations under the Astral Pension Plans, including any liability or responsibility for any Pension Plan Unfunded Liability.
- (i) For the purposes of this Section 8.7, the term “incurred” means, in relation to claims under Astral Benefit Plans or Purchaser Benefit Plans, the date on which the event giving rise to such claim occurred and, in particular: (a) with respect to a death or dismemberment claim, shall be the date of the death or dismemberment; (b) with respect to a short-term or long-term disability claim, shall be the date of occurrence of the initial inquiry or accident or the date of diagnosis of the initial illness giving rise to the claim; (c) with respect to an extended health care claim,

including, without limitation, dental and medical treatments, shall be the date of the treatment; and (d) with respect to a prescription drug or vision care claim, the date that the prescription was filled.

8.8 Employees

- (a) On or before the Closing Date, Bell shall, to the extent that Shaw consents, use its commercially reasonable efforts to cause the Partnership to offer employment, effective from the Closing Date, to the Offered Employees as of the date hereof on terms and conditions of employment including position, salary, incentive compensation and group benefits that are reasonably comparable in the aggregate to the terms and conditions of employment enjoyed by such Offered Employees immediately prior to the Closing Date (the “**Offers of Employment**”). However, no Offers of Employment shall include continued participation by any Offered Employee in any Benefit Plan. The Offers of Employment shall recognize for all purposes the service date of each Offered Employee as set forth on the Employee List, as amended pursuant to Section 8.7(i)(b). Bell shall use its commercially reasonable efforts to persuade the Offered Employees to accept the Offers of Employment.
- (b) Prior to the Closing, Bell shall provide the Employee List.
- (c) Bell shall be solely responsible for all liability, cost or expense for severance, termination payments, pay in lieu of notice and like costs, whether under contract, statute, common law or civil law, arising on or after the Closing Date in connection with (i) any Offered Employee who does not accept employment with the Partnership; and (ii) any failure by the Partnership to make an Offer of Employment to any Offered Employee strictly in accordance with the covenants and agreements contained in this Section 8.7(i).

8.9 Restriction on Sale and Grant of Right of First Offer

- (a) The Purchaser shall not, and shall cause its Affiliates to not, at any time prior to the [Redacted] anniversary of the Closing Date, sell, directly or indirectly, or grant any right or option to any Person to acquire, or take any action

(including the issuance of shares) that would cause any Person to control (a) any direct or indirect interest in the Partnership, or (b) any of the Channels (the “**Restricted Assets**”), other than with the consent of Bell.

- (b) If, at any time after the [Redacted] anniversary of the Closing Date and before the [Redacted] anniversary of the Closing Date (the “**ROFO Expiry Date**”), the Purchaser or any Affiliate of the Purchaser wishes to sell, directly or indirectly, or grant any right or option to any Person to purchase, any Restricted Assets to any person the Purchaser or such Affiliate shall first comply with this Section 8.9.
- (c) The Purchaser shall, by written notice to Bell (the “**Offer**”) offer to sell to Bell the Restricted Assets specified in the Offer that the Purchaser desires to sell. The Offer shall specify the purchase price for the Restricted Assets and any other material proposed terms in connection with the sale of the Restricted Assets. The Offer shall be open for acceptance in writing by Bell for a period of 30 days from the date upon which the Offer is delivered by the Purchaser to Bell.
- (d) If the Offer is accepted in writing by Bell during the 30 day period from the date upon which the Offer is delivered by the Purchaser to Bell, with respect to all of the Restricted Assets specified in the Offer, subject to all regulatory requirements, including Part IX of the Competition Act, and any Order of the Competition Tribunal, the Purchaser shall sell and Bell shall purchase the Restricted Assets specified in the Offer upon the terms and conditions contained in the Offer within a period of 30 days from the date of acceptance of the Offer, or, if any regulatory approvals are required, within a period of 10 days from the date that all regulatory approvals are obtained. If all regulatory approvals are not obtained within 270 days after the day on which the Offer is accepted by Bell the Offer will be deemed to have expired and the Parties will proceed as if the Offer had not been accepted by Bell (such date being the “**Regulatory ROFO Termination Date**”).

- (e) Bell will make all required or advisable regulatory filings no later than 15 days following the date on which it accepts the Offer.
- (f) If, by 5:00 p.m. Eastern time on the last day of the 30 day period after the Purchaser delivers the Offer to Bell (the “**Rejection Date**”), Bell shall not have accepted the Offer in writing with respect to all of the Restricted Assets specified in the Offer or if the Regulatory ROFO Termination Date has occurred, the Purchaser shall have no obligation to sell any Restricted Assets to Bell and the Purchaser shall be entitled at any time until the date which is one year following the Rejection Date or the Regulatory ROFO Termination Date, as applicable, to enter into a binding agreement for the sale of the Restricted Assets to an arm’s length third party purchaser at a price that is not less than the price set forth in the Offer and upon other terms and conditions no less favourable in the aggregate to the Purchaser than those contained in the Offer; otherwise no sale of the Restricted Assets may be made prior to the ROFO Expiry Date without the Purchaser again complying with the terms of this Section 8.9.
- (g) Except as otherwise set forth in Section 8.9(h), no Person who purchases any of the Restricted Assets from Purchaser (or one of its Affiliates) shall in any way be bound by the provisions of this Section 8.9 following the consummation of the purchase of such Restricted Assets with respect to such purchased Restricted Assets.
- (h) **[Redacted]**
[The redacted information relates to circumstances in which the covenants in Section 8.9 may be modified.]

8.10 Confidentiality

- (a) Subject to Section 11.1, the Parties agree that each of them shall maintain the confidentiality of all matters relating to the subject matter of this Agreement and the process relating to this Agreement except with the consent of the other Party.

- (b) Subject to Section 8.10(c), after the Closing, Bell shall, and shall cause its Affiliates to, keep confidential all information relating to the Partnership and the Business, except information which:
 - (i) is generally available to the public other than as a result of a breach of this Agreement by Bell;
 - (ii) was received in good faith by Bell after the Closing from a non-Affiliated Person who was lawfully in possession of such information and free of any obligation of confidentiality; or
 - (iii) is released from the provisions of this Agreement by the written authorization of the Purchaser.
- (c) If a Party or any of its Affiliates is requested pursuant to, or required by, applicable law or legal process to disclose any confidential information, such Party may make such disclosure, but must first provide the other Party with prompt notice of such request or requirement, unless notice is prohibited by law, in order to enable the other Party to seek an appropriate protective order or other remedy.

8.11 [Redacted]

[The redacted information relates to the treatment of Offered Employees after the Closing.]

8.12 Cash Distribution

The Parties agree that Bell shall use its commercially reasonable efforts to cause the Partnership to declare and pay a distribution to its partners prior to the Closing Time on the Closing Date in a manner, along with any other previously declared and accrued distributions that have not been paid at such time, to offset substantially all of the cash on hand contained in the “Comptes recevables partenaires” (as reflected in the Financial Information) at the time of such distribution, subject to the terms of the Partnership Agreement.

8.13 Notice of Untrue Representation or Warranty

Bell shall notify the Purchaser promptly upon any representation or warranty made by it pursuant to ARTICLE 3 becoming incorrect in any material respect prior to Closing. The Purchaser shall notify Bell promptly upon any representation or warranty made by it pursuant to ARTICLE 4 becoming incorrect in any material respect prior to Closing; provided that the Purchaser shall have no liability for any failure to notify Bell of any representation or warranty made pursuant to Section 4.7(b) or Section 4.7(c) becoming incorrect. For the purposes of this Section 8.13, unless otherwise specified, each representation and warranty shall be deemed to be given at and as of all times from the date of this Agreement to the Closing Date. Any such notice shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by Bell or the Purchaser, as the case may be, to rectify the incorrectness. No such notice will relieve either Party of any right or remedy provided for in this Agreement.

8.14 Pre-Closing Transaction

- (a) Not later than 30 days after the date of this Agreement, Bell shall deliver to the Purchaser a reasonably detailed summary plan with respect to any contemplated reorganization (each a “**Reorganization**”) with respect to the Partnership Interest, including the potential transfer of the Partnership Interest to HoldCo free and clear of any and all Security Interests prior to Closing (the “**Transfer to HoldCo**”). Purchaser acknowledges that such Reorganization may be completed.
- (b) Purchaser, if necessary, shall, at Bell’s expense, cooperate with Bell in implementing the Reorganizations including any additional transaction, reorganization, transfer of securities, assets or business as Bell may reasonably require, including amalgamations or liquidations to the extent that such transaction does not adversely impact Purchaser or the Partnership or interfere with the ongoing operations of the Purchaser or the Partnership.

8.15 Pre-Acquisition Reorganization

- (a) Not later than 10 Business Days before the Closing Date, the Purchaser shall deliver to Bell a reasonably detailed summary plan with respect to any contemplated reorganization (each a “**Pre-Acquisition Reorganization**”) with

respect to the Partnership, including the potential transfers of all of the Partnership's assets related to the Historia Channel business to a new corporation and all of the Partnership's assets related to the Series+ Channel business to another new corporation in consideration for the assumption by the respective new corporation of the liabilities of that business and shares of the respective new corporation on a tax-deferred basis provided that such Pre-Acquisition Reorganization may only be completed after closing of the Astral Arrangement. Bell acknowledges that such Pre-Acquisition Reorganizations may be completed and agrees to file relevant tax elections pursuant to subsection 85(2), section 22, and subsection 20(24) of the Income Tax Act and Section 167 of the Excise Tax Act and any equivalent applicable provincial tax elections.

- (b) Bell, if necessary, shall, at Purchaser's expense, cooperate with the Purchaser in implementing the Pre-Acquisition Reorganizations including any additional transaction, reorganization, transfer of securities, assets or business as Purchaser may reasonably require, including amalgamations or liquidations to the extent that such transaction does not adversely impact Bell, acting reasonably.
- (c) No Pre-Acquisition Reorganization shall be considered to be a breach of the representations, warranties or covenants of Bell hereunder or considered in the determination of Working Capital.

8.16 Allocation of Income of Partnership

Prior to the Closing Date, to the extent that Shaw consents, Bell and, if the Transfer to HoldCo occurs, HoldCo, shall cause the Partnership Agreement to be amended such that the taxable income of the Partnership for the periods or portion of periods ending on or before the Closing Date shall be allocated to Shaw and Astral Broadcasting Group Inc. (or any successor thereof by amalgamation, liquidation or otherwise) and/or Holdco, in the event that the Transfer to HoldCo occurs, and shall not be allocated to the Purchaser or its affiliates.

8.17 Section 256(9) Election

Bell and the Purchaser covenant and agree to, if the Transfer to HoldCo occurs, make the election under subsection 256(9) of the Income Tax Act (Canada) such that the acquisition of

control of HoldCo shall be deemed to have occurred at the Closing Time, and not at the beginning of the Closing Date. Bell and the Purchaser covenant and agree that this election shall be made in the tax return of HoldCo for the taxation year ending immediately before the Closing Time.

8.18 Termination and Mutual Release Agreement

During the period between the date of this Agreement and the Closing Date, Bell and, if the Transfer to HoldCo occurs, HoldCo, shall negotiate in good faith with the other party to the Partnership Agreement with a view to, concurrently with the Closing, entering into an agreement terminating the Partnership Agreement and providing a mutual release with respect to any surviving obligations thereunder.

8.19 Restriction on Share Purchases

If the Transfer to Holdco occurs, Bell hereby covenants and irrevocably agrees from the date hereof until the earlier of (i) the termination of this Agreement pursuant to Section 10.1 and (ii) the date that is two years following the successful completion of the Astral Arrangement, that Bell and persons that are related to Bell (for the purposes of the Income Tax Act (Canada)) shall not, directly or indirectly, through a trust or a partnership, and shall not knowingly permit any person with whom Bell does not deal at arm's length to, purchase or otherwise acquire, directly or indirectly, shares in the capital of Corus Entertainment Inc. or debt of Corus Entertainment Inc.

8.20 CTA Agreements

Bell shall use its commercially reasonable efforts (which for greater certainty shall not include the payment of money or assumption of obligations) to cause Les Chaînes Télé Astral to obtain, prior to Closing, any third party consents or waivers necessary to permit the assignment to, and assumption by, the Partnership of (a) the Material Agreements and (b) any other agreements or arrangements pursuant to which programming is provided for the Channel (the “**Channel Content**”) (collectively, the “**Required Consents**”) and to assign to the Partnership the Material Agreements and the Channel Content for which the Required Consents have been obtained or for which the Required Consents are not required. If any of the Required Consents are not obtained prior to Closing, then for any Material Agreement or the applicable Channel Content in respect

of which the Required Consents have not been obtained, (i) Bell shall continue to use its reasonable commercial efforts to cause Les Chaînes Télé Astral or its successor entity to obtain the Required Consents not yet obtained, (ii) Bell shall cause Les Chaînes Télé Astral or its successor entity to hold the relevant Material Agreement and Channel Content in trust for the benefit of the Purchaser and take all such reasonable actions and do, or cause to be done, all such reasonable things (other than the payment of money or assumption of obligations) at the request of the Purchaser as shall reasonably be necessary in order that the value and benefits of the applicable Material Agreements and Channel Content shall be preserved and enure to the benefit of the Purchaser, and (iii) the Purchaser shall perform the obligations of Les Chaînes Télé Astral or its successor entity under any such Material Agreements and Channel Content and indemnify Bell and any Affiliate of Bell from and against all Claims in respect of any such Material Agreement and Channel Content and be entitled to receive all money becoming due and payable under and other benefits derived from any such Material Agreement and Channel Content immediately after receipt by Les Chaînes Télé Astral or its successor entity.

8.21 [Redacted]

[The redacted information relates to covenants of the Parties in connection with third party agreements.]

8.22 Books and Records

All Books and Records of the Partnership in the possession or control of Bell shall be delivered to the Purchaser on or prior to the Closing Date.

8.23 Transfer of Intellectual Property

Bell shall, on or prior to the Closing Date, deliver evidence satisfactory to the Purchaser, acting reasonably, that all Intellectual Property that is used, but not owned, by the Partnership has been transferred to the Partnership.

ARTICLE 9

INDEMNIFICATION

9.1 Indemnification by Bell

- (a) Bell shall indemnify and save harmless the Purchaser, its directors, officers, agents, employees and shareholders (collectively referred to as the “**Purchaser Indemnified Parties**”), from and against all Claims, whether or not arising due to third party Claims, which may be made or brought against the Purchaser Indemnified Parties, or which they may suffer or incur, directly or indirectly, as a result of or in connection with or relating to:
- (i) any non-fulfilment or breach of any covenant or agreement on the part of Bell contained in this Agreement or in any certificate or other document furnished by or on behalf of Bell pursuant to this Agreement including the contemplated Reorganizations;
 - (ii) any misrepresentation or any incorrectness in or breach of any representation or warranty of Bell contained in this Agreement or in any certificate or other document furnished by or on behalf of Bell pursuant to this Agreement, except for any misrepresentation or any incorrectness in or breach of any representation or warranty of Bell to the extent disclosed by Bell in the officer’s certificates provided in accordance with Section 6.1 in sufficient detail and context to allow the Purchaser to assess the impact of such Claim prior to the Closing Date, and for the avoidance of doubt, any such disclosure in such officer’s certificate shall cause the condition set forth in Section 6.1 not to be satisfied; or
 - (iii) any liability of the Partnership or the HoldCo relating to or arising in connection with the Videotron Litigation;

other than in respect of Tax Claims pursuant to which Bell’s sole obligations are set out in Section 8.6.

- (b) Bell's obligations under Section 9.1(a) shall be subject to the following limitations:
 - (i) subject to Section 9.1(c), the obligations of Bell under Section 9.1(a)(ii) shall terminate on the date that is 18 months from the Closing Date except with respect to *bona fide* Claims by Purchaser Indemnified Parties set forth in written notices given by a Purchaser Indemnified Party to Bell prior to such date;
 - (ii) for Claims made under Section 9.1(a)(ii), Bell shall not be required to pay any amount until the aggregate of all Claims exceeds \$500,000 and upon the aggregate of all Claims exceeding \$500,000 Bell shall be required to pay the amount owing in respect of all such Claims including the \$500,000; provided, however, in no event shall Bell be required to pay any amount for Claims made under Section 9.1(a)(ii) (other than Claims with respect to Bell's Core Representations) in excess of \$51,975,000, or in excess of \$138,600,000 with respect to Claims against Bell for the misrepresentation, incorrectness or breach of any of Bell's Core Representations, except that the foregoing limitations shall not apply to wilful breaches of this Agreement by Bell or fraud of Bell.
- (c) the obligations of Bell under Section 9.1(a) with respect to:
 - (A) any Claims under Section 9.1(a)(i);
 - (B) any Claims based on any breach of the representations and warranties set out in Sections 3.1 (Corporate Standing of Bell), 3.2 (Power and Authority of Bell), 3.3 (Necessary Corporate Action), 3.6 (Residency), 3.7 (HoldCo Shares), 3.8 (Rights of Others (HoldCo Shares)), 3.10 (Status of HoldCo), 3.13 (Authorized and Issued Capital of HoldCo), 3.14 (Entitlements (HoldCo)), 3.15 (Business of HoldCo), 3.16 (Rights of Others (Partnership Interest)), 3.17 (Status of the Partnership), 3.20 (Partnership

Interest) or 3.21 (Entitlements (Partnership) (“**Bell’s Core Representations**”);

(C) any Claims under Section 9.1(a)(iii); or

(D) any Claims based on intentional misrepresentation or fraud by Bell or any Person acting for or on behalf of Bell;

shall survive indefinitely and any Claims based on any breach of the representations and warranties set out in Section 3.36 (Environmental) shall survive for three years from the Closing Date and any Claims based on any breach of the representations and warranties set out in Section 3.40 (Tax Matters) shall survive until the date that is 90 Business Days after the expiration of the last of the limitation periods contained in the Income Tax Act and any other applicable legislation imposing Tax subsequent to the expiration of which an assessment, reassessment or other form of recognized document assessing liability for Tax cannot be issued, except, in each case, with respect to any *bona fide* Claims by Purchaser Indemnified Parties set forth in written notices given by a Purchaser Indemnified Party to Bell prior to such date.

(d) Notwithstanding anything to the contrary in this Agreement, the Claims incurred by the Purchaser Indemnified Parties (including for greater certainty Claims suffered by the Partnership) arising out of or relating to any inaccuracy or breach of any representation or warranty of Bell contained in Sections 3.10 to 3.42 with respect to the Partnership shall be limited to, and shall not, exceed, 50% of the Damages incurred by the Purchaser Indemnified Parties arising out of or relating to such inaccuracy or breach of any such representation or warranty contained in ARTICLE 3.

9.2 Indemnification by the Purchaser

(a) The Purchaser shall indemnify and save harmless Bell, its directors, officers, agents, employees and shareholders (collectively referred to as the “**Bell Indemnified Parties**”), from and against all Claims, whether or not arising due to third party Claims, which may be made or brought against Bell Indemnified

Parties, or which they may suffer or incur, directly or indirectly as a result of or in connection with or relating to:

- (i) any non-fulfilment or breach of any covenant or agreement on the part of the Purchaser contained in this Agreement or in any certificate or other document furnished by or on behalf of the Purchaser pursuant to this Agreement, other than any covenant contained in Section 8.13 to the extent related to, or in connection with, either of Sections 4.7(b) or 4.7(c); or
 - (ii) any misrepresentation or any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement or in any certificate or other document furnished by or on behalf of the Purchaser pursuant to this Agreement, other than the representations and warranties contained in Sections 4.7(b) and (c) (except to the extent of any intentional misrepresentation or wilful breaches of Sections 4.7(b) and (c) by the Purchaser or fraud of the Purchaser with respect to Sections 4.7(b) and (c)).
- (b) The Purchaser's obligations under Section 9.2(a) shall be subject to the following limitations:
 - (i) subject to Section 9.2(c), the obligations of the Purchaser under Section 9.2(a)(ii) shall terminate on the date that is 18 months from the Closing Date except with respect to *bona fide* Claims by Bell Indemnified Parties set forth in written notices given by a Bell Indemnified Party to the Purchaser prior to such date;
 - (ii) for Claims made under Section 9.2(a)(ii), the Purchaser shall not be required to pay any amount until the aggregate of all Claims exceeds \$500,000 and upon the aggregate of all Claims exceeding \$500,000 the Purchaser shall be required to pay the amount owing in respect of all such Claims including the \$500,000; provided, however, in no event shall the Purchaser be required to pay any amount for Claims made under

Section 9.2(a)(ii) (other than Claims made with respect to Sections 4.1 (Corporate Standings), 4.2 (Power and Authority) and 4.3 (Necessary Corporate Action of Purchaser)) in excess of \$51,975,000, or in excess of \$138,600,000 with respect to Claims against the Purchaser for the misrepresentation, incorrectness or breach of any of the representations set out in Sections 4.1 (Corporate Standings), 4.2 (Power and Authority) and 4.3 (Necessary Corporate Action of Purchaser), except that the foregoing limitations shall not apply to wilful breaches of this Agreement by the Purchaser or fraud of the Purchaser.

- (c) the obligations of the Purchaser under Section 9.2(a) with respect to:
 - (A) any Claims under Section 9.2(a)(i);
 - (B) any Claims based on any incorrectness in or breach of the representations and warranties set out in Sections 4.1 (Corporate Standing), 4.2 (Power and Authority) and 4.3 (Necessary Corporate Action of Purchaser); or
 - (C) any Claims based on intentional misrepresentation or fraud by the Purchaser or any Person acting on behalf of the Purchaser;

shall survive indefinitely, and any Claims based on any incorrectness in or breach of the representations and warranties set out in Section 4.7(a) shall survive for a period of 30 Business Days after the expiration of the last of the limitation periods contained in the Income Tax Act and any other applicable legislation imposing Tax subsequent to the expiration of which an assessment, reassessment or other form of recognized document assessing liability for Tax cannot be issued, except with respect to any bona fide Claims by Bell Indemnified Parties set forth in written notices given by a Bell Indemnified Party to the Purchaser prior to such date.

9.3 Indemnification Procedures for Third Party Claims

- (a) In the case of Claims made by a third party with respect to which indemnification is sought, the Party seeking indemnification (the “**Indemnified Party**”) shall give prompt notice, and in any event within 20 days, to the other Party (the “**Indemnifying Party**”) of any such Claims made upon it. If the Indemnified Party fails to give such notice, such failure shall not preclude the Indemnified Party from obtaining such indemnification but its right to indemnification may be reduced to the extent that such delay materially prejudiced the defence of the Claim or materially increased the amount of liability or cost of defense.
- (b) The Indemnifying Party shall have the right, by notice to the Indemnified Party given not later than 30 days after receipt of the notice described in Section 9.3(a), to assume the control of the defence, compromise or settlement of the Claim, provided that such assumption shall, by its terms, be without cost to the Indemnified Party and provided the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party in accordance with the terms contained in this Section in respect of that Claim.
- (c) Upon the assumption of control of any Claim by the Indemnifying Party as set out in Section 9.3(b), the Indemnifying Party shall diligently proceed with the defence, compromise or settlement of the Claim at its sole expense, including if necessary, employment of counsel and experts reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall cooperate fully, but at the expense of the Indemnifying Party with respect to any out-of-pocket expenses incurred, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party’s control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are reasonably necessary to enable the Indemnifying Party to conduct such defence. The Indemnified Party shall also have the right to participate in the negotiation, settlement or defence of any Claim at its own expense.

- (d) The final determination of any Claim pursuant to this Section 9.3, including all related costs and expenses, shall be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Claim against the Indemnifying Party.
- (e) If the Indemnifying Party does not assume control of a Claim as permitted in Section 9.3(b), the Indemnified Party shall be entitled to make such settlement of the Claim as in its sole discretion may appear advisable, and such settlement or any other final determination of the Claim shall be binding upon the Indemnifying Party.

9.4 Tax Status of Indemnification Payments

Any payment made by Bell pursuant to this ARTICLE 9 shall constitute a reduction of the Purchase Price and any payment made by the Purchaser pursuant to this ARTICLE 9 shall constitute an increase in the Purchase Price. In either case, each of Bell and the Purchaser shall, within a reasonable time of payment and receipt of such payment, as applicable, and in any event within two months of such payment, request all amendments to its current or past Tax Returns as may be necessary to reflect the foregoing.

9.5 Additional Limitations

Notwithstanding any other Section in this ARTICLE 9, neither Party shall be liable for any exemplary or punitive damages (except for any such damages actually paid by the Indemnified Parties to any third party in respect of any third party Claim).

9.6 Exclusive Remedy

Following the Closing, the rights of indemnity set forth in this ARTICLE 9 are the sole and exclusive remedy of each Party in respect of any misrepresentation, incorrectness in or breach of any representation or warranty by the other Party under this Agreement, other than such misrepresentation, incorrectness or breach arising as a result of, in connection with, or with respect to, any fraud or wilful misconduct.

ARTICLE 10

TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Bell and the Purchaser;
- (b) by either Bell or the Purchaser if the Closing shall not have occurred by the date that is the one year anniversary from the date hereof (as such date may be postponed as set forth below, the “**Outside Date**”), provided that if on the day that is at least five days before the Outside Date, the application for CRTC Approval remains pending, but either Party reasonably believes that CRTC Approval is reasonably capable of being obtained on or prior to the date that is three months after the Outside Date and all other conditions set forth in ARTICLE 6 and ARTICLE 7 (other than those capable of being satisfied at the Closing Time only) have been satisfied, then either Party shall have the right to postpone the Outside Date to the date that is three months after the Outside Date, upon written notice to the other Party prior to 5:00 pm ET on the day that is at least one day before the Outside Date; provided that the Outside Date shall not be extended beyond the date that is 15 months from the date hereof and the right to terminate this Agreement pursuant to this Section 10.1(b) shall not be available to any Party whose failure to fulfill any obligations under this Agreement shall have been the primary cause of, or shall have resulted in the failure of the Closing to occur on or prior to the Outside Date;
- (c) by Bell if (i) the CRTC Approval is denied, (ii) the Competition Act Approval has not been obtained on or before the closing of the Astral Arrangement, or (iii) the Commissioner indicates in writing that he objects to the transactions provided for in this Agreement; provided that the right to terminate this Agreement pursuant to this Section 10.1(c) shall not be available to Bell if its failure to fulfill any obligations under this Agreement shall have been the primary cause of, or shall

have resulted in either the CRTC Approval being denied or the failure to obtain Competition Act Approval;

- (d) by Bell if it is not required to divest the Channels by the CRTC and pursuant to the Competition Act in connection with the Astral Arrangement;
- (e) by the Purchaser if (i) Bell is in breach of any representation, warranty, covenant, obligation or other provision of this Agreement; (ii) the Purchaser has provided written notice to Bell of such breach; (iii) such breach has not been waived or cured (or is not capable of being cured) by the earlier of the day prior to the Outside Date and 15 Business Days following the date on which the Purchaser notifies Bell of such breach; (iv) such breach, if not waived or cured in accordance with clause (iii) above (or is not capable of being cured), would render any condition set forth in ARTICLE 6 incapable of being satisfied; and (v) the Purchaser is not then in breach of this Agreement so as to directly or indirectly cause any of the conditions set forth in ARTICLE 7 not to be satisfied;
- (f) by Bell if (i) the Purchaser is in breach of any representation, warranty, covenant, obligation or other provision of this Agreement; (ii) Bell has provided written notice to the Purchaser of such breach; (iii) such breach has not been waived or cured (or is not capable of being cured) by the earlier of the day prior to the Outside Date and 15 Business Days following the date on which Bell notifies the Purchaser of such breach; (iv) such breach, if not waived or cured in accordance with clause (iii) above (or is not capable of being cured), would render any condition set forth in ARTICLE 7 incapable of being satisfied; and (v) Bell is not then in breach of this Agreement so as to directly or indirectly cause any of the conditions set forth in ARTICLE 6 not to be satisfied; or
- (g) by either Party if the BCE-Astral Agreement is terminated for any reason prior to the completion of the Astral Arrangement.

10.2 Effect of Termination

Each Party's right of termination under Section 10.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an

election of remedies. If this Agreement is terminated pursuant to Section 10.1, all further obligation of the Parties under this Agreement will terminate, except that the provisions of ARTICLE 1, Section 8.10, Section 10.2, Section 10.3, Section 10.4 and ARTICLE 11 shall survive; provided, however, that if this Agreement is terminated by the Purchaser pursuant to Section 10.1(e) or by Bell pursuant to Section 10.1(f), the terminating party's right to pursue all legal remedies with respect to such breach that gave rise to the right of termination pursuant to Section 10.1(e) or 10.1(f) will survive such termination unimpaired.

10.3 [Redacted]

[The redacted information relates to the payment of fees related to regulatory outcomes.]

10.4 Indemnity Provision

- (a) In the event that this Agreement is terminated pursuant to Section 10.1(b), at a time when either of the conditions set forth in Sections 7.5 is not satisfied, or pursuant to Section 10.1(c), and Bell has delivered to the Purchaser a written notice signed by an executive officer of Bell stating that Bell is ready, willing and able in good faith to close the transactions contemplated by this Agreement and would do so but for the unfulfilled condition in Sections 7.5 or 7.6, and the Purchaser is not otherwise entitled to terminate this agreement under Section 10.1(e) (without regard to the cure periods), the Purchaser shall indemnify Bell and be required to pay to Bell, promptly upon completion of a direct or indirect sale of the Partnership Interest by Bell to a subsequent third party purchaser in order to satisfy a condition attached to the regulatory approvals obtained in connection with the Astral Arrangement, (such sale, a **"Subsequent Transaction"**), an amount equal to (i) the net aggregate proceeds that would have been received had the transactions contemplated by this Agreement been completed, less (ii) the net aggregate proceeds that Bell later receives in the applicable Subsequent Transaction (taking into account adjustments related to the Working Capital and the actual working capital delivered to the purchaser in the Subsequent Transaction, or similar adjustments, but not any indemnity payments made by Bell to a potential acquiring entity). For greater certainty and without limiting the foregoing, the

Purchaser's indemnity hereunder shall apply regardless of the process leading to a Subsequent Transaction being conducted by Bell or a Divestiture Trustee (as such term is defined in the Consent Agreement), or any other person appointed by the Commissioner of Competition pursuant to the Consent Agreement.

- (b) Until expiry of the Initial Sale Period (as such term is defined in the Consent Agreement) and the appointment of a Divestiture Trustee pursuant to the Consent Agreement, the terms described in this paragraph shall apply with respect to any requirement for any Subsequent Transaction. After consultation with the Purchaser and taking into account the Purchaser's views, Bell shall retain, at the Purchaser's costs, reputable investment bankers, on customary terms for a transaction of this type, including customary fees and disbursements, to conduct a full auction process with respect to any Subsequent Transaction. Bell shall keep the Purchaser fully informed as to any sale process in respect of any Subsequent Transaction, including by providing it with all material written correspondence between Bell and any potential acquiring entity. The Purchaser shall have reasonable access to such investment bankers throughout the auction process and Bell shall consider in good faith any Purchaser requests and comments with respect to the auction process and the ensuing negotiations with the bidders, including with respect to the selection of the proposed acquiror. Bell shall use its reasonable best efforts to obtain the most favourable terms as a result of such auction process and ensuing negotiations, and in determining such favourable terms shall take into account the ability of a potential acquiror to consummate any Subsequent Transaction and the total consideration payable by the potential acquiror. For greater certainty, Bell shall have complete discretion in selecting the potential acquiror; provided that if the Purchaser does not agree with Bell's proposed selection (which disagreement Purchaser shall have expressed to Bell in writing within five Business Days of Bell's request in that regard), and Bell does not select the potential acquiror offering the highest price, the indemnity provided for in the previous paragraph shall be reduced by an amount equal to the difference between (i) the net aggregate proceeds that Bell would have

received if it had selected the potential acquiror offering the highest price, and
(ii) the net aggregate proceeds that Bell receives in the Subsequent Transaction.

ARTICLE 11

GENERAL

11.1 Public Notices

The Parties shall jointly plan and co-ordinate any public notices, press releases, and any other publicity concerning the transactions contemplated by this Agreement and no Party shall act in this regard without the prior approval of the other, such approval not to be unreasonably withheld; provided, however, each Party shall have the right to issue a press release (or such other public announcement) announcing the execution of this Agreement and its principal commercial terms shortly following execution of this Agreement, such press release (or other public announcement) to be provided in draft form to the other Party in advance in order to provide a reasonable opportunity to comment. A copy of this Agreement may be filed with a Governmental Authority to the extent that a Party concludes, acting reasonably, that it is obligated to do so under Law.

11.2 Expenses

Except as otherwise provided in this Agreement each Party shall pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement.

11.3 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery):

- (a) in the case of a notice to the Purchaser at:

c/o Corus Entertainment Inc.
Corus Quay
25 Dockside Drive
Toronto, ON M5A 0B5

Attention: Gary A. Maavara

With a copy to:

Osler, Hoskin & Harcourt LLP
1 First Canadian Place, Suite 6100
Toronto, Ontario M5X 1B8

Attention: Douglas A. Bryce

- (b) in the case of a notice to Bell at:

Bell Media Inc.
299 Queen Street West
Toronto, ON M5V 2Z5

Attention: Corporate Secretary

With a copy to:

Bell Canada
1, Carrefour Alexander-Graham-Bell, Building A7
Verdun, QC H3E EB3

Attention: Corporate Secretary

Any notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving notice to the other Parties in accordance with the provisions of this Section.

11.4 Assignment

Neither party may assign this Agreement or any of the benefits, rights or obligations under this Agreement without the prior written consent of the other Party; provided that Bell may, as part of the Reorganizations, assign all of its rights, interests and obligations under this Agreement to any Affiliate of Bell without the Purchaser's prior written consent, but Bell shall not be relieved of its obligations under this Agreement, and any reference in this Agreement to "Bell" shall be deemed to include the assignee.

11.5 Enurement

This Agreement enures to the benefit of and is binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

11.6 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the Party to be bound thereby.

11.7 Further Assurances

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Closing.

11.8 Submission to Jurisdiction

- (a) Each Party submits to the exclusive jurisdiction of any Québec courts sitting in Montréal in any action, application, reference or other proceeding arising out of or

relating to this Agreement and consents to all claims in respect of any such action, application, reference or other proceeding being heard and determined in such Québec courts. Each of the Parties irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action, application or proceeding. Each Party consents to any action, application, reference or other proceeding arising out of or relating to this Agreement being tried in Montréal.

- (b) The Parties shall not raise any objection to the venue of any action, application, reference or other proceeding arising out of or relating to this Agreement in the Québec Courts sitting in Montréal, including the objection that the proceedings have been brought in an inconvenient forum.
- (c) A final judgment in any such action, application or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner specified by law.

11.9 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile or electronic transmission and all such counterparts and facsimiles or electronic copies together constitute one and the same agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS OF WHICH the Parties have executed this Agreement.

BELL MEDIA INC.

By: “Kevin Crull”

Name: Kevin Crull

Title: President

CORUS ENTERTAINMENT INC.

By: “John Cassaday”

Name: John Cassaday

Title: President and Chief Executive Officer

By: “Tom Peddie”

Name: Tom Peddie

Title: Executive Vice President and Chief Financial Officer

Schedule 1.1(rr)

Financial Information¹

Exprimé en dollars

31-08-12

31-12-12

ACTIF

À court terme

Encaisse et placements à court terme

Comptes à recevoir

Comptes à recevoir Interco

Comptes à recevoir partenaires

Droits d'émissions et de films

Frais payés d'avance et autres comptes à recevoir

Total de l'actif à court terme

Droits d'émissions et de films

Autres actifs long terme

Total de l'actif

PASSIF

À court terme

Créditeurs et charges à payer

Créditeurs Interco

Provisions Court terme

Droits de diffusion à payer

Total du passif à court terme

Avance CTA

Provisions LT

Avance Alliance Atlantis

Total des avances

Total du passif

AVOIR DES ACTIONNAIRES

Bénéfices (déficit) non répartis - début

Bénéfices net de l'exercice

Distribution de Capital

Total de l'avoir des actionnaires



Total du passif et de l'avoir des actionnaires



Exprimé en dollars

*12 Months ended
Aug. 31 2012*

*4 Months ended
Dec. 31 2012*

ACTIVITÉS D'EXPLOITATION

Bénéfice net

Élément sans incidence sur les liquidités

Amortissement

-immobilisations

-frais reportés

Fonds provenant de l'exploitation

*Variation d'élément hors caisses
reliés à l'exploitation*

ACTIVITÉS DE FINANCEMENT

Avances de CTA

Avances de Alliance

Distribution de Capital à CTA

Distribution de Capital à Canwest

ACTIVITÉS D'INVESTISSEMENT

Augmentation des frais reportés

VARIATION DES LIQUIDITÉS

LIQUIDITÉS AU DÉBUT

LIQUIDITÉS À LA FIN



Exprimé en dollars

12 Months ended

4 Months ended

Aug. 31 2012

Dec. 31 2012

REVENUS

Abonnements

Publicité

Internet

Services techniques

Autres

Gestion

Total

COÛTS DIRECTS

Droits de diffusion

sous-total

BÉNÉFICE BRUT

FRAIS GÉNÉRAUX

Frais de programmation

Frais techniques

Publicité et promotion

Recherche

Frais d'administration

sous-total

EBITDA

Amortissement

**BÉNÉFICE AVANT LES POSTES
SUIVANTS**

Frais d'intérêts

BÉNÉFICE D'EXPLOITATION

Taxe sur le capital

Frais de gestion

Autres dépenses / (revenus)

BÉNÉFICE AVANT IMPÔT

Impôts sur le revenu

Impôts sur les bénéfices futurs

BÉNÉFICE NET

Schedule 1.1(sss)

Permits

Historia

Copyright Board of Canada licence 70.2-2008-02

CRTC license no. 2012-241 (Group-based licence renewal decision), 2012-241-1 (Correction to Group-based licence renewal decision), 2011-443 (Standard conditions of licence, expectations and encouragements for specialty and pay television Category A services).

Séries+

Copyright Board of Canada licence 70.2-2008-02

CRTC license nos. 2012-241 (Group-based licence renewal decision), 2012-241-1 (Correction to Group-based licence renewal decision), 2011-443 (Standard conditions of licence, expectations and encouragements for specialty and pay television Category A services).

Schedule 1.1(ttt)

Permitted Encumbrances

None.

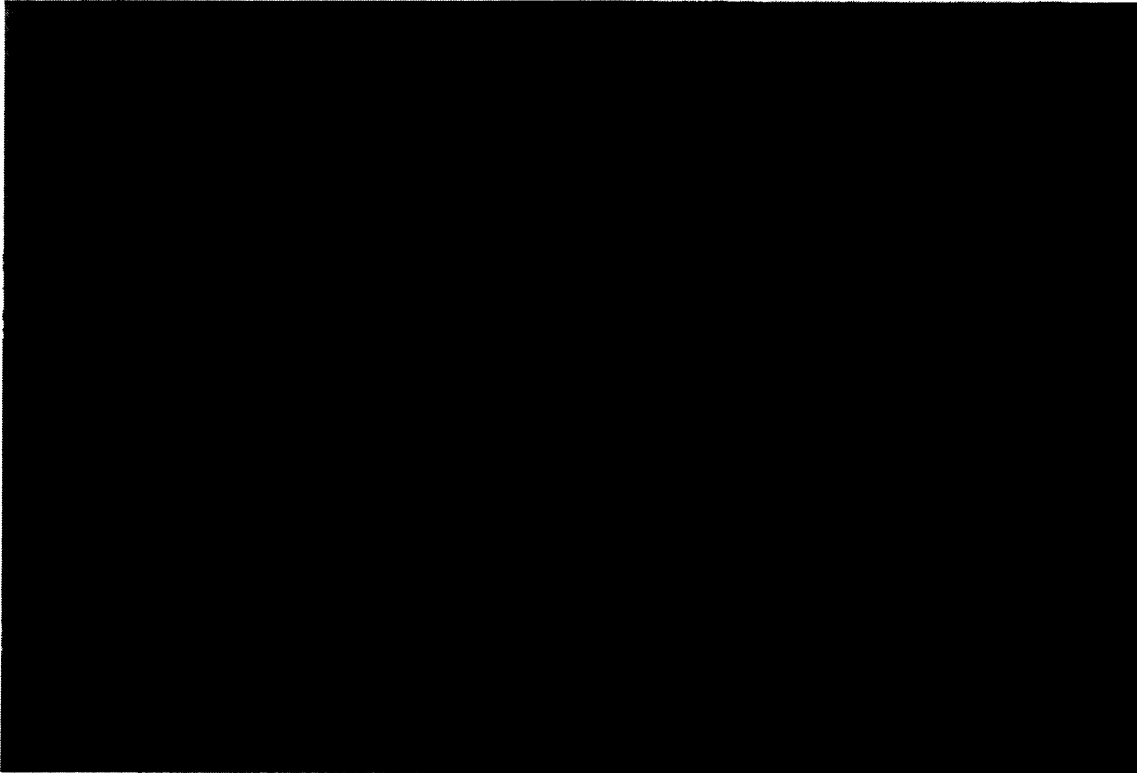
Schedule 1.1(tttt)

Videotron Litigation

Action filed on August 8, 2012 by Les Chaînes Télé Astral Inc. against Vidéotron Ltée for an amount of \$4,291,635.01 and identified by court number 500-17-073539-127.

Schedule 1.1(uuuu)

Sample Calculation of Closing Working Capital



Schedule 3.9

Consents, Approvals, Etc

None.

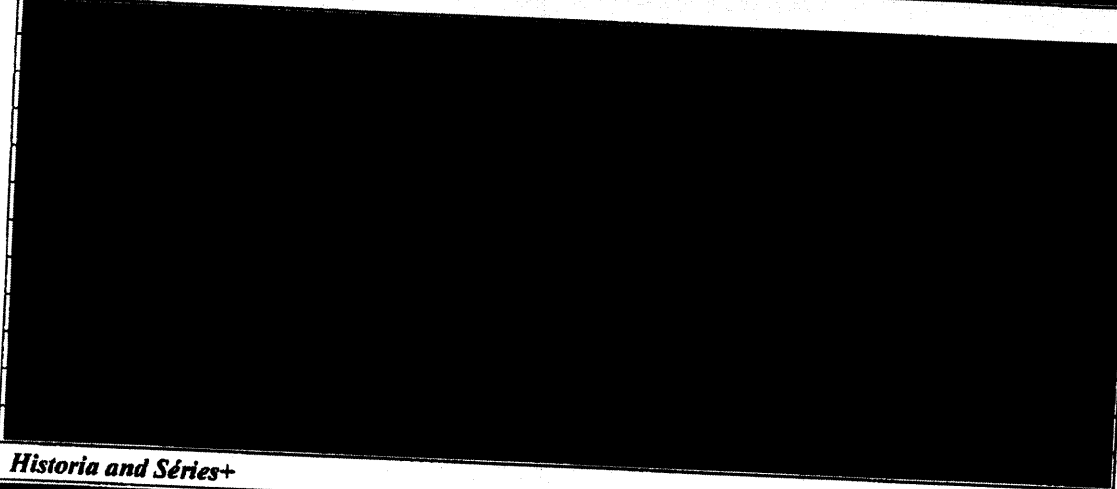
Schedule 3.22(c)

No Violation

Historia



Séries+



Historia and Séries+



Schedule 3.24

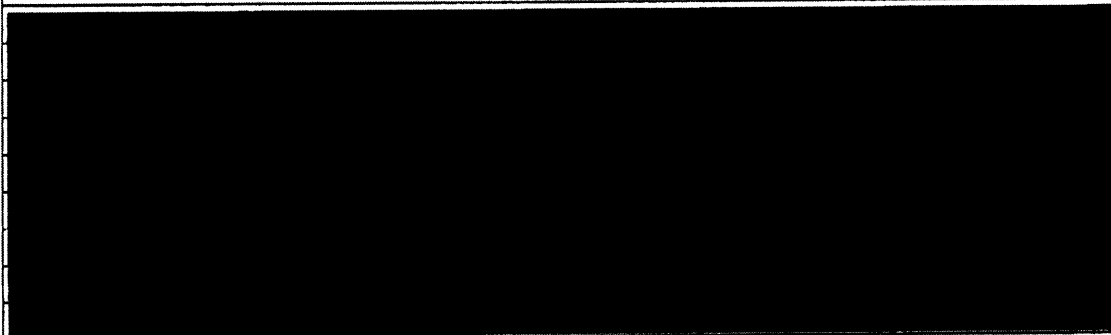
No Adverse Change

None.

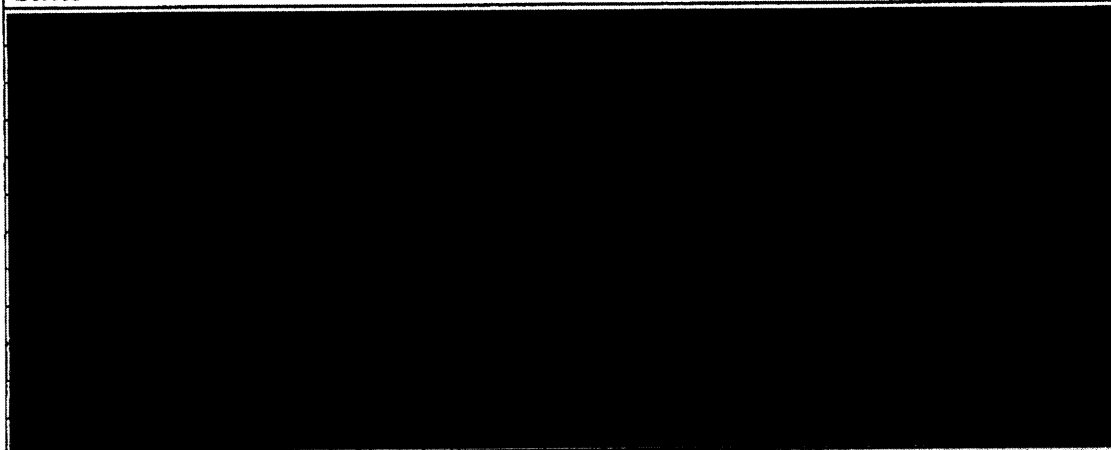
Schedule 3.25
Material Agreements



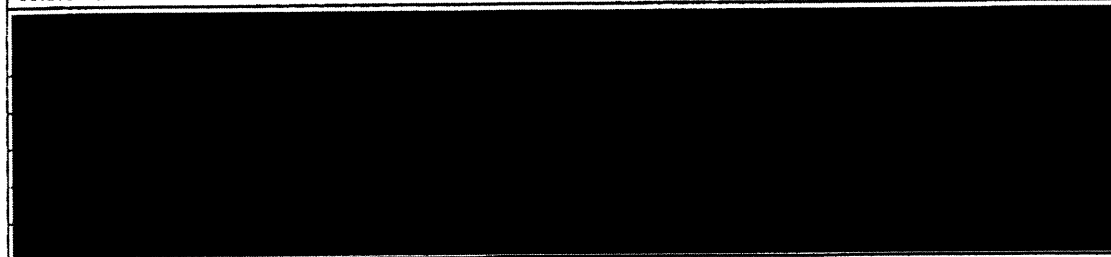
Historia



Séries+



Historia and Séries+



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Historia

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Séries+

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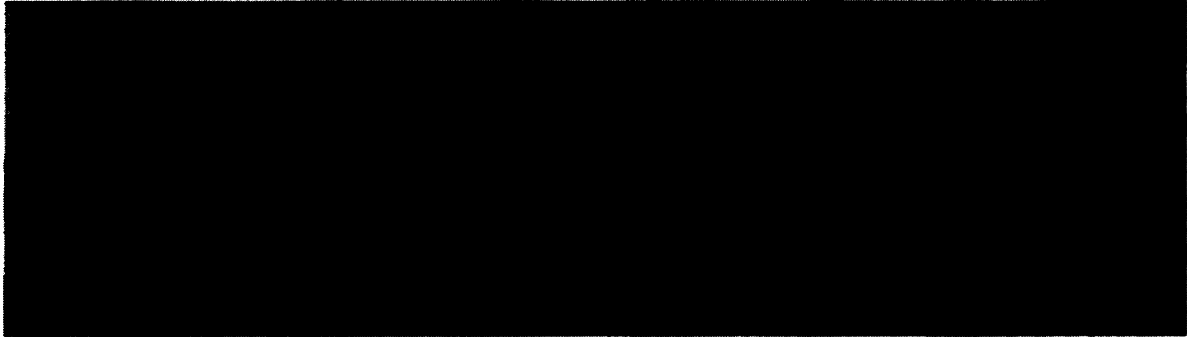
Schedule 3.32

Collective Agreements

None.

Schedule 3.33

Benefit Plans



Schedule 3.34

No Actions

Action filed on August 8, 2012 by Les Chaînes Télé Astral Inc. against Vidéotron Ltée for an amount of \$4,291,635.01 and identified by court number 500-17-073539-127.

Schedule 3.35
Intellectual Property

Historia

Domain name	Registration Date	Expiry Date
canalhistoire.com	1999-05-07	2020-05-07
historiatv.ca	2000-12-01	2020-12-01
historiatv.com	2002-04-01	2014-04-01

Trademark	Registration number
HISTORIA ²	TMA821,388
POUR CONNAÎTRE TOUTE L'HISTOIRE	TMA641,061
	Request number : 1,500,672

Séries+

Domain name	Registration Date	Expiry Date
serieplus.ca	2002-12-04	2021-12-04
seriesplus.ca	2000-12-01	2020-12-01
seriesplus.com	2002-04-02	2014-04-02

Trademark	Registration number
SÉRIES + & Dessin	TMA622,561
SÉRIES+	TMA547,914
LA TÉLÉ DES ÉMOTIONS	LMC634,707
	TMA799,729
	TMA764,965

² Trademark currently owned by Astral Broadcasting Group Inc. but will be transferred to the Partnership. Note that there is a coexistence agreement between Astral Broadcasting Group Inc. and Sophia Publications pursuant to which Sophia Publications is authorized to use the name Historia for publication services.

³ Trademark currently owned by Astral Broadcasting Group Inc. but will be transferred to the Partnership.

Schedules 3.43

Absence of Undisclosed Liabilities

None.

Schedule 4.7

Share Ownership

Comweb Corporation

Comweb Media Investments Inc.

Paul A. Bronfman

Paul Bronfman Family Trust II

Abgreen Holdings Ltd.

Halgreen Holdings Inc.

Ianda Holdings Inc.

93090 Canada Ltd.

Ian Greenberg

Sidney Greenberg

Stephen Greenberg

3981754 Canada Inc.

Harbev Holdings Inc.

Harold Greenberg Estate

Harvey Greenberg Estate

Anna Sue Greenberg

Edith Greenberg

Joel Greenberg