JAPONICA PARTNERS

500 Park Avenue
New York, New York 10022
212-486-4550

One Hospital Trust Plaza
Suite 1900
Providence, RI 02903
401-273-8681

April 18, 1989

To Our Fellow Shareholders of CNW Corporation:

Japonica Partners is the largest shareholder of CNW Corporation with an investment totaling 8.8% of CNW's Common Stock and having a market value of approximately $58.1 million as of April 17, 1989.

Japonica Partners intends to acquire CNW at a substantial premium over the $31 per share (only $20 of which was payable in cash) that Management and Gibbons Green were willing to pay for your shares just last year with the approval of CNW's Board. The purchase price will also be at a substantial premium over CNW's 1989 pre-rumor stock price. Japonica Partners has received acquisition financing proposals from selected financial institutions, which we are now evaluating.

We believe the current Board **is not acting in your best interests** by refusing to give Japonica Partners the same opportunity to purchase CNW as CNW's Board gave the Management/Gibbons Green group. Accordingly, **to protect your own interests**, we urge you to vote for the slate of seven directors nominated by Japonica Partners in opposition to the current Board. Our Board nominees strongly believe that the current Board has acted **against your interest** by approving excessive compensation levels and an inappropriate "golden parachute" package for CNW's senior management. This Board now seeks your approval of an Executive Equity Incentive Plan which, in the opinion of our Board nominees, is excessive and unwarranted.

Our intention upon acquiring control of CNW is to manage the freight railroad operations of CNW, including Western Railroad Properties, Inc., while working cooperatively with the employee unions to maintain and improve operations and service for CNW's customers. The assets we will consider selling are only those which are not essential to CNW's freight business, such as certain real estate, excess equipment and commuter lines.

Whether or not you now expect to be present at the Annual Meeting, which will be held on May 16, 1989, you are requested to date and sign the enclosed **BLUE** Proxy Card and mail it in the enclosed postage prepaid envelope. **JAPONICA PARTNERS URGES YOU NOT TO MAIL ANY WHITE PROXY CARDS SENT TO YOU BY MANAGEMENT OF CNW. IF YOU HAVE ALREADY SENT A WHITE PROXY CARD TO CNW, YOU MAY REVOKE THAT PROXY BY SIGNING, DATING AND MAILING THE ENCLOSED BLUE PROXY CARD.**

If you have any questions about how to vote your shares, please call Japonica Partners at (212) 486-4550 or Morrow & Co., Inc., our proxy solicitor, at (800) 634-4458.

Very truly yours,

C. HOWARD HARDESTY, former President
and Chief Executive Officer,
Purolator Courier Corporation
(Chairman Designate of CNW Corporation)

C.L. PECCHENINO, former President
and Chief Operating Officer,
I.C. Industries, Inc.
(Vice Chairman Designate of
CNW Corporation)

PAUL B. KAZARIAN, President,
P.B. Kazarian, ltd., a general
partner of Japonica Partners
(Vice Chairman Designate of
CNW Corporation)

JAPONICA PARTNERS, L.P.

500 Park Avenue
New York, New York 10022

PROXY STATEMENT
IN OPPOSITION TO THE BOARD OF DIRECTORS OF CNW CORPORATION

Annual Meeting of Shareholders
May 16, 1989

To Our Fellow Shareholders of CNW Corporation:

INTRODUCTION

Japonica Partners, L.P. ("Japonica Partners") is the largest shareholder of CNW Corporation ("CNW" or the "Company") with an investment totaling 8.8% of the Company's Common Stock and having a market value of approximately $58.1 million as of April 17, 1989. Japonica Partners believes that a substantial "Value Gap" exists between the pre-rumor market price of CNW's Common Stock and the potential value of CNW's shares. Japonica Partners further believes that closing the Value Gap requires aggressive action by CNW that the current Board has refused to undertake. Indeed, the current Board terminated discussions with Japonica Partners and refused to fully and fairly consider Japonica Partners' views for increasing shareholder value.

Japonica Partners intends to acquire CNW at a substantial premium over the $31 per share (only $20 of which was payable in cash) that certain members of senior Management and Gibbons, Green, van Amerongen ("Gibbons Green") were willing to pay for shares of CNW's Common Stock just last year with the approval of CNW's Board. The purchase price will also be at a substantial premium over CNW's 1989 pre-rumor stock price. Japonica Partners has received acquisition financing proposals from selected financial institutions, which it is now evaluating. See **"PLANS FOR THE COMPANY AFTER ELECTION OF JAPONICA PARTNERS' NOMINEES."**

Japonica Partners believes that the amount shareholders would have received if the Management/Gibbons Green transaction had been consummated was woefully insufficient. In an article entitled "The Great Train Robbery" published in a respected financial publication, the author stated that the Management/Gibbons Green proposal, as structured, was "a real steal."[1] Japonica Partners simply wishes to be given the same opportunity to purchase CNW as the Company's Board gave the Management/Gibbons Green group but at a substantially higher price. See **"REASONS FOR JAPONICA PARTNERS' SOLICITATION" and "BACKGROUND OF SOLICITATION."**

In the event that Japonica Partners has been unsuccessful, prior to the Annual Meeting, in reaching an agreement with the current Board to acquire CNW, Japonica Partners' seven proposed nominees for election as Directors of the Company, if elected, intend to insure that the Company's Common Stock will be purchased by Japonica Partners or a higher bidder and that any such transaction is both actively pursued and fairly considered. See **"PLANS FOR THE COMPANY AFTER ELECTION OF JAPONICA PARTNERS' NOMINEES."** If elected, Japonica Partners' nominees would establish an independent committee of the Board, which would retain an independent financial advisor, to evaluate any such proposals or transactions intended to close the Value Gap.

Japonica Partners intention, upon acquiring CNW, whether through the election of its nominees or through a merger, tender offer or similar transaction, is to manage the freight railroad operations of CNW, including Western Railroad Properties, Inc. (WRPI), while, at the same time, providing a

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[1] Charles Siler, Forbes Magazine, May 2, 1988. Permission to quote this article as proxy soliciting material has not been sought or obtained from the author or publication. The use of such quotation does not imply the author's or the publisher's endorsement of Japonica Partners or its position.

higher quality of service to CNW's various constituencies. The assets Japonica Partners will consider selling are only those which are not essential to CNW's freight business, such as certain real estate, excess equipment and commuter lines.

The annual meeting of shareholders is scheduled to be held on Tuesday, May 16, 1989 at 10:30 a.m., local time, in the First Chicago Center Auditorium of the First National Bank of Chicago, One First National Plaza (Dearborn Street Side, Plaza Level), Chicago, Illinois. This Proxy Statement and **BLUE** Proxy Card is first being sent to shareholders on or about April 18, 1989.

IMPORTANT

Your vote is **IMPORTANT.** No matter how many or how few shares you own, please vote **FOR** Japonica Partners' nominees by signing, dating and mailing the enclosed **BLUE** Proxy Card today. Japonica Partners urges you **NOT** to mail any proxy cards sent to you by management.

Shares represented by a valid, unrevoked **BLUE** Proxy Card will be voted as specified. If no specification is made, such shares will be voted (a) **FOR** the election of all of Japonica Partners' nominees and (b) **AGAINST** the Board of Directors proposed 1989 Executive Equity Incentive Plan, and will be voted in the discretion of the person named therein on any other matter that may properly come before the meeting.

If you have voted management's proxy card before receiving this Proxy Statement, you have every right to change your vote by signing and mailing the enclosed **BLUE** Proxy Card. Only your latest dated proxy will count at the Annual Meeting. **PLEASE DATE YOUR PROXY CARD.**

If you own your shares in the name of a brokerage firm, your broker cannot vote your shares unless he receives your specific instructions. Please sign, date and mail the enclosed **BLUE** Proxy Card in the return envelope that has been provided.

If you have any questions about how to vote your shares, please call our proxy solicitor:

Morrow & Co., Inc.
345 Hudson Street
New York, New York 10014
(800) 634-4458

REASONS FOR JAPONICA PARTNERS' SOLICITATION

Japonica Partners is soliciting your vote because, based on its analysis of publicly available information:

- **Japonica Partners believes that a substantial Value Gap exists between the pre-rumor market price of CNW's Common Stock and the potential value of CNW's shares.** Japonica Partners has indicated to the Company that the Board's unwillingness to take steps to close the Value Gap for the benefit of the Company's shareholders or to enter into discussions with Japonica Partners left Japonica Partners little choice but to provide a positive alternative to the existing Directors.
- **Although the Board previously approved a sale of the Company to a group including management for a package of cash and securities which the Management/Gibbons Green leveraged buyout group valued at $31 per share, the Board now refuses to authorize management to execute, or even to discuss with Japonica Partners its ideas for, a business plan designed to close the Value Gap.** Indeed, shortly after the termination of the Management/Gibbons Green proposal, the Board adopted a "poison pill" rights plan. Japonica Partners believes that the Company's shareholders need a new Board that will actively pursue a sale to Japonica Partners or a higher bidder of all of CNW's Common Stock at a substantial premium over both (i) the $31 per share price that was to have been paid in the Management/Gibbons Green transaction and (ii) the Company's pre-rumor stock price.
- **CNW's Chief Executive Officer has described CNW as a "small, simple business."[2] Japonica Partners strongly disagrees.** In Japonica Partners' opinion, CNW is a large company that is particularly sensitive to a host of complex competitive, economic and regulatory forces. CNW requires a high level of operating, strategic and financial sophistication at the Board level in order for the Company's value to be realized for all shareholders. Japonica Partners believes that its nominees to the Company's Board have the requisite backgrounds and experience in the railroad industry, and in business, finance and law and are thus well qualified to take appropriate steps to maximize value for the Company's shareholders as promptly as possible.
- **Japonica Partners believes that certain aggressive managerial actions could be taken to enhance the revenue growth and profitability of the Company's freight transportation business.** Japonica Partners believes that the Company's current corporate culture does not encourage entrepreneurial competitiveness. In fact, one Wall Street research analyst characterized the Company's estimated core line operating ratio for 1989 as "hardly impressive" given the Company's recent labor settlement.[3]
- **In Japonica Partners' opinion, the Company's nominees and senior management will not undertake any action to close the Value Gap because they have virtually no incentive to do so.** With a minimal economic stake in the Company, the current Board's nominees and senior management of the Company own less than 1% of the Common Stock.[4] Japonica Partners believes it is completely counterproductive to the interests of all shareholders for the Board to have approved "golden parachute" severance agreements which could require payments by the

[2] Interview of Robert W. Schmiege dated November 3, 1988 by John Kawa, Senior Vice President as printed in Dean Witter Reynolds Inc. Research Report. Permission to quote this interview as proxy soliciting material has not been sought or obtained from Dean Witter Reynolds Inc. The use of such quotation does not imply Dean Witter Reynolds Inc.'s endorsement of Japonica Partners or its position.

[3] Joel Price and Luella White Price, Research Bulletin of Donaldson, Lufkin & Jenrette Securities Corporation dated March 2, 1989. Permission to quote this research bulletin as proxy soliciting material has not been sought or obtained from the author or publication. The use of such quotation does not imply the author's or the publisher's endorsement of Japonica Partners or its position.

[4] Excluding restricted stock granted subject to shareholder approval of the 1989 Executive Equity Incentive Plan.

Company should the shareholders decide to replace the current Board at the Annual Meeting. Moreover, because a large part of the Company's management incentive system is based on pre-tax income, Japonica Partners believes the program does little to align senior management's interests with the Company's shareholders.

PLANS FOR THE COMPANY AFTER ELECTION OF JAPONICA PARTNERS' NOMINEES

Japonica Partners intends to acquire CNW at a substantial premium over the $31 per share (only $20 of which was payable in cash) that Management and Gibbons Green were willing to pay for shares of CNW's Common Stock in 1988 with the approval of CNW's Board. The purchase price will also be at a substantial premium over CNW's 1989 pre-rumor stock price. Japonica Partners has received acquisition financing proposals from selected financial institutions, which it is now evaluating. Any proposal or transaction to purchase CNW would be subject to the availability of financing on acceptable terms, regulatory approvals and certain other conditions. If Japonica Partners' nominees are elected, an independent committee of the new Board consisting of Messrs. Campbell, Hardesty and Pecchenino, which would retain an independent financial advisor, will evaluate such proposals or transactions, consistent with its fiduciary obligations. Japonica Partners' intention, upon acquiring CNW, whether through the election of its nominees or through a merger, tender offer or similar transaction, is to manage the freight railroad operations of CNW, including Western Railroad Properties, Inc. (WRPI), while, at the same time, providing a higher quality of service to CNW's various constituencies.

If a transaction is not consummated prior to the Company's Annual Meeting and Japonica Partners' nominees are elected, pending the sale of the shares of Common Stock of the Company, Japonica Partners' nominees also intend to conduct a detailed review and analysis of the Company, and based on such review and analysis, to consider what other actions would be desirable to further enhance shareholder value. Such actions may include, in addition to those described elsewhere in this proxy statement: a restructuring of the Company, sales of certain of the Company's assets and changes in the articles of incorporation, by-laws, capitalization, board of directors, management and dividend policy of the Company. If Japonica Partners' nominees are elected, Japonica Partners anticipates that Mr. Hardesty will serve as Chairman of the Board; that Messrs. Pecchenino and Kazarian will each serve as Vice Chairman of the Board; that Mr. Henry Borgsmiller will serve as Chief Operating Officer of the railroad; and that B.D. Vlasin and, potentially, one or more of Japonica Partners' other nominees or other highly qualified rail executives, may also become actively involved in the management of the Company. Mr. Borgsmiller served in various capacities with Illinois Central Transportation Co. from 1965 until March 1989, last serving as Vice President—Transportation. **Japonica Partners currently intends to seek to have its nominees redeem the "poison pill" shareholder rights plan** and, also, to review the propriety and enforceability of the recently adopted management severance agreements. **Japonica Partners currently intends not to take actions which would require payments under the management severance agreements.** Except as described elsewhere in this proxy statement, Japonica Partners has no other plans or proposals with respect to the foregoing.

Based on its study of the Company, Japonica Partners currently believes that certain steps could be taken to enhance the profitability of the Company and, if it is successful in obtaining control of the Company, whether through a merger, tender offer or similar transaction, or through the election of its nominees, it would also seek to:

- work with the employee unions to maintain and improve operations and service.
- accelerate and maximize corporate-level efficiencies and streamline operations.
- expand revenue growth from the Powder River Basin with more aggressive marketing.
- actively pursue and maximize the value of secondary trackage routes.

- sell assets no essential to the Company's freight business, such as certain real estate, excess equipment an the commuter lines.
- consider joint ventures, asset sales to employees, and other divestiture alternatives.

THE JAPONICA PARTNERS GROUP

The members of the "Japonica Partners Group" are Japonica Partners, P.B. Kazarian, ltd. ("PBK Ltd."), a Rhode Island corporation, Paul B. Kazarian, Phoenix Partners, L.P. ("Phoenix"), a Delaware limited partnership, Botanic Partners, L.P. ("Botanic"), a Delaware limited partnership, Pigeon Investors, L.P. ("Pigeon"), a Delaware limited partnership, Raven Partners, L.P. ("Raven"), a Delaware limited partnership, Bates Partners, L.P. ("Bates"), a Rhode Island limited partnership, and M.G. Lederman, Ltd. ("MGL Ltd."), a Delaware corporation. Japonica Partners is the sole general partner of each of Phoenix, Botanic, Pigeon, Raven and Bates (each a "Partnership" and collectively, the "Partnerships"). Each Partnership was formed for the purpose of acquiring shares of Common Stock of the Company. PBK Ltd. and MGL Ltd. are the general partners of Japonica Partners. Pursuant to the Japonica Partners limited partnership agreement, PBK Ltd. has the sole power to vote and dispose of the shares of Common Stock of the Company beneficially owned by Japonica Partners. Mr. Kazarian is the President, sole director and controlling person of PBK Ltd. Michael G. Lederman is the Chairman of the Board, sole director and controlling person of MGL Ltd. Mr. Kazarian is also a nominee of Japonica Partners.

The members of the Japonica Partners Group own an aggregate of 1,443,500 shares of the Company's Common Stock, representing approximately 8.8% of the outstanding shares with an aggregate cost, excluding brokerage commissions, of $44,332,391 and an aggregate market value, based upon the closing price of the Common Stock on The New York Stock Exchange on April 17, 1989, of approximately $58,100,000.

Additional information about the members of the Japonica Partners Group and their holdings of the Company's Common Stock is set forth in Appendix I hereto and incorporated herein by reference.

NOMINEES FOR ELECTION AS DIRECTORS

As set forth in the Company's Proxy Statement dated March 30, 1989, the Company has nominated seven directors to be elected at the Annual Meeting. The Directors will serve in such capacity until the 1990 annual meeting of the Company and until their successors are elected. In opposition to the incumbent Board of Directors, Japonica Partners is nominating the seven individuals listed below as Directors of the Company.

The following information concerning age, principal occupation and directorships and the information set forth in Appendix I concerning each nominee has been furnished to Japonica Partners by the nominees.

Name	Age	Principal Occupations and Directorships
John P. Campbell	65	Partner, Curtis, Mallet-Prevost, Colt & Mosle (law firm) (1958—Present); Director, Municipal Assistance Corporation; Director, White Securities Corp. (private company); Director, Clinton Holdings, Inc. (private company).
Gerald B. Cramer	58	Chairman and Chief Executive Officer, Cramer Rosenthal McGlynn, Inc. (investment advisory services) (Prior to 1983—Present); Chairman of the Board, NW Group, Inc. (1986—Present); Director, Big Bear Stores, Inc.; Director, Oshap Technologies, Inc.; Director, Trade Reinsurance, Ltd.

Name	Age	Principal Occupations and Directorships
C. Howard Hardesty (Chairman Designate)	67	Partner; Of Counsel, Andrews & Kurth (law firm) (July 1987—Present; November 1985—June 1987); President and Chief Executive Officer, Purolator Courier Corporation (a worldwide courier service company) (July 1985—May 1987); Partner, Corcoran, Hardesty, Whyte, Hemphill & Ligon, P.C. (law firm) (July 1981—November 1985); Chairman of the Board, Director and Chief Executive Officer, Commonwealth Oil and Refining Company (January 1979—July 1981); Vice Chairman, Continental Oil Co. (1975—1977); Director, NCR Corp.; Director, Consolidated Natural Gas; Director, Purolator Courier Corporation (1980-1987); Director, Peoples Drug Stores (1981-1985).
Paul B. Kazarian (Vice Chairman Designate)	33	President, P.B. Kazarian, ltd. (business investments and strategic financial advisory services) (February 1988—Present); Strategic Financial Advisor, Japonica Partners, L.P. (business investments and strategic financial advisory services) (January 1988—Present); Vice President, Goldman Sachs & Co. (investment banking) (August 1980—December 1987).
C.L. Pecchenino (Vice Chairman Designate)	61	Retired (August 1986—Present); President and Chief Operating Officer, I. C. Industries, Inc. (now Whitman Corporation) (conglomerate which owned and operated, among others, Illinois Central Gulf Railroad, Pet Incorporated, Midas International Corporation, Hussmann Corporation and Pepsi-Cola General Bottlers Inc.) (December 1985—August 1986); Chairman, Pneumo Abex Corporation (a company owned and operated by I. C. Industries, Inc. and which was engaged in aerospace and food/drug retailing and wholesaling) (December 1985—August 1986); Executive Vice President, I. C. Industries, Inc. (see above) (February 1985—December 1985); President and Chief Executive Officer, Pneumo Corp. (aerospace and food/drug retailing and wholesaling) (December 1984—December 1985); Executive Vice President and Director, Pneumo Corp. (January 1981—November 1984).
Robert G. Shepherd, Jr.	47	Attorney, Law Offices of Robert G. Shepherd, Jr. (law firm) (June 1984—Present); Chief of Staff, Office of Chairman, Interstate Commerce Commission (June 1981—June 1984).
B.D. Vlasin	65	Retired (March 1989—Present); Chief Operating Officer, H. Comet Industries, Inc. (sought to elect slate of directors at 1988 Annual Meeting of CNW Corporation) (March 1988—March 1989); Director, Cedar Valley Railroad (Interstate Rail Transportation) (December 1987—March 1989); Assistant Vice President, Florida East Coast Railroad (Interstate Rail Transportation) (May 1982—August 1987).

The following table sets forth the aggregate number of shares and percentage of Common Stock beneficially owned by each of the Japonica Partners' nominees as of the date of this Proxy Statement.

Name	Shares	Percentage of Outstanding Stock
John P. Campbell	200	*
Gerald B. Cramer	1,000	*
C. Howard Hardesty	1,000	*
Paul B. Kazarian[1]	1,443,500	8.8%
C.L. Pecchenino	1,000	*
Robert G. Shepherd, Jr.	100	*
B.D. Vlasin	100	*

* Less than 0.1%.

(1) Mr. Kazarian owns directly 1,100 shares of Common Stock, constituting less than 0.1% of the shares outstanding. By reason of Rule 13d-3 of the Securities Exchange Act of 1934, Mr. Kazarian may be deemed to beneficially own the shares owned by each Partnership, Japonica Partners and PBK Ltd.

Japonica Partners had previously intended to nominate a slate of eight directors, including Michael G. Lederman, who is Chairman of M.G. Lederman, Ltd., a firm engaged in proactive business investments and strategic financial advisory services. Because the current Board, as a result of the announced resignation of John Butler, has reduced the size of the Board to seven, Japonica Partners has reduced the number of its nominees to seven and Mr. Lederman has withdrawn as a nominee. However, Japonica Partners' nominees may, if elected, decide to expand the Board and elect Mr. Lederman. Therefore certain information concerning Mr. Lederman is included in Appendix I. There are no arrangements or understandings between any nominee and any other person pursuant to which he was selected as a nominee, except that (i) if Japonica Partners obtains control of the Company, Japonica Partners anticipates that Mr. Hardesty will serve as Chairman of the Board; that Messrs. Pecchenino and Kazarian will each serve as Vice Chairman of the Board; that Mr. Henry Borgsmiller will serve as Chief Operating Officer of the railroad; and that Mr. Vlasin, and one or more other nominees and possibly other highly qualified rail executives, as well as Mr. Lederman, may become actively involved in the management of the Company, (ii) Japonica Partners has advised each of Messrs. Campbell, Hardesty, Pecchenino and Vlasin that in consideration for his time and effort involved in service as a nominee each will be paid a one time fee of $12,500, (iii) if Japonica Partners obtains control of the Company, Japonica Partners intends to retain Mr. Shepherd as special counsel to the Company with respect to Interstate Commerce Commission and certain other regulatory and Congressional matters, for which Mr. Shepherd will receive customary and reasonable compensation, and (iv) Japonica Partners has advised its nominees for director that if they are elected as new directors of the Company, Japonica Partners would expect that the new directors would receive director fees roughly comparable to the director fees currently paid by the Company. Japonica Partners does not expect that any of the nominees will be unable to stand for election, but, in the event that a vacancy in the slate of nominees should occur unexpectedly, the shares represented by the enclosed **BLUE** Proxy Card will be voted for Michael G. Lederman or another substitute candidate selected by Japonica Partners. Japonica Partners has indicated to CNW that it would be prepared to expand the size of the Company's Board to accommodate Mr. Schmiege and possibly certain other members of senior management of the Company.

Appendix I hereto, incorporated herein by this reference, sets forth certain information about Japonica Partners, Japonica Partners' nominees and their respective affiliates and associates. Except as set forth in this Proxy Statement or in Appendix I, no member of Japonica Partners or its affiliates or, to the best knowledge of Japonica Partners, any nominee of Japonica Partners, (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) during the

past ten years, (ii) owns beneficially, directly or indirectly, any securities of the Company or any parent or subsidiary of the Company, (iii) owns any securities of the Company of record but not beneficially, (iv) within the past two years has purchased or sold any securities of the Company, (v) has incurred indebtedness for the purpose of acquiring or holding securities of the Company, (vi) is or has been a party to any contract, arrangement or understanding with respect to any securities of the Company within the past year, (vii) has had or is to have a direct or indirect material interest in any transaction since the beginning of the Company's last fiscal year, or any proposed transaction, to which the Company or any of its affiliates was or is a party, (viii) has any arrangement or understanding with respect to any future transactions to which the Company or any of its affiliates will or may be a party, or (ix) has any agreement or understanding with respect to future employment by the Company.

BACKGROUND OF SOLICITATION

Japonica Partners purchased its shares of Common Stock in the belief that such shares were undervalued and that Japonica Partners could assist management of the Company in closing the Value Gap for the benefit of all shareholders. Rather than take steps to close the Value Gap, the current Board has erected barriers to an acquisition of the Company and increased the cost of management perquisites in the event of a change of control. The cost of these perquisites will be borne directly by the shareholders of CNW. Japonica Partners considers the actions taken by CNW's current Board described below as being against the best interests of the Company's shareholders:

- **Gibbons Green Buyout Proposal.** On November 16, 1987, the Board of CNW accepted a merger proposal from an investor group that included senior Management of CNW and Gibbons Green, which proposal was terminated as recently as April 1988. Common shareholders would have received a package of cash and securities which totalled only $31 per share, consisting of $20 in cash, a ten-year subordinated note of the post-merger CNW valued at $9, and one half share of the post-merger CNW common stock valued at $2. Despite management's minimal ownership stake in CNW, had the merger been consummated, certain executive officers of CNW would have received $2,003,625 pursuant to stock options and stock appreciation rights and management of CNW would have received approximately 10% of the equity of the new entity, $5,748,723 in the new entity's subordinated notes and $12,774,940 in cash. In its 1988 Annual Report, the Company reported that the Management/Gibbons Green transaction was terminated due to continuing uncertainties concerning the labor aspects of regional line sales. Japonica Partners believes, however, that the Management/Gibbons Green merger transaction was abandoned also as a result of the proxy fight which had been commenced and shareholder lawsuits which had been brought to enjoin the transaction. The expenses of the abandoned transaction to CNW (and therefore its shareholders) were approximately $5.4 million. **Japonica Partners believes that the terminated merger proposal makes the Board's sudden commitment to maintain the Company's independence and its unwillingness even to discuss Japonica Partners' views to close the Value Gap inconsistent with its fiduciary duty to all shareholders.**

- **"Poison Pill" Rights Plan.** On October 31, 1988, CNW's Board adopted a "poison pill" rights plan which would make certain acquisitions of CNW more difficult by severely diluting the voting power and equity interest of a 20% shareholder. Japonica Partners believes the "poison pill" plan substantially reduces shareholders' ability to receive, judge and act upon most tender offers made directly to all shareholders, and that, although not technically required to do so under state law, the Board of CNW should have submitted the "poison pill" plan to a shareholder vote. **If Japonica Partners' nominees are elected, Japonica Partners currently intends to seek to have its nominees redeem the "poison pill" shareholder rights plan.**

- **Refusal to Discuss Japonica Partners' Views.** On November 15, 1988, Japonica Partners met with Robert W. Schmiege, Chairman of the Board, President and CEO of the Company and

two other CNW Senior Vice Presidents to discuss Japonica Partners' view of the components of the Value Gap. Japonica Partners found management to be receptive to its ideas and a second meeting was scheduled for December 15, 1988, in order, among other things, for Japonica Partners to present CNW management with specific suggestions in response to questions raised by management during the November 15th meeting. The December 15th meeting was cancelled by the Company. Based upon conversations with the Company's management, Japonica Partners believes that the Board's preconceived notion that the Company should remain independent led the Board to abruptly terminate the scheduled meeting prior to full consideration of Japonica Partners' views.

- **New "Golden Parachutes".** In February 1989, the current Board authorized new "golden parachute" severance agreements with CNW's executive officers. Japonica Partners believes it is completely counterproductive to the interest of all shareholders for the Board to have approved "golden parachute" severance agreements which could require payments by the Company should the shareholders decide to replace the current Board at the Annual Meeting. Pursuant to the severance agreements, the executives would receive not only three times their annual base salaries, but three times their annual bonus and certain other benefits if they are terminated within three years following a change of control of the Company. As set forth in the Company's Proxy Statement dated March 30, 1989, the severance payments which the current Board has committed to make (including the amount payable pursuant to severance agreements which were entered into in June and July of 1987) upon the termination of employment of certain executives within three years following a change of control of the Company range as high as $2,100,000 for Mr. Schmiege and exceed $9,000,000, in the aggregate (plus the amounts payable as reimbursement for excise tax penalties).[5] Japonica Partners believes that these arrangements are an egregious misuse of the Company's assets. Yet, in his April 5, 1989 letter to shareholders, Mr. Schmiege professes concern with the incurrence of "hundreds of thousands of dollars" of expenses in connection with last year's proxy contest. This concern for waste of corporate assets was not apparent when the current Board recently approved the foregoing multi-million dollar severance program.
- **Excessive Compensation.** The current Board has rewarded management with excessive compensation, which in the case of Robert Schmiege, who has been in his current position for less than one year, would exceed $2,000,000 for CNW's current fiscal year.[6]
- **Efforts to Discourage Japonica Partners.** On March 13, 1989, just hours after Japonica Partners' filing of a Schedule 13D with the Securities Exchange Commission ("SEC") reporting its ownership of approximately 8.8% of CNW's Common Stock and the transmission of its March 13th letter to Robert Schmiege, the Company issued a press release announcing that CNW "has made it very clear" that it intends to remain independent. Just three days later, in an effort to discourage Japonica Partners' efforts, CNW commenced litigation against Japonica Partners and certain of its affiliates which Japonica Partners believes is without merit. On

[5] The "golden parachute" severance payment formula triggers the provisions of Section 280G of the Internal Revenue Code (the "Code"), which disallows a deduction to the Company for certain payments that are contingent upon a change of control and that equal or exceed three times the employee's five-year average annual compensation. In addition to foregoing deductability, the Company also agreed to reimburse any liability of the executive for the 20% excise tax penalty imposed under the Code on the excess of all such severance payments over the executive's average annual five-year compensation. Indeed, the amount of any tax imposed on the executive as a result of such reimbursement will also be reimbursed. The reimbursed amount would also not be deductible by the Company. Management's own proxy materials estimate that these payments would add an additional 40% to the cost to the Company of these "golden parachutes."

[6] Giving effect to the value of 25,000 shares of restricted stock which have been granted to Mr. Schmiege under the Executive Equity Incentive Plan and with respect to which the current Board is seeking your approval, and 40,000 options granted to Mr. Schmiege in February 1989. Based on the market price of CNW's Common Stock as of April 17, 1989.

April 14, 1989, the court ruled in favor of Japonica Partners, denying all of the preliminary relief sought by the Company. Japonica Partners believes that the Company's continued efforts to discourage Japonica Partners are a misguided use of corporate assets. See **"LITIGATION."**

On March 13, 1989, Japonica Partners filed a Schedule 13D with the SEC reporting its beneficial ownership of approximately 8.8% of the outstanding shares of CNW Common Stock. In its Schedule 13D, Japonica Partners indicated, among other things, that it was considering seeking to acquire control of the Company and it was pursuing discussions with certain financial institutions and other financing sources for the funds required for a merger proposal, tender offer, or similar transaction.

On the same date, Japonica Partners delivered a letter to Robert W. Schmiege, in which Japonica Partners indicated that the extraordinary stock volume and persistent takeover rumors concerning the Company, combined with the refusal of the Board to sponsor adequate plans or programs to close the Value Gap, left shareholders unnecessarily vulnerable to actions which prevent the shareholders from benefiting from a reduction of the Value Gap. Japonica Partners has indicated to the Company that it should be viewed as a proactive white knight and as a positive alternative to the current Board members. In the letter, Japonica Partners once again offered to assist the Company and its shareholders in reducing the Value Gap. In response to the letter, Robert W. Schmiege merely stated that the Company "has made it very clear" that it intends to remain independent.

On March 16, 1989, Japonica Partners nominated eight Directors for election to the Board of the Company at the 1989 Annual Meeting of shareholders by delivery to the Company's Secretary of a formal notice of nomination of Directors, as is required by the Company's By-Laws. In its notice to the Company, Japonica Partners indicated that the Board's unwillingness to take steps to close the Value Gap for the benefit of the Company's shareholders or to enter into discussions with Japonica Partners left Japonica Partners little choice but to provide a positive alternative to the existing directors. Although Japonica Partners provided eight nominees for election, Japonica Partners indicated that it would be prepared to expand the size of the Board to accommodate Mr. Schmiege and possibly other members of senior management. The eight persons nominated by Japonica Partners were Messrs. Campbell, Cramer, Hardesty, Kazarian, Lederman, Shepherd, Pecchenino and Vlasin. In light of the Company having reduced the size of the Board to seven, Mr. Lederman has withdrawn as a nominee of Japonica Partners. See **"NOMINEES FOR ELECTION OF DIRECTORS."**

1989 EXECUTIVE EQUITY INCENTIVE PLAN

Japonica Partners strongly opposes the adoption of the 1989 Executive Equity Incentive Plan (the "Plan"). On January 19, 1989, the Board approved the Plan, subject to the approval of CNW's shareholders. The stated purpose of the Plan is to "encourage and facilitate the acquisition of a larger personal financial interest in the Company by those employees upon whose judgment and interest the Company and its subsidiaries are largely dependent." Under the Plan, options, restricted stock, stock appreciation rights ("SAR's"), incentive units, and limited stock appreciation rights may be granted by the Stock Option Committee (the "Committee") which administers the Plan, to any employee whose rate of pay or fringe benefits are not subject to a collective bargaining agreement. An aggregate of 1,000,000 shares of Common Stock are reserved for issuance under the Plan, of which up to (i) 200,000, may be issued as restricted stock, (ii) 400,000 may be granted as SAR's and (iii) 400,000 may be granted as incentive units. Unlike the Company's 1980 Stock Option Plan pursuant to which options are granted at fair market value, the Plan permits the Committee to grant options to executive officers of the Company at an exercise price of as little as 50% of the fair market value of the Common Stock on the date of grant and to issue restricted stock to executives for any purchase price, including no consideration at all. Reference is made to Appendix A to CNW's Proxy Statement dated March 30, 1989 for a copy of the Plan.

The current Board is asking shareholders to grant it the discretion to issue CNW Common Stock to management for little or no consideration even though the Board has not given management a mandate to implement a business plan designed to dramatically close the Value Gap. This ill-conceived "incentive plan" will not, in Japonica Partners' opinion, result in a closing of the Value Gap.

In February 1989, the Committee issued 69,000 shares of restricted stock to eligible executives of the Company for no consideration, of which 25,000 shares were issued to Mr. Schmiege and 10,000 shares each to four other members of management. The objectives established by the Committee for the vesting of the restricted stock issued are based on pre-tax earnings and do not benefit shareholders by giving management an incentive to increase the Company's return on equity. In addition, the Committee granted, pursuant to the Plan, 147,000 limited stock appreciation rights to executive officers and 315,227 of such rights to all employees as a group with respect to options previously granted under the 1980 Stock Option Plan. Such rights entitle the holder to elect, in the event of a change of control of CNW, to receive from the Company the difference between the fair market value of the shares on the date of exercise and the exercise price, in lieu of exercising options.

Shareholders should also note that the restricted stock becomes nonforfeitable, and the options, SAR's and incentive units become immediately exercisable, in the event of a "change in control" of the Company. The issuance of restricted stock and the grant of these options, SAR's and incentive units increases the cost of an acquisition of the Company and, therefore, Japonica Partners believes are not in the best interest of the shareholders of the Company.

Japonica Partners also believes that the Plan represents unnecessary and excessive compensation for management, especially when viewed in light of the compensation presently paid by the Company to management. For the year ended December 31, 1988, all executive officers (eleven) as a group received cash compensation of $4,391,968. In addition, the executive officers received compensation through the Company's Profit Sharing and Retirement Savings Program, the Company's Pension Plan, the Company's Excess Benefit Retirement Plans, the Company's Executive Bonus Plan and the Company's current Stock Option Plan. Japonica Partners believes that management is already rewarding itself with substantial, if not excessive, compensation. Accordingly, Japonica Partners urges shareholders of the Company to vote **AGAINST** the Plan as unnecessary and excessive compensation to management.

OTHER ARRANGEMENTS

By letter dated March 10, 1989, Japonica Partners, which is controlled by PBK Ltd., whose President is Mr. Kazarian, terminated an agreement with AcQuest Capital Corporation dated December 12, 1988, which provided for, among other things, the payment by Japonica Partners of a fee based upon Japonica Partners' profits on certain capital raised. Although terminated, the agreement provides for certain rights and obligations between the parties thereto with respect to post-termination events.

Japonica Partners was engaged as strategic financial advisor to H. Comet Industries, Inc. ("H. Comet") and, in such capacity, Japonica Partners and Mr. Kazarian were participants in a proposed solicitation of proxies to elect H. Comet's slate of directors of the Company at the Company's 1988 Annual Meeting of Shareholders. Mr. Vlasin was asked to serve as a nominee of H. Comet, and Mr. Shepherd was retained as legal advisor and, subsequently, general counsel and Secretary of H. Comet. In return for Japonica Partners' services, H. Comet agreed to reimburse Japonica Partners for all expenses, including legal fees, incurred by it in connection with such services and to indemnify Japonica Partners against certain losses, claims, damages or liabilities arising from its service as investment advisor to H. Comet. In May 1988, the plan to solicit proxies for the election of H. Comet's slate of nominee directors was terminated and the agreement described above was subsequently terminated. Mr. Vlasin resigned from H. Comet in March 1989 and Mr. Shepherd resigned from H. Comet in July 1988.

Japonica Partners and H. Comet entered into an agreement, as amended, dated March 31, 1988 (the "Co-Investor Agreement"), with Steinhardt Partners, New York, New York (the "Investor"), pursuant to which the Investor had purchased 250,000 shares of Common Stock of the Company. The Co-Investor Agreement grants Japonica Partners and H. Comet full authority to sell any and all shares so purchased and the exclusive right to direct the voting of such shares (with the Investor obligated to execute a proxy for such purpose). Japonica Partners and H. Comet in turn agreed that Japonica Partners would have the sole right to exercise the rights granted to Japonica Partners and H. Comet under the Co-Investor Agreement with respect to such investment authority and the voting of such securities. In light of the agreement between H. Comet and Japonica Partners, H. Comet disclaimed beneficial ownership of all shares purchased under the Co-Investor Agreement.

The Investor could terminate the Co-Investor Agreement at any time after June 30, 1989 or if certain events relating to market conditions occur before that date. Japonica Partners and H. Comet could terminate the Co-Investor Agreement at any time.

The Co-Investor Agreement provides that the Investor would pay Japonica Partners and H. Comet (i) an initial fee of 1% of the amount delivered to Japonica Partners and H. Comet for investment by the Investor (the "Initial Fee") and (ii) an additional fee of 50% of all profits realized from the investment under the Co-Investor Agreement which are in excess of such amount of profits as is necessary to provide the Investor with a 20% annualized rate of return (the "Additional Fee"). H. Comet and Japonica Partners in turn entered into an agreement which provides that (i) the Initial Fee shall be paid to Japonica Partners and (ii) the Additional Fee will be divided evenly between Japonica Partners and H. Comet after payment to H. Comet of an amount equal to 150% of the amount invested in stock of H. Comet by its stockholders (such amount not to exceed $150,000 without prior approval of Japonica Partners).

The Co-Investor Agreement further provides that in the event that Japonica Partners and H. Comet organize a limited partnership in order to provide financing for further investments in the securities of the Company, Japonica Partners and H. Comet will provide the Investor with a right of first refusal to purchase limited partnership interests in such partnership on substantially the same terms and conditions as the partnership proposes to offer such interests to other investors.

LITIGATION

On March 16, 1989, Japonica Partners learned that the Company filed a complaint (the "Complaint") instituting an action against it, PBK Ltd., Kazarian, MGL Ltd., Lederman, and each of the Partnerships (collectively, the "Defendants") in the United States District Court for the District of Delaware. On March 28, 1989, the Company filed an amended complaint (the "Amended Complaint") against the Defendants.

Japonica Partners believes that the allegations in the Amended Complaint are totally groundless and completely devoid of merit and that there is no basis for the remedies sought in the Amended Complaint. Japonica Partners believes that, the vague allegations of non-disclosure set forth in the Amended Complaint are baseless, and that it has complied with all legal requirements and has disclosed in full detail the information required in Schedule 13D including the actions which it has taken and its intentions.

The Complaint alleges, among other things, that Japonica Partners' Statement on Schedule 13D is false and misleading in that it (i) fails to disclose a plan by Defendants to "seize control" of the Company, (ii) fails to attach as exhibits certain documents, such as documents relating to the alleged plan to take control of the Company and the limited partnership agreements entered into by certain of the Defendants, (iii) is so vague and evasive as to its true plans and is so incomplete that it provides no meaningful information, and (iv) fails to disclose information with respect to Michael G. Lederman. The Complaint seeks preliminary injunctive relief, including ordering Michael G. Lederman to file a Schedule 13D, barring the Defendants from engaging in transactions in Company shares for a period of 30 days after the filing of a corrected amended Schedule 13D, barring the

Defendants from voting at the 1989 Annual Meeting of the Company any of the shares it has acquired or may acquire, enjoining the Defendants from future violations of federal securities laws, ordering the Defendants to offer rescission of purchases, or to sell, all shares of Common Stock it acquired after March 13, 1989 and the filing of a corrected amended Schedule 13D.

The Amended Complaint includes all the allegations of the Complaint, and additionally alleges that the Japonica Partners' Statement on Schedule 13D is false and misleading in that it (i) fails to accurately describe the method by which Japonica Partners acquired shares of the Company; (ii) fails to state the identities of filing persons who effected transactions in securities of the Company during the sixty days prior to filing their Schedule 13D; (iii) fails to adequately describe the limited partnership agreements by not naming the limited partners; and (iv) fails to provide information about the limited partners allegedly required by Item 4 and General Instruction C of Schedule 13D. Additionally, the Amended Complaint alleges that the Schedule 14B filed by Japonica Partners is false and misleading in that it fails to disclose contracts, arrangements or understandings between Japonica Partners and other persons made within the past year with respect to the Company's Common Stock. The Amended Complaint, in addition to the injunctive relief requested in the Complaint, also seeks a preliminary injunction requiring the filing of a corrected amended Schedule 14B and barring Japonica Partners from soliciting proxies until at least five days after the filing of a fully corrected Schedule 14B.

Japonica Partners filed a motion to dismiss the counts in the Amended Complaint, or alternatively for summary judgment. On April 14, 1989, the U.S. District Court for the District of Delaware (the "Court") ruled in favor of Japonica Partners, denying all of the preliminary relief sought by the Company. In denying the Company's motion, the Court found that Japonica Partners had adequately disclosed all of its plans, including its plan to obtain financing to acquire control of the Company. Japonica Partners' motion for summary judgment was taken under advisement pending completion of additional discovery; however, its motion to dismiss the Amended Complaint was denied.

SOLICITATION; EXPENSES

Proxies may be solicited by Japonica Partners, its affiliates and the Japonica Partners' Board nominees by mail, telephone, telegraph and personal solicitation. Proxies may be similarly solicited by executives and administrative employees of Japonica Partners and its nominees, for which no additional compensation will be paid. Banks, brokerage houses and other custodians, nominees and fiduciaries will be requested to forward the solicitation material of Japonica Partners to their customers for whom they hold shares and Japonica Partners will reimburse them for their reasonable out-of-pocket expenses.

Japonica Partners has retained Morrow & Co., Inc. ("Morrow") for advisory services and to assist in the solicitation of proxies. Japonica Partners has paid aggregate solicitation fees of $200,000 to date to Morrow. Approximately 50 persons will be used by Morrow in its solicitation efforts. The entire expense of preparing, assembling, printing and mailing this Proxy Statement and related materials and the cost of soliciting proxies for the nominees proposed by Japonica Partners (including, without limitation, costs, if any, related to advertising, printing, fees of attorneys, financial advisors, solicitors, accountants, public relations, transportation and litigation) will be borne by Japonica Partners.

Japonica Partners estimates that its total expenditures relating to the solicitation (including, without limitation, costs, if any, related to advertising, printing, fees of attorneys, financial advisors, solicitors, accountants, public relations, transportation and litigation) will be approximately $4 million. Total expenditures incurred to date in connection with the solicitation have been approximately $250,000. Japonica Partners, as sole general partner of each Partnership, will allocate the expenses relating to the solicitation equitably among each Partnership. To the extent legally permissible, Japonica Partners intends to seek reimbursement from the Company for those expenses. Japonica

Partners does not intend to seek shareholder approval for such reimbursement unless such approval is required under Delaware law.

OTHER MATTERS

Reference is made to the Proxy Statement prepared by CNW's Board of Directors and dated March 30, 1989, for information concerning the beneficial ownership of equity securities by CNW's management, other information concerning CNW's management, information concerning the number of shares of Common Stock outstanding, the principal holders of CNW's equity securities, and procedures for submitting proposals for consideration at the 1990 Annual Meeting.

Japonica Partners is not aware of any other matters to be considered at the 1989 Annual Meeting. However, if any other matter properly comes before the meeting, including any motion to adjourn the Annual Meeting prior to taking a vote on the election of directors, the persons named in the enclosed **BLUE** Proxy Card will have discretionary authority to vote all proxies with respect to such matters in accordance with their judgement.

Sincerely,

JAPONICA PARTNERS, L.P.

April 18, 1989

You can revoke the proxy granted by a **BLUE** Proxy Card at any time before it is voted by notifying Japonica Partners, at 500 Park Avenue, New York, New York 10022, or the Secretary of the Company at the Company's principal executive offices, One Northwestern Center, Chicago, Illinois 60606, in writing, by executing a later dated proxy or by voting in person at the Annual Meeting. **PLEASE DATE YOUR PROXY CARD.**

YOUR VOTE IS IMPORTANT. PLEASE SIGN, DATE AND RETURN THE ENCLOSED BLUE PROXY CARD PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. BY SIGNING AND RETURNING THE BLUE PROXY CARD, ANY PROXY PREVIOUSLY SIGNED BY YOU WILL BE AUTOMATICALLY REVOKED.

Unless otherwise indicated, each of the following transactions was a purchase of shares of Common Stock of the Company effected on the open market. All securities of the Company set forth in this Appendix are owned beneficially by the respective Japonica Partners Group members and nominees. No member of the Japonica Partners Group or any Japonica Partners Group nominee owns any securities of the Company except as set forth below or owns any shares of record but not beneficially. No part of the purchase price of any of the shares of Common Stock owned by any member of the Japonica Partners Group or any Japonica Partners Group nominee is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such shares.

1. Name and Business Address:

Japonica Partners, L.P.
500 Park Avenue
New York, New York 10022

Shares Owned: 1,442,400[1]

Transactions in Past Two Years[2]:

Date	No. of Shares Purchased
4/08/88	127,200
4/12/88	5,000
4/13/88	77,800
4/14/88	40,000
10/21/88	10,000
10/24/88	700
10/25/88	900
10/27/88	19,400
10/28/88	24,000
10/31/88	4,000
11/01/88	3,000
11/02/88	25,000
11/03/88	20,000
11/04/88	15,000
11/09/88	29,500
11/10/88	20,000
11/14/88	7,000
11/16/88	10,000
11/18/88	5,000
1/17/89	5,400
1/18/89	40,000
1/18/89	7,500
1/19/89	50,000
1/20/89	4,800
1/23/89	10,400
1/24/89	31,000
1/25/89	15,900
1/25/89	16,500
1/25/89	160,000

[1] Japonica Partners may be deemed to beneficially own the shares of Common Stock owned by each Partnership.

[2] Represents transactions in shares of Common Stock of the Company effected by Japonica Partners, on behalf of itself, and each Partnership within the past two years.

Date	No. of Shares Purchased
2/10/89	10,000
3/03/89	7,200
3/03/89	18,000
3/03/89	25,500
3/03/89	12,600
3/03/89	5,000
3/03/89	12,000
3/06/89	26,500
3/06/89	27,000
3/07/89	4,400
3/07/89	3,000
3/07/89	8,500
3/07/89	27,200
3/07/89	4,600
3/07/89	15,100
3/07/89	10,000
3/08/89	2,600
3/08/89	12,400
3/09/89	1,000
3/09/89	14,800
3/09/89	13,500
3/09/89	33,900
3/09/89	40,000
3/09/89	29,700
3/09/89	8,100
3/10/89	144,000
3/10/89	3,000
3/10/89	22,000
3/10/89	300
3/10/89	5,200
3/10/89	9,400
3/10/89	29,500
3/10/89	6,000
3/10/89	59,900
3/13/89	500
3/13/89	5,000

2. Name and Business Address:

P.B. Kazarian, ltd.
c/o Japonica Partners, L.P.
One Hospital Trust Plaza
Suite 1900
Providence, Rhode Island 02903

Shares Owned: 1,442,400[3]

Transactions in Past Two Years: See information with respect to Japonica Partners.

[3] P.B. Kazarian, ltd. may be deemed to beneficially own the shares of Common Stock beneficially owned by Japonica Partners.

3. Name and Business Address:

   Phoenix Partners, L.P.
   c/o Japonica Partners, L.P.
   One Hospital Trust Plaza
   Suite 1900
   Providence, Rhode Island 02903

   Shares Owned: 491,685

   Transactions in Past Two Years: See information with respect to Japonica Partners.

4. Name and Business Address:

   Botanic Partners, L.P.
   c/o Japonica Partners, L.P.
   One Hospital Trust Plaza
   Suite 1900
   Providence, Rhode Island 02903

   Shares Owned: 492,969

   Transactions in Past Two Years: See information with respect to Japonica Partners.

5. Name and Business Address:

   Pigeon Investors, L.P.
   c/o Japonica Partners, L.P.
   One Hospital Trust Plaza
   Suite 1900
   Providence, Rhode Island 02903

   Shares Owned: 98,479

   Transactions in Past Two Years: See information with respect to Japonica Partners.

6. Name and Business Address:

   Raven Partners, L.P.
   c/o Japonica Partners, L.P.
   One Hospital Trust Plaza
   Suite 1900
   Providence, Rhode Island 02903

   Shares Owned: 48,962

   Transactions in Past Two Years: See information with respect to Japonica Partners.

7. Name and Business Address:

   Bates Partners, L.P.
   c/o Japonica Partners, L.P.
   One Hospital Trust Plaza
   Suite 1900
   Providence, Rhode Island 02903

   Shares Owned: 310,205

   Transactions in Past Two Years: See information with respect to Japonica Partners.

8. Name and Business Address:

Paul B. Kazarian
c/o Japonica Partners, L.P.
500 Park Avenue
New York, New York 10022

Shares Owned: 1,443,500[4]

Transactions in Past Two Years[5]:

Trade Date	No. of Shares Purchased
4/7/88	1,000
3/3/89	100

9. Name and Business Address:

John P. Campbell
Curtis, Mallet-Prevost, Colt & Mosle
Room 3500
101 Park Avenue
New York, New York 10178-0061

Shares Owned: 200

Transactions in Past Two Years:

Trade Date	No. of Shares Purchased
3/9/89	200

10. Name and Business Address:

Gerald B. Cramer
Cramer Rosenthal McGlynn, Inc.
520 Madison Avenue
New York, New York 10022

Shares Owned: 1,000

Transactions in Past Two Years:

Trade Date	No. of Shares Purchased
3/16/89	1,000

11. Name and Business Address:

C. Howard Hardesty
Andrews & Kurth
Suite 200
1701 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Shares Owned: 1,000

Transactions in Past Two Years:

Trade Date	No. of Shares Purchased
3/15/89	1,000

[4] Paul B. Kazarian may be deemed to beneficially own the shares of Common Stock beneficially owned by P.B. Kazarian, ltd.

[5] Does not include information with respect to shares of Common Stock beneficially owned by PBK Ltd. and Japonica Partners which are beneficially owned by Mr. Kazarian. For information with respect to such shares, see information with respect to Japonica Partners.

12. Name and Business Address:

Michael G. Lederman
Japonica Partners
500 Park Avenue
New York, New York 10022

Shares Owned: None[6]

Transactions in Past Two Years: None

13. Name and Business Address:

C.L. Pecchenino
17 Juniper Road
Weston, MA 02193

Shares Owned: 1,000

Transactions in Past Two Years:

Trade Date	No. of Shares Purchased
3/14/89	1,000

14. Name and Business Address:

Robert G. Shepherd, Jr.
Law Offices of
Robert G. Shepherd, Jr.
Suite 400
1155 21st Street, N.W.
Washington, D.C. 20036

Shares Owned: 100

Transactions in Past Two Years:

Trade Date	No. of Shares Purchased
3/16/89	100

15. Name and Business Address:

B.D. Vlasin
275 Golden Bay Boulevard
Oak Hill, Florida 32759

Shares Owned: 100

Transactions in Past Two Years:

Trade Date	No. of Shares Purchased
4/11/88	100

[6] Pursuant to the Japonica Partners limited partnership agreement, MGL Ltd. has no control over the acquisition, disposition or voting of the shares of Common Stock of the Company owned by Japonica Partners. Accordingly, Michael G. Lederman, as Chairman, sole director and control person of MGL Ltd., disclaims beneficial ownership of the 1,442,400 shares beneficially owned by Japonica Partners.

IMPORTANT

IF YOU HAVE ANY QUESTIONS ABOUT HOW TO VOTE YOUR SHARES, PLEASE CALL JAPONICA PARTNERS AT (212) 486-4550 OR MORROW & CO., INC., OUR PROXY SOLICITOR, TOLL FREE AT (800) 634-4458.

IMPORTANT

A REPLY IS NECESSARY TO VOTE YOUR SHARES

RE: CNW Corporation
Annual Meeting — May 16, 1989

Proxy Solicited by: Japonica Partners, L. P. In Opposition to the Board of Directors of CNW Corporation

To Our Clients:

Enclosed for your consideration is proxy soliciting material furnished to us by Japonica Partners, L.P. in connection with the Annual Meeting of CNW Corporation. The shares carried by us in your account can ONLY BE VOTED BY US AS THE HOLDER OF RECORD.

In order for your shares to be voted with respect to the proposals set forth on the enclosed BLUE Proxy Card, please sign, date and return the BLUE Proxy Card in the postage-free envelope provided.

WE CANNOT VOTE YOUR SHARES UNLESS WE RECEIVE YOUR SPECIFIC INSTRUCTIONS.

PLEASE ACT PROMPTLY.

CNW CORPORATION
PROXY FOR ANNUAL MEETING OF STOCKHOLDERS—MAY 16, 1989
THIS PROXY IS SOLICITED BY JAPONICA PARTNERS, L.P. IN OPPOSITION TO THE BOARD OF DIRECTORS OF CNW CORPORATION

The undersigned hereby appoints C. Howard Hardesty, Paul B. Kazarian and C.L. Pecchenino, and each of them, with full power of substitution and resubstitution, the attorney(s) and the proxy(ies) of the undersigned, to vote all shares the undersigned may be entitled to vote, with all powers the undersigned would possess if personally present at the Annual Meeting of Stockholders of CNW Corporation, to be held on Tuesday, May 16, 1989, and at any adjournments or postponements thereof on the following matters, as instructed below, and, in their discretion, on such other matters as may properly come before the meeting, including any motion to adjourn or postpone the meeting, all as more fully described in the Proxy Statement of Japonica Partners, L.P. ("Japonica Partners") dated April 13, 1989.

1. ELECTION OF DIRECTORS

☐ **FOR** all nominees listed below (except as indicated to the contrary below)

☐ **WITHHOLD AUTHORITY** to vote for all nominees

John P. Campbell, Gerald B. Cramer, C. Howard Hardesty, Paul B. Kazarian, C.L. Pecchenino, Robert G. Shepherd, Jr., B.D. Vlasin

INSTRUCTION: **IF YOU WISH TO WITHHOLD AUTHORITY AND PRECLUDE THE PROXY FROM VOTING FOR ANY INDIVIDUAL NOMINEES, WRITE THE NAME(S) OF SUCH NOMINEE(S) IN THE SPACE PROVIDED BELOW:**

_____

2. THE BOARD OF DIRECTORS' PROPOSED 1989 EXECUTIVE EQUITY INCENTIVE PLAN (the "Plan")

☐ **FOR** adoption of the Plan ☐ **AGAINST** adoption of the Plan ☐ **WITHHOLD AUTHORITY** to vote on adoption of the Plan

3. IN THEIR DISCRETION THE PROXIES NAMED ABOVE ARE AUTHORIZED TO VOTE UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF.

This proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. **Unless otherwise specified, this proxy will be voted (a) "FOR" the election of the Japonica Partners' nominees as directors, and (b) "AGAINST" the adoption of the Plan.**

This proxy revokes all prior proxies given by the undersigned.

Dated: _____, 1989

_____
Signature

_____
Signature if held jointly

IMPORTANT Please sign exactly as name appears hereon. Joint Owners should each sign. Executors, Administrators, Trustees, etc. should so indicate when signing, and where more than one is named, a majority should sign.

PLEASE COMPLETE, SIGN, DATE AND MAIL THIS PROXY IN THE ENCLOSED ENVELOPE.