Notice of annual meeting of shareholders and management proxy circular
Wednesday, May 10, 2017, Montreal, Québec

YellowPages™

March 22, 2017

Dear Shareholders:

On behalf of the Board of Directors and management of Yellow Pages Limited (the "**Corporation**"), we cordially invite you to attend the annual general meeting of shareholders (the "**Annual Meeting**"), a valuable opportunity to review the performance of the Corporation alongside the Board of Directors and to vote your shares. This year's Annual Meeting will be held in Suite 6.300 of the offices of the Corporation located at Le Nordelec, 1751 Richardson Street, Montreal, Québec on Wednesday, May 10, 2017, at 11:00 a.m. (Eastern Time).

The Annual Meeting will cover the progress to date of our digital evolution, our business strategy and financial performance. The other items to be considered at this meeting, namely the election of Directors and the appointment of auditors, are described in the accompanying Notice of Annual Meeting of Shareholders and management proxy circular. The contents and filing of this proxy circular have been approved by the Board of Directors.

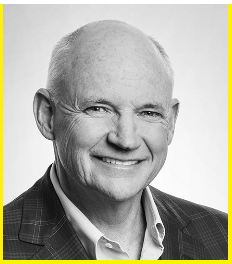
We hope you find that this year's proxy circular contains all the information you require in order to make well-informed decisions. We take our disclosure obligations seriously and we invite you to read the entire proxy circular carefully. This year, the Corporation is using notice-and-access to send the Notice of Annual Meeting of Shareholders and management proxy circular to beneficial owners and registered holders of its common shares.

Your participation in the affairs of the Corporation is important to us and we encourage you to exercise your voting right. If you are unable to attend the Annual Meeting in person, you may complete and return the proxy form or voting instructions form in the envelope provided for this purpose. It is also possible for you to vote directly online by following the instructions on the proxy forms.

A live webcast of the meeting will be available on the Corporation's website at **corporate.yp.ca**. Please note, however, that you will not be able to ask questions nor vote via the webcast.

Finally, we would like to thank you for your continued confidence and support of Yellow Pages Limited. We look forward to your participation at the meeting.

Sincerely,
Robert F. MacLellan
Chair



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

PLEASE TAKE NOTICE that the annual meeting (the "**Meeting**") of holders of common shares ("**Shareholders**") of Yellow Pages Limited (the "**Corporation**") will be held in Suite 6.300 of the offices of the Corporation located at Le Nordelec, 1751 Richardson Street, Montreal, Québec on Wednesday, May 10, 2017, at 11:00 a.m. (Eastern Time) to consider and take action on the following matters:

1. To receive the consolidated financial statements of the Corporation for the year ended December 31, 2016, together with the notes thereto and the independent auditor's report thereon (the "**Financial Statements**");

2. To elect the Directors of the Corporation for the ensuing year;

3. To appoint the auditors of the Corporation for the ensuing year; and

4. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying management proxy circular of the Corporation dated March 22, 2017, together with all schedules thereto, distributed to Shareholders in connection with the Meeting (the "**Proxy Circular**") provides additional information relating to the matters to be dealt with at the Meeting.

This year, as permitted by Canadian securities regulators, the Corporation is using notice-and-access to deliver this Proxy Circular to Shareholders. This means that the Proxy Circular is being posted online to access, rather than being mailed out. Notice-and-access substantially reduces the Corporation's printing and mailing costs and is environmentally friendly as it reduces paper and energy consumption.

Shareholders will still receive a form of proxy or a voting instruction form in the mail so they can vote their shares but, instead of receiving a paper copy of this Proxy Circular, they will receive a notice with information about how they can access the Proxy Circular electronically and how to request a paper copy.

A Shareholder who is unable to be present at the Meeting and who wishes to appoint some other person (who need not be a Shareholder) to represent him, her or it at the Meeting may do so either by striking out the names set forth in the form of proxy and by inserting such person's name in the blank space provided therein or by completing another proper form of proxy, and, in either case, by returning the completed form of proxy in the pre-addressed return envelope provided for that purpose to CST Trust Company, no later than 4:00 p.m. (Eastern Time) on May 8, 2017, or if the meeting is adjourned, by no later than 48 hours prior to the time of such adjourned meeting (excluding Saturdays, Sundays and holidays). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting without notice.

Shareholders are invited to attend the Meeting, where there will be an opportunity to ask questions and meet management of the Corporation (the "**Management**"). At the Meeting, the Corporation will also report on its 2016 and first quarter 2017 operational and financial results. For those Shareholders who cannot attend the Meeting in person, the Corporation has made arrangements to provide a live webcast of the Meeting. Details on how Shareholders may view the webcast will be found at **corporate.yp.ca** and will also be provided in a media release prior to the Meeting. Nonetheless, Shareholders viewing the webcast will not be permitted to ask questions or to vote through the webcast facilities.

For any questions relating to the Meeting, Shareholders may contact Kingsdale Partners LP by telephone toll-free in North America at 1-855-682-2013 or at (416) 867-2272 outside of North America (collect calls accepted) or by email at contactus@kingsdaleadvisors.com.

DATED in Montreal, Québec, this 22nd day of March 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) François D. Ramsay

Secretary of Yellow Pages Limited

MANAGEMENT PROXY CIRCULAR

TABLE OF CONTENTS

GENERAL INFORMATION

This Proxy Circular is furnished in connection with the solicitation of proxies by and on behalf of Management for use at the Meeting. The information contained herein is given as at March 22, 2017, except where otherwise indicated.

In this Proxy Circular, the words "we", "us", "our", the "Company", the "Corporation", "Yellow Pages" and "YP" refer to Yellow Pages Limited (formerly Yellow Media Limited) and its subsidiaries (including Yellow Pages Digital & Media Solutions Limited, which is the amalgamated entity resulting from the vertical short-form amalgamation of Yellow Pages Group Corp. and YPG Financing Inc., wholly-owned subsidiaries of the Corporation, on January 1, 2015).

FORWARD-LOOKING STATEMENTS

This Proxy Circular may include forward-looking statements within the meaning of applicable securities laws. These statements relate to analysis and other information that are based on forecasts of future results or events and estimates of amounts not yet determinable. The statements may involve, but are not limited to, comments relating to strategies, expectations, planned operations or future actions. These forward-looking statements are identified by the use of terms such as "aim", "anticipate", "believe", "could", "estimate", "expect", "goal", "guidance", "intend", "objective", "may", "plan", "predict", "seek", "should", "strive", "target", "will", "would", and similar terms and phrases, including references to assumptions.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. A number of factors could cause actual results to differ materially from the performance or results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors" in the Annual Information Form of the Corporation dated March 23, 2017, in respect of the Corporation's financial year ended December 31, 2016 (the "AIF"), which are incorporated by reference in this cautionary statement. The AIF is available on SEDAR at www.sedar.com and on our corporate website at corporate.yp.ca. Additional risks and uncertainties not currently known to Management or that are currently deemed to be immaterial may also have a material adverse effect on the Corporation's business, financial position or financial performance. Although the forward-looking statements contained in this Proxy Circular are based upon what Management believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements and cautions readers not to place undue reliance on them. These forward-looking statements are made as at the date of this Proxy Circular, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws.

QUESTIONS AND ANSWERS ON VOTING

The following questions and answers provide guidance on how to vote your common shares of the Corporation (the "**Shares**").

WHO CAN VOTE?

Only Shareholders of record as at the close of business on March 14, 2017 (the "**Record Date**") are entitled to receive notice of and to vote at the Meeting, and no person becoming a Shareholder after the Record Date shall be entitled to receive notice of and to vote at the Meeting or any adjournment thereof. The failure of any Shareholder to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

WHAT WILL I BE VOTING ON?

Shareholders will be voting: (i) to elect the Directors of the Corporation (the "**Directors**") for the ensuing year; (ii) to appoint the auditors of the Corporation for the ensuing year; and (iii) on any other business matter as may properly come before the Meeting and that may require the vote of the Shareholders.

HOW WILL THESE MATTERS BE DECIDED AT THE MEETING?

A simple majority of the votes cast by Shareholders, in person or by proxy, will constitute approval of these matters.

WHO IS SOLICITING MY PROXY?

Management is soliciting your proxy. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited by telephone, over the Internet, in writing or in person, by Directors, officers or regular employees of the Corporation, who will receive no other compensation therefore in addition to their regular remuneration. The Corporation has also retained Kingsdale Partners LP ("**Kingsdale**") as its proxy solicitation agent to assist the Corporation in soliciting proxies and has agreed to pay a fee of $40,000 for proxy solicitation services plus additional fees for other services provided. The Corporation may also reimburse brokers and other persons holding Shares in their name or in the name of nominees for their costs incurred in sending proxy materials to their principals in order to obtain their proxies. Such costs are expected to be nominal.

WHO CAN I CALL WITH QUESTIONS?

If you have questions about the information contained in this Proxy Circular or require assistance in completing your form of proxy, please call Kingsdale toll-free in North America at 1-855-682-2031 or at (416) 867-2272 outside of North America (collect calls accepted) or email at contactus@kingsdaleadvisors.com. You may also call CST Trust Company, the Corporation's transfer agent, toll-free at 1-800-387-0825.

HOW DO I VOTE?

If you are eligible to vote and you are a Shareholder of record as at the close of business on the Record Date, you can vote your Shares in person at the Meeting or by proxy, as explained below. If your Shares are held in the name of a depositary or a nominee such as a trustee, financial institution or securities broker, please see the instructions below under "How do I vote if I am a Non-Registered Shareholder?"

HOW DO I VOTE IF I AM A REGISTERED SHAREHOLDER?

1. VOTING BY PROXY

If you are eligible to vote you may appoint someone else to vote for you as your proxy holder by using the form of proxy. The persons named in the form of proxy are Robert F. MacLellan and Julien Billot. **Each Shareholder is entitled to appoint a person other than the individuals named in the form of proxy to represent such Shareholder at the Meeting.**

A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to represent him, her or it at the Meeting may do so either by striking out the names set forth in the form of proxy and by inserting such person's name in the blank space provided therein or by completing another proper form of proxy.

WHERE DO I SEND MY FORM OF PROXY AND WHAT IS THE DEADLINE FOR RECEIVING THE FORM OF PROXY?

You can return the completed form of proxy in the pre-addressed return envelope provided for that purpose to CST Trust Company no later than 4:00 p.m. (Eastern Time) on May 8, 2017, or if the meeting is adjourned, by no later than 48 hours prior to the time of such adjourned meeting (excluding Saturdays, Sundays and holidays).

HOW WILL MY SHARES BE VOTED IF I GIVE MY PROXY?

The Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any show of hands or ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **If no specification has been made with respect to the matters described in items 2 and 3 of the accompanying Notice of Annual Meeting (the "Notice of Meeting"), the persons named in the form of proxy intend to cast the votes represented by such proxy IN FAVOUR of such matters.**

The form of proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. At the date of this Proxy Circular, the Directors know of no such amendments, variations or other matters. If matters which are not known at the date hereof should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person named in the proxy.

IF I CHANGE MY MIND, HOW CAN I REVOKE MY PROXY?

A Shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so: (i) by depositing an instrument in writing executed by the Shareholder or by the Shareholder's legal representative authorized in writing or, if the Shareholder is a corporation, under the corporate seal or by an officer or legal representative thereof duly authorized: (a) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (b) with Robert F. MacLellan, the Chairman of the Meeting, before the start of the Meeting, or any adjournment thereof; or (iii) in any other manner permitted by law. The registered office of the Corporation is located at 16 Place du Commerce, Nuns' Island, Verdun, Québec, Canada H3E 2A5.

2. VOTING IN PERSON

If you wish to vote in person, you may present yourself to a representative of CST Trust Company at the registration table at the Meeting. Your vote will be taken and counted at the Meeting.

HOW DO I VOTE IF I AM A NON-REGISTERED SHAREHOLDER?

All of the Shares beneficially owned by a non-registered Shareholder (a "**Non-Registered Shareholder**") are registered in the name of a depositary or a nominee such as a trustee, financial institution or securities broker. For example, Shares listed in an account statement provided by the broker of a Shareholder are not registered in the Shareholder's name. There are two ways, listed below, for Non-Registered Shareholders to vote their Shares.

1. GIVING YOUR VOTING INSTRUCTIONS

Applicable securities laws require Shareholders' nominees to seek voting instructions from them in advance of the Meeting. Accordingly, Shareholders will receive or have already received from their nominees a request for voting instructions for the number of Shares they beneficially own. Every nominee has its own mailing procedures and provides its own signature and return instructions, which should be carefully followed by Non-Registered Shareholders to ensure that their Shares are voted at the Meeting.

2. VOTING IN PERSON

If Non-Registered Shareholders wish to vote in person at the Meeting, they have to insert their own name in the space provided on the request for voting instructions provided by their nominee to appoint themselves as a proxy holder and follow the signature and return instructions of their nominee. Non-Registered Shareholders who appoint themselves as proxy holders should present themselves to a representative of CST Trust Company at the registration table at the Meeting. Such Shareholders do not otherwise have to complete the request for voting instructions sent to them as they will be voting at the Meeting.

BUSINESS OF THE MEETING

As part of the business set out in the Notice of Meeting, the Financial Statements will be placed before Shareholders by the Corporation and Shareholders will be asked to consider and vote on:

(i) the election of the Directors for the ensuing year;

(ii) the appointment of the auditors of the Corporation for the ensuing year; and

(iii) such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

OUTSTANDING SHARES AND PRINCIPAL SHAREHOLDERS

Pursuant to the articles of the Corporation, the Corporation is authorized to issue an unlimited number of Shares. As at March 22, 2017, 28,075,306 Shares were outstanding, each carrying the right to one vote on all matters to come before the Meeting.

As at March 22, 2017, other than Canso Investment Counsel Ltd., GoldenTree Asset Management LP and Polar Asset Management Partners Inc., no person or company, to the knowledge of the Directors or executive officers of the Corporation, owned beneficially or exercised control or direction over, directly or indirectly, 10% or more of the Shares. Based on the Alternative Monthly Report filed under National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* ("**NI 62-103**") dated January 7, 2015, as at December 31, 2014, Canso Investment Counsel Ltd. had control over 6,560,664 Shares of the Corporation, representing, as at March 22, 2017, approximately 23.37% of the Shares, and $32,145,639 principal amount of senior subordinated exchangeable debentures of Yellow Pages Digital & Media Solutions Limited due November 30, 2022, which are exchangeable into an additional 1,688,321 Shares of the Corporation. In addition, Canso Investment Counsel Ltd. had control over $299,334,132 principal amount of the 9.25% senior secured notes of Yellow Pages Digital & Media Solutions Limited due November 30, 2018. Based on the Alternative Monthly Report filed under NI 62-103 dated December 2, 2015, as at November 30, 2015, GoldenTree Asset Management LP had control over 4,566,696 Shares of the Corporation, representing, as at March 22, 2017, approximately 16.27% of the Shares. Based on the Initial Report filed under NI 62-103 dated March 1, 2017, Polar Asset Management Partners Inc. had control over 2,996,646 Shares of the Corporation, representing, as at March 22, 2017, approximately 10.67% of the Shares.

PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements to be placed before Shareholders are included in the Corporation's 2016 Annual Report and are available on SEDAR at **www.sedar.com** and on our corporate website at **corporate.yp.ca**. Copies of such statements will also be available at the Meeting.

ELECTION OF THE BOARD OF DIRECTORS

NUMBER AND ELECTION OF DIRECTORS

The Articles of the Corporation provide for a minimum of three and a maximum of twelve (12) Directors. The Board has fixed to ten (10) the number of Directors to be elected at the Meeting.

Directors are elected annually. Each Director elected at the Meeting will hold office until the next annual meeting of Shareholders unless the Director resigns or the Director's office becomes vacant for any reason.

NOMINEES

The persons named in the form of proxy intend to vote FOR the election of the nominees whose names are set forth below, all of whom are now Directors, and have been since the dates indicated below.

Shareholders may vote for each Director individually. In addition, the Corporation has adopted a majority voting policy. See "Schedule "A" Disclosure of Corporate Governance Practices – Majority Voting Policy".

The following charts provide detailed information on the nominees proposed for election as Directors and show the date on which each nominee first became a Director of the Corporation.

Age 49
Québec, Canada

NOT INDEPENDENT

Director since January 1, 2014

AREAS OF EXPERTISE:

- Senior Executive Leadership
- Strategic Planning
- Human Resources
- Industry Specific Experience
- Sales
- Marketing
- Information Technology

JULIEN BILLOT

PRESIDENT AND CHIEF EXECUTIVE OFFICER, YELLOW PAGES LIMITED

Julien Billot has been President and Chief Executive Officer of the Corporation since January 1, 2014. Prior to his appointment, he was Executive Vice-President, Head of Media and a Member of the Executive Committee of Solocal Group, the publicly traded and incumbent local search business in France. Mr. Billot joined Solocal Group in 2009, overseeing its media properties, including web, mobile and print. Before 2009, Mr. Billot led a digital transformation during his tenure as Chief Executive Officer of the digital and new business group of Lagardère Active, a multimedia branch of Lagardère Group holding brands such as Elle Magazine. Mr. Billot also spent 13 years in senior management positions at France Telecom, notably as Chief Marketing Officer for Orange, the company's mobile subsidiary. Mr. Billot has also sat on the Board of Directors for leading media groups such as Sporever Group, Telekom Polska, Newsweb, Doctissimo, Le Monde Interactif, Lagardère Active, and for digital industry associations in France such as Mobile Marketing Association France, Fondation Télécom, Conseil Stratégique des TICs, and Prix des Technologies de l'Information. He currently serves on the Boards of Turf Editions and Canadian Partnership Against Cancer.

Mr. Billot is a graduate of École Polytechnique (Paris) and of Telecom Paris Tech. He also holds a postgraduate diploma (DEA) in Industrial Economics from the University of Paris-Dauphine.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	n/a	n/a	n/a

SECURITIES HELD

	SHARES		RESTRICTED SHARE UNITS (1)		DEFERRED SHARE UNITS (1)		TOTAL NUMBER AND VALUE OF SHARES, RESTRICTED SHARE UNITS AND DEFERRED SHARE UNITS (1)	
	(#)	($)	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017 (1)	40,717	$332,251	39,702	$323,968	14,196	$115,839	99,615	$772,058

*(1) The value is calculated based on the closing price of the Shares of the Corporation on the Toronto Stock Exchange ("**TSX**") on the Record Date, being March 14, 2017 which was $8.16. The same method was used for all Directors.*

Age 55
California, U.S.A.
INDEPENDENT
Director since January 26, 2012

AREAS OF EXPERTISE:
- Senior Executive Leadership
- Financial
- Strategic Planning
- Industry Specific Experience
- Information Technology
- Legal
- Public Policy and Corporate Relations

CRAIG FORMAN

PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE MCCLATCHY COMPANY

Craig Forman is President and Chief Executive Officer of McClatchy Company, a Sacramento, California-based news and information company since January 2017. Mr. Forman had previously been Executive Chairman of the Board of mobile advertising technology company Appia, Inc. from August 2011 until its acquisition in March 2015 by Digital Turbine Inc., on whose Board Mr. Forman served until January 2017. He also served as Executive Chairman of WHERE, Inc., a location-based media company which was acquired by eBay, from 2010 to 2011. Previously, from 2006 to 2009, Mr. Forman served as Executive Vice-President and President, Access and Audience and Chief Product Officer at EarthLink, Inc., an Atlanta-based Internet services provider. Mr. Forman is a technology executive with over 20 years of experience in the internet, media and communications industries. He has served as a senior executive at Yahoo! Inc., Time Warner Inc. and Dow Jones & Co. Mr. Forman also serves as a Director on the Boards of several private companies.

Mr. Forman has an undergraduate degree in Public and International Affairs from the Woodrow Wilson School of Public and International Affairs of Princeton University and a Master's degree in law from Yale Law School. Mr. Forman has completed the Directors' Consortium executive education program at Stanford University, and the Program Making Corporate Boards More Effective at Harvard Business School.

Mr. Forman is a member of the Corporate Governance and Nominating Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	McClatchy Company (2013 – present)	News and information provider	Director
Corporate Governance and Nominating Committee	5 of 5	100%	Digital Turbine Inc. (2015 – 2017)	Media and mobile communications	Director
			YuMe, Inc. (2015 – 2016)	Digital video brand advertising solutions	Director

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	4,000	$32,640	23,583	$192,437	27,583	$225,077

Age 54
Québec, Canada
INDEPENDENT
Director since October 15, 2014

AREAS OF EXPERTISE:
- Senior Executive Leadership
- Financial
- Strategic Planning
- Human Resources
- Legal
- Public Policy and Corporate Relations

SUSAN KUDZMAN

EXECUTIVE VICE PRESIDENT, CHIEF RISK OFFICER AND CORPORATE AFFAIRS, LAURENTIAN BANK OF CANADA

Susan Kudzman has been Executive Vice-President, Chief Risk Officer and Corporate Affairs of Laurentian Bank since October 2015. She previously served as Senior Vice-President, Human Resources from March 2014 to October 2015. Ms. Kudzman was formerly a partner at Mercer (Canada) Limited where she directed the risk management practice from 2011 to 2014. Before that time, Ms. Kudzman was Executive Vice-President and Chief Risk Officer at Caisse de dépôt et placement du Québec where she was responsible for risk management, depositor services, performance calculation and analysis and strategic planning. Ms. Kudzman currently serves on the Board of Directors, the Human Resources Committee and the Risk and Governance Committee of Transat A.T. Inc., an international tour operator and airline. She is a member of the Board of Directors and Chair of the Human Resources Committee of the Montreal Heart Institute Foundation.

Ms. Kudzman holds a Bachelor's degree in Actuarial Science and the titles of Fellow of the Canadian Institute of Actuaries (FCIA), Fellow of the Society of Actuaries (FSA) and Certified Enterprise Risk Analyst (CERA).

Ms. Kudzman is the Chair of the Human Resources and Compensation Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	Transat A.T. Inc. (2014 – present)	International tour operator and airline	Director and Member of the Human Resources, Risk and Governance Committees
Human Resources and Compensation Committee	8 of 8	100%	AtmanCo, Inc. (2013 – 2015)	Online employee assessment	Director and Member of the Audit Committee

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	Nil		33,676	$274,796	33,676	$274,796

Age 61
Ontario, Canada
INDEPENDENT
Director since December 20, 2012

AREAS OF EXPERTISE:
- Senior Executive Leadership
- Financial
- Strategic Planning
- Industry Specific Experience
- Information Technology
- Human Resources
- Legal
- Public Policy and Corporate Relations

DAVID A. LAZZARATO, FCA, ICD.D

CORPORATE DIRECTOR

David A. Lazzarato is a media/broadcast industry consultant who assists companies in the areas of strategy development, mergers and acquisitions and financing. Mr. Lazzarato was Senior Vice-President, Finance at Bell Canada in 2010 and 2011. Prior to that, Mr. Lazzarato was Chief Executive Officer of Craig Wireless Systems in 2008. Prior to joining Craig Wireless Systems, Mr. Lazzarato served as Executive Vice-President and Chief Financial Officer of Alliance Atlantis Communications Inc. and Chairman of Motion Picture Distribution from 2005 to 2007. From 1999 to 2004, Mr. Lazzarato served as Executive Vice-President and Chief Financial Officer of Allstream Inc. (formerly, AT&T Canada Inc.) and was Chief Corporate Officer of MTS Allstream Inc. in 2004. Mr. Lazzarato is past Chair of the McMaster University Board of Governors and Chair of the Council of Chairs of Ontario Universities. Mr. Lazzarato serves on the Board of Directors of Amaya, Inc.

Mr. Lazzarato earned a Bachelor of Commerce degree from McMaster University and is a Chartered Accountant, having received the FCA designation from the Ontario Institute of Chartered Accountants in 2006. Mr. Lazzarato received the ICD.D certification from the Institute of Corporate Directors in 2008 and has also completed the Senior Executive Program at the Massachusetts Institute of Technology.

Mr. Lazzarato is the Chair of the Audit Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	Amaya Inc. (2016 – present)	Gaming and online gambling company	Director and Chair of the Audit Committee
Audit Committee	7 of 7	100%			

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	Nil		23,583	$192,437	23,583	$192,437

Age 57
Ontario, Canada
INDEPENDENT
Director since February 9, 2012

AREAS OF EXPERTISE:
- Senior Executive Leadership
- Financial
- Strategic Planning
- Public Policy and Corporate Relations

DAVID G. LEITH

CORPORATE DIRECTOR

David G. Leith serves as Chair of the Investment Management Corporation of Ontario (IMCO). Prior to this, Mr. Leith acquired over 25 years of equity, debt, government finance and mergers and acquisition experience with CIBC World Markets and its predecessors and last served until February 2009 as Deputy Chairman of CIBC World Markets and as Managing Director and Head of CIBC World Markets' Investment, Corporate and Merchant Banking activities. Mr. Leith serves on the Board of Directors of Hudson's Bay Company, is its Lead Director, and is a member of its Audit and Corporate Governance and Nomination Committees and serves as Director of Sinai Health System. Mr. Leith also served as Chair of Manitoba Telecom Services Inc. from 2009 to 2017.

Mr. Leith holds a Bachelor of Arts degree from the University of Toronto and a Master of Arts degree from Cambridge University.

Mr. Leith is the Chair of the Corporate Governance and Nominating Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Corporate Governance and Nominating Committee	5 of 5	100%	Hudson's Bay Company (2012 – present)	Retail	Lead Director, Member of the Audit and Corporate Governance and Nomination Committees
Board of Directors	8 of 8	100%	Manitoba Telecom Services Inc. (2009 – 2017)	Telecommunications	Chairman of the Board
			TransGlobe Apartment Real Estate Investment Trust (2010 – 2012)	Real estate investment	Trustee, Member of Governance, Compensation and Nominating Committee, Member of Investment Committee and Chair of Special Committee

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	Nil		24,795	$202,327	24,795	$202,327

Age 62
Ontario, Canada
INDEPENDENT
Director since December 20, 2012

AREAS OF EXPERTISE:
- Senior Executive Leadership
- Financial
- Strategic Planning
- Human Resources
- Public Policy and Corporate Relations

ROBERT F. MACLELLAN, CA

CORPORATE DIRECTOR

Robert F. MacLellan has been the Chairman of Northleaf Capital Partners, Canada's leading independent global private equity and infrastructure fund manager and advisor since November 2009. From 2003 to November 2009, Mr. MacLellan served as Chief Investment Officer of TD Bank Financial Group, where he was responsible for overseeing the management of investments for The Toronto Dominion Bank, its Employee Pension Fund, TD Mutual Funds, and TD Capital Group. Mr. MacLellan has been an independent Director of T. Rowe Price since 2010, is Chair of its Executive Compensation Committee and serves on its Audit Committee. Mr. MacLellan is the Board Chair of Right to Play, a non-profit organization that helps children build essential life skills and better futures through sports and games.

Mr. MacLellan holds an MBA from Harvard University, a Bachelor of Commerce from Carleton University and is a Chartered Accountant.

Mr. MacLellan is Chairman of the Board and an ex-officio member of all committees of the Board.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	T. Rowe Price (2010 – present)	Financial services	Director, Chair of Executive Compensation Committee and Member of Audit Committee
			ACE Aviation Holdings Inc. (2009 – 2012)	Investment holding services including aviation	Director, member of the Audit and Human Resources Committees

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	40,000	$326,400	56,195	$458,551	96,195	$784,951

Age 64
Ontario, Canada
INDEPENDENT
Director since March 20, 2013

AREAS OF EXPERTISE:
- Senior Executive Leadership
- Strategic Planning
- Sales
- Marketing
- Human Resources

DONALD H. MORRISON

CORPORATE DIRECTOR

Donald H. Morrison retired in July 2011 from Research in Motion Limited, now Blackberry Limited ("**Blackberry**") where he had served since September 2000 as Chief Operating Officer with a mandate to strengthen Blackberry's international operations and help build a world-class service organization. During his tenure, Blackberry expanded to more than 175 countries around the world and Blackberry's fiscal year revenues grew from approximately $200 million to nearly $20 billion. Before joining Blackberry, Mr. Morrison held a number of senior leadership positions in Canada, Europe and the United States with AT&T and Bell Canada. Mr. Morrison is the founder and Chairman of The Ontario Global 100, a not-for-profit organization established to accelerate the growth of Ontario's most promising companies through globalization and serves as Director and member of the Audit Committee of the Mastercard Foundation. Mr. Morrison also founded and serves as Chairman of New Seeds: The Thomas Merton Center, an organization created to foster interreligious dialogue on matters of spirituality and chairs the Dalai Lama Center for Ethics and Transformative Values at the Massachusetts Institute of Technology (MIT).

Mr. Morrison holds an MBA and Bachelor of Arts degrees from the University of Toronto and also participated in the Executive Program at the University of Virginia, Darden Business School.

Mr. Morrison is a member of the Human Resources and Compensation Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	n/a	n/a	n/a
Human Resources and Compensation Committee	8 of 8	100%			

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	Nil		23,583	$192,437	23,583	$192,437

Age 62
Massachusetts, U.S.A.
INDEPENDENT
Director since May 9, 2006

AREAS OF EXPERTISE:
· Senior Executive Leadership
· Strategic Planning
· Industry Specific Experience
· Sales
· Marketing
· Information Technology
· Human Resources

MARTIN NISENHOLTZ

PROFESSOR, BOSTON UNIVERSITY

Martin Nisenholtz has been a professor of digital communication practice at the College of Communication of Boston University since January 2015. He is also a Venture Partner at FirstMark Capital. Mr. Nisenholtz served as Senior Advisor for The New York Times Company through 2015 and was a Fellow at the Shorenstein Center at Harvard University. In December 2011, Mr. Nisenholtz retired from The New York Times Company where he had served since February 2005 as Senior Vice-President, Digital Operations and was responsible for the strategy development, operations and management of its digital properties. From 1999 to 2005, Mr. Nisenholtz was Chief Executive Officer of New York Times Digital. In June 2001, Mr. Nisenholtz founded the Online Publishers Association (OPA), an industry trade organization that represents the interests of high-quality online publishers. Mr. Nisenholtz currently serves on the Boards of Real Match, LLC and Purch Group Inc. and also served on the Board of Directors, Compensation and Pension Committee and Digital Oversight Committee of Postmedia Network Canada Corp.

Mr. Nisenholtz holds a Bachelor in Psychology degree from the University of Pennsylvania and an MA in Communications from the University of Pennsylvania Annenberg School of Communication.

Mr. Nisenholtz is a member of the Human Resources and Compensation Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	Postmedia Network Canada Corp. (2014 – 2016)	News Media	Director and Chair of Digital Oversight Committee, Member of the Compensation and Pension Committee
Human Resources and Compensation Committee	8 of 8	100%			

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	250	$2,040	24,236	$197,766	24,486	$199,806

Age 61
New York, U.S.A.
INDEPENDENT
Director since December 20, 2012

AREAS OF EXPERTISE:
· Financial
· Strategic Planning
· Industry Specific Experience
· Human Resources
· Public Policy and Corporate Relations

KALPANA RAINA

MANAGING PARTNER, 252 SOLUTIONS, LLC (CONSULTING FIRM)

Kalpana Raina is Managing Partner of 252 Solutions, LLC, a consulting firm. Ms. Raina was formerly with The Bank of New York (the "**BNY**") from 1988 to 2006, where she last served as Executive Vice-President. Ms. Raina's client portfolio at the BNY included clients in the media and telecommunications, healthcare, retailing, and hotels and leisure industries. Throughout her tenure, she served on numerous committees including the BNY's Credit and Risk and Planning committees. Ms. Raina currently serves on the Board of Directors of John Wiley & Sons, Inc., a provider of content and content-enabled digital services to customers worldwide. She also serves on the Board of Directors of Information Services Group, Inc., a leading technology insight, market intelligence and advisory services company. Previously, she was on the Board of Directors, the Audit Committee and Chair of the Nominating and Corporate Governance Committee of RealNetworks, Inc. and on the Board of Directors of the World Policy Institute.

Ms. Raina holds a Master's degree in English Literature from McMaster University and undergraduate and graduate degrees from Panjab University, India.

Ms. Raina is a member of the Audit Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	John Wileys & Sons, Inc. (2009 – present)	Publishing and digital content services	Director, Member of the Audit Committee
Audit Committee	7 of 7	100%	Information Services Group, Inc. (2009 – present)	Technology consulting	Director, Member of Compensation Committee, Audit Committee and the Nominating and Corporate Governance Committee
			RealNetworks, Inc. (2001 – 2013)	Internet media software	Director, Member of the Audit Committee and Chair of the Nominating and Corporate Governance Committee

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	Nil		23,583	$192,437	23,583	$192,437

Age 57
Ontario, Canada
INDEPENDENT
Director since December 20, 2012

AREAS OF EXPERTISE:
- Senior Executive Leadership
- Financial
- Strategic Planning
- Industry Specific Experience
- Human Resources
- Public Policy and Corporate Relations

MICHAEL G. SIFTON

CHIEF EXECUTIVE OFFICER OF DATA COMMUNICATIONS MANAGEMENT CORP. (DOCUMENT MANAGEMENT AND MARKETING SOLUTIONS FIRM)

Michael G. Sifton is Chief Executive Officer of Data Communications Management Corp., a document management and marketing solutions firm. Prior to that, Mr. Sifton served as Managing Partner of Beringer Capital, an investment and advisory firm focused on the marketing services and specialty media industry since September 2009. Mr. Sifton spent his career in the media business, with over 20 years of direct experience in the Canadian newspaper industry. Prior to joining Beringer Capital, he was President and Chief Executive Officer of Sun Media, Canada's largest newspaper publisher by household penetration and reach. In 2001, Mr. Sifton led the formation of Osprey Media Group, which was later acquired by Sun Media in 2007. Prior to forming Osprey Media Group, Mr. Sifton was President of Hollinger Canadian Newspaper G.P. and President and Chief Executive Officer of family-owned Armadale Communications. Mr. Sifton is a former Chairman of The Canadian Press and a former Director of the Canadian Newspaper Association and the Newspaper Audience Databank. Mr. Sifton also served as Chairman of the Board of Governors of St. Andrew's College in Aurora, Ontario.

Mr. Sifton holds a Bachelor of Commerce (Honours) from Queen's University.

Mr. Sifton is a member of the Audit Committee.

BOARD/COMMITTEE MEMBERSHIP	ATTENDANCE		OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS		
			ENTITY	INDUSTRY	POSITION
Board of Directors	8 of 8	100%	Data Communications Management (2015 – present)	Communications	President and Chief Executive Officer and Director
Audit Committee	7 of 7	100%			

SECURITIES HELD

	SHARES		DEFERRED SHARE UNITS		TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS	
	(#)	($)	(#)	($)	(#)	($)
As at March 17, 2017	Nil		23,583	$192,437	23,583	$192,437

To the knowledge of the Corporation: (i) no Director is, at the date of this Proxy Circular, or has been, in the ten (10) years prior to the date of this Proxy Circular, a Director, chief executive officer or chief financial officer of any company, that: (a) while the Director was acting in that capacity, was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days; or (b) after the Director ceased to act in that capacity, was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days because of an event which occurred while the Director was acting in that capacity; or (ii) no Director of the Corporation is, at the date of this Proxy Circular, or has been, in the ten (10) years prior to the date of this Proxy Circular, a Director or an executive officer of any company, that while the Director was acting in that capacity, or in the year after the Director ceased to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency legislation, was subject to any proceedings, arrangement or compromise with creditors or instituted any proceedings against the same, or had a receiver, receiver-manager, Director in bankruptcy or trustee appointed to hold its assets; or (iii) no Director of the Corporation, in the ten (10) years prior to the date of this Proxy Circular, became bankrupt, made a proposal under any bankruptcy or insolvency legislation, was subject to any proceedings, arrangement or compromise with creditors or instituted any proceedings against the same, or had a receiver, receiver-manager or Director in bankruptcy appointed to hold his or her assets, except for Messrs. Craig Forman, David G. Leith and Martin Nisenholtz who were Directors of Yellow Pages Digital & Media Solutions Limited for varying periods of time immediately prior to the implementation on December 20, 2012 of the recapitalization transaction (the "**Recapitalization**") in accordance with a court-approved Plan of Arrangement under the *Canada Business Corporations Act* pursuant to which the former securities of Yellow Pages Digital & Media Solutions Limited and all entitlements relating thereto, were exchanged and cancelled for, as applicable, cash and common shares and warrants of the Corporation, and new senior secured notes and new senior subordinated exchangeable debentures of Yellow Pages Digital & Media Solutions Limited. In addition, Mr. Nisenholtz was Director of Postmedia Network Canada Corp. at the time of the implementation on October 5, 2016 of the recapitalization transaction in accordance with a court-approved Plan of Arrangement under the *Canada Business Corporations Act* pursuant to which the first lien senior secured notes issued by Postmedia Network Inc. were extended by approximately four years and reduced with a cash repayment at par, and the second lien senior secured notes issued by Postmedia Network Inc. were exchanged for voting shares and variable voting shares of Postmedia Network Canada Corp.

VOTING RESULTS OF 2016 ANNUAL MEETING

The voting results at the 2016 annual meeting of shareholders of the Corporation were as follows:

ITEM VOTED UPON	ELECTION OF DIRECTORS				
1. Election of Directors	Name	For		Withhold	
		#	%	#	%
	Julien Billot	23,438,321	99.89	26,290	0.11
	Craig Forman	23,426,769	99.84	37,842	0.16
	Susan Kudzman	22,864,465	97.44	600,146	2.56
	David A. Lazzarato	23,437,702	99.89	26,909	0.11
	David G. Leith	23,437,438	99.88	27,173	0.12
	Robert F. MacLellan	22,864,520	97.44	600,091	2.56
	Judith A. McHale (1)	23,427,011	99.84	37,600	0.16
	Donald H. Morrison	23,437,227	99.88	27,384	0.12
	Martin Nisenholtz	23,438,303	99.89	26,308	0.11
	Kalpana Raina	23,437,443	99.88	27,168	0.12
	Michael G. Sifton	23,437,791	99.89	26,820	0.11

(1) Judith McHale is not seeking re-election at the Meeting.

2. Appointment of Deloitte LLP as auditors of the Corporation	For		Withhold	
	#	%	#	%
	23,410,726	99.77	53,885	0.23

BOARD AND COMMITTEE MEETINGS

The Board held eight meetings in 2016. Overall attendance at these meetings, as well as the attendance at Committee meetings, was 98%. The combined overall attendance at both the Board and Committee meetings was 98%.

SUMMARY OF BOARD AND COMMITTEE MEETINGS HELD AND ATTENDANCE BY MEETING IN 2016	Number of Meetings	Attendance Record
Board of Directors	8	98%
Audit Committee	7	100%
Human Resources and Compensation Committee	8	100%
Corporate Governance and Nominating Committee	5	93%

The following table sets forth the attendance record by the Directors at Board and Committee meetings for the fiscal year ended December 31, 2016.

	BOARD OF DIRECTORS (8 Meetings)		AUDIT COMMITTEE (7 Meetings)		HUMAN RESOURCES & COMPENSATION COMMITTEE (8 Meetings)		CORPORATE GOVERNANCE & NOMINATING COMMITTEE (5 Meetings)		OVERALL ATTENDANCE (1)	
Names	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
Julien Billot	8	100%	-	-	-	-	-	-	8	100%
Craig Forman	8	100%	-	-	-	-	5	100%	13	100%
Susan Kudzman	8	100%	-	-	8	100%	-	-	16	100%
David A. Lazzarato	8	100%	7	100%	-	-	-	-	15	100%
David G. Leith	8	100%	-	-	-	-	5	100%	13	100%
Robert F. MacLellan (2)	8	100%	-	-	-	-	-	-	8	100%
Donald H. Morrison	8	100%	-	-	8	100%	-	-	16	100%
Martin Nisenholtz	8	100%	-	-	8	100%	-	-	16	100%
Kalpana Raina	8	100%	7	100%	-	-	-	-	15	100%
Michael G. Sifton	8	100%	7	100%	-	-	-	-	15	100%

(1) Judith McHale who will not be seeking re-election at the Meeting attended 77% of all meetings.

(2) Robert MacLellan is an ex-officio member of all Committees of the Board. As an ex-officio member of these other Committees, Mr. MacLellan may attend and vote at any Committee meeting or a portion of any Committee meeting, however his attendance is not mandatory.

BOARD INDEPENDENCE

- **Nine (9) of ten (10) Directors are independent**
- **All Committee members are independent**

Following a detailed review conducted by the Corporate Governance and Nominating Committee of the Corporation, the Board has determined that nine (9) of the ten (10) Directors, representing all of the Directors other than Mr. Julien Billot, the President and Chief Executive Officer of the Corporation, are independent as such term is defined in National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**CSA**") and do not have a material relationship with the Corporation. All Committee members are independent.

The following table indicates the status of each Director of the Corporation in terms of their independence, as well as the composition of each Committee of the Board.

	STATUS		COMMITTEES		
Director	**Independent**	**Not Independent**	**Audit Committee**	**Corporate Governance and Nominating Committee**	**Human Resources and Compensation Committee**
Julien Billot		✓ Mr. Billot is the President and Chief Executive Officer of the Corporation.			
Craig Forman	✓			✓	
Susan Kudzman	✓				Chair
David A. Lazzarato	✓		Chair		
David G. Leith	✓			Chair	
Robert F. MacLellan	✓				
Donald H. Morrison	✓				✓
Martin Nisenholtz	✓				✓
Kalpana Raina	✓		✓		
Michael G. Sifton	✓		✓		

DIRECTOR SERVICE ON OTHER BOARDS AND BOARD INTERLOCKS

- **All Directors comply with the Corporation's guidelines on maximum directorships and audit committee memberships**
- **No members of the Board serve together on the Board of any other public company**

To ensure our Board remains strongly independent and that all Directors are able to properly discharge their duties to act effectively and in the best interest of the Corporation, the Board actively reviews the number of outside Boards on which any one Director sits. Specifically, the Board has determined that:

– ***Maximum directorships:*** Directors should limit the number of Boards of Directors on which they serve to no more than four public company Boards, including the Corporation.

– ***Maximum audit committee memberships:*** Members of the Audit Committee of the Corporation shall not simultaneously serve on the audit committees of more than three public companies, including the Corporation's Audit Committee.

All the proposed nominees, who are the current Directors, currently meet the foregoing guidelines. The Board is fully satisfied that each Director has sufficient time, attention and ability to devote the time required to be a high-performing contributor to the Board. Each Director has demonstrated the necessary commitment to do so as is evidenced by the attendance record.

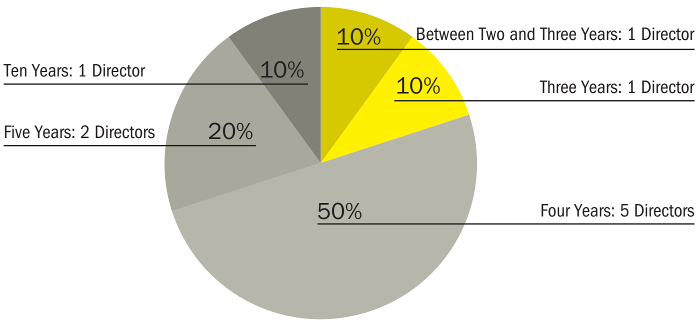
The Corporate Governance Guidelines of the Corporation provide that: (i) before accepting any new outside Board assignment (or any new private company or government Board assignment which involves a meaningful time commitment), Directors must formally inform the Chairman of the Corporate Governance and Nominating Committee to ensure that such new Board assignment will not create a conflict of interest with his or her position as a Director; (ii) any new public company Board assignment on which another Director already serves is subject to the approval of the Corporate Governance and Nominating Committee to limit the number of Board and committee interlocks to no more than two instances where two of the Corporation's Directors could generally serve on the same outside Board or outside Board committees; (iii) any outside Board assignment of the President and Chief Executive Officer of the Corporation is subject to the prior approval of the Board; and (iv) no officer of the Corporation shall serve as a Director of a company to which an independent Director of the Corporation is an officer.

The directorships of the Directors in other public companies in a Canadian or foreign jurisdiction are included under "Election of the Board of Directors – Nominees".

As at March 22, 2017, none of the members of the Board served together on the Board of any other public company.

DIRECTOR TENURE

The following chart indicates the number of years the Directors seeking election or re-election have served on the Corporation's Board:



As at March 22, 2017, the Corporation's average Board tenure for Directors seeking re-election is 4.3 years.

EVALUATION OF BOARD AND COMMITTEE PERFORMANCE

The Corporate Governance and Nominating Committee annually conducts a formal assessment with respect to performance and effectiveness of the Board, its Committees, Board and Committee chairs and individual Directors. The comprehensive annual evaluation process includes three primary components.

Online Survey: Each Director is required to complete a comprehensive online survey of approximately fifty (50) questions that deal with a wide range of Board-related matters including effectiveness, composition and monitoring of the Board and its committees, oversight of senior management, Director education and risk oversight.

One-on-One Meetings: The Chair of the Corporate Governance and Nominating Committee together with the Chair of the Board hold "one-on-one" meetings with each of the individual Directors to obtain feedback on Board and Committee performance. Preliminary discussion points are circulated before the meeting to frame the discussion with each Director. These discussion points relate to the performance of the Board and Committees, the Chair and the Chief Executive Officer, effectiveness of communication at the Board, performance and personal contribution of each Director and suggestions for improvement. The resulting information is compiled and analyzed by the Chairman of the Corporate Governance and Nominating Committee which in turn reports to the Board. The assessment of the Board is scheduled in a manner such as to allow for issues raised over strategic matters through the assessment or otherwise to be addressed by Management at its next following strategic session.

Skills Matrix: The Corporate Governance and Nominating Committee maintains a "skills matrix" for the Board. Each Director is asked to indicate his or her experience and expertise which are compiled into the matrix. The skills matrix allows the Board to easily review the Board skill composition to ensure the Board's expertise is well rounded. The results are reviewed, analyzed and discussed, as necessary, by the full Board. The content of the skills matrix for Directors seeking election or re-election is as follows:

	Age				Location	Diversity		Number of Boards		Director Tenure	Retired	Skills Matrix									
	50 or under	51–60	61–70		Province/State	Male	Female	Publicly Traded (Including Yellow Pages Limited)	Other Boards That Involve Meaningful Time Commitments	Number of Years	Yes (Y) /No (N)	Senior Executive Leadership	Financial	Strategic Planning	Industry Specific Experience	Sales	Marketing	Information Technology	Human Resources	Legal	Public Policy and Corporate Relations
Julien Billot	✓			49	QC	✓		1	2	3	N	✓		✓	✓	✓	✓	✓	✓		
Craig Forman		✓		55	CA	✓		2	–	5	N	✓	✓	✓	✓			✓		✓	✓
Susan Kudzman		✓		54	QC		✓	2	1	2	N	✓	✓	✓					✓	✓	✓
David A. Lazzarato			✓	61	ON	✓		2	–	4	Y	✓	✓	✓	✓			✓	✓	✓	✓
David G. Leith		✓		57	ON	✓		3	2	5	Y	✓	✓	✓							✓
Robert F. MacLellan			✓	62	ON	✓		2	1	4	Y	✓	✓	✓					✓		✓
Donald H. Morrison			✓	64	ON	✓		1	2	4	Y	✓		✓		✓	✓		✓		
Martin Nisenholtz			✓	62	MA	✓		2	3	10	N	✓		✓	✓	✓	✓	✓	✓		
Kalpana Raina			✓	61	NY		✓	3	0	4	N	✓	✓	✓	✓				✓		
Michael G. Sifton		✓		57	ON	✓		2	0	4	N	✓	✓	✓	✓				✓		✓

ORIENTATION AND CONTINUING EDUCATION

The Corporate Governance and Nominating Committee is responsible for developing and reviewing the Corporation's orientation and continuing education programs for Directors. New Directors are provided with an extensive information package on the Corporation's business, its strategic and operational plans, its governance system and its financial position (including analyst reports), Director and officer liability insurance coverage information as well as copies of minutes of meetings of the Board and of the Committees held during the previous year. New Directors also meet with the President and Chief Executive Officer and the Chief Financial Officer of the Corporation as well as other officers as necessary to discuss and review these matters and familiarize themselves with the function, significant risks, priorities, opportunities and most substantial challenges of the Corporation and the industry in which it operates.

Members of senior Management periodically make presentations at Board and Committee meetings to communicate and keep Directors informed of developments regarding the Corporation, its operations and financial condition as well as on industry developments. Directors also regularly receive up-to-date analyst studies, industry studies and benchmarking information. At each regular Board meeting, Directors are provided with updates with respect to the Corporation, short summaries of relevant information, articles and publications of interest, and the Board receives reports from the deliberations and decisions of each of the Committees on their work at their previous meetings. Additionally, Board members are encouraged to share the best practices they observe on other Boards they sit on.

The Corporation also encourages its Board members to attend Director education programs offered by leading institutions of higher education and bears the cost of such attendance to the extent reasonable. The Board and its Committees received a number of presentations in 2016 focused on deepening Directors' knowledge of the Corporation's business, the industry in which it operates and the key risks and opportunities that it is facing. The following table outlines examples of continuing education events attended by Directors in 2016:

TOPIC	DIRECTOR IN ATTENDANCE	HOSTED/PRESENTED BY:
Cybersecurity – Engaging with the Board of Directors	All Directors	Deloitte LLP
Straight from the Source, A Day of Discussion between Directors and Investors	Martin Nisenholtz	Hugessen Consulting Inc.
Board and Strategy	Susan Kudzman	Women Corporate Directors Foundation
Co-op Governance	Susan Kudzman	Women Corporate Directors Foundation
Chief Risk Officers 2016 Panel Discussion and Luncheon	Susan Kudzman	Ernst & Young LLP
The Added Value of Women's Contribution to the Finance Lecturer	Susan Kudzman	Association de la retraite et des avantages sociaux du Québec
Growing the Diversity Dividend: Diversity for Better Decision-Making in the Boardroom	Susan Kudzman	Women Corporate Directors Foundation
GRI Summit 2016 – Risk & Reward	Susan Kudzman	Global Risk Institute in Financial Services

COMPENSATION OF DIRECTORS

The objectives of the Corporation's Director compensation program are to attract and retain highly qualified Board members and align their interests with those of Shareholders. In 2016, the Corporate Governance and Nominating Committee reviewed Director compensation and retained Hugessen Consulting Inc. ("**Hugessen**") which benchmarked the Corporation's Director compensation within a peer group consisting of Canadian and U.S. media and software services companies. U.S. companies were considered given the Corporation's specific circumstances, the very limited number of peers with a comparable size, scope and operation in Canada and the unique challenges associated with the Corporation's digital evolution. The inclusion of U.S. companies also allows for a broader and more appropriate representation of the relevant talent pool because U.S. peers are closer industry matches, and therefore, provide a better context for Directors' experience and expertise.

Thus, two comparator groups were used to benchmark the compensation of Directors by the Corporate Governance and Nominating Committee based on the following criteria:

CRITERIA	CANADIAN PROXY GROUP – DETAILED CRITERIA	U.S. PROXY GROUP – DETAILED CRITERIA
Type	Public, TSX listed	Public, NYSE, NASDAQ listed
Location	Head office in Canada	Head office in the U.S.
Revenue Size	1/3 – 3x of the Corporation's revenue	1/2 – 2x of the Corporation's revenue
Total Enterprise Value ("TEV") Size (1)	1/3 – 3x of the Corporation's TEV	1/2 – 2x of the Corporation's TEV
Industry	Media (publishing, advertising, broadcasting, movies and entertainment, cable and satellite) Software and services	Media (publishing and advertising) Software and services

(1) Total Enterprise Value means the market capitalization plus debt, net of cash.

- **Total Director compensation positioning policy aligned between the median of the Canadian Proxy Group and the median of the US Proxy Group**
- **Director compensation is 43% equity-based to align with Shareholders' interests**

The actual companies included in each peer group reflected the comparator group used for the executive compensation benchmarking in 2016 (see "Executive Compensation – Discussion and Analysis – Compensation Philosophy and Objectives – Benchmarking Practices and Comparator Groups"). Upon finalizing their review, Hugessen concluded that the Corporation's Director compensation was generally positioned above the median of the Canadian peer group (the "**Canadian Proxy Group**") and below the median of the U.S. peer group (the "**US Proxy Group**"), and that the compensation for the Chairman of the Board was positioned above the median of both comparator groups. Considering that Director compensation was between the median of the Canadian Proxy Group and the median of the US Proxy Group, Director compensation remained unchanged.

Each Director who is not a salaried officer of the Corporation or any of its subsidiaries (a "**Non-Executive Director**") receives compensation for serving on the Board consisting of a cash retainer and an annual equity retainer payable in deferred share units, as well as cash payments for serving as chair on a Board Committee, if applicable. In addition, upon his or her appointment, each Director is awarded a one-time deferred share unit grant of $75,000 for serving on the Board. See "Election of the Board of Directors – Compensation of Directors – Deferred Share Units Plan" for a description of the deferred share unit plan adopted by the Corporation. The table below highlights the annual Director compensation structure:

ANNUAL BOARD COMPENSATION STRUCTURE	DIRECTOR AMOUNT	CHAIRMAN AMOUNT
Cash board retainer	$ 85,000	$170,000
Equity board retainer (in the form of deferred share units)	$ 65,000	$130,000
Total	**$150,000**	**$300,000**

COMMITTEE	ANNUAL COMPENSATION
Chair of Audit Committee	$20,000
Chair of Human Resources and Compensation Committee	$15,000
Chair of Corporate Governance and Nominating Committee	$10,000
Member of Audit Committee	-
Member of Human Resources and Compensation Committee	-
Member of Corporate Governance and Nominating Committee	-
Travel Fee (more than 1,000 km)	$1,500

There are no meeting fees payable to the Directors. Directors required to travel more than 1,000 kilometers to attend Board and Committee meetings receive a $1,500 travel fee for in-person meetings. The Corporation also reimburses out-of-pocket expenses incurred by the Directors to attend Board and Committee meetings.

DEFERRED SHARE UNIT PLAN

The deferred share unit plan of the Corporation was adopted on June 12, 2013 and subsequently amended and restated effective as of October 20, 2013 (the "**DSU Plan**"). The objective of the DSU Plan is to promote a greater alignment of interests between Eligible Participants (defined below) and Shareholders. Deferred share units ("**DSUs**") are a notional unit granted or credited to an Eligible Participant's account that, subject to the provisions of the DSU Plan, entitles an Eligible Participant to receive, on a deferred basis, a Share (purchased on the secondary market) or the cash equivalent thereof, at the discretion of the Corporation, upon redemption, unless such deferred share unit expires prior to being settled. DSUs may be granted to any Director (an "**Eligible Director**") or employee of the Corporation (or any subsidiary of the Corporation) designated by the Board (an "**Eligible Employee**", and together with an Eligible Director, an "**Eligible Participant**"). Eligible Directors may elect to receive up to 100% of their annual retainer for service on the Board, but no less than $65,000 in the case of Directors and $130,000 in the case of the Chairman, in the form of DSUs. Eligible Employees may elect to receive up to 100% of their annual base compensation and short-term incentive plan payment in the form of DSUs. DSUs are not assignable or transferable other than by will or the laws of descent and distribution. The DSU Plan does not limit insider participation, nor does the DSU Plan provide for a maximum number of DSUs which may be issued to an Eligible Participant. As at March 22, 2017, an aggregate of 294,596 DSUs had been granted to Eligible Directors (none of which had been cancelled or redeemed), representing 1.05% of the issued and outstanding Shares of the Corporation on a non-diluted basis.

The number of DSUs issued to each Eligible Participant who elects to receive DSUs is determined by dividing the amount of the Eligible Participant's annual retainer or annual base compensation and short-term incentive plan payment to be provided in DSUs, if applicable, by the volume weighted average trading price of the Shares on the TSX for the five trading days ending on the trading day immediately preceding the date of grant.

Except as otherwise provided in an Eligible Participant's grant agreement or any other provision of the DSU Plan, all DSUs granted under the DSU Plan are credited to an Eligible Participant's account on the date of grant, provided that: (i) in respect of an Eligible Director, such individual is an Eligible Director throughout the fiscal year to which the grant relates; and (ii) no Eligible Director will have any right to receive any benefit under the DSU Plan until they cease to be an Eligible Director (and is not at that time an employee of the Corporation or any of its affiliates) or Eligible Employee, as the case may be, as a result of: (a) the termination (with or without cause, as such term is defined in the DSU Plan) of his or her employment with the Corporation or any of its affiliates; or (b) the termination (with or without cause) of his or her membership on the Corporation's or an affiliate's Board of Directors for any reason, in each such cases including by death, disability, retirement or resignation. Unless otherwise determined by the Board in its sole discretion, in the event that an Eligible Participant that was an Eligible Director ceases to be an Eligible Director (and is not at that time an employee of the Corporation or any of its affiliates) before the last day of such fiscal year, one-twelfth (1/12th) of the DSUs granted in respect of such fiscal year (including the associated DSUs following payment of a dividend on the Shares) shall vest and be acquired for each completed month of active employment prior to the Eligible Participant's termination date in that fiscal year, and all remaining DSUs shall expire and be cancelled on his or her termination date. In the case of any Eligible Participant who is considered to be a "US Participant" under the DSU Plan, all DSUs held by such Eligible Participant will be redeemed ninety (90) days from such Eligible Participant's termination date (as defined in the DSU Plan). The Board may amend, suspend or terminate the DSU Plan, or any portion thereof, at any time.

SHARE OWNERSHIP GUIDELINES FOR NON-EXECUTIVE DIRECTORS

The Corporation's share ownership guidelines require that Non-Executive Directors hold equity interest in the Corporation representing the value of three times the annual Director Board retainer, being currently $450,000, to be achieved within five years from the later of their appointment as a Director and July 1, 2013 (the date the current compensation structure was implemented). The Director's respective share ownership is calculated using the value of the equity interest, including Shares and DSUs held by a Director. For purposes of share ownership guidelines for Non-Executive Directors, the value of Shares is calculated based on the value which is the higher of: (i) the value of the Shares based on their respective purchase price; and (ii) the market value of the Shares based on the closing price of the Shares on the TSX on the calculation date. The value of DSUs is calculated based on the value which is the higher of (a) the award value based on the value of the underlying Shares on the date of the grant as defined in the DSU Plan, and (b) the market value of the DSUs based on the closing price of the Shares on the TSX on the calculation date. The ownership guidelines for Non-Executive Directors also provide that in the event there is an increase in the annual cash retainer payable to Directors during a financial year, the Directors will have to comply with the corresponding increase in the minimum share ownership within a reasonable period of time. Directors are prohibited from hedging the value of the Corporation's securities that they hold. The table below illustrates the percentage of attainment of the ownership guidelines by the Non-Executive Directors as at December 31, 2016, except for Judith A. McHale who will not be seeking re-election at the Meeting.

SHARE OWNERSHIP BY NON-EXECUTIVE DIRECTORS

Director Name	2016 Board Retainer ($)	Minimum Ownership Requirement ($)	Value of Ownership Interest (1) (Shares and DSUs) ($)	Actual Percentage of Minimum Ownership Requirement (%)	Minimum Ownership Requirement Date
Craig Forman	$150,000	$450,000	$367,050	82%	June 30, 2018
Susan Kudzman	$150,000	$450,000	$446,983	99%	October 14, 2019
David A. Lazzarato	$150,000	$450,000	$367,050	82%	June 30, 2018
David G. Leith	$150,000	$450,000	$367,050	82%	June 30, 2018
Robert F. MacLellan	$300,000	$450,000	$900,216	200%	June 30, 2018
Donald H. Morrison	$150,000	$450,000	$367,050	82%	June 30, 2018
Martin Nisenholtz	$150,000	$450,000	$383,024	85%	June 30, 2018
Kalpana Raina	$150,000	$450,000	$367,050	82%	June 30, 2018
Michael G. Sifton	$150,000	$450,000	$367,050	82%	June 30, 2018

(1) The value of ownership interest is calculated based on the higher of the closing price of the Shares on the TSX on December 31, 2016 (which was $17.69) and the applicable purchase price of the Shares or the value of the Shares underlying the DSU awards on the applicable date of grant of such awards.

SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR

The following table shows the number of DSUs that vested during the year ended December 31, 2016, the number of underlying Shares retained after vesting of the DSUs, and the value of DSUs vested during the year for all Non-Executive Directors.

SHARE-BASED AWARDS		
Name	Number of Deferred Share Units Vested and Underlying Shares Retained After Vesting (#)	Value Vested During the Year (1)(2) ($)
Craig Forman	4,249	$64,882
Susan Kudzman	10,785	$164,687
David A. Lazzarato	4,249	$64,882
David G. Leith	4,249	$64,882
Robert F. MacLellan	8,498	$129,764
Judith A. McHale	4,249	$64,882
Donald H. Morrison	4,249	$64,882
Martin Nisenholtz	4,902	$74,854
Kalpana Raina	4,249	$64,882
Michael G. Sifton	4,249	$64,882

(1) This value was calculated using the closing price on the TSX of the Shares underlying the DSUs on January 1, 2016, the date of grant, which was $15.27 for all Directors.

(2) In accordance with the terms of the DSU Plan, no Eligible Director will have any right to receive any payment or other benefit in respect of their outstanding DSUs under the DSU Plan, including the amounts disclosed in the column "Value vested during the year", until he or she ceases to be an Eligible Director (and is not at that time an employee of the Corporation or any of its affiliates) as a result of the termination (with or without cause) of his or her membership on the Corporation's or an affiliate's Board of Directors for any reason, including by death, disability, retirement or resignation.

OUTSTANDING SHARE-BASED AWARDS

The following table indicates for each of the Non-Executive Directors, all DSU awards outstanding at the end of the fiscal year ended December 31, 2016. Non-Executive Directors are not eligible to receive stock options ("**Options**") or other option-based awards.

SHARE-BASED AWARDS			
Name	Number of Shares or Units of Shares That Have not Vested (#)	Market or Payout Value of Share-based Awards That Have not Vested ($)	Market or Payout Value of Vested Share-based Awards not Paid Out or Distributed (1) ($)
Craig Forman	Nil	Nil	$351,589
Susan Kudzman	Nil	Nil	$429,230
David A. Lazzarato	Nil	Nil	$351,589
David G. Leith	Nil	Nil	$351,589
Robert F. MacLellan	Nil	Nil	$862,901
Judith A. McHale	Nil	Nil	$351,589
Donald H. Morrison	Nil	Nil	$351,589
Martin Nisenholtz	Nil	Nil	$363,140
Kalpana Raina	Nil	Nil	$351,589
Michael G. Sifton	Nil	Nil	$351,589

(1) The market or payout value of the DSUs was determined by multiplying the number of DSUs vested but not paid out or distributed as at December 31, 2016 by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69. In accordance with the terms of the DSU Plan, no Eligible Director will have any right to receive any payment or other benefit in respect of their outstanding DSUs under the DSU Plan, including the amounts disclosed in the column "Market or payout value of vested share-based awards not paid out or distributed", until he or she ceases to be an Eligible Director (and is not at that time an employee of the Corporation or any of its affiliates) as a result of the termination (with or without cause) of his or her membership on the Corporation's or an affiliate's Board of Directors for any reason, including by death, disability, retirement or resignation.

TOTAL COMPENSATION OF NON-EXECUTIVE DIRECTORS

The following table provides the total compensation earned for the fiscal year ended December 31, 2016 by each Non-Executive Director who was a Director of the Corporation during the fiscal year ended December 31, 2016. Please see "Election of the Board of Directors – Compensation of Directors – Yearly Board Compensation Structure" for a description of the Board and Committee retainers.

COMPENSATION – NON-EXECUTIVE DIRECTORS										
	Fees Earned – Non-Executive Directors							Allocation of Total Fees		
	Board Retainer	Audit Committee Retainer	Human Resources and Compensation Committee Retainer	Corporate Governance and Nominating Committee Retainer	Share-Based Awards (1)	All Other Compensation (2)	Total	In Cash	In DSUs	DSU Portion
Name	($)	($)	($)	($)	($)	($)	($)	($)	($)	(%)
Craig Forman	150,000	-	-	-	-	7,500 (3)	157,500	92,500	65,000	41%
Susan Kudzman (4)	150,000	-	15,000	-	-	-	165,000	-	165,000	100%
David A. Lazzarato	150,000	20,000	-	-	-	-	170,000	105,000	65,000	38%
David G. Leith	150,000	-	-	10,000	-	-	160,000	95,000	65,000	41%
Robert F. MacLellan	300,000	-	-	-	-	1,500 (3)	301,500	171,500	130,000	43%
Judith A. McHale (5)	150,000	-	-	-	-	-	150,000	85,000	65,000	43%
Donald H. Morrison	150,000	-	-	-	-	-	150,000	85,000	65,000	43%
Martin Nisenholtz (4)	150,000	-	-	-	-	-	150,000	75,000	75,000	50%
Kalpana Raina	150,000	-	-	-	-	-	150,000	85,000	65,000	43%
Michael G. Sifton	150,000	-	-	-	-	-	150,000	85,000	65,000	43%

(1) Non-Executive Directors do not receive Options, restricted or performance share units. A one-time DSU award in the amount of $75,000 is awarded to a Director upon his or her appointment to the Board (see "Election of the Board of Directors – Compensation of Directors"). No such grant of DSUs was made in 2016.

(2) There are no option-based awards, non-equity incentive plan compensation or pension for Non-Executive Directors.

(3) All such compensation consists of travel fees.

(4) Ms. Kudzman elected to receive 100% of her Director compensation in the form of DSUs, including her fees as Chair of the Human Resources and Compensation Committee. Mr. Nisenholtz elected to receive 50% of his Director compensation in the form of DSUs.

(5) Ms. McHale is not seeking re-election at the Meeting.

BOARD AND COMMITTEES

The role of the Board is to oversee the conduct of the Corporation's business and to supervise Management. The Board also establishes the overall policies for the Corporation, monitors and evaluates the Corporation's strategic direction and retains plenary power for those functions not specifically delegated by it to its committees or to Management. In 2016, the Board held eight meetings and attendance at the meetings of the Board was 98%.

The Board discharges its responsibilities either directly or through its three committees (each, a "**Committee**"), being the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee and the Audit Committee. A more detailed description of the role of the Board and its Committees is detailed under "Schedule "A" Disclosure of Corporation Governance Practices". The following is a report of the work completed by each Committee in 2016.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The number of members of the Corporate Governance and Nominating Committee is set at three. In 2016, David G. Leith (Chairman), Craig Forman and Judith A. McHale served on such Committee. Since Ms. McHale is not seeking re-election at the Meeting, her position as a member of the Corporate Governance and Nominating Committee will be filled at the end of her service by the Board having considered the recommendation of such Committee. The table below sets out the experience Messrs. Leith and Forman who will continue to serve on the Corporate Governance and Nominating Committee following the date of the Meeting.

COMMITTEE MEMBER	EXPERIENCE ACQUIRED THROUGH ROLE
David G. Leith	Mr. Leith served with CIBC World Markets for over 25 years and last served as Deputy Chairman and Managing Director. Mr. Leith also serves as Chair of the Board of Investment Management Corporation of Ontario (IMCO), as Lead Director on the Board of Hudson's Bay Company and is a member of its Corporate Governance and Nomination Committee. Mr. Leith served from 2009 to 2017 as Chairman of the Board of Manitoba Telecom Services Inc. and was ex-officio a member of all its Committees, including its Governance and Nominating Committee. He also served as a trustee of TransGlobe Apartment Real Estate Investment Trust where he was a member of its Governance, Compensation and Nominating Committee.
Craig Forman	Craig Forman acquired experience in corporate governance by serving as Executive Chairman of the Board of Appia, Inc. and WHERE, Inc. and as Executive Vice-President and President, Access and Audience and Chief Product Officer at EarthLink, Inc., an Atlanta-based Internet services provider. Mr. Forman is President and Chief Executive Officer of the McClatchy Company, a news and information provider, and serves as a Director on its Board. Mr. Forman also serves on the Board of Digital Turbine Inc., a media and mobile communications company. He also served as Director on the Boards of several private companies. Mr. Forman has a Master's degree in law from Yale Law School and completed the Director's Consortium executive education program from Stanford University in 2012 which included modules on corporate governance.

In 2016, the Corporate Governance and Nominating Committee held five meetings. Attendance at the meetings of the Corporate Governance and Nominating Committee was 93%.

In 2016, the Corporate Governance and Nominating Committee:

- Recommended the nominees for election as Directors at the Annual General Meeting.
- Reviewed the composition of Committees.
- Oversaw the annual assessment process on the performance and effectiveness of the Board consisting in an online survey, a one-on-one meeting with the Chair of the Corporate Governance and Nominating Committee and the Chair of the Board and the preparation of a skills matrix.
- Reviewed the charter of the Board, the charters of the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee and the Audit Committee.
- Reviewed the compensation of the Board.
- Approved the annual revisions of the Code of Ethics and the Corporation's Insider Trading Policy.
- Reviewed the Corporation's system of corporate governance to ensure compliance with applicable legal and regulatory requirements.
- Reviewed the amendments to the corporate governance guidelines of the Corporation required in connection with the updated Code of Ethics.
- Reviewed and approved the Corporation's disclosure on corporate governance in the Proxy Circular in respect of the 2016 annual meeting of Shareholders.
- Reviewed the framework for the update to the corporate social responsibility program of the Corporation which currently aims to support small businesses and local economies.
- Reviewed the Corporation's compliance with its Diversity Policy.
- Reviewed the process for communication of comments or concerns to the Board, the Corporate Secretary or the Ethics Committee.
- Met privately without Management present at each meeting of the Committee.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The number of members of the Human Resources and Compensation Committee is set at three and Susan Kudzman (Chair), Donald H. Morrison and Martin Nisenholtz currently serve on such Committee.

The Board believes that the Human Resources and Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate and to make the right decisions on the suitability of the Corporation's compensation policies. All of the Human Resources and Compensation Committee members held or currently hold senior management positions. In these roles, the members of the Human Resources and Compensation Committee acquired direct experience related to the management of executive compensation, making day-to-day decisions concerning executive pay, and designing short and long-term incentive plans with objectives tied to sustained shareholder value creation. The table below sets out the experience of the members of the Human Resources and Compensation Committee.

COMMITTEE MEMBER	DIRECT EXPERIENCE	EXPERIENCE ACQUIRED THROUGH ROLE
Susan Kudzman	Yes	Ms. Kudzman is Executive Vice-President, Chief Risk Officer and Corporate Affairs of Laurentian Bank. In this capacity, Ms. Kudzman is responsible for all aspects of human resources. She has also acquired extensive human resource experience through various other executive positions in human resources over her career. She was HR consultant and actuary at Mercer (Canada) Limited and Towers Watson and was thereafter named partner at Mercer (Canada) Limited, where she directed the risk management practice from 2011 to 2014. She served as Chief Human Resources Officer at BCE Emergis and as Senior Vice-President, Human Resources of Laurentian Bank of Canada. As Chief Risk officer of the Caisse de dépôt et placement du Québec, she was also involved in overseeing and developing compensation plans. She is a member of the Board of Directors and the Human Resources Committee of Transat A.T. Inc. and the Chair of the Human Resources Committee of the Montreal Heart Institute Foundation. Ms. Kudzman holds a Bachelor's degree in Actuarial Science and the titles of Fellow of the Canadian Institute of Actuaries (FCIA), Fellow of the Society of Actuaries (FSA) and Certified Enterprise Risk Analyst (CERA).
Donald H. Morrison	Yes	Mr. Morrison served from 2000 to 2011 as Chief Operating Officer of Blackberry, and his responsibilities included oversight of human resources. Prior to that, he held a number of senior leadership positions in Canada, Europe and the United States. Prior to joining Blackberry, Mr. Morrison held a number of senior leadership positions with AT&T and Bell Canada. Throughout his career, he garnered more than 25 years of direct experience in creating, managing and measuring compensation systems in Canada and globally. Mr. Morrison holds a MBA from the University of Toronto and also participated in the Executive Program at the University of Virginia, Darden Business School, which both have modules on strategies with respect to human resources, leading change and organizations.
Martin Nisenholtz	Yes	With over 25 years of experience as an executive participating in the design and implementation of executive compensation plans as Senior Vice-President, Digital Operations of The New York Times Company and Chief Executive Officer of New York Times Digital, Mr. Nisenholtz acquired broad experience in the development and implementation of competitive executive compensation programs. He also served on the Human Resources and Compensation Committee of the Corporation from May 2006 to May 2009 and has served thereon since October 2011, and serves on the Human Resources and Compensation Committee of Purch Group, Inc. He also served on the Human Resources and Compensation Committee of Postmedia Network Canada Corp. from 2014 to 2016.

In 2016, the Human Resources and Compensation Committee held eight meetings. Attendance at the meetings of the Human Resources and Compensation Committee was 100%.

In 2016, the Human Resources and Compensation Committee:

- Reviewed and approved the report on the results of the 2015 short-term incentive plan and 2013 performance share units payouts compared to targets for the performance cycle ended on December 31, 2015.
- Reviewed the annual performance assessments for the senior executives and approved their base compensation.
- Retained Hugessen as its independent compensation advisor.
- Reviewed and approved the targets under the 2016 Short-Term Incentive and Long-Term Incentive Plans and recommended the award of Options, performance and restricted share units to senior management, and awards of performance and restricted share units to selected members of management.
- Reviewed and approved organizational changes, including a corporate realignment and the renewal of the executive team with the appointment of senior executives in the digital, marketing, technology, strategy and partnerships, transformation and operations targets.
- Reviewed compensation philosophy for senior management and reviewed Hugessen's and Willis Towers Watson Canada Inc.'s executive compensation benchmarking exercises.
- Reviewed and approved the Compensation Discussion and Analysis in the Proxy Circular in respect of the 2016 annual meeting of Shareholders.
- Reviewed the Corporation's succession plan.
- Reviewed the results of the employee engagement survey.
- Reviewed the charter of the Human Resources and Compensation Committee.
- Received various updates and recommendations in relation with labour matters of the Corporation.
- Reviewed recommendations for long-term incentive plan design for executives of acquired companies.
- Met privately without Management present at each meeting of the Committee.

For a more comprehensive discussion of the activities conducted in 2016 by the Human Resources and Compensation Committee, see "Executive Compensation – Discussion and Analysis".

AUDIT COMMITTEE

The number of members of the Audit Committee is set at three. The Audit Committee is composed of David A. Lazzarato (Chairman), Kalpana Raina and Michael G. Sifton.

The Board believes that the Audit Committee has the knowledge and background required to oversee the financial reporting and disclosure controls and procedures, accounting systems and internal controls over financial reporting of the Corporation. All the members of the Audit Committee are financially literate as defined under applicable securities law, which means that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Corporation's financial statements. The table below sets out the experience of the current members of the Audit Committee.

COMMITTEE MEMBER	FINANCIAL LITERACY	EXPERIENCE ACQUIRED THROUGH ROLE
David A. Lazzarato	Yes	Mr. Lazzarato has acquired extensive accounting, corporate finance and mergers and acquisition experience through his roles as Senior Vice-President, Finance of Bell Canada, Chief Executive Officer of Craig Wireless Systems Ltd., Chief Financial Officer of Alliance Atlantis Communications Inc., Chief Corporate Officer of MTS Allstream Inc., Executive Vice-President and Chief Financial Officer of Allstream (formerly, AT&T Canada), Senior Vice-President and Chief Financial Officer of BCE Mobile Communications Inc., Vice-President and Comptroller of BCE Inc. and Senior Vice-President, Finance and Administration of CAE Electronics Ltd. Mr. Lazzarato is a Fellow Chartered Accountant, holds a Bachelor of Commerce Degree and completed the Director's Education Program of the Institute of Corporate Directors which has a module on monitoring financial strategy, risks and disclosure.
Kalpana Raina	Yes	During the 18 years she served at the Bank of New York, a global financial services institution, Ms. Raina had broad exposure to accounting, corporate finance and credit risk issues, specifically in her role as Executive Vice-President and as manager of its offices in France, Spain, Italy, Belgium and Germany. Ms. Raina is also a Director and a member of the Audit Committee of Information Services Group, Inc. and John Wileys & Sons, Inc., and previously served as Director and member of the Audit Committee of RealNetworks, Inc.
Michael G. Sifton	Yes	Over the course of over 30 years as President and Chief Executive Officer of Sun Media Corporation, President, Chief Executive Officer and Director of Osprey Media Group, President of Hollinger Canadian Newspaper G.P., President and Chief Executive Officer of Armadale Communications Limited, President and Chief Executive Officer of Praxis Technologies Inc. and now Chief Executive Officer of Data Communications Management Corp., Mr. Sifton acquired significant experience in accounting and corporate finance issues. Mr. Sifton also holds a Bachelor of Commerce Degree (Honours).

The Audit Committee held seven meetings during 2016. Attendance at the meetings of the Audit Committee was 100%.

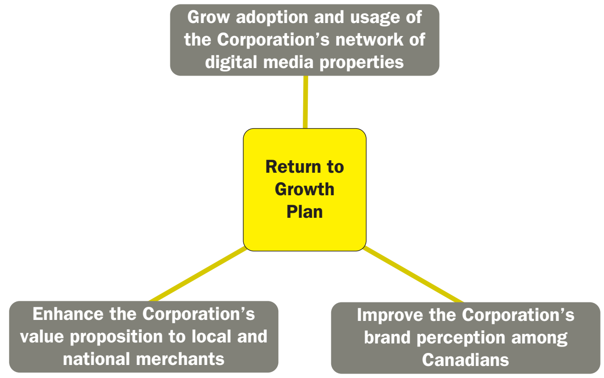
In 2016, the Audit Committee:

- Recommended for approval by the Board the annual and quarterly consolidated financial statements and related Management's Discussion and Analysis and press releases.
- Reviewed the auditor's engagement letter, including scope of audit and fees, and confirmed its independence.
- Oversaw the management of liabilities in connection with the long-term incentive plan for Management and DSU Plan for Directors and Management.
- Reported to the Board on oversight and receipt of certificates from Management confirming compliance with debt covenants, withholdings, deductions and remittances.
- Reviewed management's computations pertaining to the redemption of outstanding debt.

- Reviewed quarterly reports relating to treasury.
- Reviewed quarterly reports from the Ethics Committee.
- Reviewed reports from internal audit including with respect to Canadian anti-spam legislation control, cybersecurity and Transformation Office, and monitored implementation of recommendations from the internal auditor and approved the internal audit budget.
- Reviewed pension reports and approved actuarial valuations and financial statements for the pension plans.
- Monitored and approved changes to the investment strategy for the Corporation’s defined benefit and defined contribution pension plans.
- Received and reviewed reports from Management on internal controls over financial reporting and on disclosure controls and procedures.
- Approved amendments to the Corporation’s Disclosure Policy, Financial Risk Management Policy and the Policy on Reporting of Concerns.
- Reviewed the Audit Committee’s Charter to reflect certain changes to the pension plans.
- Recommended for approval the AIF for the year ended December 31, 2015, as well as the Proxy Circular in respect of the 2016 annual meeting of Shareholders.
- Met quarterly in private and separately with each of the external auditors, internal auditors and Management.

EXECUTIVE COMPENSATION – EXECUTIVE SUMMARY

Dear Shareholders:

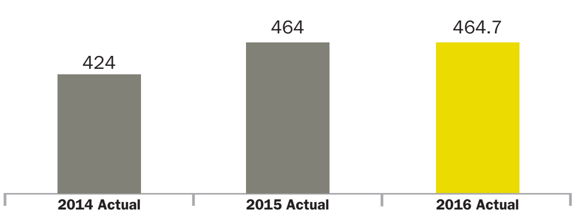


The Return to Growth Plan (the "**Plan**"), which was introduced in early 2014, sets out three main objectives to promote Yellow Pages' growth into a leading Canadian digital company: (1) enhance its value proposition to local merchants and national brands, (2) grow consumer awareness and usage of its network of digital media properties, and (3) strengthen the Corporation's digital brand perception among Canadians. Since the introduction of the Plan, Yellow Pages has continued to make progress as the Corporation transitions to a digital-first company. Key highlights on the implementation and execution of the Plan for the year ended December 31, 2016 include growth in consolidated digital revenues of 14.3% year-over-year to $555.8 million, representing 67.9% of consolidated revenues; acquisition of 41,100 new customers in 2016, exceeding both the target for the year of 38,000 as well as new customers acquired in 2015 of 30,800; repayment of debt of $97.1 million in 2016 on its 9.25% senior secured notes (the "**Notes**"), bringing the total repayment to $490.3 million since inception of the Notes in December 2012; and reduction of Net Debt (as defined below) from $430.6 million as at December 31, 2015 to $384.9 million as at December 31, 2016. As the Corporation continues to focus on the execution of the Plan, it has initiated a review of its business strategy and management outlook with the purpose of supporting the long-term success of its digital-first business. The areas of focus include marketing offers, the customer journey, sales structure, operational platforms and the subsequent effects on long-term revenue, Adjusted EBITDA (as defined below) growth and capital allocation policy. The Corporation anticipates communicating the outcome of this exercise and the accompanying strategy in May 2017.

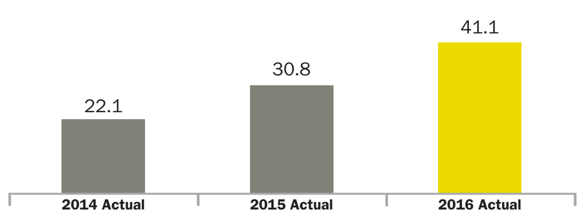
Strengthening its Media Assets: Total digital visits, which measures the number of visits made across the YP, YP Shopwise, YP Dine, RedFlagDeals, Canada411, Bookenda and dine.TO online and mobile properties, as well as visits made across the properties of the Corporation's application syndication partners, totalled 464.7 million in 2016 as compared to 464 million in 2015. Total digital visits performance in 2016 remained stable year-over-year with an increase of 26% in traffic in the fourth quarter of 2016 compared to the same period last year, attributable to the Corporation's strong partnership network, syndicating Yellow Pages listings and content.

Enhancing its Customer Value Proposition: Growth in customer count remains a critical driver in the Corporation's ability to deliver sustainable revenue and Adjusted EBITDA (as defined below) growth. The Corporation's customer count reached 241,500 customers as at December 31, 2016 as compared to 245,000 customers as at December 31, 2015. This represents a net decline of 3,500 customers in 2016, an improvement from the 11,000 and 20,000 net customers lost in 2015 and 2014, respectively. Yellow Pages acquired 41,100 new customers during the year ended December 31, 2016, exceeding internal targets and the acquisition of 30,800 new customers during the same period last year. In 2016, the Corporation focused on promoting leads generation and optimizing conversion rates within the Corporation's sales force to grow customer acquisition and stabilize the customer count. In conjunction therewith, various initiatives and tools were implemented throughout the year. The renewal rate among customers was 82% for the year ended December 31, 2016, as compared to a renewal rate of 85% last year. While this continues to represent strong customer loyalty for the industry, the customer renewal rate remains under pressure due to accelerated levels of customer acquisition, as new customer cohorts churn at higher rates than older customer cohorts. In an effort to protect customer renewal rates, Yellow Pages continues to grow specialized onboarding teams and increase retention efforts across sales and customer care channels.

Total Digital Visits (in mil.)



Customer Acquisition (in '000)



Extending its Brand Promise: Over the course of 2016, the Corporation launched a range of multimedia campaigns to enhance the digital brand relevancy and perception of Yellow Pages' media and marketing solutions across Canada and raise adoption of the Corporation's digital media properties. In an effort to raise awareness of Yellow Pages' digital marketing programs, the Corporation opened its own small business, *The Lemonade Stand*, in the Beaches neighbourhood of Toronto, Ontario. The Corporation grew *The Lemonade Stand* from a nonexistent business using only Yellow Pages digital marketing solutions. *The Lemonade Stand* was transformed into a national multimedia campaign and improved the perception of Yellow Pages as a credible supplier of digital and marketing solutions. The Corporation also launched a campaign comprised of digital mobile and online advertising to promote Yellow Pages' NetSync product, which led to the generation of quality leads for the Corporation's sales force that ultimately contributed to exceeding the customer acquisition target. On the consumer front, the Corporation launched a digital campaign to increase awareness and adoption of Yellow Pages' dining application, YP Dine.

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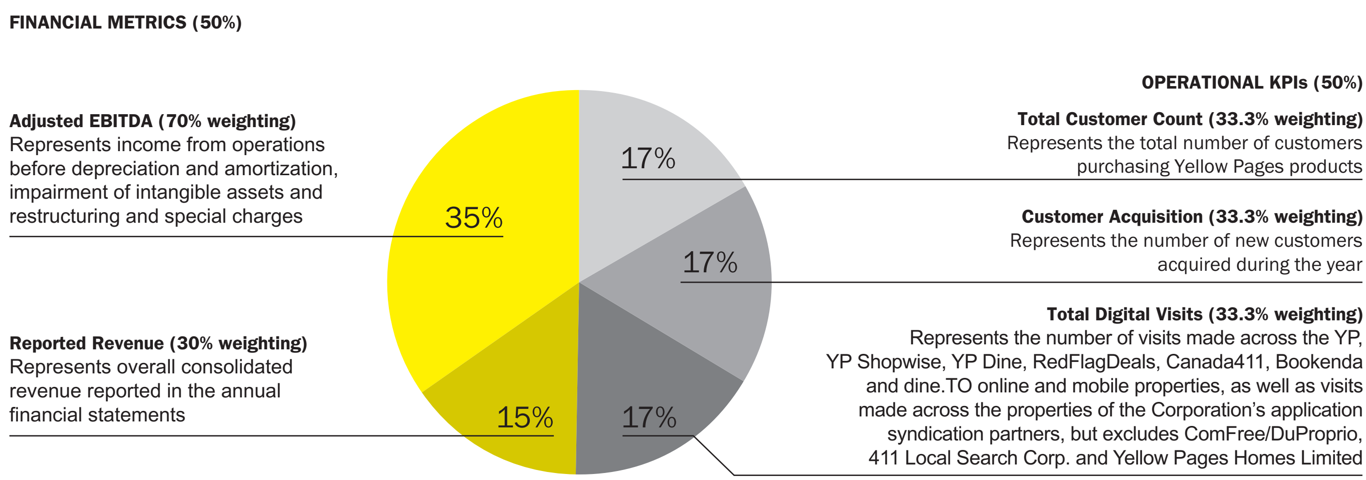
CHANGES IMPLEMENTED IN 2016

In 2016, we continued with the review of all of the Corporation's executive compensation programs to ensure they remained aligned with the Return to Growth Plan, as well as with the current dynamics facing the Corporation. While we experience strong competition from the other digital media companies, we continue to make progress in our digital evolution. We have continued to improve our financial situation by reducing our debt. We remain dedicated to reducing our debt and to invest in our transformation and the Return to Growth Plan as well as to attract and retain the right digital talent.

Therefore, in 2016, we brought certain changes to the compensation framework to align it with the Return to Growth Plan. To improve the focus on the priorities under our Return to Growth Plan, we have revised one of the three operational key performance indicators ("**KPIs**") used in the annual short-term incentive plan ("**STIP**"), replacing Customer Penetration of the Yellow Pages 360° Solution with Total Customer Count. We believe this new measure better ensures focus not only on new customer acquisition but also customer retention, with the objective of slowing down the net customer decline and supporting the Corporation's strategy of future customer count growth. The threshold payout multiplier for the Total Digital Visits was decreased from 60% to 40% reducing the payout when achieving threshold level to reflect the importance of achieving this measure (see section "Executive Compensation – Discussion and Analysis – Total Compensation Components – Annual Short-Term Incentive Plan" for details). The 2016 STIP also continued to reward exceptional individual performance and achievements.

2016 CORPORATE SCORECARD

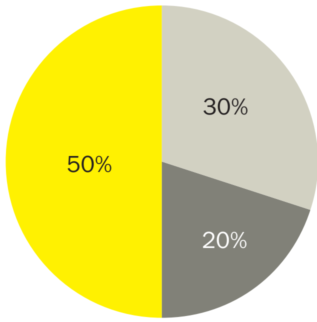
The following financial and operational KPIs were used in the 2016 Corporate Scorecard for the STIP:



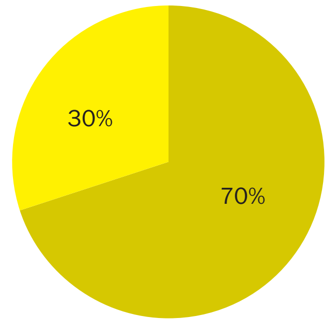
2016 LTIP

Similarly, while we decided to maintain the design and the KPIs previously used in the 2015 long-term incentive plan ("**LTIP**"), in order to better align the interests of our executives with those of our Shareholders towards long-term value creation, we adjusted the weightings of the performance share units (the "**PSUs**") by reducing the weighting of Net Debt to 30% while increasing the weighting of Compound Annual Growth Rate ("**CAGR**") of Digital Revenue targets to 70%, from the prior weighting of 50%-50% respectively. See "Executive Compensation – Discussion and Analysis – Total Compensation Components – Long-term Incentive Programs – 2016 LTIP" for details.

The 2016 LTIP award mix and metrics consisted of the following components:



2016 PSU METRICS

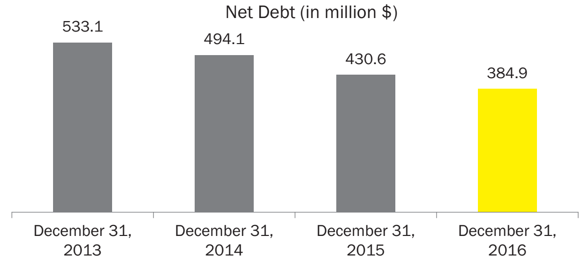


In 2016, the HR and Compensation Committee reviewed the Corporation's incentive plans and made the following modifications:

- **For STIP, the operational KPI of Customer Penetration of the Yellow Pages 360° Solution was replaced with Total Customer Count. The threshold payout multiplier for the Total Digital Visits was decreased from 60% to 40%, thus reducing the payout when achieving threshold level**
- **For LTIP, weighting of KPIs for PSUs changed to 70% CAGR of Total Digital Revenue Over 3 Years and 30% Net Debt**

2016 CORPORATION PERFORMANCE AND EXECUTIVE PAY

Revenues in 2016 decreased by 1.4% year-over-year and amounted to $818 million, as compared to a year-over-year decrease of 5.4% to $829.8 million in 2015 and a year-over-year decrease of 9.7% to $877.5 million in 2014. For the year ended December 31, 2016, digital revenues grew 14.3% year-over-year to reach $555.8 million, representing 67.9% of revenues. This compares to $486.3 million, or 58.6% of revenues, in 2015 and $442.8 million, or 50.5% of revenues, in 2014.



Adjusted EBITDA totalled $235.2 million during 2016 relative to $260.7 million in 2015 and $316 million in 2014. Adjusted EBITDA represents income from operations before depreciation and amortization, impairment of intangible assets and restructuring and special charges ("**Adjusted EBITDA**"). Adjusted EBITDA is not a performance measure defined under IFRS and is not considered an alternative to (loss) income from operations or net (loss) earnings in the context of measuring the Corporation's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not likely to be comparable to similar measures used by other publicly traded companies. Management uses Adjusted EBITDA to evaluate the performance of its business as it reflects its ongoing profitability. Management believes that certain investor and analysts use Adjusted EBITDA to measure a company's ability to service debt and meet other payment obligations or to value companies in the media and marketing solutions industry as well as to evaluate the performance of a business. Adjusted EBITDA should not be used as an exclusive measure of cash flow since it does not account for the impact of working capital changes, income taxes, interest payments, pension funding, capital expenditures, business acquisitions, debt principal reductions and other sources and uses of cash.

In addition, Yellow Pages repaid $97.1 million of its 9.25% senior secured notes in 2016, bringing the total repayment to $490.3 million since the issuance of the senior secured notes on December 20, 2012. As at December 31, 2016, the Corporation had Net Debt of $384.9 million, compared to $430.6 million at the end of 2015 and $494.1 million at the end of 2014. Net Debt is a non-IFRS financial measure and does not have any standardized meaning under International Financial Reporting Standards ("**IFRS**"). Therefore, it is unlikely to be comparable to similar measures presented by other publicly traded companies. We define Net Debt as current portion of long-term debt plus long-term debt and exchangeable debentures, less cash, as presented in Yellow Pages Limited's consolidated statements of financial position ("**Net Debt**"). We consider Net Debt to be an important indicator of our financial leverage as it represents the amount of debt that is not covered by available cash. We believe that certain investors and analysts use Net Debt to determine a company's financial leverage. Net Debt has no directly comparable IFRS financial measure; it is calculated using certain asset and liability categories from consolidated statements of financial position.

The Corporation did not achieve the 2016 threshold for the revenue target. However, it achieved 98% of the Adjusted EBITDA target under the annual STIP. With respect to the operational KPIs, the Corporation exceeded the target for Customer Acquisition, met the Total Digital Visits target and achieved 72% of the Total Customer Count target. Considering these results, the 2016 Corporate Scorecard Payout Factor was 81%. Further, to determine individual STIP payouts for 2016, performance and achievements of each Named Executive Officer were reviewed and the final STIP amount determined accordingly (see section "Executive Compensation – Discussion and Analysis – Total Compensation Components – Annual Short-Term Incentive Plan – 2016 STIP Payout" for details).

OPERATIONAL KPIs	2016	2015	% CHANGE
Total Customer Count (1)	241,500	n/a	n/a
Customer Acquisition (number of new customers)	41,100	30,800	33%
Total Digital Visits (in millions)	464.7	464.0	0.15%

*(1) YP core business excludes Mediative, 411 Local Search Corp. (411.ca), and ComFree/DuProprio Inc. and its subsidiaries ("**CFDP**").*

CEO PERFORMANCE AND COMPENSATION

In 2016, we continued to focus on the priorities identified in the Return to Growth Plan. The Corporation continued to strengthen its financial profile and also made operational progress. The Board of Directors, together with the President and Chief Executive Officer, Julien Billot, determined Mr. Billot's key objectives at the beginning of 2016, which included delivering on set financial objectives such as a strong cash-flow generation, repayment of debt and delivery of Adjusted EBITDA results. In addition to delivering on his objectives, Mr. Billot was also instrumental in delivering the Juice DMS Advertising Limited and Juice Mobile USA LLC (the latter two collectively "**JUICE**") acquisition, which closed in March 2016. As a result of Mr. Billot's achievements, the Committee reviewed and recommended an overall individual performance rating of 100% which allowed for a payout of 81% percent of his STIP target.

2016 STIP Payout – Julien Billot	
STIP at Target	$875,000
Corporate Scorecard Payout Factor	81%
Individual Multiplier	100%
Final STIP Payout (1)	**$708,100**
Calculation Details	*[$875,000 x (81% x 100%)]*

(1) The STIP payout was calculated based on the actual base salary earned by the executive during 2016.

In accordance with the 2016 LTIP, Mr. Billot received 30% of his LTIP target award in stock options, 20% in restricted share units ("**RSUs**") and 50% in PSUs (see "Executive Compensation – Discussion and Analysis – Total Compensation Components – 2016 LTIP" for details).

2016 LTIP Award – Julien Billot	Value	Number Granted	Underlying Share Exercise Price
Performance Share Units (at Target)	$875,000	49,088	$17.8250
Restricted Share Units	$350,000	19,635	$17.8250
Stock Options	$525,000	100,000	$17.8250
Total Award at Target	**$1,750,000**		

2014 PERFORMANCE AND RESTRICTED SHARE UNIT PLAN PAYOUT

In 2014, the Corporation granted RSUs and PSUs to certain Named Executive Officers under the Corporation's Restricted Share Unit and Performance Share Unit Plan adopted on May 6, 2013 (the "**RSU&PSU Plan**"). Pascal Thomas, Senior Vice-President and Chief Digital Officer, did not receive such awards as he joined the Corporation in October of 2014. The vesting of the RSUs was contingent on a three-year time-based vesting condition, to be confirmed at the time of the approval of the December 31, 2016 financial statements for the year ended December 31, 2016. The vesting of the PSUs was tied 50% to the achievement of a predetermined level of Net Debt on December 31, 2016 and 50% on the achievement of the CAGR of the total digital revenue target as at December 31, 2016. Given the progress of the ongoing digital evolution and the Corporation's efforts on debt repayment, the Corporation's Net Debt as at December 31, 2016 was reduced to $384.9 million, above the set Net Debt target of $350 million and the CAGR of Total Digital Revenue amounted to 9.9% exceeding the established 8% target. As such, the 2014 PSUs vested with a payout multiplier of 1.12 of the target award for the Named Executive Officers eligible (see section "Executive Compensation – Discussion and Analysis – Long-term Incentive Programs – 2014 Performance Share Unit Plan Payout" for details).

YELLOW PAGES IN 2016

- **Continued progress on the Return to Growth Plan**
- **Digital revenues grew 14.3% to reach $555.8 million**
- **Net Debt reduced to $384.9 million compared to $430.6 million in 2015**
- **Revenue target under the annual STIP was not achieved and the Adjusted EBITDA target was slightly below**
- **Two operational KPIs under the annual STIP were at or exceeded their targets, while the third was below target**

2016 EXECUTIVE COMPENSATION

- **The 2016 Corporate Scorecard was achieved at 81%**
- **Based on 2016 achievements and an individual multiplier of 100%, the payout for the President and Chief Executive Officer was at 81% of his STIP target**
- **The STIP payout for other Named Executive Officers reflected their 2016 achievements, and resulted in an achievement of 81% of their respective STIP targets, once the individual multiplier at 100% was taken into account**

IN CONCLUSION

We believe that the Company's executive compensation policy and programs are designed to ensure proper alignment between the Company's long-term strategy, its business plan and executive rewards, thus encouraging appropriate behaviour. The executive compensation program is also designed to be competitive, in order to attract, retain and motivate executive talent while providing for appropriate risk control features. A significant proportion of executive incentive compensation is therefore tied to key corporate objectives that play a critical role in driving the organization's short and long-term profitability and return on investment for Shareholders. Our focus on growing revenues, acquiring new customers and improving the Corporation's profitability, as well as the growing competition from other digital media companies, must be taken into consideration, specifically when designing pay-for-performance programs.

The Human Resources and Compensation Committee
Susan Kudzman (Chair)
Donald H. Morrison
Martin Nisenholtz

EXECUTIVE COMPENSATION – DISCUSSION AND ANALYSIS

This section provides details on the Corporation's executive compensation philosophy, approach and components, and explains in greater detail the process followed by the Human Resources and Compensation Committee (the "**HR and Compensation Committee**") regarding executive pay.

DETERMINING COMPENSATION

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The 2016 compensation of executive officers of the Corporation, including the President and Chief Executive Officer, the Senior Vice-President and Chief Financial Officer and the three next most highly compensated executive officers of the Corporation or its Subsidiaries (collectively, the "**Named Executive Officers**"), was determined by the Board following the recommendation of the HR and Compensation Committee.

All the members of the HR and Compensation Committee are independent Directors. The HR and Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate and to make the right decisions on the suitability of the Corporation's compensation policies, as discussed in "Election of the Board of Directors – Human Resources and Compensation Committee".

The HR and Compensation Committee fully understands the long-term implications and limitations of the key elements of compensation described in "Executive Compensation – Discussion and Analysis – Compensation Philosophy and Objectives".

All Members of the HR and Compensation Committee are Independent Directors with Executive Compensation Experience.

See "Elections of the Board of Director – Human Resources and Compensation Committee" and "Schedule "A" Disclosure of Corporate Governance Practices – Committees of the Board – Human Resources and Compensation Committee" for a description of meetings held and matters undertaken in 2016 by the HR and Compensation Committee.

COMPENSATION DECISION PROCESS AND RISK MANAGEMENT

The HR and Compensation Committee aims at designing and developing compensation programs that support the Corporation's objective of becoming the leading local digital company in Canada. The HR and Compensation Committee reviews the Corporation's compensation philosophy, plan design and competitive pay levels on an annual basis. In 2016, the HR and Compensation Committee reviewed the Corporation's short and long-term incentive plans to ensure they support the Return to Growth Plan and focus on long-term Shareholder value creation. The HR and Compensation Committee further assessed the achievement of performance measures set for the Named Executive Officers and other executives to determine appropriate incentive awards reflecting the level of the Corporation's performance under the annual short-term incentive plan and the achievement of the vesting targets for the 2014 LTIP.

When making decisions about executive pay, the HR and Compensation Committee considers a number of factors, both quantitative and qualitative.

While quantitative analysis and best practices are important factors that the HR and Compensation Committee relies on when analyzing executive pay, discretion, judgment and prior compensation experience are instrumental in delivering programs that are in the best interest of the Corporation.

The HR and Compensation Committee follows a rigorous process when establishing objectives for different pay-at-risk programs. The objectives assigned to executives to allow for a payout under both the short and long-term incentive plans are derived from the annual operational and long-term strategic business plans of the Corporation. To receive an incentive payout, executives have to meet objectives that are considered challenging. Payment is made at the end of the performance period provided the actual achievement exceeds the threshold or minimum level of performance required. The Board also maintains discretion over final payout, regardless of the achievement of specific performance metrics.

Numerous measures have been implemented to encourage continuous improvement of financial performance year-over-year, and to mitigate the undesired outcome of having executives take excessive risks when managing the Corporation. Such measures include having multiple performance metrics that need to be met to allow a payout under the pay-at-risk programs, capping the maximum payout multiplier at 1.5 for the PSUs, requiring the executives to hold Shares underlying a minimum of 25% of their exercised Options until they achieve their minimum share ownership guidelines, having executive compensation clawback and anti-hedging policies, as well as share ownership guidelines, setting a payout cap to 150% of target under the Corporate Scorecard for the STIP, and requiring the Adjusted EBITDA target to be achieved to allow overall STIP payout above 100% of target.

FACTORS CONSIDERED WHEN MAKING EXECUTIVE COMPENSATION DECISIONS

The HR and Compensation Committee also tested the STIP and LTIP under a variety of performance and related payout scenarios to ensure that the program will deliver the desired outcomes and that there is a link between performance and payouts.

CURRENT RISK MANAGEMENT PRACTICES IN PLACE

- **Share ownership guidelines, executive compensation clawback and anti-hedging policies** ✓
- **Rigorous process of reviewing and decision-making by the HR and Compensation Committee** ✓
- **Committee use of an independent compensation advisor** ✓
- **Various financial and operational performance metrics must be achieved to earn 100% of the incentive award** ✓
- **STIP Corporate Scorecard payout capped at 150% of target award** ✓
- **Requirement of Adjusted EBITDA target to be achieved to allow overall STIP payout above 100% of target** ✓
- **Maximum number of PSUs to vest capped at 1.5 payout multiplier** ✓
- **Executives are required to hold Shares underlying 25% of the Options exercised until they reach their share ownership guidelines** ✓
- **Testing the incentive programs under a variety of performance scenarios** ✓

SHARE OWNERSHIP GUIDELINES FOR EXECUTIVES

In May 2013, the HR and Compensation Committee reviewed and implemented new share ownership guidelines for the Named Executive Officers and other executives of the Corporation. The purpose of the guidelines is to promote the ownership of the Corporation's Shares by the executives to align their interests with those of the Corporation's Shareholders.

Under the guidelines, the executives are required to hold a certain value, equal to a multiple of their base salary (the "**Minimum Share Ownership**"), in Shares, DSUs or RSUs. The executives must achieve the Minimum Share Ownership within the later of five years from May 2013 or their appointment. The extent to which the Minimum Share Ownership is achieved is evaluated annually. The executives' Minimum Share Ownership is calculated using the value of Shares, DSUs and RSUs held by an executive, as detailed below. The value of the Options, PSUs or warrants is not included in the calculation of the Minimum Share Ownership. Executives are prohibited from hedging the value of the Corporation's securities that they hold and must retain Shares underlying a minimum of 25% of their exercised stock options until they achieve their minimum share ownership guidelines. Executives are also prohibited from granting charges (such as hypothecs or pledges) on their Shares.

- **Executive share ownership guidelines adopted in 2013**
- **Includes Shares, DSUs and RSUs but excludes Options, PSUs and Warrants**
- **Compliance to be achieved within 5 years and status evaluated on an annual basis**
- **Anti-hedging and prohibition on encumbering Shares included**

For the purposes of the share ownership guidelines, the value of Shares, DSUs or RSUs is calculated based on the value which is the higher of (A) the value of the Shares (or underlying Shares in the case of DSUs or RSUs) based on their respective purchase price or award price, and (B) the market value of the Shares (or underlying Shares in the case of DSUs or RSUs) based on the closing price of the Shares on the TSX on December 31 of the last year then ended. The table below shows the Minimum Share Ownership requirements for each executive level:

EXECUTIVE LEVEL	MINIMUM SHARE OWNERSHIP REQUIREMENT
President and Chief Executive Officer	4 times base salary
Senior Vice-Presidents (or other equivalent position)	2 times base salary
Vice-Presidents (or other equivalent position)	1 time base salary

The table below shows the level of achievement of the Minimum Share Ownership of the Named Executive Officers as at December 31, 2016.

SHARE OWNERSHIP BY NAMED EXECUTIVE OFFICERS					
Name	2016 Base Salary	Minimum Share Ownership Requirement	Value of Ownership Interest (1) (Shares, DSUs and RSUs)	Actual Percentage of Ownership Requirement	Minimum Ownership Requirement Date
Julien Billot	$875,000	$3,500,000	$1,334,956	38%	January 2019
Ginette Maillé	$450,000	$900,000	$427,382	47%	May 2018
Douglas A. Clarke	$415,000	$830,000	$311,272	38%	May 2018
François Ramsay	$340,000	$680,000	$441,683	65%	May 2018
Pascal Thomas	$350,000	$700,000	$114,357	16%	December 2019

(1) Value of ownership interest is calculated based on the higher of the closing price of the Shares on the TSX on December 31, 2016 (which was $17.69) and the applicable purchase price of the Shares or the value of the Shares underlying the DSU awards on the applicable date of grant of such awards or the RSU award value based on the respective unit reference price as shown on the award participation agreement of such awards.

EXECUTIVE COMPENSATION CLAWBACK POLICY

The Board of Directors adopted an executive compensation clawback policy concerning awards made under the Corporation's annual and long-term incentive plans. Under this policy, which applies to all executive officers, including the Named Executives Officers, the Board of Directors may, in its sole discretion, to the full extent permitted by governing laws and to the extent it determines it is in the best interests of the Corporation to do so, require reimbursement of all or a portion of annual or long-term incentive compensation previously received by an executive. The Board of Directors may seek reimbursement of full or partial compensation from an executive or former executive officer in situations where:

(a) the amount of a bonus or incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Corporation's financial statements;

(b) the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and

(c) the amount of the bonus or incentive compensation that would have been awarded to or the profit realized by the executive officer had the financial results been properly reported would have been lower than the amount actually awarded or received.

The compensation clawback provisions have been communicated to all executive officers, including the Named Executive Officers, as part of their total compensation statements and are part of their award agreements.

COMPENSATION CONSULTANT

As provided in its charter, the HR and Compensation Committee has the authority to retain and does retain, from time to time, the services of executive compensation consultants to provide advice on executive compensation matters. Executive compensation services, as well as other services provided by such executive compensation consultants at the request of Management, must be pre-approved by the HR and Compensation Committee. The HR and Compensation Committee also has the authority to determine and approve the fees of its consultants. In addition, the Corporate Governance and Nominating Committee has the authority to retain and does retain, from time to time, the services of compensation consultants to provide advice on director compensation matters.

Since 2013, the HR and Compensation Committee and the Corporate Governance and Nominating Committee have retained the services of Hugessen, an independent executive and director compensation consulting firm. Hugessen reports directly to the Chair of the HR and Compensation Committee with respect to executive compensation and to the Chair of the Corporate Governance and Nominating Committee for Director Compensation. In 2016, Hugessen's mandate covered the following:

- Review of short and long-term incentive plan design for the Named Executive Officers and other employees of the Corporation, including the review of the performance targets under each plan;
- Refresh the Corporation's peer groups and pay benchmarking of the positions of the President and Chief Executive Officer, Senior Vice-President and Chief Financial Officer, and the top three Named Executive Officers;
- Review of the Report on Executive Compensation section of the Corporation's 2015 management proxy circular;
- Review compensation arrangements proposed for executives of subsidiaries of the Corporation; and
- Review of the governance and market developments in executive compensation.

Hugessen also conducted a review of the Director's compensation on behalf of the Corporate Governance and Nominating Committee in 2016.

An engagement letter documented the key elements of the reporting relationships, including how and to whom Hugessen communicated information and recommendations. The HR and Compensation Committee and the Corporate Governance and Nominating Committee were satisfied that the advice received from Hugessen was objective and independent. The HR and Compensation Committee's and the Corporate Governance and Nominating Committee's decisions with regards to the compensation programs of the Corporation were its sole responsibility and may have reflected factors and information other than information and recommendations provided by Hugessen.

During 2016, the Corporation retained Willis Towers Watson Canada Inc. ("**Towers**") to conduct the compensation benchmarking for the Named Executive Officers and other executive positions of the Corporation as part of the review of the Corporation's pay positioning policy and benchmarking practices. This benchmarking exercise was previously performed by Management in 2015.

The following table sets forth the fees paid to Hugessen and Towers for compensation-related services as well as other fees for fiscal 2016 and 2015:

	HUGESSEN				TOWERS			
	2016 Fees ($)	Percentage of 2016 Fees (%)	2015 Fees ($)	Percentage of 2015 Fees (%)	2016 Fees ($)	Percentage of 2016 Fees (%)	2015 Fees ($)	Percentage of 2015 Fees (%)
Executive Compensation Related Fees (1)	82,600	93	125,816	100	55,000	100	Nil	Nil
All Other Fees	6,200 (2)	7	Nil	Nil	Nil	Nil	11,854 (3)	100
Total Fees	**88,800**	**100**	**125,816**	**100**	**55,000**	**100**	**11,854**	**100**

(1) Such fees were for HR and Compensation Committee mandates.

(2) Other fees paid to Hugessen consisted of Director Compensation benchmarking.

(3) Other fees paid to Towers consisted of a purchase of the Towers salary survey reports in 2015 and custom compensation benchmarking for certain non-executive positions in 2016.

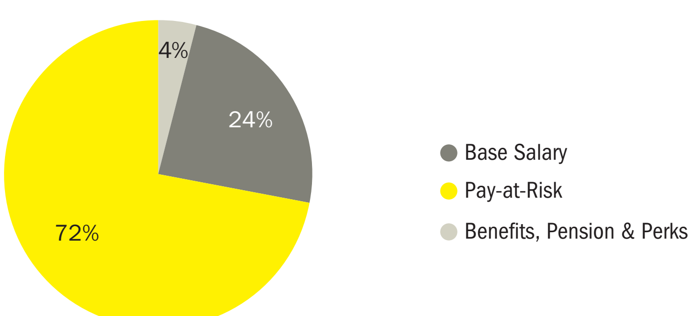
COMPENSATION PHILOSOPHY AND OBJECTIVES

The objectives of the Corporation's executive compensation philosophy are to deliver programs that attract and retain highly qualified executives, motivate their performance, and align their interests with those of Shareholders. Therefore, the compensation philosophy provides that the Corporation's executives receive total compensation that:

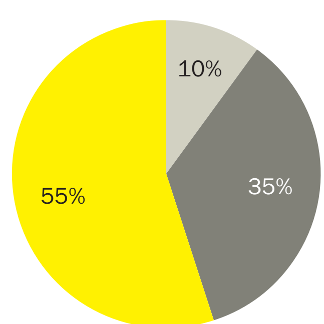
- Supports the Corporation's digital evolution;
- Pays for performance; and
- Is competitive compared to the Corporation's comparator groups.

The HR and Compensation Committee reinforces the pay-for-performance philosophy by allocating a significant portion of total compensation to pay-at-risk components. As discussed under "Executive Compensation – Discussion and Analysis – Determining Compensation – Compensation Decision Process and Risk Management", the HR and Compensation Committee typically reviews the appropriateness of the Corporation's compensation philosophy and objectives on an annual basis.

CEO TOTAL COMPENSATION MIX



NAMED EXECUTIVE OFFICERS' TOTAL COMPENSATION MIX



Historically, the Corporation's pay positioning for the pay-at-risk programs, i.e., the short and long-term incentive targets, were at the 75th percentile of the respective comparator group for all executives. In 2014, the HR and Compensation Committee revised the pay positioning for all other executives, including the Named Executive Officers, to set the pay-at-risk component targets between median and the 75th percentile of the respective comparator groups, thus bringing total direct compensation to slightly above the median.

POSITION	REVISED POLICY EFFECTIVE 2014	
	Pay-at-risk	Total Direct Compensation
President and Chief Executive Officer	Between median and 75th percentile	Slightly above median
All Other Executives	Between median and 75th percentile	Slightly above median

BENCHMARKING PRACTICES AND COMPARATOR GROUPS

The HR and Compensation Committee typically reviews the competitiveness of the Corporation's executive compensation on an annual basis. The analysis usually includes the review of base salary, target annual short-term incentive, target total cash, target long-term incentive, and target total direct compensation (i.e., total target cash plus long-term incentives) for each executive position.

Executive compensation benchmarking is typically conducted annually

In 2015, Hugessen reviewed and made recommendations concerning the composition of the Corporation's comparator groups when analyzing and benchmarking the total compensation for the position of the President and Chief Executive Officer. Given a very limited number of peers with a comparable size, scope and operations in Canada and the unique challenges associated with the Corporation's digital evolution, Hugessen recommended to also include U.S. companies as more U.S. peers were closer industry matches and therefore provided a more appropriate context for key operational executive roles. Thus, two comparator groups were selected based on the following criteria:

CRITERIA	CANADIAN PROXY GROUP — DETAILED CRITERIA	US PROXY GROUP — DETAILED CRITERIA
Type	Public, TSX listed	Public, NYSE, NASDAQ listed
Location	Head office in Canada	Head office in the U.S.
Revenue Size	1/3 – 3x of the Corporation's revenue	1/2 – 2x of the Corporation's revenue
Total Enterprise Value (TEV) Size (1)	1/3 – 3x of the Corporation's TEV	1/2 – 2x of the Corporation's TEV
Industry	Media (publishing, advertising, broadcasting, movies and entertainment, cable and satellite) Software and services	Media (publishing and advertising) Software and services

(1) Total Enterprise Value is defined as a corporation's market capitalization plus debt, net of cash.

The HR and Compensation Committee approved the following comparator groups and compensation data sources to be used when benchmarking the Corporation's executive positions.

COMPARATOR GROUPS AND DATA SOURCE

President and Chief Executive Officer	• Canadian Proxy Group • US Proxy Group
Senior Vice-President and Chief Financial Officer	• Canadian Proxy Group

CEO Direct Reports	• Named Executive Officers:
	  • Primary data source: Canadian Proxy Group (pay-rank basis)
	    • Some operational roles: US Proxy Group, if needed
	  • Secondary data source: Survey data (companies with $300M – $3B revenue size)
	    • Staff roles: Canadian General Autonomous Industry (excluding financial services/oil/gas)
	    • Operational roles: Canadian Media/Publishing/High Tech
	• Other executives: Survey data: companies with $300M – $3B revenue size
	    • Staff roles: Canadian General Autonomous Industry (excluding financial services/oil/gas)
	    • Operational roles: Canadian Media/Publishing/High Tech; US as needed

Other Vice-Presidents	• Survey data: companies with $300M – $3B revenue size • Staff roles: Canadian General Autonomous Industry (excluding financial services/oil/gas) • Operational roles: Canadian Media/Publishing/High Tech; U.S. as needed

The benchmarking of all executive positions was conducted at the end of 2015 and was reviewed by the HR and Compensation Committee in January 2016. The comparator groups used for the benchmarking were developed based on the criteria above, established by the HR and Compensation Committee based on recommendations made by Hugessen in 2013. Hugessen conducted the proxy benchmarking analysis using the Canadian Proxy Group and US Proxy Group for the position of the President and Chief Executive Officer and the Canadian Proxy Group for the position of the Senior Vice-President and Chief Financial Officer and other Named Executive Officers. The data obtained using the Canadian Proxy Group served as a primary source of data for the three highest paid Named Executive Officers. These three officers were benchmarked on a pay rank basis (e.g. the highest paid non-Chief Executive Officer and non-Chief Financial Officer of the Corporation were benchmarked against the highest paid non-Chief Executive Officer and non-Chief Financial Officer roles in the peer group). To ensure the positions of the three highest paid Named Executive Officers after the President and Chief Executive Officer and Senior Vice-President and

Chief Financial Officer were also benchmarked based on their scope and responsibilities, secondary benchmarking using a survey data was conducted. Such benchmarking was conducted by Management as part of the overall benchmarking of all executive positions (with the exception of the President and Chief Executive Officer and Senior Vice-President and Chief Financial Officer), using Towers General and High Tech Industry Executive Surveys. For certain roles, the data was limited and as such, Management increased the data sample to include companies with a wider revenue range or in additional industries to provide a market reference point for a comparison.

2015 PROXY GROUP REFRESH

In October 2015, Hugessen reviewed and updated the companies included in both the Canadian and US Proxy Groups. Once the screening criteria were applied, only three of the current peers fell within the screen. Therefore, the TEV selection criterion was removed and several companies were added. Based on this, a group of fourteen (14) peer companies in the Canadian Proxy Group was selected. When the 2013 screening criteria were applied to the US Proxy Group, twenty-six (26) companies were identified by the screen. However, only four of these companies were from the 2013 US Proxy Group. Hugessen revised the screen to capture the US companies in nominal US dollars and the screening criteria were updated as follows. Two analyses were conducted. The first analysis reviewed the publishing and advertising industries. The second analysis reviewed companies that had an Internet and application software business, with a focus on companies with mobile application development and digital marketing. Based on these two screens and some adjustments, a group of twenty-one (21) companies was selected. The actual companies included in each comparator group used by Hugessen are shown below:

CANADIAN PROXY GROUP

Company	Primary Industry
Aimia Inc.	Advertising
Cineplex Inc.	Movies and Entertainment
Constellation Software Inc.	Application Software
Corus Entertainment Inc.	Broadcasting
Cogeco Cable Inc.	Cable and Satellite
DH Corporation	Data Processing and Outsourced Services
MacDonald Dettwiler & Ass. Ltd.	Aerospace and Defense
Mood Media Corporation	Movies & Entertainment
Points International Ltd.	Internet Software and Services
Postmedia Network Canada Corp.	Publishing
Sirius XM Canada Holdings Inc.	Cable and Satellite
Torstar Corporation	Publishing
Transcontinental	Commercial Printing
TVA Group Inc.	Broadcasting

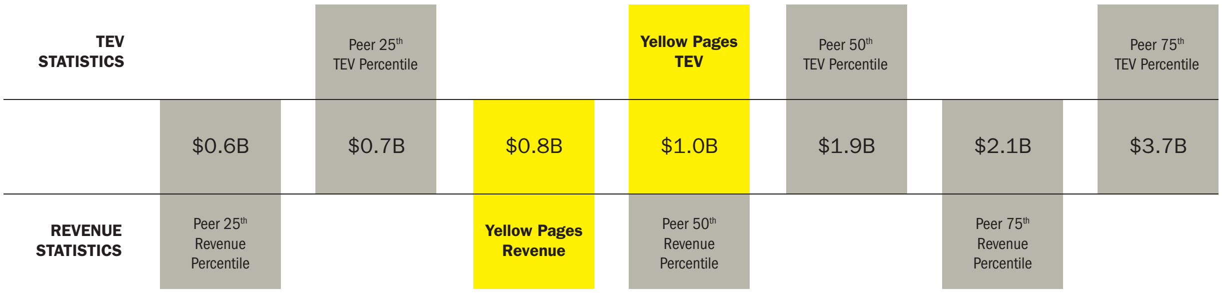
US PROXY GROUP (1)

Company	Primary Industry
Bankrate, Inc.	Internet Software and Services
Dex Media Inc.	Publishing
GoDaddy Inc.	Internet Software and Services
Harte-Hanks Inc.	Advertising
HomeAway, Inc.	Internet Software and Services
Lee Enterprises, Inc.	Publishing
Meredith Corp.	Publishing
Monster Worldwide Inc.	Internet Software and Services
National CineMedia, Inc.	Advertising
New Media Investment Group Inc.	Publishing
ReachLocal Inc.	Advertising
RealPage, Inc.	Application Software
Rocket Fuel Inc.	Internet Software and Services
Scholastic Corporation	Publishing
The McClatchy Company	Publishing
The New York Times Company	Publishing
Tribune Publishing Company	Publishing
Web.com Group, Inc.	Internet Software & Services
WebMD Health Corp.	Internet Software & Services
Yelp Inc.	Internet Software & Services
Zillow Group, Inc.	Internet Software & Services

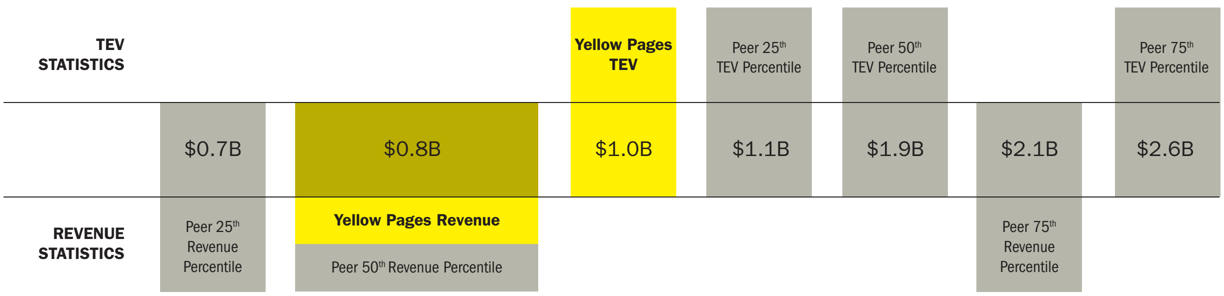
(1) The US Proxy Group applies primarily for the position of the President and Chief Executive Officer or as a potential secondary source of data for operational (non-corporate) executive roles if no Canadian data is available. In 2015, the U.S. data was only used for the position of the President and Chief Executive Officer.

REVENUE AND TEV RANGE

CANADIAN PROXY GROUP



U.S. PROXY GROUP



The actual companies included in each comparator group from the Towers Executive survey used by Management are shown below.

PUBLICLY TRADED COMPARATOR GROUP (CANADIAN GENERAL AUTONOMOUS COMPANIES) (1)

Company	Primary Industry
Algonquin Power & Utilities	Energy Services and Utilities
Canexus	Chemicals
Capital Power Corporation	Energy Services and Utilities
Catalyst Paper Corporation	Forestry and Paper Products
Cineplex	Media and Entertainment
Cogeco Cable	Telecommunications
Crombie Properties	Real Estate Holdings, Development & Trusts
Dollarama	Discounters/Mass Merchandisers/Off-Price Retailers
Genworth Financial	Other Insurance Companies
Great Canadian Gaming Corporation	Leisure and Hospitality
Indigo Books Music & Café	Big Box (Speciality Club and General Merchandise)
Lululemon Athletica	Apparel
MacDonald Dettwiler & Associates	Aerospace and Defense
Penn West Energy Trust	Energy Services and Utilities
Riocan Management Inc.	Real Estate Holdings, Development & Trusts
Ritchie Brothers Auctioneers	Business Support Services
ShawCor	Industrial Manufacturing
Stantec	Business & Technical Consulting Services
Tembec	Forestry and Paper Products
TMX Group Limited	Finance (Excl. Banking and Insurance)
TransAlta Corporation	Energy Services & Utilities
Transcontinental	Consumer Products – Nondurable

(1) Excludes companies in the oil and gas industries and financial services.

INDUSTRY COMPARATOR GROUP (CANADIAN MEDIA/PUBLISHING/HIGH TECH COMPANIES)

Company	Primary Industry
Acceo Solutions Inc.	Software Products and Services
Amazon.com	E-Commerce Services
Bell Canada	Telecommunications
BuildDirect	E-Commerce Services
Canadian Broadcasting Corp.	Media and Entertainment
Cineplex Entertainment	Media and Entertainment
Cisco Systems	Telecommunications
Cogeco Cable Canada GP Inc.	Telecommunications
Gesca (La Presse)	Media and Entertainment
IBM	Software Products and Services
Quebecor	Media and Entertainment
Verizon	Telecommunications
Videotron	Telecommunications
Vision Critical/Angus Reid Strategies	Software Products and Services

REVENUE AND TEV RANGE

PUBLICLY TRADED COMPARATOR GROUP (CANADIAN GENERAL AUTONOMOUS COMPANIES)

REVENUE STATISTICS	Peer 25th Revenue Percentile	**Yellow Pages Revenue**	Peer 50th Revenue Percentile	Peer 75th Revenue Percentile
	$0.6B	$0.8B	$1.2B	$2.1B

INDUSTRY COMPARATOR GROUP (CANADIAN MEDIA/PUBLISHING/HIGH TECH COMPANIES)

As revenue information was not available for each company included in the Towers Industry Comparator Group, no overall revenue statistics are provided. However, the revenue percentile statistics were available for each position benchmarked and was reviewed by the HR and Compensation Committee.

TOTAL COMPENSATION COMPONENTS

The 2016 total compensation of the Named Executive Officers consisted of base salary, annual short-term incentive, long-term incentive programs, and benefits, pension and perquisites.

TOTAL COMPENSATION
TOTAL TARGET DIRECT COMPENSATION
TOTAL TARGET CASH COMPENSATION
PAY-AT-RISK COMPONENTS

COMPONENT	**DESCRIPTION**	**LINK TO SHAREHOLDER VALUE CREATION**
Base Salary	Pays for role and responsibilities	
Annual Incentive (Short-term Incentive Plan)	Pays for the achievement of annual financial and operational objectives	Annual financial and operational performance impacts short-term Share price developments
Long-term Incentive Program · Stock Options · Restricted Share Units · Performance Share Units	Aligns Management's behaviours with Shareholders' interests	· Payout linked to measures of the Corporation's business transformation; thus motivating and driving executives to successfully deliver on the transformational strategy · Long-term financial performance impacts long-term Share price appreciation, the Corporation's viability and positive return on investment
Benefits, Pension Plan and Perquisites	Provide elements of financial security	

The historical pay positioning policy of the Corporation was to align base salary and the value of benefits, pension and perquisites with the median (50th percentile) of the competitive market, and short and long-term incentive targets with the 75th percentile of the competitive market if the Corporation achieved specific performance targets. In 2014, the HR and Compensation Committee reviewed the compensation philosophy and reset the pay positioning policy of the pay-at-risk components (i.e., short and long-term incentives) to align closer to the median of the respective comparator group, specifically to be between the median and the 75th percentile. The total direct compensation (i.e., base salary, and short and long-term incentives) thus would be targeted slightly above the median. Following the benchmarking conducted at the end of 2015, the overall positioning of the Named Executive Officers compared to the policy is shown below. While not specifically benchmarked during the year, the size and mix of the Corporation's benefits, pension and perquisites are considered to be consistent with market practices.

CURRENT POSITIONING COMPARED TO RESPECTIVE COMPARATOR GROUP

Position	Base Salary	Compared to Policy	Short-term Incentive	Compared to Policy	Long-term Incentive	Compared to Policy	Total Direct Compensation	Compared to Policy
President and Chief Executive Officer	At median	Aligned	At median	Aligned	Between 25th percentile and median	Below	At median	Aligned
Senior Vice-President and Chief Financial Officer	Between 25th percentile and median	Below	Between 25th percentile and median	Below	Above 75th percentile	Above	Between 25th percentile and median	Below
Senior Vice-President and Chief Operating Officer	Between 25th percentile and median	Below	Between 25th percentile and median	Below	Between median & 75th percentile	Aligned	Between 25th percentile and median	Below
Senior Vice-President Corporate Affairs and General Counsel	Between 25th percentile and median	Below	Between median and 75th percentile	Aligned	Above 75th percentile	Above	Between median and 75th percentile	Aligned
Senior Vice-President and Chief Digital Officer	Between 25th percentile and median	Below	Between median and 75th percentile	Aligned	Between median & 75th percentile	Aligned	Between median and 75th percentile	Aligned

COMPENSATION MIX AT TARGET AND AT-RISK PAY

In 2016, as in prior years, the pay-at-risk components represented a significant portion of total compensation as can be seen in the table below, which was consistent with the compensation philosophy of the HR and Compensation Committee.

Level	Base Salary (%)	Short-term Incentives at Target (At-Risk Pay) (%)	Long-Term Incentives at Target (At-Risk Pay) (%)	Benefits, Pension and Perquisites (%)
President and Chief Executive Officer	24%	24%	48%	4%
Direct Reports to the President and Chief Executive Officer	35%	17%	38%	10%
Vice-Presidents	41%	17%	31%	11%

BASE SALARY

The HR and Compensation Committee determines the base salary for executives of the Corporation, including the Named Executive Officers, based on recommendations from Management considering the appropriate market data for each position. The base salaries have been targeted to align with or be close to the median (also called the 50th percentile) of the market. The actual individual base salary is a function of the going market rate, individual executive performance compared to assigned individual and corporate objectives for the year, and skills and expertise.

- **Base salaries are set based on the job's market rate, executive performance, skills and expertise**
- **Salaries are typically benchmarked and reviewed on an annual basis**

In 2016, the HR and Compensation Committee adjusted the base salary of Messrs Billot and Thomas, to maintain a market competitive compensation. The base salaries of Ms. Maillé, Mr. Clarke and Mr. Ramsay were also adjusted to reflect the latest benchmark review and a reduction of their LTIP target in line with the Corporation's long-term incentive compensation philosophy established in 2014, as detailed below. These changes were also consistent with the compensation policy of the Corporation.

ANNUAL SHORT-TERM INCENTIVE PLAN

All of the Corporation's executives, including the Named Executive Officers, participate in the Corporation's annual STIP. The STIP aims to reward executives for their effectiveness in achieving the short-term financial success of the Corporation and meeting key operational KPI targets. The STIP pays for the achievement of specific annual objectives set by the Board.

Each Named Executive Officer has an annual STIP target award expressed as a percentage of base salary. The respective 2016 STIP target awards for the Corporation's executives are detailed in the table below:

Position	Annual STIP Target award (% of Base Salary)	Maximum Payout (% of Base Salary)
President and Chief Executive Officer (1)	100%	200%
Senior Vice-Presidents (or other equivalent positions)	50%	100%
Vice-Presidents (or other equivalent positions)	40%	80%

(1) As per the terms of the President and Chief Executive Officer's employment agreement.

- **The STIP target awards are set as a percentage of base salary**
- **The STIP rewards executives for achieving the Corporation's short-term financial and operational performance targets**

In 2016, the HR and Compensation Committee reviewed the STIP for executives, including the Named Executive Officers, to ensure that the indicators used represent key drivers of the Corporation's Return to Growth Plan by driving the right behaviors. Following this review, the HR and Compensation Committee decided to revise one of the three operational KPIs, replacing Customer Penetration of the Yellow Pages 360° Solution with the Total Customer Count measure. Moreover, the threshold payout multiplier for the Total Digital Visits was decreased from 60% to 40% reducing the payout when achieving threshold level. In order to allow an overall STIP payout above 100% of target, the Adjusted EBITDA target must be achieved. The HR and Compensation Committee nonetheless maintained discretion to adjust the final payout based on the Corporation's overall financial performance. The HR and Compensation Committee maintained the targets and maximum payouts under the STIP as a percentage relative to base salary. Further, the HR and Compensation Committee reviewed the individual performance of the Named Executive Officers when determining the final STIP payouts to allow for recognition of exceptional achievements.

As was the case in 2015, the 2016 STIP was based on a Corporate Scorecard which consisted of financial targets (having 50% weighting) and operational KPIs (having 50% weighting).

The 2016 Corporate Scorecard and respective metrics and weighting for all eligible employees, including the Named Executive Officers were as follows:

2016 CORPORATE PERFORMANCE SCORECARD			
Financial Measures (50%)	**Weighting**	**Operational KPIs** (50%)	**Weighting**
Reported Revenue (1)	30%	Total Customer Count	33.3%
Adjusted EBITDA (2)	70%	Customer Acquisition	33.3%
		Total Digital Visits	33.3%

(1) Revenue reported in accordance with IFRS as disclosed in the annual financial reports.

(2) See section "Executive Compensation – Executive Summary" for the Adjusted EBITDA definition.

The three operational KPIs reflect the Corporation's Return to Growth Plan priorities, thus ensuring the Named Executive Officers and other executives of the Corporation focus on the key pillars of the Corporation's digital evolution.

Total Customer Count
This KPI represents the total number of customers purchasing Yellow Pages products and ensures focus is not only on new customer acquisition but also customer retention, thus slowing down the net customer decline and supporting the Corporation's strategy of future customer count growth.

Total Digital Visits
The Corporation is focused on delivering qualified audiences to its customers. Total digital visits represents the number of visits made across the YP, YP Shopwise, YP Dine, RedFlagDeals, Canada411, Bookenda and dine.TO online and mobile properties, as well as visits made across the properties of the Corporation's application syndication partners but excludes CFDP, 411 Local Search Corp. and Yellow Pages Homes Limited.

Customer Acquisition
The customer is the Corporation's most important asset. Customer acquisition is a measure of success in attracting customers through relevant media and marketing solutions. Building a customer base is a key requirement to ensure content strategy and completeness in the Corporation's platforms, enabling sustainable revenue and Adjusted EBITDA growth.

The corporate financial and operational KPI targets were intended to ensure that the annual STIP rewards executives for their effectiveness in improving the operations of the Corporation and advancing its evolution to a leading digital company in Canada. Executives were also provided key individual objectives (the individual multiplier) which were fully aligned with the Corporation's strategic objectives. The individual multiplier factor was also intended to reward the demonstration of key leadership competencies that supported the Corporation's organizational culture transformation. The maximum payout factor could go up to 200% if all individual objectives reached their maximum level and the Corporate

Scorecard reached up to 150%. If the objectives were not achieved at target but reached or exceeded the applicable minimum thresholds for payout, the annual STIP payout was proportionately lower.

The annual STIP payout is calculated as follows:

Annual STIP Payout	=	Corporate Scorecard Payout Factor	X	Individual Contribution Multiplier	X	STIP Target	X	Base Salary
Maximum Payout 200%		Maximum Payout 150%		Maximum Payout 200%				

The targets established for 2016 for both reported revenue and Adjusted EBITDA reflected the targets set in the Corporation's annual financial budget. All Named Executive Officers of the Corporation were measured based on revenue and Adjusted EBITDA.

2016 CORPORATE SCORECARD – FINANCIAL TARGETS AND RELATED PAYOUT

Metric	Weighting	Threshold	Target	Maximum
Reported Revenue (1)	30%	$790 million	$810 million	$835 million
Adjusted EBITDA (2)	70%	$230 million	$240 million	$255 million
Payout		60%	100%	150%

(1) Revenue reported in accordance with IFRS as disclosed in the annual financial reports.

(2) See section "Executive Compensation – Executive Summary" for the Adjusted EBITDA definition.

2016 CORPORATE SCORECARD – OPERATIONAL KPI TARGETS AND RELATED PAYOUT

Metric	Weighting	Threshold	Target	Maximum
Total Customer Count (in '000)	33.3%	240,000	245,000	250,000
Customer Acquisition	33.3%	34,000	38,000	42,000
Total Digital Visits	33.3%	425 million	465 million	490 million
Payout (Total Digital Visits)		40%	100%	150%
Payout (Other KPIs)		60%	100%	150%

2016 STIP PAYOUT

The targets for the purposes of the 2016 STIP were approved in February 2016. Following the end of the 2016 fiscal year, the Corporation reported total revenue of $818 million and Adjusted EBITDA of $235.2 million. Reported revenue and Adjusted EBITDA included partial year results from the acquisition of JUICE, which were not included in the STIP targets for 2016. As such, when calculating the achievement of both reported revenue and Adjusted EBITDA for purposes of the STIP, the JUICE results were excluded, thereby reducing revenues and Adjusted EBITDA for purposes of calculating the STIP to $785 million and $236 million, respectively. Reported revenue was below the threshold and resulted in a 0% payout. The Adjusted EBITDA was slightly below target, resulting in a payout factor of 83.8%. Two of the operational KPIs achieved results near the target and one exceeded the target resulting in an overall payout of 103% for the combined operational KPIs. The table below details the respective achievement of each measure and related payout.

2016 CORPORATE PERFORMANCE SCORECARD RESULTS

Financial Metrics (50%)							Key Operational Performance Targets (50%)						
	Weight	Target	Actual	Achievement	Payout	Weighted Payout		Weight	Target	Actual	Achievement	Payout	Weighted Payout
Reported Revenue	30%	$810M	$785M (1)	97%	0%	0%	Total Customer Count (3)	33.3%	245,000	241,500	99%	71.8%	23.9%
Adjusted EBITDA	70%	$240M	$236M (2)	98%	83.8%	58.6%	Customer Acquisition	33.3%	38,000	41,100	108%	138.7%	46.2%
							Total Digital Visits	33.3%	465M	464.7M	99%	99.6%	33.2%
						58.6%							103.4%
Payout				(50% x 58.6% = **29.3%**)							(50% x 103.40% = **51.7%**)		
Final STIP Corporate Scorecard Payout Factor (rounded down)													**81%**

(1) Adjusted to exclude JUICE revenues.

(2) Adjusted to exclude JUICE Adjusted EBITDA.

(3) Total Customer Count excluding Mediative, 411.ca and CFDP.

In addition, the HR and Compensation Committee reviewed individual performance and key accomplishments and deliverables of each Named Executive Officer for 2016 and determined respective individual multipliers for each Named Executive Officer as detailed below.

As a result, the final 2016 STIP payouts to the Named Executive officers were as follows:

Named Executive Officer	2016 STIP Target	Corporate Scorecard Payout Factor	Individual Multiplier	2016 STIP Payout
Julien Billot	$875,000	81%	100%	$708,100
Ginette Maillé (1)	$225,000	81%	100%	$181,700
Douglas A. Clarke (1)	$207,500	81%	100%	$167,500
François Ramsay	$170,000	81%	100%	$137,500
Pascal Thomas	$175,000	81%	100%	$139,800

(1) The Individual multiplier for Mr. Clarke and Ms. Maillé were set at 100% under their retirement and separation agreement. See "Executive Compensation – Discussion and Analysis – Employment Agreement, Termination and Change of control Benefits."

2016 STIP PAYOUT

- **Based on 2016 financial and operational KPIs, the Corporate Scorecard Payout Factor was calculated and approved at 81%**
- **Individual performance multiplier was set at 100% resulting in an overall payout range of 81% of STIP targets recognizing the cohesive effort of the executives during the year in meeting the KPIs relating to the transformation**

LONG-TERM INCENTIVE PROGRAMS

In 2014, the HR and Compensation Committee reviewed the LTIP programs in the context of the Corporation's transformation and further revised their structure to ensure the plan focuses the executives on long-term Shareholder value creation. The LTIP design implemented in 2014 was reviewed in 2015 and again in 2016, and the HR and Compensation Committee determined it continued to align with the interests of the Corporation's Named Executive Officers and other executives with those of the Corporation's Shareholders, and focused on long-term shareholder value creation. As such, the design was maintained.

The annual LTIP awarded to the executives and key management employees of the Corporation is designed to:

- Support the Corporation's transformation
- Encourage long-term Shareholder value creation
- Provide executives with line of sight between performance indicators they could directly impact and their compensation
- Attract and retain executives
- Help build executive equity ownership

Each Named Executive Officer has an annual LTIP target award expressed as a percentage of base salary. Historically, the policy provided that the LTIP target award would be aligned with the 75th percentile of the competitive market. In 2014, the HR and Compensation Committee revised the pay positioning policy for newly hired and promoted executives to set the LTIP targets between the median and the 75th percentile of the respective comparator group. In 2016, the long-term incentive targets for Ms. Maillé, Mr. Clarke and Mr. Ramsay (who joined the Corporation before 2014) were adjusted as part of an alignment of their total compensation resulting in an adjustment of their base salary. As a result, with the renewal of the executive team throughout 2015 and 2016, and the application of the new policy, the average LTIP target award at the executive level in 2016 are as follows:

Level	Average LTIP Target Prior to 2015		Average LTIP Target End of 2015		Average LTIP Target End of 2016
CEO Direct Reports	120%	→	106%	→	103%
VPs	84%	→	83%	→	67%

2014 LTIP

The 2014 LTIP annual grant consisted of a combination of Stock Options, RSUs and PSUs awarded to designated executives and senior management employees. The mix between different LTIP instruments varied by executive level to align with best market practices and ensure executive retention. For Named Executive Officers, Stock Options, PSUs and RSUs were weighted 30%, 50% and 20% of the total long-term incentive award value. The Performance base award represented 50% of the total LTIP award and the rest were subject to a time-based vesting condition. To follow the Corporation's risk management practices, the maximum number of PSUs that can vest was capped at a 1.5-time payout multiplier.

- **2014 LTIP Programs used a mix of Stock Options, RSUs, PSUs**
- **50% of the total 2014 LTIP award was performance-based**
- **Maximum number of PSUs to vest capped at a 1.5-time payout multiplier**

2014 MIX OF LTIP COMPONENTS PER EXECUTIVE LEVEL

	Mix of 2014 LTIP Instruments		
	Stock Options	Performance Share Units	Restricted Share Units
Named Executive Officers and other Direct Reports to the President and Chief Executive Officer	30%	50%	20%
Vice-Presidents	Nil	50%	50%

2014 RESTRICTED AND PERFORMANCE SHARE UNIT PLAN

In 2014, the Corporation granted RSUs and PSUs to certain executives under the RSU&PSU Plan. Mr. Thomas, Senior Vice-President and Chief Digital Officer, did not receive such awards as he joined the Corporation in October 2014.

The RSUs granted to the executives were contingent on a three-year time-based vesting condition to be confirmed at the time of the approval of the December 31, 2016 financial statements.

The PSUs granted to the executives were to vest and be paid based on the Corporation's Net Debt and CAGR of Total Digital Revenue on December 31, 2016 as per established targets specified below. Given the progress of the ongoing digital transformation and the Corporation's efforts on debt repayment, the Corporation's Net Debt as at December 31, 2016 was reduced to $384.9 million, and the CAGR of Total Digital Revenues amounting to 9.9% exceeding the 8% target. As such, the 2014 PSUs vested with a payout multiplier of 1.12 of the target award for the Named Executive Officers who had received such grants. Vesting for the performance cycle ended December 31, 2016 was confirmed on February 14, 2017 and the plan push out was completed at a Share price of $8.01 on March 8, 2017.

2014 PSUs	PERFORMANCE TARGET AT DECEMBER 31, 2016			2016 ACTUAL ACHIEVEMENT
	Threshold	Target	Maximum	
Net Debt reduction (1)	$425 million	$350 million	$275 million	$384.6 million
CAGR of Total Digital Revenue in table	6%	8%	10%	9.9%
Payout Multiplier	0.5	1.0	1.5	1.12

(1) See section "Executive Compensation – Executive Summary" for the Net Debt definition.

The following table indicates the amounts (in dollars or Share value) for RSUs and PSUs received by the eligible Named Executive Officers in the 2014 LTIP plan push out:

Named Executive Officer	2014 LTIP Grant Date Value Awarded(1)	2014 LTIP Payout(2)
Julien Billot	$1,253,960	$464,668
Ginette Maillé	$410,360	$152,063
Douglas A. Clarke	$370,741	$137,387
François Ramsay	$341,974	$126,722

(1) This value was calculated by multiplying the number of RSUs and PSUs awarded at the time of grant to each of the eligible Named Executive Officer, by the volume weighted average price of such RSUs and PSUs being $24.6547 and $20.6934, respectively.

(2) This payout was calculated by multiplying the number of RSUs and PSUs to which each of the eligible Named Executive Officers was entitled by $8.01, which was the volume weighted average price of the sale of the Shares during the pushout period, which was completed on March 8, 2017.

2016 LTIP

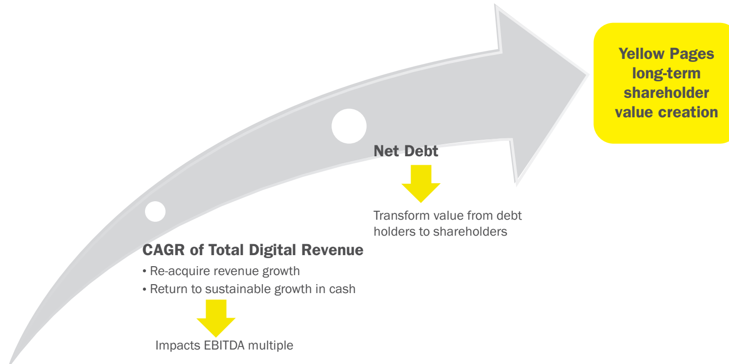
The LTIP design implemented in 2015 was reviewed in 2016 and the HR and Compensation Committee determined it appropriately aligned the interests of the Corporation's Named Executive Officers and other executives with those of the Corporation's shareholders, and focused on long-term shareholder value creation. As such, the design was maintained and consisted of a mix of RSUs and PSUs under the Corporation's RSU&PSU Plan and a grant of Options under the 2012 Stock Option Plan for the Named Executive Officers. The mix between different LTIP instruments varied by executive level.

MIX OF LTIP COMPONENTS PER EXECUTIVE LEVEL					
			Mix of 2016 LTIP Instruments		
Position	Annual LTIP Target – Grandfathered Executives	Annual LTIP Target – New Policy	Stock Options	Performance Share Units	Restricted Share Units
President and Chief Executive Officer	n/a	200%	30%	50%	20%
Named Executive Officers and other Executives who directly report to the President and Chief Executive Officer	150%	85%–130%	30%	50%	20%
Vice-Presidents	125%	40%–100%	Nil	50%	50%

To align with best practices, 50% of the total 2016 LTIP award was performance based and the remainder subject to a time-based employment vesting condition. To follow the Corporation's compensation risk management practices, the maximum number of PSUs that can vest was capped at a 1.5-time payout multiplier.

The performance metrics under the 2016 PSU grant remained as they were in 2015, specifically Net Debt and CAGR Rate of Total Digital Revenues. The Total Digital Revenue includes digital reported revenue from all digital operations as disclosed in the Corporation's financial reports. In order to better align the interests of our executives with those of our Shareholders towards long-term value creation, we adjusted the weightings of the PSUs reducing the weighting of Net Debt to 30% while increasing the weighting of CAGR of Total Digital Revenue to 70%, from the prior weighting of 50%-50%.

2016 PSU Metric	Weight
Net Debt (1)	30%
CAGR of Total Digital Revenue (2)	70%



(1) See section "Executive Compensation – Executive Summary" for the Net Debt definition.

(2) Total digital revenue coming from all digital operations of the Corporation.

- **2016 LTIP Programs used a mix of Options, RSUs, and PSUs for the Named Executive Officers**
- **50% of the total 2016 LTIP award was performance-based and awarded in PSUs – PSUs were tied 30% to the Net Debt and 70% to the CAGR of Total Digital Revenue**
- **Maximum number of PSUs to vest capped at a 1.5-time payout multiplier**

2016 LTIP PROGRAM FOR NAMED EXECUTIVE OFFICERS

	WEIGHT	OBJECTIVE	VESTING	PERFORMANCE CONDITION	PERFORMANCE/ VESTING PERIOD
Performance Share Units (PERFORMANCE-BASED COMPONENT)	50%	· Focuses on digital revenue – measure of successful business transformation and debt repayment – measure of long-term financial suntainability · Executive retention	Date when the Board approves 2018 financial results (February 2019)	· 30% Net Debt as of December 31, 2018 · 70% CAGR Total Digital Revenue as of December 31, 2018	3 years
Restricted Share Units	20%	· Alignment with Shareholders' interests through share price appreciation · Executive retention	Date when the Board approves 2018 financial results (February 2019)	None	3 years
Stock Options	30%	· Alignment with Shareholders' interests through share price appreciation · Executive retention	50% Feb 12, 2018 25% Feb 12, 2019 25% Feb 12, 2020	None	4 years

2014 – 2016 LTIP VESTING SCHEDULE AND CONDITIONS SUMMARY

The following tables provide an overview of the vesting of various LTIP instruments granted to the Named Executive Officers since 2014.

		2014 – 2019	
Performance-based LTIP	**Performance Share Units**		
	2014 Grant	Net Debt (50%) and CAGR Digital Revenue (50%)	Payout can range from 0 to 1.5 of target award
	2015 Grant	Net Debt (50%) and CAGR Total Digital Revenue (50%)	
	2016 Grant	Net Debt (30%) and CAGR Total Digital Revenue (70%)	
Time-based LTIP	**Stock Options**		
	2014 Grant	50% in Feb. 2016, 25% in Feb. 2017 and 25% in Feb. 2018	
	2015 Grant	50% in Feb. 2017, 25% in Feb. 2018 and 25% in Feb. 2019	
	2016 Grant	50% in Feb. 2018, 25% in Feb. 2019 and 25% in Feb. 2020	
	Restricted Share Units		
	2014 Grant	100% in Feb. 2017	
	2015 Grant	100% in Feb. 2018	
	2016 Grant	100% in Feb. 2019	

All LTIP grants summarized above have been granted pursuant to the 2012 Stock Option Plan and the RSU&PSU Plan, described in the sections below.

2012 STOCK OPTION PLAN

The 2012 Stock Option Plan was adopted on December 20, 2012. This long-term incentive plan is intended to: (i) attract and retain the services of selected employees of the Corporation who are in a position to make a material contribution to the successful operation of the business; (ii) provide a meaningful incentive to Management to lead the Corporation through the transition and transformation of its business; and (iii) more closely align the interests of Management with those of the Shareholders.

- **1,290,612 Shares are authorized for issuance, which represents a potential dilution of approximately 4.6%**

The 2012 Stock Option Plan makes available up to 1,290,612 Shares for issuance pursuant to the exercise of Options. The following additional limitations apply to grants under the 2012 Stock Option Plan: (i) the number of Shares issuable to insiders, at any time, under the 2012 Stock Option Plan and any other share compensation arrangements of the Corporation, shall be less than five percent (5%) of the issued and outstanding Shares; (ii) the number of Shares issued to insiders, within any one year period, under the 2012 Stock Option Plan and any other share compensation arrangements of the Corporation, shall be less than five percent (5%) of the issued and outstanding Shares; and (iii) the maximum aggregate number of Shares with regard to which awards may be made to any one participant under the 2012 Stock Option Plan and under any other share compensation arrangements of the Corporation, shall be less than five percent (5%) of the Shares issued and outstanding.

The term of outstanding stock options under the 2012 Stock Option Plan (the "**Option Period**") may not exceed ten (10) years. However, should the Option Period expire during a period imposed by the Corporation during which Directors and certain employees of the Corporation shall not be permitted to trade in securities of the Corporation (a "**Blackout Period**"), or within ten (10) trading days after the expiration of the Blackout Period applicable to the relevant participant, the term shall be automatically extended and shall expire on the tenth (10th) trading day after the end of the applicable Blackout Period.

Under the terms of the 2012 Stock Option Plan, the Board or a Committee shall prescribe the date or dates upon which all or a portion of an Option becomes exercisable and may establish any performance criteria which must be met by a participant, the Corporation and/or any affiliated entity thereof in order for all or a portion of any Options to become exercisable.

The 2012 Stock Option Plan includes the following provisions:

Exercise Price	The exercise price is equal to the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the grant date (the "Fair Market Value").
Grant Date	The grant date of an Option may be the date on which the Option is granted or, if determined by the Board at the time of grant, after the date the Board resolves to grant the Option, in order to ensure, among other things, that the Fair Market Value of the Option is calculated based on trading days outside of a Blackout Period.
Transfer / Assignment of Stock Options	Stock options may be transferred by will and laws of succession.
Circumstances under which an individual is no longer entitled to participate	• **Resignation or Termination Without Cause –** Except upon a resignation for good reason following a Change of Control, (i) each exercisable Option then held by the participant shall remain exercisable for a period of three calendar months from the date of such cessation or termination, but not later than the end of the Option Period, and thereafter any such Option shall expire; and (ii) each non-exercisable Option then held by a participant shall expire immediately. • **Termination for Cause –** Unless the Board or a Committee otherwise provides, if a participant is dismissed for cause: (i) each exercisable Option then held by the participant shall remain exercisable for a period of one calendar month from the date of such dismissal, but not later than the end of the Option Period, and thereafter any such Option shall expire; and (ii) each non-exercisable Option then held by a participant shall expire immediately. • **Long-Term Disability or Death –** Each exercisable Option then held by the participant shall remain exercisable for a period of twelve (12) calendar months from the date of the long-term disability or death, but not later than the end of the Option Period, and thereafter any such Option shall expire; and (ii) each non-exercisable Option then held by a participant shall become exercisable on the date it would have been exercisable as if the participant had not ceased to be employed by the Corporation or an affiliated entity thereof and shall remain exercisable up to the earlier of twelve (12) calendar months from the date of the long-term disability or death or the end of the Option Period and thereafter any such Option shall expire. • **Retirement –** If a participant retires and has reached the age of sixty (60) years old at the date of retirement: (i) each exercisable Option then held by the participant shall remain exercisable for a period of thirty-six (36) calendar months from the date of retirement, but not later than the end of the Option Period, and thereafter any such Option shall expire; (ii) each non-exercisable Option then held by the participant shall become exercisable as if the participant had not ceased to be employed by the Corporation or an affiliated entity thereof and shall remain exercisable up to the earlier of thirty-six (36) calendar months from the date of retirement or the end of the Option Period and thereafter any such Option shall expire. If a participant retires prior to the end of the Option Period and has not reached the age of sixty (60) years old at the date of retirement, (i) each exercisable Option then held by the participant shall remain exercisable for a period of twelve (12) calendar months from the date of retirement, but not later than the end of the Option Period, and thereafter any such Option shall expire; and (ii) each non-exercisable Option then held by the participant shall expire immediately.
Change of Control Definition	Change of Control shall mean: (i) a sale of all or substantially all of the assets of the Corporation; (ii) a sale, directly or indirectly, resulting in more than 50% of the voting securities of the Corporation being held, directly or indirectly, by another person; or (iii) a merger or consolidation of the Corporation into another person resulting in the members of the Board before such merger or consolidation no longer constituting a majority of the Directors of the resulting entity.
Change of Control	If a Change of Control occurs, unless otherwise determined by the Board, each Option, which is not converted into or substituted by an Alternative Award (as defined below) of a successor entity, shall become exercisable immediately prior to the consummation of the transaction constituting a Change of Control. An alternative award must, in the opinion of the Board: (i) be based on shares that are traded on an established Canadian or U.S. securities market; (ii) provide the participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Options, including, but not limited to, an identical or better exercise or vesting schedule and identical or better timing and methods of payment; and (iii) have substantially equivalent economic value to such Options (determined at the time of the Change of Control) (an "Alternative Award"). If Alternative Awards are available and a participant is terminated without cause or submits a resignation for good reason within twenty-four (24) calendar months after a Change of Control: (i) each exercisable Alternative Award then held by such participant shall remain exercisable for a period of twenty-four (24) calendar months from the date of termination or resignation, but not later than the end of the Option Period, and thereafter any such Alternative Award shall expire; and (ii) each non-exercisable Alternative Award then held by the participant shall become exercisable upon such termination or resignation and shall remain exercisable for a period of twenty-four (24) calendar months from the date of such termination or resignation, but not later than the end of the Option Period, and thereafter any such Alternative Award shall expire. The Board nonetheless may, in its sole discretion, accelerate the exercisability or vesting of all or any portion of the outstanding Options which are not then exercisable immediately prior to the consummation of the transaction constituting a Change of Control.
Plan Amendments	The Board or the HR and Compensation Committee, as provided in the 2012 Stock Option Plan or pursuant to a specific delegation, may, in addition to its powers under the 2012 Stock Option Plan, amend any of the provisions of the 2012 Stock Option Plan or suspend or terminate the plan or amend the terms of any then outstanding award of Options under the 2012 Stock Option Plan; provided, however, that the Corporation shall obtain Shareholder approval for: (a) any amendment to the maximum number of Shares issuable under the plan; (b) any increase to the number of Shares that may be issued to insiders or to any one participant under the plan, in both cases subject to certain adjustments in the case of reorganization of the share capital;

	(c) any amendment which would allow non-employee Directors of the Corporation or of an affiliated entity to be eligible for awards of Options under the plan; (d) any amendment which would permit any Option granted under the plan to be transferable or assignable other than by will or pursuant to succession laws (estate settlements); (e) the addition of a cashless exercise feature, payable in cash or Shares, which does not provide for a full deduction of the number of underlying Shares from the plan reserve; (f) the addition of provisions which results in participants receiving Shares while no cash consideration is received by the Corporation; (g) any reduction in the exercise price of an Option after the Option has been granted to a participant or any cancellation of an Option and the substitution of that Option by a new Option with a reduced exercise price granted to the same participant, subject to certain adjustments in the case of reorganization of the share capital; (h) any extension to the term of an Option beyond the original expiry date, except in a case of a Blackout Period; (i) the addition in the plan of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to participants; and (j) any amendment to the amendment provision of the plan other than amendments of a "housekeeping" or clerical nature. The Board or the HR and Compensation Committee, as provided in the 2012 Stock Option Plan or pursuant to a specific delegation, may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, make all other amendments to the plan or awards of Options under the plan that are not contemplated above, including, without limitation, the following: (a) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the plan; (b) a change to the vesting provisions of an Option or of the plan; (c) a change to the termination provisions of an Option or the plan which does not entail an extension beyond the original expiry date; and (d) in the event that the Shares are subdivided, consolidated, converted or reclassified by the Corporation, or that any other action of a similar nature affecting such Shares is taken by the Corporation, the adjustment of (i) the Options held by each participant and (ii) the number of Shares reserved for issuance under the plan in the same manner.
Financial Assistance	No financial assistance is provided by the Corporation to participants under the 2012 Stock Option Plan.

2016 STOCK OPTION AWARDS

Under the 2016 LTIP, a total of 251,700 Options were granted at an exercise price of $17.83 with a term of 7 years in accordance with the 2012 Stock Option Plan. Such Options have the following vesting schedule: 50% vests in February 2018, an additional 25% vests in February 2019 and the remaining 25% vests in February 2020.

- **Executives must hold 25% of the Shares underlying Options exercised until they meet their Minimum Share Ownership requirement to further align their interest with those of Shareholders through the ownership of the Corporation's Shares**
- **At the end of 2016, 630,950 Options were outstanding, for a maximum dilution of 4.60%**

All executive officers are required to hold 25% of the Shares underlying exercised options until they meet their Minimum Share Ownership requirement. This measure was implemented to help the executives build equity ownership in the Corporation to further align their interests with those of the Shareholders. The awards are also subject to the Corporation's clawback policy.

As at December 31, 2016, there were 630,950 Options outstanding under the 2012 Stock Option Plan. The following table highlights the maximum dilution since the inception of the Stock Option Plan as at December 31, 2016: resulting in the following maximum dilution of the Shares at year-end:

DILUTION	2012	2013	2014	2015	2016
Total Reserve Approved	1,290,612	1,290,612	1,290,612	1,290,612	1,290,612
Options Issued and Outstanding	Nil	376,000	480,200	522,950	630,950
Options Exercised	Nil	Nil	Nil	87,250	11,375
Options Remaining Available for Issuance	1,290,612	914,612	810,412	767,662	659,662
Shares Outstanding at Year-End	27,955,077	27,955,077	27,976,661	28,063,919	28,075,304
Maximum Dilution Possible (1)	4.62%	4.62%	4.61%	4.60%	4.60%
Actual Dilution (2)	0%	1.35%	1.72%	1.86%	2.25%

(1) The maximum possible dilution is calculated by dividing (i) the total number of Options remaining available for issuance plus the total number of Options issued and outstanding by (ii) the number of Shares outstanding at year end.

(2) The actual dilution is calculated by dividing the number of Options outstanding by the number of Shares outstanding at year end.

RESTRICTED SHARE UNIT AND PERFORMANCE SHARE UNIT PLAN

The RSU&PSU Plan was adopted and implemented in 2013 to provide eligible participants with compensation opportunities to enhance the Corporation's ability to attract, motivate and retain key employees, to reward the participants for significant performance and associated growth in the value for the Shareholders, and to align the interest of the participants with those of the Shareholders. The Board has discretion to determine which employees of the Corporation will participate in the RSU&PSU Plan, the incentive amount granted under the RSU&PSU Plan, the split between RSUs and PSUs and related vesting conditions. The RSU&PSU Plan provides grants of either RSUs or PSUs.

RSU&PSU Plan Features	Restricted Share Units ("RSU")	Performance Share Units ("PSU")
Description	RSU award that allows the participant to obtain the number of underlying Shares of the Corporation subject to achievement of a time-based employment vesting condition, determined by the Board, i.e., the participant must be employed by the Corporation for a specific period of time.	PSU award that allows the participant to obtain the number of underlying Shares subject to the achievement of performance-based vesting conditions that must be met over a specific predetermined performance period.
Performance Measure	None	Established by the Board
Vesting / Term	Maximum thirty-six (36) months from the grant date.	
Amount and Price	The Board determines the incentive amount, expressed either as a fixed dollar amount or a fixed number of units. If a fixed dollar amount is granted, to determine the number of underlying share units to be awarded to a participant, the fixed dollar amount is divided by the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the date of grant by the Board, or if such grant is made during a Blackout Period as provided for in the Corporation's insider trading policy, then the price is determined as the volume weighted average trading price of the Shares on the TSX for the five trading days preceding the sixth full trading day immediately following the end of the Blackout Period.	
Funding	The RSU&PSU Plan provides the Board with discretion to fund the grant, with underlying Shares being purchased on the open market or to have the grant unfunded, with notional restricted share units credited to each participant's account. The 2016 grant was fully funded and as such is non-dilutive as Shares underlying awards were purchased on the open market.	
Resignation or Termination For Cause	The participant ceases to be eligible for participation under the RSU&PSU Plan and all unvested RSUs and PSUs are cancelled.	
Retirement, Termination Without Cause, Long-Term Disability or Death	RSUs vest on a pro-rata basis with the numerator being the number of complete performance periods by the participant, and the denominator being the total number of performance periods, not exceeding three.	All unvested PSUs are cancelled.
Change of Control	Vesting of all outstanding RSUs and PSUs at target upon the occurrence of a change of control, whether or not such RSUs and PSUs have met the vesting conditions to the extent no alternative awards, as defined in the RSU&PSU Plan, are made following such change of control. If such alternative award is available and a participant is terminated without cause or resigns for good reason, as defined in the RSU&PSU Plan, within twenty-four (24) months after such change of control, each alternative award held by the participant shall vest. In such cases, participants have an option to receive the Share awards as actual Shares or as a cash payment, net of taxes.	

2016 RSU AND PSU AWARDS

RSUs were granted to the Named Executive Officers and other executives and key management employees of the Corporation throughout the year according to the RSU&PSU Plan. There is no performance condition for these RSUs to vest. The RSUs will vest upon confirmation of the approval of the financial statements as at December 31, 2018 which is expected to occur in February 2019.

Each Named Executive Officer was awarded a fixed dollar incentive amount granted in RSUs. The number of RSUs awarded to each Named Executive Officer was determined by dividing the dollar incentive amount with the volume weighted average trading price of the Shares on the TSX for the five trading days preceding the sixth full trading day immediately following the end of the applicable Blackout Period. The actual number of RSUs granted to the Named Executive Officers is shown in the Outstanding Share-based Awards and Option-based Awards table in the section "Executive Compensation – Discussion and Analysis – Incentive Plan Awards". All provisions of the RSU&PSU Plan with regards to the vesting of RSUs and termination of employment apply.

The PSUs were granted throughout the year to the Named Executive Officers and other executives of the Corporation according to the RSU&PSU Plan. The vesting of these PSUs is tied 30% to the achievement of a predetermined level of Net Debt on December 31, 2018 and 70% to CAGR of Total Digital Revenue on December 31, 2018.

2016 PSU METRICS	WEIGHTING
Net Debt [1]	30%
Compound Annual Growth Rate (CAGR) of Total Digital Revenue [2]	70%

(1) See section "Executive Compensation – Executive Summary" for the Net Debt definition.

(2) Total digital revenue coming from all digital operations of the Corporation.

The PSUs will vest on the date when the Board of Directors approves the financial results of the Corporation for the period ending on December 31, 2018 and confirms the achievement of the targets, which is expected to occur in early February 2019.

- **2016 PSUs awarded contingent 30% on Net Debt and 70% on CAGR of Total Digital Revenue targets as at December 31, 2018**
- **Maximum number of PSUs to vest set at a multiplier of 1.5**

The HR and Compensation Committee has set a threshold amount, target amount and maximum level of both Net Debt and CAGR of Total Digital Revenue which will determine the number of PSUs that can vest depending on actual performance compared to the set targets, being nil for the threshold, 1.0 multiplier for the target amount and 1.5 multiplier for the maximum amount. The actual achievement of Net Debt and CAGR of Total Digital Revenue between the threshold and target or target and maximum levels will be approved by the HR and Compensation Committee on a straight-line pro-rated basis.

Each Named Executive Officer was awarded a fixed dollar incentive amount granted in PSUs. The number of PSUs awarded to each Named Executive Officer was determined in accordance with the terms of the Plan by dividing the dollar incentive amount with the volume weighted average trading price of the Shares on the TSX for the five trading days preceding the sixth full trading day immediately following the end of the applicable Blackout Period. The actual number of PSUs granted to the Named Executive Officers is shown in the Outstanding Share-based Awards and Option-based Awards table in the section "Executive Compensation – Discussion and Analysis – Incentive Plan Awards". All provisions of the RSU&PSU Plan with regards to the vesting of PSUs and termination of employment apply.

BENEFITS, PENSION AND PERQUISITES

Benefit and pension plans provide elements of financial and health security to the Named Executive Officers. The Named Executive Officers participate in the same flexible benefits program as other employees of the Corporation receiving additional dollar credits to obtain enhanced or maximum coverage if required. The flexible benefits program includes medical and dental coverage, life and disability insurance and a health spending account.

The perquisites program offers perquisites typically provided to senior executives in the market, such as a company car or car allowance, club memberships, annual medical examinations and home security services.

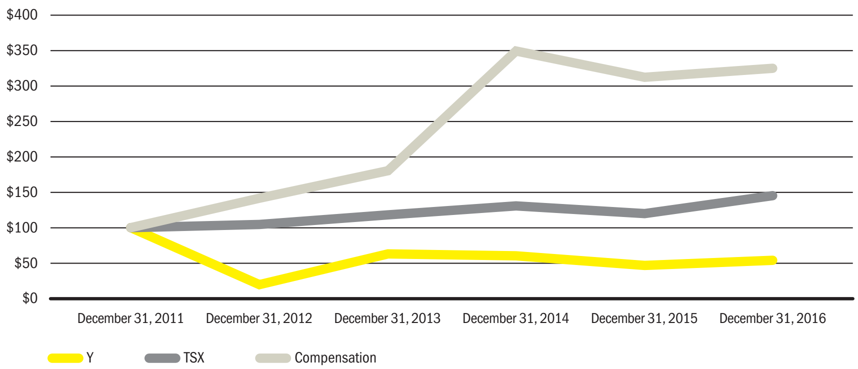
- **The Corporation's benefit and pension plans provide elements of financial and health security**
- **Executives participate in the same group benefits and pension programs as all other employees**
- **Executive perquisite program is aligned with market practices and includes a company car or a car allowance, club memberships, annual medical examinations, and home security services**

The Named Executive Officers and other executive officers who joined the Corporation before January 1, 2006 participate in the Corporation's Defined Benefit Pension Plans with supplemental pension benefits. Messrs. Billot and Thomas and other executive officers who joined the Corporation on or after January 1, 2006 participate in the Corporation's Defined Contribution Plan. See "Executive Compensation – Discussion and Analysis – Pension Plan and Supplemental Pension Benefits" for a detailed description of the plans.

The value of the benefits under the pension plans, as well as the other relevant provisions thereof, is taken into account when determining the total compensation of the Named Executive Officers.

PERFORMANCE GRAPH

The following graphs and tables compare the total cumulative return on $100 invested on the first day of the five-year period in Shares (including common shares of the predecessor to Yellow Pages Limited, being YPG Financing Inc., between December 31, 2011 and December 20, 2012 and Yellow Pages Limited between December 21, 2012 and December 31, 2016) with the cumulative total return on the S&P/TSX Composite Total Return Index (assuming in both cases reinvestment of dividends and trust distributions (as applicable) as of the date of payment of same) and the Named Executive Officers' total compensation, as described in more detail below. The graph and table below reflect that no long-term incentive awards were made to the Named Executive Officers in 2011 and 2012. In addition, said graph and table do not include any compensation for the President and Chief Executive Officer for the year 2013 given that Messrs. Robert F. MacLellan and Douglas A. Clarke were assuming these responsibilities on an interim basis. Julien Billot was appointed President and Chief Executive Officer effective January 1, 2014. For 2014, compensation reflects one-time signing bonuses for onboarded Named Executive Officers and the DSU grant awarded to Julien Billot.



	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014 (1)	December 31, 2015 (1)	December 31, 2016
Yellow Pages Limited	$100	$20.33	$63.72	$60.68	$47.32	$54.82
S&P/TSX Composite Index	$100	$104.91	$118.53	$131.03	$120.12	$145.45

(1) Performance data for Yellow Pages Limited has been adjusted for the Recapitalization implemented on December 20, 2012, pursuant to which each holder of 100 common shares of the predecessor of Yellow Pages Limited received 0.500178 Shares and 0.285816 warrants of the Corporation. In the calculation of the above returns, it is assumed that the warrants of the Corporation were sold and reinvested into common shares of the Corporation at their respective closing prices on December 20, 2012.

The following table illustrates the changes in the total compensation (excluding pension value) paid to the Named Executive Officers for the period from December 31, 2011 to December 31, 2016, but excluding same for the former President and Chief Executive officer for 2013 as detailed above.

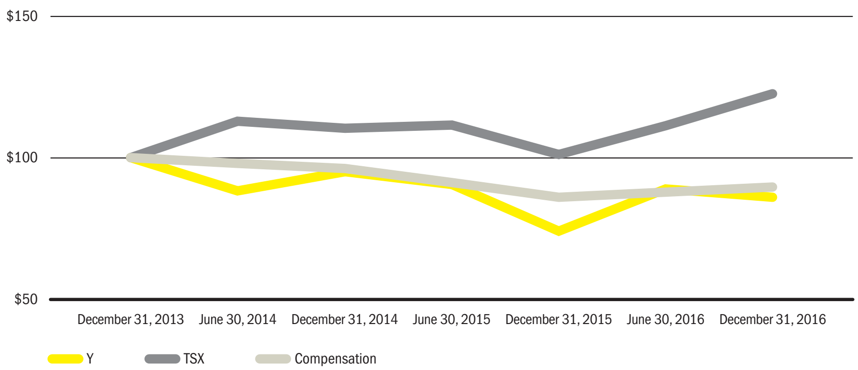
	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Compensation Paid to the Named Executive Officers (1)	$100.00	$141.51	$180.74	$349.16	$312.24	$325.25

(1) The total amount of compensation (excluding pension value) paid to Named Executive Officers, for the fiscal year 2011 has been attributed a value of $100 and the values disclosed in the above chart for the subsequent fiscal years were calculated as follows: the amount of total compensation paid to the Named Executive Officers (as disclosed in the Summary Compensation Table excluding pension value) for each following fiscal year has been multiplied by $100 and divided by the amount of the compensation paid to the Named Executive Officers (excluding pension value) for 2011.

The trend in the above performance graphs shows a sharp decline in the cumulative total return of an investment in the Shares from 2011 to 2012, and an increase beginning after the Recapitalization at the end of 2012. With respect to return on an investment in the Shares, the Corporation's level of indebtedness and the decline in print revenues severely impacted the Share price prior to the implementation of the Recapitalization in 2012, which led to a $1.5 billion reduction in debt, including preferred shares. During 2013 to 2016, the Corporation strengthened its capital structure by reducing its Net Debt from $781.7 million at the end of 2012 to $384.9 million at the end of 2016 and continued to make progress on its digital evolution.

Similarly, from 2010 to 2012, total compensation of the Named Executive Officers followed the same downward trend, decreasing sharply between December 31, 2010 and December 31, 2011, with a slight increase in 2012.

The following graph compares the total cumulative return on $100 invested in Shares of Yellow Pages Limited until December 31, 2016 with the cumulative total return on the S&P/TSX Composite Total Return Index and the Named Executive Officers' total compensation (excluding pension value) during the same time period, assuming the inclusion of compensation for the former President and Chief Executive Officer for the full year of 2013, including a short-term incentive plan and long-term incentive plan award at target.



	December 31, 2013	June 30, 2014	December 31, 2014	June 30, 2015	December 31, 2015	June 30, 2016	December 31, 2016
Yellow Pages Limited	$100.00	$88.52	$95.23	$90.61	$74.27	$89.11	$86.04
S&P/TSX Composite Index	$100.00	$112.86	$110.55	$111.55	$101.34	$111.31	$122.71

The following table illustrates the changes in the total compensation (excluding pension value) paid to the Named Executive Officers, excluding the former President and Chief Executive Officer and interim President and Chief Executive Officer, for the period from December 31, 2013 to December 31, 2016.

	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Compensation Paid to the Named Executive Officers (1)	$100.00	$96.31	$86.12	$89.71

(1) The total amount of compensation (excluding pension value) paid to the Named Executive Officers for the fiscal year 2013 has been attributed a value of $100 and the 2014, 2015 and 2016 value was calculated as follows: the amounts of total compensation paid to the Named Executive Officers (as disclosed in the Summary Compensation Table excluding pension value) for fiscal years 2014, 2015 and 2016 have been multiplied by $100 and divided by the amount of the compensation paid to the Named Executive Officers for fiscal year 2013 (excluding pension value).

In 2013, to align the interests of the Named Executive Officers with those of Shareholders towards long-term value creation, and in the context of a transition to a new President and Chief Executive Officer, the HR and Compensation Committee implemented the transitional 2013 LTIP, 60% tied to achievement of strategic performance measures over a period of two to three years, depending on the instrument. The annual short-term incentive plan was paid out at 100% to reflect the achievement of the Adjusted EBITDA target, and the achievement of the three operational KPIs.

In 2014, the slight decrease in total compensation of the Named Executive Officers is mainly due to Mr. Billot joining the Corporation with a lower long-term incentive plan target as there were no significant changes in the total compensation made for the other Named Executive Officers. The annual short-term incentive plan was paid out at 106% to reflect the over achievement on the Adjusted EBITDA target and two out of the three operational KPIs. The annual awards granted under the long-term incentive plan to the Named Executive Officers were at the same grant levels as in 2013.

In 2015, the total compensation of the Named Executive Officers decreased slightly in line with the decrease in the cumulative total return of an investment in the Shares of the Corporation from 2014 to 2015. The Corporate Scorecard Payout Factor under the annual STIP was determined at 82% to reflect the over-achievement on the Adjusted EBITDA target and two out of the three operational KPIs, and the STIP paid out from 82% to 100% of the target for the Named Executive Officers considering individual performance and accomplishments. The annual awards granted under the long-term incentive plan to the Named Executive Officers were at the same grant levels as in 2013 and 2014, as no changes were made to the base salaries and long-term incentive targets.

In 2016, the total compensation of the Named Executive Officers increased while the cumulative total return of an investment in the Shares of the Corporation decreased between 2013 and 2016. The Corporate Scorecard Payout Factor under the annual STIP was determined at 81% to reflect the achievement on the Adjusted EBITDA target and two out of the three operational KPIs, with a payout for Named Executive Officers at 81% of the target once individual performance and accomplishments were considered. The annual awards granted under the long-term incentive plan to certain Named Executive Officers was reduced from prior years, as changes were made to the base salaries and long-term incentive targets to better align with market practice, as discussed under "Executive Compensation – Discussion and Analysis – Long-Term Incentive Programs".

As the Corporation continues to evolve from a print directory business to a digital company, the HR and Compensation Committee believes the pay-for-performance compensation plans, if well designed and calibrated, can play an important role to motivate the executive team to execute on the Return to Growth Plan and to position the Corporation as a leading local digital company in Canada.

SUMMARY COMPENSATION TABLE

The following table provides a summary of the compensation earned in respect of the 2016, 2015 and 2014 fiscal years by each of the Named Executive Officers for services rendered in all capacities to the Corporation.

					Non-Equity Incentive Plan Compensation				
Name and Principal Position	**Year**	**Base Salary ($)**	**Share-based awards (2) ($)**	**Option-based awards (3) ($)**	**Annual Incentive plans (4) ($)**	**Long-term Incentive plans ($)**	**Pension value (5) ($)**	**All other compensation (6) ($)**	**Total compensation (7) ($)**
Julien Billot	2016	875,000	1,225,000	720,400	708,100	-	84,962	-	3,613,462
President and Chief Executive Officer	2015	825,000	1,155,000	468,097	825,000	-	61,875	-	3,334,972
	2014	825,000	1,455,000	535,990	1,039,500	-	61,558	-	3,917,048
Ginette Maillé	2016	450,000	409,500	240,614	181,700		577,700		1,859,514
Senior Vice-President and Chief Financial Officer	2015	360,000	378,000	153,575	180,000	-	57,300	-	1,128,875
	2014	360,000	378,000	175,630	190,800	-	48,000	-	1,152,430
Douglas A. Clarke	2016	415,000	378,000	222,604	167,500		738,200		1,921,304
Senior Vice-President and Chief Operating Officer	2015	325,000	341,500	138,832	146,600	-	1,200	-	953,132
	2014	325,000	341,500	158,340	172,300	-	5,200	-	1,002,340
François Ramsay	2016	340,000	309,500	181,541	137,500		206,100		1,174,641
Senior Vice-President – Corporate Affairs and	2015	300,000	315,000	127,774	123,000	-	38,600	-	904,374
General Counsel	2014	300,000	315,000	146,510	159,000	-	33,400	-	953,910
Pascal Thomas	2016	345,200 (1)	208,500	122,468	139,800		25,337		841,305
Senior Vice-President and Chief Digital Officer	2015	300,000	178,500	72,487	335,000	-	15,120	35,953	937,060
	2014	16,154	-	-	187,400		93	37,446	241,093

(1) Mr. Thomas' annual base salary has been set at $350,000. The amount shown in the Summary Compensation Table for 2016 represents the actual base salary earned in 2016 by Mr. Thomas due to his revised salary being effective as of January 30, 2016.

(2) The dollar value disclosed in this column for the year 2016 represents the incentive amount at target for each of Messrs. Billot, Clarke, Ramsay, Thomas, and Ms. Maillé awarded in the form of RSUs and PSUs. The grant date fair value of the 2016 RSUs and PSU awards as disclosed in such column for each of the Named Executive Officers is the same as the accounting fair value of the 2016 RSUs and PSUs.

The dollar value disclosed in this column for the year 2015 represents the incentive amount at target for Messrs. Billot, Clarke, Ramsay, Thomas, and Ms. Maillé awarded in the form of RSUs and PSUs. The grant date fair value of the 2015 RSUs and PSU awards as disclosed in such column for each of the Named Executive Officers differs from the accounting fair value of the 2015 RSUs and PSUs as previously forfeited shares are being used to fund the RSU&PSU Plan and additional Shares are being purchased on the open market over a period of time following the grant date. Thus, the accounting fair value for the 2015 RSUs and PSUs is based on a Share price of $16.0917 compared to the grant date Share price of $16.4446. Therefore, the accounting fair value for the 2016 share-based awards is as follows for each Named Executive Officer: $1,130,201 for Mr. Billot (with the difference being $24,799), $369,868 for Ms. Maillé (with the difference being $8,132), $334,144 for Mr. Clarke (with the difference being $7,356), $308,220 for Mr. Ramsay (with the difference being $6,780).and $174,659 for Mr. Thomas (with the difference being $3,841).

The dollar value disclosed in this column for the year 2014 represents the incentive amount at target for each of Messrs. Billot, Clarke, Ramsay, and Ms. Maillé awarded in the form of RSUs and PSUs. The grant date fair value of the 2014 RSUs and PSU awards as disclosed in such column for each of the Named Executive Officers differs from the accounting fair value of the 2014 RSUs and PSUs as previously forfeited shares are being used to fund the RSU&PSU Plan and additional Shares are being purchased on the open market over a period of time following the grant date. Thus, the accounting fair value for the 2014 RSUs is based on a Share price of $22.2775 compared to the grant date Share price of $24.6547 and the accounting fair value of the 2014 PSUs is based on a Share price of $21.6990 compared to the grant date Share price of $20.6934. Therefore, the accounting fair value for the 2014 share-based awards is as follows for each Named Executive Officer: $1,163,236 for Mr. Billot (with the difference being $8,236), $380,682 for Ms. Maillé (with the difference being $2,682), $343,938 for Mr. Clarke (with the difference being $2,438), and $317,246 for Mr. Ramsay (with the difference being $2,246). Mr. Thomas was not awarded any RSUs or PSUs in 2014.

For Mr. Billot, the amount for the year 2014 also includes a one-time award of $300,000 granted in DSUs upon his hire. The grant date fair value of this DSU grant differs from its accounting fair value since the DSU plan is unfunded and as such the accounting fair value is recalculated as the end of each fiscal period. As at December 31, 2014, the accounting fair value of this one-time grant was $277,958, which was calculated by multiplying the total number of DSUs granted to Mr. Billot (14,196) by the closing price of the Corporation's Shares on the TSX on December 31, 2014, which was $19.58.

(3) The dollar value disclosed in this column represents the grant date fair value calculated as at the applicable grant date using the binomial option pricing model and based on the following factors, key assumptions and plan provisions:

- 2014 option grant: (i) Volatility: 30%, (ii) Dividend yield: 0%, (iii) Weighted average remaining life: 6.16 years, (iv) Risk-free interest rate: 2.41%, (v) Vesting: 50% after 2 years and 25% per year afterwards, (vi) an exercise price of $24.6547 and (vii) a grant date price of $25.37, resulting in a grant date fair value per Option of $9.102.

- 2015 option grant: (i) Volatility: 38.46%, (ii) Dividend yield: 0%, (iii) Weighted average remaining life: 6.16, (iv) Risk-free interest rate: 1.44%, (v) Vesting: 50% after 2 years and 25% per year afterwards, (vi) an exercise price of $16.4446 and (vii) a grant date price of $15.82, resulting in a grant date fair value per Option of $6.143.

- 2016 option grant: (i) Volatility: 35%, (ii) Dividend yield: 0%, (iii) Weighted average remaining life: 6.16, (iv) Risk-free interest rate: 1.02%, (v) Vesting: 50% after 2 years and 25% per year afterwards, (vi) an exercise price of $17.8250 and (vii) a grant date price of $18.28, resulting in a grant date fair value per Option of $7.204.

- The accounting fair value of the Options equals their grant date fair value. The binomial model was used to calculate both the grant date fair value and the accounting fair value of the Options as it is the method used by the Corporation in the past.

(4) Annual incentive plan amounts are paid in cash in the year following the fiscal year in respect of which they are earned. For 2016, the corporate payout factor amounted to 81% with the individual performance multiplier being 100% for Messrs. Billot, Clarke, Ramsay, Thomas, and Ms. Maillé.

The 2014 amount disclosed for Mr. Billot also includes a signing bonus of $165,000 he received upon hire. The amount shown for Mr. Thomas in 2014 includes a signing bonus of $185,000 he received upon hire and the amount shown in 2015 includes a retention bonus of $185,000 paid at the end of 2015, both per his employment terms.

(5) Dollar values disclosed in such column correspond to the dollar values in the "Compensatory change" column in the Defined Benefit Plan and in the Defined Contribution Plan tables. The amount disclosed for Messrs. Billot and Thomas also includes the Corporation's contributions into their Defined Contribution Notional Accounts. See "Executive Compensation – Discussion and Analysis – Pension Plan and Supplemental Pension Benefits" for details.

(6) No perquisites are included for the Named Executive Officers other than Mr. Thomas, given that they do not, in the aggregate, exceed the lesser of $50,000 or 10% of the total salary for each of these Named Executive Officers. These perquisites include a company car or car allowance, financial planning, health club memberships, annual medical examinations, home security services and additional dollar credits under the Corporation's group benefits program. The amount disclosed for Mr. Thomas in 2015 includes a value of $15,902 provided under the Corporation's car program, $12,411 in relocation assistance, $5,140 provided under the Corporation's perquisites program, specifically the annual medical examination, home security, and club memberships, and $2,500 in additional flexible dollar credits paid to Mr. Thomas under the Corporation's group benefits program. The amount disclosed for Mr. Thomas in 2014 includes relocation costs of $33,850, with the remaining amount of $3,596 representing the value provided under the Corporation's car program, the annual medical examination, and additional flexible dollar credits paid to Mr. Thomas under the Corporation's group benefits program.

(7) See "Executive Compensation – Discussion and Analysis – Comparison of Target, Realizable and Realized Compensation" for actual compensation earned by Named Executive Officers.

INCENTIVE PLAN AWARDS

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table indicates for each of the Named Executive Officers all awards outstanding at the end of the fiscal year ended December 31, 2016.

	Option-based Awards (1)				Share-based Awards						
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options	Number of Shares or Units of Shares that Have not Vested (2)			Market or Payout Value of Share-based Awards that Have not Vested (2)			Market or Payout Value of Vested Share-based Awards Not Paid Out or Distributed (3)
Name	(#)	($)		($)	RSU (#)	PSU (# at Target)	PSU (# at Max)	RSU ($)	PSU ($ at Target)	PSU ($ at Max)	($)
Julien Billot	58,900	24.6547	February 28, 2021	Nil	53,086	139,123	208,685	939,091	2,461,086	3,691,629	1,277,766
	76,200	16.4446	February 28, 2022	94,899							
	100,000	17.8250	February 28, 2023	Nil							
Ginette Maillé	53,500	10.1187	May 7, 2020	404,995	17,510	45,874	68,811	309,752	811,511	1,217,267	335,968
	19,300	24.6547	February 28, 2021	Nil							
	25,000	16.4446	February 28, 2022	31,135							
	33,400	17.8250	February 28, 2023	Nil							
Douglas A. Clarke	53,500	10.1187	May 7, 2020	404,995	15,940	41,775	62,663	281,279	739,000	1,108,500	303,543
	17,400	24.6547	February 28, 2021	Nil							
	22,600	16.4446	February 28, 2022	28,146							
	30,900	17.8250	February 28, 2023	Nil							
François Ramsay	49,000	10.1187	May 7, 2020	370,930	14,086	36,953	55,430	249,181	653,699	980,548	279,980
	16,100	24.6547	February 28, 2021	Nil							
	20,800	16.4446	February 28, 2022	25,904							
	25,200	17.8250	February 28,2023	Nil							
Pascal Thomas	11,800	16.4446	February 28, 2022	14,696	6,439	16,112	24,168	113,906	285,021	427,532	Nil
	17,000	17.8250	February 28, 2023	Nil							

(1) The Options were granted to the Named Executive Officers under the 2012 Stock Option Plan. The market or payout value is determined by multiplying the number of Options granted in 2013 by the difference between the closing price of the Shares on the TSX on December 31, 2016 which was $17.69 and the Option exercise price of $10.1187. The market value of all Options granted in 2014 is nil as the Option exercise price was at $24.6547, above the closing price of the Shares on the TSX on December 31, 2016, which was $17.69. The market or payout value of all Options granted in 2015 is determined by multiplying the number of Options granted in 2015 by the difference between the closing price of the Shares on the TSX on December 31, 2016 which was $17.69 and the Option exercise price of $16.4446.The market value of all Options granted in 2016 is nil as the Option exercise price was at $17.8250, above the closing price of the Shares on the TSX on December 31, 2016, which was $17.69.

(2) The share-based awards shown for all Named Executive Officers represent PSUs or RSUs granted to the Named Executive Officers under the RSU&PSU Plan. See "Executive Compensation – Discussion and Analysis – Long-Term Incentive Programs – Restricted Share Unit and Performance Share Unit Plan" for a description of the 2014, 2015 and 2016 LTIP. The market or payout value of both PSUs and RSUs is determined by multiplying the number of PSUs and RSUs granted by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69.

(3) The share-based awards shown for Mr. Billot represent vested DSUs received as part of his Entry Equity Grant upon his hire in January 2014 (14,196 DSUs) and vesting of the 2014 LTIP as detailed below. The market or payout value of the DSUs was determined by multiplying the number of DSUs vested but not paid out or distributed as at December 31, 2016 by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69. In accordance with the terms of the DSU Plan, Mr. Billot will not have any right to receive any payment or other benefit in respect of his outstanding DSUs under the DSU Plan until he ceases to be an employee of the Corporation or any of its affiliates as a result of (a) the termination (with or without cause, as such term is defined in the DSU Plan) of his employment with the Corporation or any of its affiliates, or (b) the termination (with or without cause) of his membership on the Corporation's or an affiliate's board of directors for any reason, in each such cases including by death, disability, retirement or resignation. The share-based awards shown for Messrs. Billot, Clarke, Ramsay and Ms. Maillé represent the vested RSUs and PSUs received as part of the vested 2014 RSU and PSU grant. The market or payout value of the PSUs was determined by multiplying the number of PSU shares at target by a performance multiplier of 1.12 (see "Executive Compensation – Discussion and Analysis – Long-Term Incentive programs – 2014 Performance Share Unit Plan Payout" for details) and by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69. The number of shares that vested was as follows: 58,035 (RSUs 13,384, PSUs 44,651) for Mr. Billot, 18,992 (RSUs 4,380; PSUs 14,612) for Ms. Maillé, 17,159 (RSUs 3,954, PSUs 13,205) for Mr. Clark and 15,827 (RSUs 3,650, PSUs 12,177) for Mr. Ramsay. These shares were paid out or distributed to the eligible Named Executive Officers in February 2017.

VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED DECEMBER 31, 2016

	Option-based Awards – Value Vested During the Year (1)	Share-based Awards – Value Vested During the Year (2)	Non-equity Incentive Plan Compensation – Value Earned During the Year (3)
Name	($)	($)	($)
Julien Billot	-	1,026,639	708,100
Ginette Maillé	101,249	335,968	181,700
Douglas A. Clarke	101,249	303,543	167,500
François Ramsay	92,733	279,980	137,500
Pascal Thomas	-	-	-

(1) The amount disclosed in this column represents the value of 25% of the 2013 Stock Option grant and 50% of the 2014 Stock Option grant that vested in February 2016. The value was determined by multiplying the number of Options vested by the difference between the closing price of the Shares on the TSX on December 31, 2016 which was $17.69 and the Option exercise price of $10.1187 for 2013 grants and $24.6547 for the 2014 grants.

(2) The value shown for Messrs. Billot, Clarke, Ramsay and Thomas, and Ms. Maillé represents the value of the vested RSUs and PSUs received as part of the vested 2014 PSU grant. The market or payout value of the RSUs was determined by multiplying the number of RSU shares by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69. The market or payout value of the PSUs was determined by multiplying the number of PSU shares at target by a performance multiplier of 1.12 (see "Executive Compensation – Discussion and

Analysis – Long-Term Incentive Programs – 2014 Performance Share Unit Plan Payout" for details) and by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69. The number of shares that vested was as follows: 58,035 for Mr. Billot, 18,992 for Ms. Maillé, 17,159 for Mr. Clarke, and 15,827 for Mr. Ramsay. These shares were paid out or distributed to the eligible Named Executive Officers in February 2017.

(3) The amount disclosed for all Named Executive Officers is the same as the one disclosed in the Summary Compensation Table under the heading "Annual Incentive Plans" for 2016.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at December 31, 2016, the equity compensation plans pursuant to which equity securities of the Corporation may be issued:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders (1)	630,950	$16.73	659,662

(1) Represents Shares issuable upon the exercise of Options granted in 2013, 2014, 2015 and 2016 under the 2012 Stock Option Plan. For a description of the 2012 Stock Option Plan, see "Executive Compensation – Discussion and Analysis – Total Compensation Components – 2012 Stock Option Plan".

COMPARISON OF TARGET, REALIZABLE AND REALIZED COMPENSATION

As in prior years, we present a comparison between target, realizable and realized total compensation for each Named Executive Officer for the last three years, specifically 2014, 2015 and 2016.

The following assumptions were used when calculating target, realizable and actual realized compensation:

	Target Compensation	Realizable Compensation	Realized Compensation
Base salary	Actual earned base salary for the respective year		
Short-term Cash Incentive (STIP)	Target STIP amount per STIP policy	Actual STIP payout earned for the respective Year	
Stock Options	Grant date fair value as reported in the Summary Compensation Table	Value calculated as a difference between the Share price on December 31 and exercise price multiplied by the number of vested or unvested options	Realized value of options upon actual exercise
Performance Share Units (PSUs)	Target amount granted in dollars	Value of share units granted at target using the share price on December 31	Realized (actual) value of share units upon vesting
Restricted Share Units (RSUs)	Target amount granted in dollars	Value of share units granted using the share price on December 31	Realized (actual) value of share units upon vesting
Long-term Cash Incentive	Target award granted for the respective year	Actual value of the long-term cash incentive earned	
Deferred Share Units (DSUs)	Target amount granted in dollars	Value of share units granted using the share price on December 31	Realized (actual) value of share units upon termination of employment
Other Cash Compensation	Actual amount reported in the Summary Compensation Table plus all non-STIP bonuses payable to the Named Executive officers, such as signing, special bonuses, etc.		

2014-2016 CUMULATIVE COMPENSATION

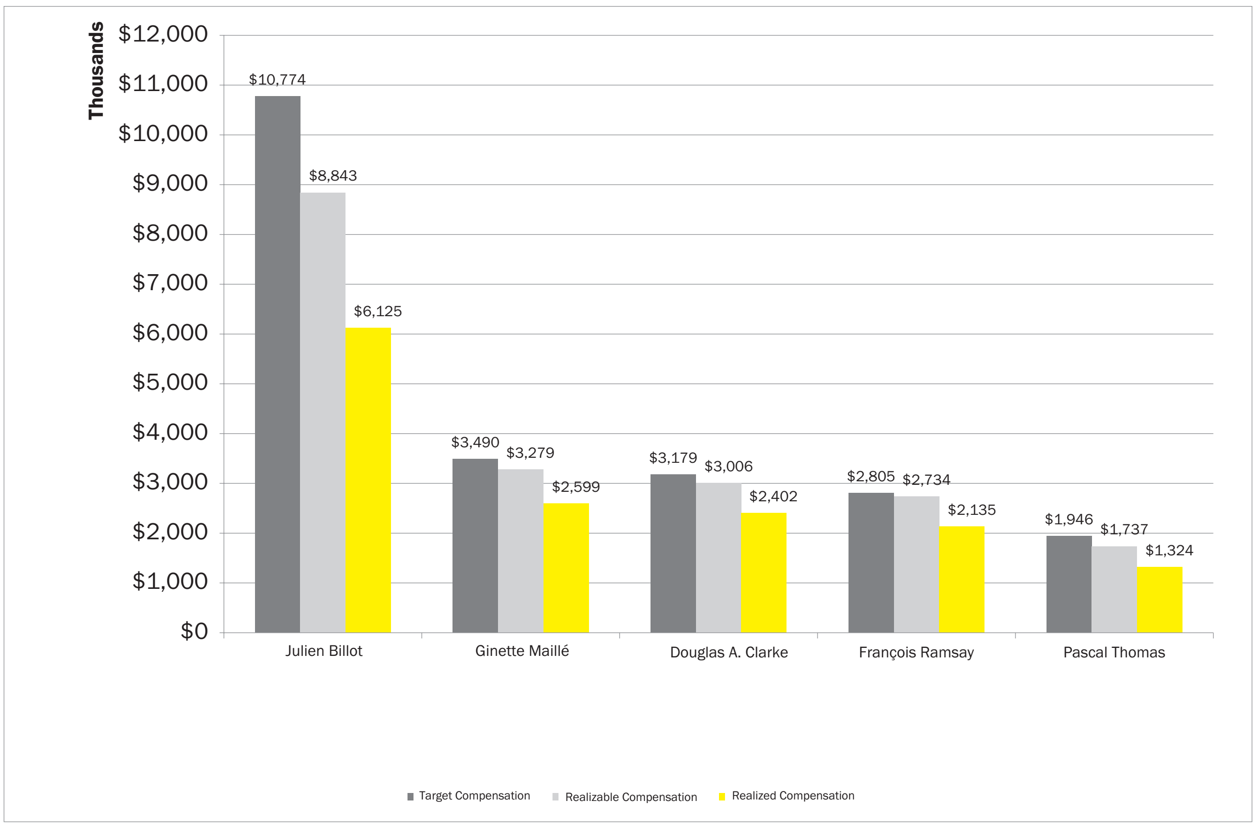
In thousands (rounded)	Julien Billot			Ginette Maillé		
	Target	Realizable	Realized	Target	Realizable	Realized (1)
Base Salary	$2,525	$2,525	$2,525	$1,170	$1,170	$1,170
Short-term Cash Incentive (STIP)	$2,525	$2,408	$2,408	$585	$553	$553
Stock Options	$1,724	$95	-	$570	$436	-
PSUs	$2,525	$2,460	$790	$832	$811	$578
RSUs	$1,010	$939	$237	$333	$309	$77
DSUs	$300	$251	-	-	-	-
Long-term Cash Incentive	-	-	-	-	-	$221
Other Cash Compensation	$165	$165	$165	-	-	-
Total Compensation	***$10,774***	***$8,843***	***$6,125***	***$3,490***	***$3,279***	***$2,599***

(1) The amount shown for Mr. Billot and Ms. Maillé represents the vested RSU and PSUs received under the 2014 LTIP grant. The market or payout value of the RSUs was determined by multiplying the number of Shares underlying the RSUs by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69. The market or payout value of the PSUs was determined by multiplying the number of Shares underlying the PSUs at target multiplied by a payout multiplier of 1.12 and then multiplied by the closing price of the Shares on the TSX on December 31, 2016, which was $17.69.

	Douglas A. Clarke			François Ramsay			Pascal Thomas		
In thousands (rounded)	**Target**	**Realizable**	**Realized (1)**	**Target**	**Realizable**	**Realized (1)**	**Target**	**Realizable**	**Realized (1)**
Base Salary	$1,065	$1,065	$1,065	$940	$1,015	$940	$ 661	$661	$661
Short-term Cash Incentive (STIP)	$532	$487	$486	$470	$420	$419	$ 333	$292	$292
Stock Options	$520	$433	-	$456	$397	-	$195	$15	-
PSUs	$758	$739	$553	$671	$653	$508	$276	$285	-
RSUs	$304	$282	$77	$268	$250	$64	$111	$114	-
Long-term Cash Incentive	-	-	$221	-	-	$203	-	-	-
Other Cash Compensation	-	-	-	-	-	-	$370	$370	$370
Total Compensation	***$3,179***	***$3,006***	***$2,402***	***$2,805***	***$2,734***	***$2,135***	***$1,946***	***$1,737***	***$1,324***

(1) The amounts shown for Messrs. Clarke and Ramsay represent the vested RSUs and PSUs received under the 2014 LTIP grant. The market or payout value of the RSUs was determined by multiplying the number of Shares underlying the RSUs by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69.The market or payout value of the PSUs was determined by multiplying the number of Shares underlying the PSUs at target multiplied by a payout multiplier of 1.12 and then multiplied by the closing price of the Shares on the TSX on December 31, 2016, which was $17.69.

Comparison between Target, Realizable and Realized Total Compensation 2014-2016 (Cumulative)



As the Share price of the Corporation substantially declined since December 31, 2016, the realizable compensation shown in the above comparison would have been significantly lower if a Share price of $8.16, which was the closing price of the Shares on the TSX as at the Record Date, had been used, thus aligning with the Share value decline experienced by Shareholders.

During the last three years, the Corporation strengthened its capital structure by reducing its Net Debt to $384.9 million as at December 31, 2016, compared to $781.7 million as at December 31, 2012. The performance of the Corporation's share price increased from $6.56 at the end of 2012 to $17.69 at the end of 2016. The Corporation has also continued to make operational progress by initiating the Return to Growth Plan, a long-term strategy designed to accelerate the Corporation's digital evolution. Digital revenue grew 14.3% to reach $555.8 million for 2016 compared to $486.3 million in 2015 and $442.8 million in 2014. In 2016, total digital revenue represented 67.9% of consolidated revenues. To align the interest of the executives with those of Shareholders, under the 2014 LTIP the Named Executive Officers that were with the Corporation at such time were granted Options, RSU & PSUs tied to a specified level of reduction of Net Debt and CAGR total digital revenue over a period of three years, and long-term performance-based cash incentives tied to digital revenues representing a specified target percent of the Corporation's total revenues over a period of two years. Under the 2015 and 2016 LTIP, the Named Executive Officers were granted Options, RSUs and PSUs tied to a targeted level of reduction of Net Debt and a targeted CAGR of digital revenues over a period of three years.

Given the performance with respect to CAGR of total digital revenue, the 2014 PSUs vested at a payout multiplier of 1.12 of the target award but paid out at $8.01 per Share versus an average award price of $21.62. All other PSU and RSU awards granted under the 2015 and 2016 LTIP will start vesting when the financial statements as at December 31, 2017 and 2018, respectively, are approved. Thus, the related value has not been realized as at December 31, 2016. The realizable value of the RSUs and PSUs granted in 2015 increased by 7%, as a result of the change in the share price. The realizable value of the RSUs, and PSUs granted in 2016 decreased by 1%. 25% of the 2013 Stock Option grant and 50% of the 2014 Stock Option grant vested as of December 31, 2016.

However, none of the Named Executive Officers exercised their Options during 2016, and as such the realized value is nil. All other Options granted in 2014, and 2016 have a nil realizable value as the exercise price exceeds the closing price of the Corporations' Shares as at December 31, 2016 which was $17.69.

PENSION PLAN AND SUPPLEMENTAL PENSION BENEFITS

DEFINED BENEFIT PLANS

- Required contribution of 3% of pensionable earnings
- Post-retirement pension indexing eliminated on service accrued after July 1, 2013

Ms. Maillé and Messrs. Clarke and Ramsay, and other executive officers of the Corporation who joined the Corporation prior to 2006 participate in the Corporation's Defined Benefit Pension Plan (the "**Defined Benefit Pension Plan**"). The annual pension from the Defined Benefit Pension Plan is based on years of service with the Corporation and the best sixty (60) consecutive months of pensionable earnings ("**Earnings**") with an annual accrual rate equal to 1% of the Earnings up to the Year Maximum Pensionable Earnings defined by the Canadian government ("**YMPE**") and 1.7% of the Earnings above the YMPE. As of July 1, 2013, all management employees of the Corporation participating in the Defined Benefit Pension Plan, including the Named Executive Officers, contribute 3% of their pensionable earnings to the plan. Further, the post-retirement pension indexing on pensionable service accumulated after July 1, 2013 has been eliminated. Pensions are payable during the lifetime of the Named Executive Officer. Assuming termination of employment after having reached age 55, the Corporation provides a supplementary pension allowance for earnings in excess of the maximum allowed under the Defined Benefit Pension Plan. Earnings include salary and short-term incentive awards, up to the target, whether paid in cash or Shares.

PENSION BENEFIT TABLE

The following table provides, for each Named Executive Officer participating in the Defined Benefit Pension Plan, the number of years of credited service as at December 31, 2016, the annual lifetime benefits payable based on the years of credited service as at December 31, 2016 and, projected at age 65, the accrued obligation at the start of the fiscal year 2016 and as at December 31, 2016 and the difference between these last two amounts being split between compensatory and non-compensatory changes.

Named Executive Officers								
			Annual benefits payable (1)					
Name	Age	Number of years of credited service (#)	At year end (2) ($)	At age 65 (3) ($)	Opening Present Value of Defined Benefit Obligation ($)	Compensatory Change (4) ($)	Non-compensatory change (5) ($)	Closing Present Value of Defined Benefit Obligation ($)
Ginette Maillé	54	13.3	-	136,800	1,557,100	577,700	139,100	2,273,900
Douglas A. Clarke	52	25.3	-	220,300	2,626,400	738,200	189,600	3,554,200
François Ramsay	52	13.8	-	192,500	1,210,400	206,100	39,500	1,456,000

(1) The benefits are not subject to any deductions for government benefits or other offset amounts. The benefits accumulated before July 1, 2013 is partially indexed annually to increases in the Consumer Price Index but in no case will indexation exceed 4%. Effective July 1, 2013, the post-retirement pension indexing is removed on pensionable service accumulated by the executives after July 1, 2013.

(2) Disclosure in such column represents the annual pension benefits payable to Named Executive Officers eligible for an immediate retirement at the end of the year assuming they retire at year-end. Under the Defined Benefit Pension Plan arrangements, Named Executive Officers must be aged 55 and older to be entitled to an immediate retirement. Named Executive Officers have not reached that age yet and are therefore not eligible to an immediate pension at December 31, 2016. As such, no amount has been disclosed. For information purposes, the accrued pension amounts payable based on years of credited service and average pensionable earnings at December 31, 2016; at age 65 to Named Executive Officers who are not eligible to an immediate pension were as follows:

- Ginette Maillé $117,700

- Douglas A. Clarke $203,000

- François Ramsay $100,100

(3) The Corporation announced it would enter into a retirement and separation agreements with Ginette Maillé and Douglas A. Clarke on November 10, 2016, effective February 28, 2017. The annual benefits payable at age 65 for Ms. Maillé and Mr. Clarke for 2016 are the annual benefits payable based on the credited service as at February 28, 2019 once payments under their retirement and separation agreements have terminated.

(4) The compensatory change reflects the value of the projected pension benefits earned during fiscal year 2016 at a discount rate of 4.25% plus the change in the accrued obligation attributable to the impact of the differences between actual earnings (salary and bonus) for fiscal year 2016, and those assumed in the previous year's calculations.

The announcement of the retirement of Ginette Maillé and Douglas A. Clarke was considered a special event. This event triggered a plan curtailment and termination benefit impact (salary continuance and plan participation maintained during a salary continuance period ending on February 28, 2019) that was reflected in the compensatory change. Therefore, the accrued obligation at at year-end reflects the projected annual pension and retirement date as at February 28, 2019.

(5) The non-compensatory change amount represents the change in the accrued obligation attributable to items that are not related to salary and STIP decisions, such as assumptions, the date from which the results are extrapolated and the interest on the accrued obligation at the start of fiscal year 2016.

All assumptions underlying the figures in the above table are the same as those used for financial statement purposes. Pensionable earnings as at December 31, 2016 are expected to increase up to retirement age at an annual rate of 1.75% plus productivity, merit and promotional scale (previously 2.95% the first year and 2.7% thereafter plus merit and promotional scale). Effective January 1, 2016, the split discount rate methodology is being used. The discount rate used to calculate the defined obligation is 3.75% as at December 31, 2016 and 4.00% as at December 31, 2015 and 2014. The discount rate used to calculate the following year service cost is 4.00% as at December 31, 2016, 4.25% as at December 31, 2015 and 4.00% as at December 31, 2014. Those key assumptions and methods used to determine estimated amounts may not be identical to those used by other issuers and as a result, the figures may not be comparable with those of other companies.

DEFINED CONTRIBUTION PLAN

Messrs. Billot and Thomas, as Named Executive Officers, and other executive officers who joined the Corporation on or after January 1, 2006, participate in the Corporation's Defined Contribution Pension Plan (the "**Defined Contribution Pension Plan**"). Messrs. Billot and Thomas participate in the Defined Contribution Pension Plan as of their hire date on January 1, 2014 and December 9, 2014, respectively. Effective July 1, 2013, the Corporation's default contribution for all management employees was set at 2% of pensionable earnings and the employees could receive additional contributions from the Corporation, up to a maximum of 3%, if they also contribute to the Defined Contribution Pension Plan. Each participant has the responsibility to allocate the Corporation's contributions made in his or her registered account among the investment options offered under the Defined Contribution Pension Plan and the rate of return depends on the performance of such investments. The Corporation's contributions and any investment returns are immediately vested. The total amount of the employee's and Corporation's contributions are limited to the maximum allowed under the Income Tax Act (Canada) for registered pension plans. When the amount of the executive's and Corporation's contributions in any given year reaches the limit prescribed under the Income Tax Act (Canada), the executive and Corporation's contributions cease in the registered account and deemed contributions from the Corporation start to accumulate in the Defined Contribution Notional Account. Deemed contributions are calculated based on the Corporation's average contribution rate from the first date contributions were made during the calendar year up to the date the tax limits were first reached during the calendar year. Plan members' contributions are not allowed from that date to the end of the calendar year. The Defined Contribution Notional Account vests only upon reaching age 55 and is credited annually at the rate of return of a Canadian Index Bond Fun. The Defined Contribution Notional Account accumulates until termination, retirement or death, at which point it is paid in cash to the employee or beneficiary. The Defined Contribution Notional Account is not payable when termination, retirement or death occurs prior to age 55. Earnings include salary and short-term incentive awards, up to the target, whether paid in cash or Shares. A defined Contribution Notional Account was established for Mr. Billot in 2014 and 2016 for Mr. Thomas as their earnings during the year exceeded the maximum established by the Income Tax Act (Canada).

The following table shows amounts from the Defined Contribution Pension Plan for Messrs. Billot and Thomas subject to their pension arrangement:

Name	Year	Accumulated Value at Start of Year ($)	Compensatory Change (1) ($)	Accumulated Value at End of Year (2) ($)
Julien Billot	2016	123,433	84,962	208,395
Pascal Thomas	2016	15,213	25,337	40,550

(1) Represents the Corporation's contributions paid to the Defined Contribution Pension Plan on behalf of the Named Executive Officer during fiscal 2016. The amounts include contributions paid by the Corporation to the Defined Contribution Notional Account on behalf of:

- Julien Billot $68,706
- Pascal Thomas $8,504

(2) Represents the accumulated value of the total contributions by the Corporation to the Named Executive Officer's account at the end of 2016, excluding interest earned on the Corporation's contributions.

EMPLOYMENT AGREEMENTS, TERMINATIONS AND CHANGE OF CONTROL BENEFITS

EMPLOYMENT AGREEMENT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

On October 21, 2013, the Corporation announced the appointment of Mr. Julien Billot as the new President and Chief Executive Officer, which became effective on January 1, 2014. The features of Mr. Billot's employment agreement can be summarized as follows.

Feature	Base	Resignation for Good Reason (1) or Termination without Cause (2)	Resignation without Good Reason or Termination for Cause	Change of Control
Salary	$875.000	Entitled to two times base salary. 50% will be paid as salary continuance over a period of twelve (12) months and the remaining 50% will be paid as a lump sum at the end of the salary continuance period.	Entitled to a lump sum payment for earned but unpaid base salary, unpaid business expenses and monthly car allowance reimbursement and accrued but unused vacation days.	No specific clause.
Short-term Cash Incentive (STIP)	Target STIP set at 100% of base salary and maximum payment fixed at 200% of base salary.	Entitled to STIP at target of two years, payable as follows. 50% will be paid as salary continuance over a period of twelve (12) months and the remaining 50% will be paid as a lump sum at the end of the salary continuance period.	Forfeited.	If Mr. Billot resigns for Good Reason or is terminated without Cause following a change in control, he shall be entitled to his STIP at target. 50% will be paid as salary continuance over a period of twelve (12) months and the remaining 50% will be paid as a lump sum at the end of the salary continuance period.
Long-term Cash Incentive (LTIP)	Participation in all of the Corporation's executive LTIP composed of stock options, Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Target LTIP set at 200% of base salary.	**RSUs** All RSUs vest on a pro-rata basis with the numerator being the number of complete performance periods by Mr. Billot, and the denominator being the total number of performance periods, not exceeding three. **PSUs** All unvested PSUs are cancelled.	Ceases to be eligible for participation under the RSU&PSU Plan and all unvested RSUs and PSUs are cancelled.	All unvested RSUs and PSUs vest immediately to the extent no alternative awards are made following the change in control. If such alternative is available and Mr. Billot resigns for Good Reason or is terminated without Cause within twenty-four (24) months after such change in control, each alternative award shall vest and Mr. Billot will have an option to receive the share awards as actual share or as a cash payment, net of taxes.
Deferred Share Units (DSUs)	Equity entry grant award of DSUs in the amount of $300,000.	If Mr. Billot had resigned for Good Reason or had been terminated without Cause within twelve (12) months of his start date, the entry grant would have been forfeited.	If Mr. Billot had resigned without Good Reason or had been terminated for Cause within twelve (12) months of his start date, the entry grant would have been forfeited.	In the event of a change in control, the Board may make such provisions for the protection of the rights of Mr. Billot as the Board in its discretion considers appropriate in the circumstances, including without limitation, changing the vesting schedule for any DSU or the date on which any DSU expires or providing for substitute or replacement DSUs of the continuing entity (unless substitution or replacement of the replacement DSUs is deemed impossible or impractical by the Board); provided that the plan continuously meets certain tax requirements or any successors to such provisions; provided further for greater certainty, that Mr. Billot shall not be entitled to receive payment for, or in respect of, any DSUs on or before his termination date.
Pension and Other Benefits	Participation in all group insurance, pension and perquisite plans as other executives of the Corporation.	Entitled to participation in the pension plan during the salary continuance period. The Corporation will continue to pay for benefit plans and perquisites (except disability insurance) until the earlier of: (a) twenty-four (24) months from resignation; or (b) until Mr. Billot becomes covered by another group insurance plan with another employer. At the end of the salary continuance period, the Corporation will pay a lump sum equal to the value of one-year of contributions to the pension plan to a registered pension account.	Forfeited.	No specific clause.

*(1) "**Good Reason**" shall mean the occurrence of any one of the following acts or events without the prior written consent of the executive: (a) a reduction in the executive's base salary as in effect on the date hereof (or as same may be increased from time to time); (b) any material reduction in the executive's compensation as in effect on the date hereof (or as the same may be increased from time to time); (c) any change or series of changes in the responsibilities, authority, status or reporting relation of the executive with the Corporation such that immediately after such change or series of changes, the responsibilities, authority, status or reporting relationship of the executive, taken as a whole, are not at least substantially equivalent to those assigned to the executive immediately prior to such change or series of changes, excluding for this purpose an isolated and inadvertent action not taken in bad faith and which is remedied by the Corporation promptly after receipt of notice thereof given by the executive; (d) the Corporation fails to pay any amounts due to the executive at the scheduled time for payment, provided that within fifteen (15) days after the executive becomes aware of such occurrence, he provides notice to the Corporation of such occurrence, stating that the Corporation's failure to remedy within thirty (30) days would constitute ground for resignation for Good Reason and the Corporation then fails to remedy within thirty (30) days after receiving such notice from the executive; or (e) the Corporation requiring the executive to be based anywhere other than 50 km from the executive's principal place of employment.*

*(2) "**Cause**" shall mean the occurrence of any one of the following acts or events by or relating to the executive: (a) willful failure of the executive to properly carry out his duties after written notice by the Corporation of the failure to do so and an opportunity for the executive to correct the same within a reasonable period of time from the date of receipt of such written notice from the Corporation; (b) theft, fraud or embezzlement from the Corporation or any other act of dishonesty involving the property or affairs of the Corporation or the carrying out of the executive's duties; (c) conviction of a crime (other than traffic violations and minor misdemeanors) relating to the executive's employment or which could cause harm or damage to the Corporation's public image, reputation or relations with the authorities; (d) habitual inability to carry out functions of employment due to alcohol or drug related causes; (e) any failure by the executive to follow the reasonable and lawful directions of the Board of Directors; (f) behavior of the executive causing harm or damage to the Corporation's public image or relations with the authorities; or (g) any act or omission of the executive which, pursuant to applicable law, constitutes a serious reason for termination of employment without notice, payment in lieu of notice or any indemnity whatsoever.*

As part of his employment agreement, Mr. Billot is bound by certain standard restrictive covenants in favour of the Corporation, including non-disclosure, non-solicitation and non-competition provisions for a period of two years following termination of employment.

EMPLOYMENT AGREEMENTS AND NON-COMPETE/NON-SOLICITATION PROVISIONS

The Named Executive Officers other than the President and Chief Executive Officer do not have employment agreements with the Corporation. All Named Executive Officers are bound by certain standard restrictive covenants in favour of the Corporation, including non-disclosure, non-solicitation and non-competition provisions for a period of two years following termination of employment.

2012 EXECUTIVE SEVERANCE POLICY

In 2012, given the uncertainty leading up to the implementation of the Recapitalization, the HR and Compensation Committee of the predecessor of the Corporation adopted the 2012 Executive Severance Policy. Thus, severance agreements were put in place for selected executives to ensure they remained focused on the task at hand. Under the severance and change of control agreements (the "**Severance Agreements**"), in the event that the executive's employment is terminated without cause or the executive voluntarily terminates his or her employment for Good Reason within twenty-four (24) months of a Change of Control of the Corporation, he or she would be eligible for severance pay corresponding to six weeks of eligible pay (representing base salary and short-term incentive bonus at target) per then completed year of service with a minimum severance of one year of eligible pay and a maximum of two years of eligible pay. In the case of Ms. Maillé and Messrs. Clarke and Ramsay, the severance was set at two years of eligible pay (representing base salary and short-term incentive bonus at target), payable by way of a lump sum upon termination or salary continuance, at the election of the executive. The Corporation would be required to continue to pay for Corporation-sponsored benefit plans and perquisites (except disability insurance) for the duration of the salary continuance period or top up the lump sum by the equivalent value, subject to any terms and conditions of the Corporation's insurance carrier. If the executive elects to receive the severance payment by way of salary continuance, for the purpose of participation in the Defined Benefit Pension Plan, the executive will be credited with additional years of service for such period, provided he or she is at least 55 years old as of the end of the salary continuance period. As at December 31, 2016, if the employment of Messrs. Clarke and Ramsay had been terminated and they had elected that their severance payment be paid by way of salary continuance, this would not have resulted in any supplementary pension since none of them would have been 55 years old at the end of the salary continuance period. Messrs. Billot and Thomas are not covered by the 2012 Executive Severance Policy.

For the purpose of the Severance Agreements, the following definitions apply:

"**Change of Control**" means (i) any event or series of related events, as and from the date of the Severance Agreement, as a result of or following which any person or two or more persons acting jointly or in concert, beneficially owns or exercises control or direction, directly or indirectly, over securities of the Corporation having a right to vote at shareholder meetings ("**Voting Securities**") carrying thirty-three (33%) percent or more of the votes attached to all Voting Securities then outstanding; (ii) (A) any one of (1) an event as a result of or following which any person or two or more persons acting jointly or in concert, beneficially owns or exercises control or direction, directly or indirectly, over Voting Securities carrying twenty-five (25%) percent or more of the votes attached to all Voting Securities then outstanding, (2) a merger or consolidation of the Corporation with or into one or more other persons or (3) the announcement or completion of a restructuring, reorganization, arrangement or recapitalization transaction involving any refinancing of the Corporation's outstanding indebtedness, together in any such case with (B) a change in the composition of the Board of Directors such that, at any time within two years following the occurrence of any event described in clause (A) of this paragraph, individuals who were members of the Board of Directors immediately prior to such event cease to constitute a majority of the Board of Directors; (iii) a change in the composition of the Board of Directors, which occurs at a single meeting of the shareholders or upon the execution of a shareholders' resolution, such that individuals who are members of the Board of Directors immediately prior to such meeting or resolution cease to constitute a majority of the Board of Directors; or (iv) any sale, lease, transfer or other disposition or transaction, or any series of any such related transactions, as and from the date of this Agreement, as a result of or following which the beneficial ownership or control or direction over the assets of the Corporation has decreased by an amount of not less than fifty (50%) percent of the assets of the Corporation (on a consolidated basis), as shown on a consolidated balance sheet for the Corporation at the end of the last completed quarter (prior to the transaction or the first of the series of related transactions) of the then current financial year or as at the end of the last completed financial year if the transaction or the first of the series of related transactions occurs during the first quarter of a financial year; and

"**Good Reason**" means the occurrence of any one of the following acts or events without the prior written consent of the executive: (i) a reduction in the executive's base salary as in effect on the date hereof (or as same may be increased from time to time); (ii) any material reduction in the executive's compensation as in effect on the date hereof (or as the same may be increased from time to time) or the level of benefits in effect on the date hereof (or as the same may be increased from time to time) is reduced in any material respect; (iii) any change or series of changes in the responsibilities, authority, status or reporting relation of the executive with the Corporation such that immediately after such change or series of changes, the responsibilities, authority, status or reporting relationship of the executive, taken as a whole, are not at least substantially equivalent to those assigned to the executive immediately prior to such change or series of changes, excluding for this purpose an isolated and inadvertent action not taken in bad faith and which is remedied by the Corporation promptly after receipt of notice thereof given by the executive; (iv) the Corporation fails to pay any amounts due to the executive at the scheduled time for payment, provided that within fifteen (15) days after the executive becomes aware of such occurrence, he provides notice to the Corporation of such occurrence, stating that the Corporation's failure to remedy within thirty (30) days would constitute ground for resignation for Good Reason and the Corporation then fails to remedy within thirty (30) days after receiving such notice from the executive; or (v) the Corporation requiring the executive to be based anywhere other than 50 km from the executive's principal place of employment as at the date hereof.

A Change of Control, as defined under the Severance Agreements, occurred on December 20, 2012, as a result of the implementation of the Recapitalization.

The following table indicates estimated incremental payments triggered pursuant to a termination of employment or a Change of Control in accordance with the applicable provisions of outstanding employment agreements or change of control provisions under the Severance Agreements for each of the applicable Named Executive Officers as at December 31, 2016.

SEVERANCE VALUE PAYABLE AS PER EMPLOYMENT OR SEVERANCE AGREEMENT UPON A CHANGE OF CONTROL OR TERMINATION WITHOUT CAUSE (1) ($)						
Name	**Base Salary**	**Short-term Incentive**	**Long-term Incentive**	**Benefits, Pension and Perquisites (2)**	**Total**	**Equity-Based Value Payable upon a Change of Control (3)**
Julien Billot	1,750,000	1,750,000	–	330,495	3,830,495	2,804,194
Ginette Maillé	900,000	450,000	–	329,015	1,679,015	1,249,109
Douglas A. Clarke	830,000	415,000	–	80,101	1,325,101	1,175,590
François Ramsay	680,000	340,000	–	93,776	1,113,776	1,042,802
Pascal Thomas (4)	--	--	–	--	--	413,622

(1) The severance value disclosed above for Mr. Billot is payable upon termination without cause or for good reason as defined in his employment contract. The severance value payable upon a Change of Control for Ms. Maillé and Messrs. Clarke and Ramsay is triggered upon a termination without cause or resignation for Good Reason (as defined above) within twenty-four (24) months following the Change of Control.

(2) The amounts shown for Mr. Billot, Ms. Maillé and Messrs. Clarke and Ramsay include the value of their benefits and perquisites programs. The value for Mr. Billot also includes the value of his continued participation in the Corporation's defined contribution pension plan. The value for Ms. Maillé also includes the value of her continued participation in the Corporation's defined benefit pension plan has she would be 55 years old at the end of the severance period. The amounts disclosed for Messrs. Clarke and Ramsay exclude the value of the pension plan continuation given none of the Named Executive Officers would be 55 years old at the end of the severance period if terminated on December 31, 2016. Messrs. Clarke and Ramsay may elect to receive the severance payment by way of lump sum or salary continuance. In the case of a lump sum payment, the severance amount will include the amounts disclosed above and will not include the pension value ($191,400 for Mr. Clarke and $165,200 for Mr. Ramsay) as pension plan participation would only be available in the event of salary continuance if the executive has reached the age of 55 as at the last day of the salary continuance period.

(3) The value disclosed for all Named Executive Officers in this column includes Options and Restricted and Performance Share Units assuming no Alternative Awards are granted according to the 2012 Share Option Plan and RSU&PSU Plan following a change of control. The value disclosed for Mr. Billot also includes the market value as at December 31, 2016 of the DSUs granted to him on January 1, 2014, the date on which his employment became effective. The value for the Options was calculated by multiplying the number of Options granted by the difference between the closing price of the Shares on the TSX on December 31, 2016 which was $17.69 and the Option exercise price of $10.12 for the 2013 Option grant; $24.6547 for the 2014 Option grant ; $16.4446 for the 2015 Option grant and $17.8253 for the 2016 Option grant. The value of the 2014 and 2016 Options grant was nil. The value for the DSUs, RSUs and PSUs was calculated by multiplying the number of DSUs, RSUs or the PSUs granted at target, as the case may be, by the closing price of the Shares on the TSX on December 31, 2016 which was $17.69.

(4) Mr. Thomas does not benefit from any contractual severance provisions.

RETIREMENT AND SEPARATION

GINETTE MAILLÉ

On November 10, 2016, the Corporation announced it would enter into a retirement and separation agreement with Ms. Ginette Maillé effective February 28, 2017. During this period, it was agreed that Ms. Maillé would continue to perform her normal duties as Senior Vice-President and Chief Financial Officer until her separation date.

The Corporation agreed to pay Ms. Maillé a sum of $1,350,000 in salary continuance over a period of twenty-four (24) months (in this section, the "**Salary Continuance Period**"). This sum is equivalent to two times base salary and STIP at target.

All outstanding equity at the separation date was treated in accordance with the RSU&PSU Plan and award agreement which is as follows;

(1) 100% of the stock options awarded to the Executive in 2013 (53,500 stock options) vested, 75% of the stock options awarded to Ms. Maillé in 2014 (14,475 stock options) vested and 50% of the stock options awarded to Ms. Maillé in 2015 (12,500 stock options) vested, and such options will remain exercisable for a period of twelve (12) calendar months following the separation date, and thereafter shall expire. All other options awarded to Ms. Maillé (including without limitation those that were not vested as at the separation date) expired on the separation date.

(2) The RSUs and PSUs awarded to Ms. Maillé in 2014 (4,380 RSUs and 13,047 PSUs) vested; two-thirds of the RSUs awarded to Ms. Maillé in 2015 (4,378 RSUs) vested; and one-third of the RSUs awarded to Ms. Maillé in 2016 (2,188 RSUs) vested. The exercise of these vested RSUs and PSUs and sale of underlying shares proceeded as per the terms and conditions of the applicable grant agreements and the RSU&PSU Plan. All other RSUs or PSUs (including without limitation those that were not vested as at the separation date) were forfeited on the separation date in accordance with the RSU&PSU Plan provisions.

(3) The payments of any LTIP awards to Ms. Maillé shall be subject to the Executive Claw Back Compensation Policy of the Corporation.

The perquisites will also be maintained during the Salary Continuance Period (consisting in the provision of a company car, annual health assessment, fitness club membership and home security). Other expenses covered by the agreement include professional accounting and membership fees up to 2019. It also includes any mandatory continuing education or professional training activities related to CPA/CA association membership during the Salary Continuance Period with an annual maximum of $3,000 per year.

During this period Ms. Maillé will also be entitled to her employee benefit plan coverage (except short and long-term disability insurance) and pension plan contributions maintained.

The pension entitlements shall be determined in accordance with the terms of the Defined Benefit Pension Plan (the "**Pension Plan**") and the supplementary executive retirement agreement regarding the payment of amounts outside the registered pension plan (the "**SERP**"). For greater certainty, Ms. Maillé will be credited with two additional years of service as of her termination date for the purposes of the Pension Plan and of the SERP, considering that she has elected to receive the separation payment by way of salary continuance and that she will be at least 55 years old as of the last day of the Salary Continuance Period, the whole subject to the terms and conditions set forth in the Pension Plan and the SERP.

The total retirement and separation agreement is valued at $1,635,995. In return, Ms. Maillé agreed to certain non-compete, non-solicitation and assignment of intellectual property rights agreement covenants for a period of two years.

DOUGLAS CLARKE

On November 10, 2016, the Corporation announced it would enter into a retirement and separation agreement with Douglas Clarke effective February 28, 2017. During this period it was agreed that Mr. Clarke would continue to perform his duties and provide support on ongoing projects and work towards an effective transition of his activities.

The Corporation agreed to pay Mr. Clarke a sum of $1,245,000 in salary continuance over a period of twenty-four (24) months (in this section, the "**Salary Continuance Period**"). This sum is equivalent to two times base salary and STIP at target.

All outstanding equity at the separation date was treated in accordance with the RSU&PSU Plan and award agreement which is as follows;

(1) 100% of the stock options awarded to Mr. Clarke in 2013 (53,500 stock options) vested, 75% of the stock options awarded to the Executive in 2014 (13,050 stock options) vested and 50% of the stock options awarded to Mr. Clarke in 2015 (11,300 stock options) vested, and such options will remain exercisable for a period of twelve (12) calendar months following the separation date, and thereafter shall expire. All other options awarded to Mr. Clarke (including without limitation those that were not vested as at the separation date) expired on the separation date.

(2) The RSUs and PSUs awarded to Mr. Clarke in 2014 (3,954 RSUs and 11,791 PSUs) vested; two-thirds of the RSUs awarded to Mr. Clarke in 2015 (3,952 RSUs) vested; and one-third of the RSUs awarded to Mr. Clarke in 2016 (2,019 RSUs) vested. The exercise of these vested RSUs and PSUs and sale of underlying shares proceeded as per the terms and conditions of the applicable grant agreements and the RSU&PSU Plan. All other RSUs or PSUs (including without limitation those that were not vested as at the separation date) were forfeited on the separation date in accordance with the RSU&PSU Plan provisions.

(3) The payments of any LTIP awards to the Executive shall be subject to the Claw Back Compensation Policy of the Corporation.

The perquisites will also be maintained during the Salary Continuance Period (consisting in the provision of a company car, annual health assessment, fitness club membership and home security).

During this period Mr. Clarke will also be entitled to his employee benefit plan coverage (except short and long-term disability insurance) and pension plan contributions will be maintained.

Mr. Clarke's pension entitlements shall be determined in accordance with the terms of the Pension Plan and the SERP. For greater certainty, he will be credited with two additional years of service as of his separation date for the purposes of the Pension Plan and of the SERP, considering that he has elected to receive the separation payment by way of salary continuance and that he will be at least 55 years old as of the last day of the Salary Continuance Period, the whole subject to the terms and conditions set forth in the Pension Plan and the SERP.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors or executive officers of the Corporation, nor any associate of such Director or executive officer are to the date hereof, indebted to the Corporation. Additionally, the Corporation has not provided any guarantee, support agreement, letter of credit or similar arrangement or undertaking in respect of any indebtedness of any such person to any other person or entity. Furthermore, the Corporation has adopted a policy prohibiting loans to Directors or executive officers of the Corporation.

DIRECTORS' LIABILITY INSURANCE

The Directors are covered under a Directors and officers' liability insurance policy. The policy covers the Directors and officers of the Corporation and the Directors and officers of all of its subsidiaries. The insurance contract contains a deductibility provision of $1 million per claim. For fiscal year 2016, the Corporation paid premiums of $292,801 in respect of Directors' and officers' liability insurance.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interests, direct or indirect, of any Director or senior officer of the Corporation or other informed persons of the Corporation, nor of any associate or affiliate of the foregoing persons, in any material transaction since the commencement of the Corporation's last fiscal year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its affiliates or subsidiaries.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

No Director or officer of the Corporation, nor their associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

APPOINTMENT OF AUDITOR

The persons named in the form of proxy intend to vote FOR the reappointment of Deloitte LLP ("**Deloitte**"), Montreal, as independent auditor of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are appointed, at a remuneration to be determined by the Directors.

AUDIT FEES

During the 2016 and 2015 fiscal years, the Corporation retained its independent auditor, Deloitte, to provide services in the categories and for the approximate amounts that follow:

	2016 ($)	2015 ($)
Audit fees	1,014,000	902,000
Audit-related fees	80,000	90,000
Tax fees	261,000	282,000
All other fees	80,000	10,000
Total	1,435,000	1,284,000

Audit fees. These amounts represent fees paid for the audit of the Corporation's annual consolidated financial statements and the review of its quarterly financial statements. They consist of fees also related to services that an independent auditor would customarily provide in connection with statutory requirements, regulatory filings, and similar engagements for the fiscal year, such as comfort letters, consents, and assistance with review of documents filed with securities regulatory authorities. In addition, audit fees included the cost of translation of various continuous disclosure documents of the Corporation.

Audit-related fees. Audit-related fees were paid for assurance and related services that are performed by Deloitte and are not reported under the audit fees item above. These fees are for services not required by statute or regulations. These services consisted primarily of employee pension plan audits and other special purpose mandates approved by the Audit Committee.

Tax fees. These fees consist of two categories: (i) tax compliance and preparation fees; and (ii) tax advice and planning fees and other special purpose mandates approved by the Audit Committee.

All Other Fees. These fees consist of consulting services.

The Audit Committee has determined that Deloitte's provision of non-audit services was compatible with maintaining Deloitte's independence.

The Audit Committee of the Corporation has adopted a policy regarding the engagement of Deloitte for non-audit services. Deloitte provides audit services to the Corporation and is also authorized to provide specific audit-related services as well as tax services. Deloitte may also provide other services provided, however, that all such services are pre-approved by the Chairman of the Audit Committee and that such engagement is confirmed by the Audit Committee at its immediately following meeting. The policy also specifically prohibits the provision of certain services by Deloitte in order to maintain its independence. Additional information relating to the Audit Committee can be found in the section "Audit Committee" of the AIF available on the Corporation's website at **www.corporate.yp.ca** and on SEDAR at **www.sedar.com**.

GENERAL

The Directors know of no matter to come before the Meeting other than the matters referred to in the accompanying Notice of the Meeting.

SHAREHOLDER PROPOSALS FOR THE 2018 ANNUAL GENERAL MEETING

The Corporation will include proposals from Shareholders that are received by the Corporation within the prescribed time period and that comply with applicable laws in the Management proxy circular for the Corporation's 2018 annual general meeting. Please send your proposals to the Secretary of the Corporation at 16 Place du Commerce, Nun's Island, Verdun, Québec, Canada, H3E 2A5 by no later than December 22, 2017.

ADDITIONAL INFORMATION

The Corporation is required under applicable Canadian securities laws to file various documents, including an annual information form and annual and quarterly financial statements. Financial information is provided in the Corporation's comparative financial statements and Management's discussion and analyses for its most recently completed financial year. Copies of these documents and additional information relating to the Corporation are available on SEDAR at **www.sedar.com** or may be obtained from the Secretary of the Corporation, upon request at 16 Place du Commerce, Nun's Island, Verdun, Québec, Canada, H3E 2A5.

APPROVAL OF DIRECTORS

The contents and the mailing to the Shareholders of this Proxy Circular have been approved by the Board of Directors.

Dated March 22, 2017.

By order of the Directors of Yellow Pages Limited

(signed) *Robert F. MacLellan*
Chairman of the Board

SCHEDULE "A": DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE GUIDELINES

The Corporation is committed to adhering to highly effective standards in its corporate governance practices, to the periodic review of its governance practices and the inclusion of those practices, as constructive and appropriate, in the governance processes of the Corporation.

The Board has adopted certain corporate governance guidelines (the "**Corporate Governance Guidelines**"). The purpose of the Corporate Governance Guidelines is to assist the Board in the exercise of its responsibilities and to serve the best interests of the Corporation and its Shareholders. These Corporate Governance Guidelines are intended to serve as a transparent, flexible and pragmatic framework within which the Board may operate to guide the Corporation in making the right choices. The Corporate Governance Guidelines are available on the Corporation's website at **www.corporate.yp.ca**.

The Corporation's corporate governance practices fully comply with the disclosure and listing requirements of the TSX and with applicable Canadian legislation and related regulations of the CSA. The Board annually reviews the Corporate Governance Guidelines with a view to continuously improving the Corporation's corporate governance practices by assessing their effectiveness and comparing them with evolving best practices, standards identified by leading governance authorities and the Corporation's changing circumstances and needs.

The following constitutes the Corporation's disclosure of its corporate governance practices and is made pursuant and with reference to National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* which have been adopted by the CSA.

ROLE OF THE BOARD

The mandate of the Board is to oversee the conduct of the Corporation's business and to supervise Management. The Board establishes the overall policies for the Corporation, monitors and evaluates the Corporation's strategic direction and retains plenary power for those functions not specifically delegated by it to its committees or to Management. The Board is the ultimate leadership body which gives direction to the Corporation's business by striking balances between internal and external factors. As part of its stewardship responsibility, the Board advises Management on significant business issues. The Board discharges its responsibilities either directly or through its three committees (each, a "**Committee**"). See "Risk Oversight" below.

The Board works with Management to develop the strategy of the Corporation and holds a special strategic planning meeting at least once a year. Management and the Board also discuss the main risks facing the Corporation, competitive landscape and corporate opportunities.

The charter of the Board is attached herewith as Appendix A and the charter of the Audit Committee is attached as Schedule A to the AIF, which is available on SEDAR at **www.sedar.com**. These charters, as well as the charters of the Human Resources and Compensation Committee and the Corporate Governance and Nominating Committee, are available on the Corporation's website at **corporate.yp.ca/en/digital-media-company/governance/overview.**

BOARD STRUCTURE AND OPERATIONS

The Corporate Governance and Nominating Committee is responsible for advising the Board on the appropriate size of the Board and its Committees to ensure effective decision-making as appropriate within the limits of the constituting documents of the Corporation. The Directors are elected annually by the Shareholders and constitute the Board, together with those appointed to fill vacancies or appointed as additional Directors throughout the year.

The Board meets at least five times per year and may meet more often if required. Meetings of the Board may be convened at the request of any member of the Board. To the extent feasible, Board meetings are scheduled sufficiently in advance in order to maximize Director participation. Directors are expected to provide sufficient time to devote to the affairs of the Corporation and make themselves available for such meetings and strive for perfect attendance at Board meetings. Directors are expected to attend in person all meetings (other than conference call meetings) of the Board and Committees on which they serve. Additionally, Directors are required to prepare thoroughly for each Board and Committee meeting by reviewing the relevant materials, understanding and remaining up-to-date in connection with the Corporation's operations and the major trends in the business sector in which the Corporation operates and continually expanding on such knowledge.

Directors are asked to notify the Corporation if they are unable to attend, and attendance at meetings is duly recorded. Moreover, the independent Directors have the ability to hold meetings at which non-independent Directors and members of Management are not in attendance.

Financial and other relevant information is made available to Directors several days before or sufficiently in advance of scheduled Board and Committee meetings to facilitate Directors' preparation for meetings. Apart from the President and Chief Executive Officer who is a member of the Board and participates in such capacity, the Board invites other members of Management to attend parts or all of Board meetings (other than during in-camera sessions) for reporting and informational purposes.

The independent Directors meet in camera at every Board and Committee meeting without any member of Management present to ensure free and open discussion amongst themselves.

POSITION DESCRIPTION

CHAIRMAN OF THE BOARD AND CHAIRS OF THE BOARD COMMITTEES

The Chairman of the Board is appointed by resolution of the Board among the Board members each year for a one-year term (except when a vacancy is being filled) and takes effect immediately following the annual general meeting of Shareholders. Robert F. MacLellan, an independent Director, has been serving as Chairman of the Board since December 20, 2012. It is the Corporation's policy that the position of Board Chair be separate from that of the President and Chief Executive Officer.

The responsibilities of the Chairman of the Board are set out in a position description which provides that the Chairman of the Board, in addition to being an independent Director, is expected to provide leadership to the Board and to set the tone for the Board and the Directors to foster effective, ethical and responsible decision-making by them. Among other things, the Chairman of the Board presides at meetings of the Board and generally oversees Board direction and administration, ensuring that the Board works as a cohesive team, builds a strong governance culture and carries out its duties. The Chairman acts as liaison between the Board and Management, provides advice and counsel to the President and Chief Executive Officer, Committee Chairs and fellow Directors. The Chairman of the Board works with the President and Chief Executive Officer and senior Management to monitor progress on strategic planning and implementation.

The Board has also developed written position descriptions for the Chairs of each standing Board Committee. See "Committees of the Board – Corporate Governance and Nominating Committee", "Committees of the Board – Human Resources and Compensation Committee" and "Committees of the Board – Audit Committee" below.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Board has developed and approved a position description for the President and Chief Executive Officer. The President and Chief Executive Officer is responsible for providing leadership in setting the vision and developing the strategic plan of the Corporation in conjunction with the Board. Subject to the Board's approval, the President and Chief Executive Officer also ensures the implementation of the objectives and of the strategic plan adopted by the Board and reports to the Board in a timely manner on deviations from the strategic plan or any parameters established by the Board. The President and Chief Executive Officer is also responsible for leading the transformation of the Corporation into an industry-leading, digitally-focused organization. He must provide operational leadership and vision in the management of the Corporation's operations with a view of improving its financial performance, related share price appreciation and long-term shareholder value. It is also his duty to run an effective and efficient organization, addressing emerging issues that impact the future direction of the Corporation and preparing it to meet the challenges presented by new trends and development in the market. Finally, he must manage and motivate the Corporation's executives to achieve the strategic priorities established by the Board, oversee the quality and integrity of the management of the Corporation and "set the tone" for Management to foster ethical and responsible decision making as well as appropriate management and best-in-class corporate governance practices. The President and Chief Executive Officer is also responsible for evaluating the performance of executives for compliance with established policies and the Corporation's objectives and evaluating their contributions in attaining objectives. Finally, he must communicate effectively the Corporation's vision, values, strategy and business plan to internal and external stakeholders and ensure that sufficient information is provided to the Board to enable the Directors to form appropriate judgments.

INDEPENDENCE OF THE BOARD

In order to maintain an independent Board at all times, it is the policy of the Board that all members other than the President and Chief Executive Officer be independent, as such term is defined in National Instrument 52-110 – *Audit Committees* of the CSA.

TERM LIMITS AND RETIREMENT

The Board endorses the concepts of continuous renewal, the purposeful refreshing of experience, skill, and perspective that stimulates Board discussion and decision and has embedded them within the formal and informal governance processes of the Corporation. It is explicitly discussed as part of the annual assessment of Board effectiveness conducted by the Corporate Governance and Nominating Committee, and it is a continuous current of conversation in the less formal deliberations of the Board. Rather than imposing arbitrary term or age limits, the Board feels this approach provides a more dynamic and effective method for addressing the objective of continuous renewal. The Board does not believe that it is in the best interests of the Corporation to have a retirement policy for Directors at this time.

CHANGE IN DIRECTOR OCCUPATION

The Corporate Governance Guidelines of the Corporation provide that a Director facing a material change in his or her professional circumstances should offer his or her resignation to the Corporate Governance and Nominating Committee which will make a recommendation as to whether it should decline or accept such Director's proposed resignation.

MAJORITY VOTING POLICY

The Board has a majority voting policy which requires that any nominee for a Director who receives a greater number of votes withheld than in favour of his or her election shall tender his or her resignation to the Chairman of the Board following the Corporation's annual meeting. This policy applies only to uncontested elections, meaning elections that do not involve a proxy battle, i.e. where proxy material is circulated in support of one or more nominees who are not part of the Director nominees supported by the Board. The Corporate Governance and Nominating Committee shall be expected to recommend that the Board accept the resignation offer, except in exceptional circumstances. Further, the Board shall act on the Corporate Governance and Nominating Committee's recommendation within ninety (90) days following the applicable annual meeting and shall accept the resignation offer, except in exceptional circumstances. The Board shall promptly disclose its election decision including the reasons for rejecting the resignation, if applicable, by press release, a copy of which shall be provided to the TSX. If a resignation is accepted, the Board may appoint a new Director to fill the vacancy created by the resignation. The majority voting policy complies with the recommendations issued by the Canadian Coalition for Good Governance on such matter and the rules of the TSX.

RECRUITMENT OF DIRECTORS

The Corporate Governance and Nominating Committee is responsible for developing and reviewing the criteria as well as establishing a process for selecting Directors by considering what competencies and skills the Board, as a whole, should have and by regularly assessing the competencies, skills, personal qualities, business background and diversified experiences of the Board as a whole and of each of the existing Directors. The Corporate Governance and Nominating Committee is also responsible for advising the Board on the appropriate size and composition of the Board and its Committees to ensure effective decision-making.

The Board is committed to fostering a culture of diversity, inclusion and respect and has therefore adopted a Diversity Policy. The Board supports having a Board made up of highly qualified Directors from diverse backgrounds and experiences and who reflect the markets in which the Corporation operates, and the Corporation's evolving customer and employee base. The Board believes that having a diverse Board benefits the Corporation by enabling the Board to consider issues from a variety of perspectives. Diversity can enhance effective decision making and strategic planning and improve productivity, creativity, quality, teamwork and decision making. Diversity and inclusion enrich employee experience, broaden thinking, and help compete, innovate and grow in the ever-evolving digital market. The Diversity Policy states that the Corporate Governance and Nominating Committee will take into account diversity considerations such as gender, age, national origin and ethnicity in addition to business skills, qualifications and career history when assessing potential candidates for nomination to the Board.

In accordance with the Diversity Policy, the Corporate Governance and Nominating Committee also sets measurable objectives for achieving diversity and recommends them to the Board for adoption. In particular, through the adoption of the Policy, the Board committed to having women represent at least 30% of its independent members by 2019 and to have women represent at least 30% of the Corporation's senior management team by 2019. As at March 22, 2017, 2 out of 10 (20%) of the Corporation's independent Directors were women. As at March 22, 2017, 3 out of 16 members of the Corporation's senior management team (19%) were women.

Diversity Policy Targets	Percentage of Women by 2019	Percentage of Women as of March 22, 2017
Independent Directors of the Board	30%	20%
Senior Management	30%	19%

The Board developed and maintains an evergreen list of Director candidates which is updated on a regular basis. When a Director is being recruited, the Corporate Governance and Nominating Committee initiates the process by seeking input and suggestions from the other Directors as to the competencies, skills, business acumen, profile, independence and personal qualities of candidates, including integrity, accountability and leadership and updating the review of the skills, qualities and competencies of the remaining Directors. The Corporate Governance and Nominating Committee, either by itself or with the assistance of the other Directors or a recruiting firm, identifies qualified candidates, assesses their competencies and skills and, after interviewing them, recommends nominees to the Board.

CODE OF ETHICS

The Corporation has a Code of Ethics which sets out the guiding principles of the Corporation in all its operations and business practices. The Code of Ethics deals with such matters as personal integrity and ethics, general harassment and discrimination, customer, supplier and competitor relations, shareholder and media relations, integrity of records, the Corporation's funds and property, outside employment and employment of relatives, confidentiality and intellectual property rights, conflicts of interest, insiders and material undisclosed information and political contributions, and addresses the issues prescribed by the Corporate Governance Guidelines. The Code of Ethics applies to all Directors, officers and employees of the Corporation.

Each Director and employee of the Corporation must confirm annually that they have both read and complied with the requirements of the Code of Ethics. Management reports annually to the Corporate Governance and Nominating Committee on the implementation of, and compliance with, the Code of Ethics within the Corporation, and the Corporate Governance and Nominating Committee in turn reviews and reports to the Board on the subject. The Board may grant waivers of any provisions of the Code of Ethics to Directors or officers of the Corporation in certain circumstances provided they are disclosed in compliance with applicable legislation. No such waiver has been granted since the adoption of the Code of Ethics in 2004.

A Director or officer of the Corporation must disclose to the Corporation in writing the nature and extent of any interest he or she has in an actual or proposed material contract or transaction and shall not vote on any resolution to approve the contract or the transaction, except in limited circumstances. Each Director must also disclose to the Board any direct or indirect interest he or she has in any entity and which could involve a conflict of interest. A questionnaire is distributed annually to each Director so as to ensure that such interests and conflicts of interests are disclosed, if any. In situations where an entity in which a Director has an interest is either discussed or is the subject of a decision, the Board will request that the Director not partake in any such decision or discussion and refrain from voting.

The Code of Ethics is available on the Corporation's website at **corporate.yp.ca/en/digital-media-company/governance/code-of-ethics**. It may also be obtained upon request from the Secretary of the Corporation at its head office: 16 Place du Commerce, Nuns' Island, Verdun, Québec, H3E 2A5, telephone: 1-877-440-4849.

EXECUTIVE SUCCESSION PLANNING

Each year, the Board formally reviews in detail and discusses executive succession planning extensively with the President and Chief Executive Officer. More particularly, the Board, with assistance from the Human Resources and Compensation Committee, reviews the succession plan status for all executive officers and assesses whether there is readiness to fill potential vacancies, identifies the qualified individuals to fill such vacancies on either an immediate or normal course basis, determines whether there are any gaps in readiness as well as how the executive succession planning process can be improved. The Board also focuses specifically on the succession of the President and Chief Executive Officer as well as development considerations for each potential successor candidate and the performance of individual executives in their current roles. In addition, the Board holds an annual in-camera meeting with the President and Chief Executive Officer to review the performance and status of each of the President and Chief Executive Officer's direct reports.

The Board also meets with members of the executive Management team and key staff members through their participation in meetings and presentations to the Board and informally through a few social events during the year, which allows Board members to become familiar and interact with members of Management who are potential future leaders of the Corporation. The Board's practice is to invite high-potential executives to quarterly Board dinners, which allows advancing the succession planning in a less formal way. As a result of this active succession planning process, in 2016, all of the senior leadership openings were filled by qualified internal candidates who had been developed for the promotions they received.

COMMITTEES OF THE BOARD

The Board has three standing Committees: the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee, and the Audit Committee. The Committees consist only of independent Directors within the meaning of National Instrument 52-110 – Audit Committees of the CSA.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The Corporate Governance and Nominating Committee has a formal written charter available on the Corporation's website at **corporate.yp.ca**, setting out its structure, its duties and responsibilities. These include, among other things, monitoring the size and composition of the Board and the Committees overseeing compliance with the Corporation's Diversity Policy, developing and reviewing criteria as well as establishing a process for selecting Directors, identifying candidates qualified to become Directors, developing and monitoring appropriate processes for the periodic performance and effectiveness assessment of the Board, its Committees as well as the Board and Committee chairs and individual Directors, reviewing and making recommendations on Director compensation, developing and reviewing corporate governance principles applicable to the Corporation, developing for approval by the Board and overseeing the disclosure of the Code of Ethics and developing and reviewing orientation and continuing education programs for Directors. The responsibilities of the Chairman of the Corporate Governance and Nominating Committee are set out in a position description which provides that the Chairman of the Committee presides at meetings of the Committee, ensures the efficiency of the Committee and that the Committee carries out its duties. The Chairman of the Corporate Governance and Nominating Committee also acts as liaison between the Committee and the Board.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee has a formal written charter available on the Corporation's website at **www.corporate.yp.ca**, requiring that all of its members have direct experience related to the management of executive compensation and relevant to their responsibilities. Furthermore, the Charter of the Human Resources and Compensation Committee sets out its structure, duties and responsibilities which include, among other things, setting the compensation of the President and Chief Executive Officer of the Corporation and the senior executives of the Corporation, assessing annually the performance of the President and Chief Executive Officer against the specific performance goals and objectives determined by the Board, recommending to the Board the appointment of senior management and reviewing with the President and Chief Executive Officer their annual performance assessment, designing, establishing and overseeing the Corporation's executive compensation philosophy, ensuring that appropriate processes are in place regarding succession planning, overseeing the long-term incentive plans of the Corporation and reviewing any compensation disclosure before public dissemination. The responsibilities of the Chair of the Human Resources and Compensation Committee are set out in a position description which provides that the Chair of the Committee presides at meetings of the Committee, ensures the efficiency of the Committee and that the Committee carries out its duties. The Chair of the Human Resources and Compensation Committee also acts as liaison between the Committee and the Board.

The Human Resources and Compensation Committee is responsible for assisting the Board in discharging its responsibilities relating to the hiring, assessment, compensation and succession planning of executive and other human resources.

In addition, the Human Resources and Compensation Committee is responsible for overseeing risks associated with the Corporation's compensation policies and practices, as further described under the section "Executive Compensation – Discussion and Analysis – Determining Compensation – Compensation Decision Process and Risk Management".

AUDIT COMMITTEE

The Audit Committee has a formal written charter available on the Corporation's website at **corporate.yp.ca**, setting out its structure, duties, mandate and responsibilities, and requiring that each member be financially literate as defined in National Instrument 52-110 – *Audit Committees* as having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. Such charter, as well as other information relating to the Audit Committee, can also be found in the section "Audit Committee" of the Corporation's AIF available on the Corporation's website at **corporate.yp.ca** and on SEDAR at **www.sedar.com**. The responsibilities of the Chairman of the Audit Committee are set out in a position description which provides that the Chairman of the Audit Committee presides at meetings of the Audit Committee, ensures the efficiency of the Audit Committee and that the Audit Committee carries out its duties. The Chairman of the Audit Committee also acts as liaison between the Committee and the Board.

The Audit Committee oversees the financial reporting, accounting systems and internal controls of the Corporation. As a measure of overseeing and managing risks, the Audit Committee reviews the risk assessment reports conducted by the internal auditor and external consultants. Once the reports are reviewed by the Audit Committee, the list of deficiencies is communicated to business owners, who then are responsible to correct and implement controls to mitigate any negative effect these deficiencies can have on the Corporation. The Internal Auditor is charged with following up and ensuring timely correction of any such deficiencies identified by the internal audit reports. The Audit Committee has established a whistle-blowing policy, the Policy on Reporting of Concerns, which provides for the confidential and anonymous submission to a third party service provider of complaints and concerns regarding improper practices or questionable acts which might adversely affect the integrity of the Corporation, including for auditing, accounting or internal control matters ("**Accounting Matters**"). Under these procedures, any complaint or concern submitted regarding Accounting Matters will be communicated to the Chairman of the Audit Committee who will be involved in its resolution. The Audit Committee reviews quarterly reports from the Corporation's Ethics Committee which is responsible for addressing all issues reported through the Policy on Reporting of Concerns, including those not related to Accounting Matters. The Senior Vice-President, Corporate Affairs and General Counsel, the Chief Operating Officer and the Internal Auditor serve on the Ethics Committee of the Corporation.

RISK OVERSIGHT

Over the last few years, Management, the Board and Board committees have been devoting time identifying, managing, reporting and mitigating risk. The table below shows how the Board and its committees and Management manage and monitor risk across the organization:

Board of Directors	Committees	Management
Overall responsibility for risk oversight and strategic business risks	Audit Committee Monitors financial risks, namely through the Financial Risk Policy and the Statement of Investment Policies and Procedures, and with the assistance of the internal auditor through internal audits Human Resources and Compensation Committee Oversees compensation risk, talent management risk and succession risk Corporate Governance and Nominating Committee Oversees governance and supports risk management by establishing policies such as the Code of Ethics	Overall responsibility for strategic business and operational risks

In 2016, Management conducted an enterprise risk assessment that involved a broad, systematic approach to identifying, assessing, reporting and managing the significant risks the Corporation faces in its business and operations. A risk map identifying risk areas was developed. Risk evaluation criteria for the impact and the probability of occurrence were defined in collaboration with risk owners, considering the risk levels appropriate for the Corporation. Finally, an enterprise risk report was prepared to be used as input during strategic planning sessions.

STRATEGIC PLANNING OVERSIGHT

The Board works with Management to develop the Corporation's strategic direction. In 2014, Management developed the Return to Growth Plan, a long-term strategy designed to accelerate the Corporation's digital transformation and help it gain a leadership position within Canada's local digital advertising market. The Corporation's strategic planning process consists of five elements:

a) executing upon and monitoring progress on the Return to Growth Plan;

b) updating the Return to Growth Plan;

c) setting annual corporate objectives;

d) establishing annual budgets; and

e) reviewing the strategic plan periodically and revising it based on the Corporation's progress and changing market conditions.

Management is responsible for preparing these five elements and presenting it to the Board for discussion and approval. The Board is actively involved in the strategic planning process and holds several strategic planning sessions with Management every year, including quarterly updates and a multi-day session in the Fall for more in-depth discussion and analysis. Management and the Board discuss the main risks facing the Corporation's business, strategic issues, competitive developments and corporate opportunities. In addition to these special meetings focused on strategic planning, Management also presents strategic issues to the Board throughout the year. The President and Chief Executive Officer updates the Board on the execution of the Corporation's plan at every regularly-scheduled Board meeting. The Board also raises various issues and topics for discussion as part of the overall process. In November 2016, the Corporation announced that it had initiated a review of its business strategy. The Corporation anticipates communicating the outcome of this exercise and the accompanying strategy in May 2017.

APPENDIX A

CHARTER OF THE BOARD OF DIRECTORS (THE "CHARTER") OF YELLOW PAGES LIMITED (THE "CORPORATION")

AUTHORITY

The Board of Directors of the Corporation (the "Board") establishes the overall policies for the Corporation, monitors and evaluates the Corporation's strategic direction, and retains plenary power for those functions not specifically delegated by it to its Committees or to management. Accordingly, consistent with the duties of Directors pursuant to the Canada Business Corporations Act, the mandate of the Board is to supervise, the management of the business and affairs of the Corporation with a view to its best interests, and in determining whether it is doing so, the Board may consider the interests of shareholders and other stakeholders. Management's role is to conduct the day-to-day operations in a way that will meet this objective.

From time to time, the Board may formally adopt and review mandates for its Committees and may, in addition, delegate certain tasks to its Committees. However, such mandates and delegation of tasks do not relieve the Board of its overall responsibilities.

The Board shall have unrestricted access to the Corporation's personnel, documents and external auditors and will be provided with the resources necessary to carry out its responsibilities. The Board may engage outside advisors at the expense of the Corporation in order to assist the Board in the performance of its duties and set and pay the compensation for such advisors. Individual Directors may engage outside advisors at the expense of the Corporation to assist them in the performance of their duties with the prior approval of the Chairperson of the Corporate Governance and Nominating Committee of the Board.

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the Directors of the Corporation.

Members of the Board are entitled to rely, absent knowledge to the contrary, on: (i) the integrity of the persons and organizations from whom they receive information; and (ii) the accuracy and completeness of the information provided.

STRUCTURE

1. Directors are elected annually by the shareholders of the Corporation and together with those appointed to fill vacancies or appointed as additional Directors throughout the year, collectively constitute the Board of Directors of the Corporation.
2. The Board is composed of a majority of individuals who qualify as independent Directors (as defined under applicable securities laws). The composition of the Board, including the qualification of its members, shall otherwise comply with the constituting documents of the Corporation as well as other applicable legislation, rules and regulations.
3. The Chairperson of the Board shall be an independent Director (as defined under applicable securities laws) and be appointed by resolution of the Board having considered the recommendation of the Corporate Governance and Nominating Committee, from among the members of the Board to hold office from the time of his/her appointment until the next annual general meeting of shareholders or until his/her successor is so appointed. The Secretary of the Corporation (or his nominee) will act as the Secretary of the Board.
4. The Board shall meet at least once each quarter and may meet more often if required. Meetings of the Board may be convened at the request of any member of the Board. In addition, a special meeting of the Board shall be held, at least annually, to review the Corporation's strategic plan. All Board meetings can be held by telephone or by any other means which enables all participants to communicate with each other simultaneously.
5. The independent Directors should hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance.
6. The provisions of the Articles and By-laws of the Corporation that regulate meetings and proceedings shall govern Board meetings.
7. At each regularly scheduled meeting, the Board shall meet privately and in separate in camera sessions with any other internal personnel or outside advisors, as needed or appropriate.
8. The Board may invite from time to time such persons as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Board.
9. The Chairperson shall approve the agenda for the meetings and ensure that supporting materials are properly prepared and circulated to members with sufficient time for study by Board members prior to meetings.
10. The minutes of the Board meetings shall accurately record the significant discussions of and decisions made by the Board and shall be distributed to the Board members, with copies to the Chief Executive Officer of the Corporation ("CEO"), the Chief Financial Officer of the Corporation and the external auditors.

RESPONSIBILITIES OF THE BOARD

As part of its stewardship responsibility, the Board provides guidance and direction to management on significant business issues and, either directly or through its Committees, is responsible for performing the following duties and shall take into account the recommendations of its Committees, as applicable.

1. Providing independent effective leadership to supervise the management of the Corporation's business and affairs to grow value responsibly in a profitable and sustainable manner. The Board shall institute procedures to ensure that the Board and the Board Committees function independently of management.
2. Reviewing and approving, at the beginning of each fiscal year, the business plan, capital budget and financial goals of the Corporation, policies and processes generated by management relating to the authorization of major investments and significant allocation of capital, as well as engaging in meaningful review of longer term strategic plans prepared and elaborated by management and, throughout the year, monitoring the achievement of the objectives set and, if advisable, approving any material amendments to, or variances from, these plans.
3. Reviewing, considering and approving, if applicable, recommendations of any special committee of Directors established by the Board.
4. Reviewing and approving all securities continuous disclosure filings such as the Annual Report (including the audited financial statements of the Corporation), Proxy Circular, and Annual Information Form.
5. Ensuring that it is properly informed, on a timely basis, of all important issues (including environmental, cash management and business development issues), emerging trends and other developments involving the Corporation and its business environment.
6. In accordance with the Schedule of Authority of the Corporation, approve all major corporate decisions as well as any transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures.
7. Identifying, with management, the principal risks and opportunities related to the Corporation's business as well as ensuring that systems are put in place and evaluated on a regular basis to manage these risks and exploit these opportunities in a timely fashion.
8. Satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Corporation.
9. Reviewing periodically the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to Directors in a timely manner.
10. Receiving reports from the Corporate Governance and Nominating Committee regarding breaches of the Code of Ethics of the Corporation and reviewing investigations and any resolutions of complaints received under the Code of Ethics of the Corporation.
11. Considering what competencies and skills the Board as a whole should possess, assessing what competencies and skills each existing Director possesses and considering the appropriate size of the Board. These specific responsibilities may be delegated by the Board to the Corporate Governance and Nominating Committee.
12. Choosing the CEO and otherwise ensuring proper succession planning, including appointing, training and monitoring of the Chairperson and senior executives.
13. Reviewing, considering and approving, if applicable, recommendations of any of its Committees, including the Human Resources and Compensation Committee's assessment of the performance of the CEO and senior executives.
14. Adopting and reviewing at least annually, including with reference to the guidance set out in National Policy 51-201 – *Disclosure Standards*, the Corporation's overall policy with respect to disclosure and communication, including measures for receiving feedback from the Corporation's stakeholders, and management's compliance with such policy.
15. Monitoring investor relations programs and communications with analysts, the media and the public.
16. Developing the Corporation's approach to corporate governance, including adopting and enforcing good corporate governance principles and practices.
17. Ensuring the integrity of the Corporation's internal controls over financial reporting, management information systems, disclosure controls and procedures and financial disclosure.
18. With the help of the Corporate Governance and Nominating Committee, approving the list of Board nominees for election by shareholders and overseeing the development and implementation of the Director orientation program and continuing education program.
19. Establishing Board Committees and defining their mandates to assist the Board in carrying out its duties and responsibilities.
20. Adopting measures including any of those referred to herein, for receiving feedback from and communicating with shareholders and other stakeholders and providing for appropriate disclosure of the measures as may be required by law or regulation.
21. Reviewing this Charter annually and recommending and implementing changes as appropriate. The Board shall ensure that processes are in place to annually evaluate the performance of the Board, the Committees and individual Directors with a view to the effectiveness, contribution and independence of the Board and its members.
22. Reviewing annually the Charters for each Committee of the Board, together with the position descriptions of each of the Chairperson, the CEO and the chairs of each Board Committee, to ensure the compliance with any applicable rules or regulations and approving any modifications to such items as considered advisable.

COMMUNICATION WITH THE BOARD

Shareholders and other stakeholders may communicate with the Board and individual members by contacting the office of the Secretary as it is otherwise provided on the website of Yellow Pages Limited (www.corporate.yp.ca). Such process shall allow any shareholder and other stakeholder to communicate directly by mail, facsimile or e-mail.

The Secretary shall report periodically to the Board or any Committee to which this responsibility is delegated on any valid concerns expressed by shareholders and other stakeholders.

RESPONSIBILITIES OF DIRECTORS

The following constitutes a non-exhaustive list of the personal competencies and values that are expected of each Director of the Corporation and which each Director of the Corporation should demonstrate in the performance of his or her duties.

1. Experience, competencies and background in order to make a significant contribution to the Board and its Committees and a clear understanding of their role and duties as Directors of a publicly held issuer.
2. Act honestly and in good faith and demonstrate high integrity, ethical and fiduciary standards, in particular those set forth in the *Canada Business Corporations Act* and the Code of Ethics of the Corporation.
3. Act independently of management including being willing to take a stand, even if it is contrary to prevailing opinion.
4. Ability to express their point of view in an objective, logical and persuasive manner and to propose new ideas in line with the strategies and objectives of the Corporation.
5. Ability and willingness to work as a team with all Board and Committees members in an effective and productive manner.
6. Provide independent judgment and wise and thoughtful advice on a wide range of issues.
7. Provide sufficient time to devote to the affairs of the Corporation and make all reasonable efforts to attend all Board meetings and any meetings of Committees of which he or she is a member, and where attendance is not possible, make reasonable efforts to inform themselves of significant matters dealt with at such meetings.
8. Prepare thoroughly for each Board and Committee meeting by reviewing the materials provided and request, as appropriate, clarification or additional information in order to fully participate in Board deliberations, make informed business judgments and exercise effective oversight.
9. Understand the Corporation's current corporate governance policies and practices, this Charter, Board policies and the Charters of Committees of the Board on which he or she serves, within a reasonable time of joining the Board.
10. Understand the Corporation's operations and the major trends in the business sector in which the Corporation operates, within a reasonable time of joining the Board and continually expand this knowledge.
11. A high level of financial literacy, including the ability to read financial statements and use financial ratios and other indices to evaluate the Corporation's performance.
12. Maintain agreed upon level of equity investment in the Corporation to ensure proper alignment with its long-term interests.

RESPONSIBILITIES OF THE CHAIRPERSON OF THE BOARD

The Chairperson's responsibilities include the following, in addition to the Chairperson's responsibilities pursuant to applicable legislation and the Corporation's Articles and By-laws as well as those which may be assigned to him/her from time to time by the Board:

1. presiding at meetings of shareholders and of the Board;
2. providing leadership to enhance Board effectiveness and focus and ensuring that the Board's agenda will enable it to successfully carry out its duties;
3. acting as liaison between the Board and management;
4. assisting in representing the Corporation to external groups; and
5. acting as liaison between the Board and its Committees.

In addition, the Chairman of the Board is an ex officio member of all Committees of the Board.

RESPONSIBILITIES OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The CEO's responsibilities include the following, in addition to the CEO's responsibilities pursuant to the Corporation's Articles and By-laws as well as those which may be assigned to him/her from time to time by the Board:

1. Provide leadership in setting the vision and developing the strategic plan of the Corporation in conjunction with the Board and subject to the Board's approval;
2. Ensure the implementation of the objectives and strategic plan adopted by the Board and report to the Board in a timely manner on deviations from the strategic plan or any parameters established by the Board;
3. Lead the transformation of Yellow Pages Digital & Media Solutions Limited ("YP") into an industry-leading, digitally-focused media and marketing solutions organization;
4. Provide operational leadership and vision in the management of YP's operations with a view of improving the Corporation's financial performance, related share price appreciation and long-term shareholder value;
5. Run an effective and efficient organization, addressing emerging issues that impact the future direction of YP and preparing YP to meet the challenges presented by new trends and development in the market;
6. Manage and motivate the Corporation's executives to achieve the strategic priorities established by the Board;
7. Oversee the quality and integrity of the management of the Corporation and "set the tone" for management to foster ethical and responsible decision making as well as appropriate management and best-in-class corporate governance practices;
8. Evaluate performance of executives for compliance with established policies and the Corporation's objectives and evaluate their contributions in attaining objectives;
9. Communicate effectively the Corporation's vision, values, strategy and business plan to internal and external stakeholders; and
10. Ensure that sufficient information is provided to the Board to enable the Directors to form appropriate judgments.