NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS AND MANAGEMENT PROXY CIRCULAR

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NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON MAY 6, 2010

and

MANAGEMENT PROXY CIRCULAR

with respect to a proposed

PLAN OF ARRANGEMENT

involving

YELLOW PAGES INCOME FUND
YPG TRUST
YPG GENERAL PARTNER INC.
YPG LP
YELLOW MEDIA INC.
7341261 CANADA INC. and
7341296 CANADA INC.

March 24, 2010
March 24, 2010

Dear Unitholders:

You are invited to attend an annual and special meeting (the "Meeting") of holders (the "Unitholders") of units ("Units") of Yellow Pages Income Fund (the "Fund") to be held at Le Windsor, 1170 Peel Street, Montreal, Québec, on Thursday, May 6, 2010 at 11:00 a.m. (Montreal time). At the Meeting, you will be asked to consider a proposed arrangement (the "Arrangement"), involving the Fund, YPG Trust, YPG General Partner Inc. ("YPG GP"), YPG LP (YPG LP, together with its general partner, YPG GP, and its subsidiaries are hereinafter referred to as "YPG"), Yellow Media Inc., 7341261 Canada Inc., 7341296 Canada Inc. and the Unitholders, and certain other related matters. In addition, annual meeting business of the Fund will also be conducted at the Meeting, including (i) the placement before Unitholders of the consolidated financial statements of the Fund for the year ended December 31, 2009, including the auditors' report thereon; (ii) the election of the trustees of the Fund who will serve until the end of the next annual Unitholder meeting, until their successors are appointed or until the effective date of the Arrangement, if the Arrangement is approved; (iii) the appointment of the auditors of the Fund; and (iv) the consideration of such other business, if any, that may properly come before the Meeting or any adjournment thereof.

If approved, the Arrangement will result in the reorganization of the Fund’s income trust structure into a dividend paying public corporation named "Yellow Media Inc.", and the Unitholders will become the holders of the common shares of Yellow Media Inc. which will own all of the shares of Yellow Pages Group Co. and Trader Corporation.

The board of trustees of the Fund, the board of directors of YPG GP and management of YPG have increasingly been of the opinion that the trust structure is no longer an efficient structure for maximizing value to Unitholders. Therefore, we have been examining a number of options available to the Fund to maximize long term Unitholder value. We have concluded that an exchange of units for common shares of a corporation at this time is the next step in the Fund’s evolution and will position the Fund well to achieve its strategic objectives. The key benefits of the proposed conversion of the Fund to a corporation are set out in detail in the accompanying management proxy circular (the "Proxy Circular") of the Fund. They result in large part from changes to Canadian federal income tax legislation relating to income trusts and include the following:

(a) the Arrangement provides for an effective and efficient method of converting from a trust to a corporation consistent with existing legislation;

(b) it is anticipated that the reorganized structure of the Fund as a common share corporation will attract new investors, including non-resident investors, and provide, in the aggregate, a more active and attractive market for common shares of Yellow Media Inc. than currently exists for the Units;

(c) certain taxable Unitholders which are Canadian residents should benefit from lower income taxes paid on dividends received by them compared to income taxes paid on an equivalent distribution of the Fund; and

(d) Yellow Media Inc. will be managed by the same experienced team of professionals.

Pursuant to the Arrangement, Unitholders will effectively receive, for each Unit held, one common share of the successor public corporation named "Yellow Media Inc." on the effective date of the Arrangement, which is expected to be on or about November 1, 2010 (the "Effective Date"). After the Effective Date, the common shares, preferred shares and exchangeable debentures of Yellow Media Inc. will be respectively listed on the Toronto Stock Exchange under the symbols "YLO", "YLO.PR.A", "YLO.PR.B", "YLO.PR.C", "YLO.PR.D" and "YLO.DB".
After the completion of the Arrangement, Yellow Media Inc. will implement a dividend policy whereby it will initially pay a monthly dividend of $0.0542 ($0.65 per annum) per common share of Yellow Media Inc. starting in January 2011. The first such monthly dividend will be declared in respect of the month ended January 31, 2011 to the holders of record of common shares of Yellow Media Inc. on January 31, 2011 and will be paid on February 15, 2011. Provided the Arrangement is approved by Unitholders at the Meeting and provided the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, the monthly dividend to be declared after the Effective Date in respect of the months ended November 30, 2010 and December 31, 2010 will be maintained at $0.0667 ($0.80 per annum) per common share of Yellow Media Inc. Dividends in respect of the months of November and December 2010 will be payable to holders of record of common shares of Yellow Media Inc. on November 30, 2010 and December 31, 2010, respectively, and will be paid on December 15, 2010 and January 17, 2011, respectively.

The resolution approving the Arrangement and related matters (the "Arrangement Resolution") must be approved by not less than two-thirds of the votes cast by the Unitholders voting in person or by proxy at the Meeting. The Arrangement is also subject to the approval of the Superior Court of Québec and all necessary regulatory approvals.

The board of directors of Yellow Media Inc. will be comprised of the current members of the board of trustees of the Fund and the senior management of Yellow Media Inc. will be comprised of the current members of senior management of YPG. Marc P. Tellier will serve as President and Chief Executive Officer and Christian M. Paupe will serve as Executive Vice President and Chief Financial Officer of Yellow Media Inc.

CIBC World Markets Inc. ("CIBC") and RBC Dominion Securities Inc. ("RBC") have each provided the board of trustees of the Fund and the board of directors of YPG GP with an opinion to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications described in such opinion, the consideration to be received by the Unitholders under the Arrangement is fair, from a financial point of view, to the Unitholders. The board of trustees of the Fund and the board of directors of YPG GP, based upon their own investigations, including their consideration of the fairness opinions of CIBC and RBC, have unanimously concluded that the Arrangement is fair to Unitholders, is in the best interest of the Fund and the Unitholders and recommend that Unitholders vote in favour of the Arrangement Resolution. Our trustees, directors, officers and their associates who own in the aggregate approximately 0.33% of the outstanding 513,044,685 Units have indicated that they intend to vote in favour of the Arrangement.

We encourage you to read the materials in the attached Proxy Circular carefully. The accompanying Proxy Circular contains a detailed description of the Arrangement as well as detailed information regarding the Fund and Yellow Media Inc. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors. If you are unable to attend the Meeting in person, please complete and deliver the form of proxy or voting instruction form, as the case may be, provided to you in accordance with the instructions provided by your broker or intermediary in order to ensure your representation at the Meeting.
On behalf of the board of trustees of the Fund and the board of directors of YPG GP, we would like to express our gratitude for the continuing support our Unitholders have demonstrated for the Fund over the years. We would also like to thank our employees who have worked very hard assisting us with this task. We can assure you that the same high level of dedication demonstrated by the trustees, directors, management and employees of the Fund and YPG in the past will continue in respect of Yellow Media Inc. We look forward to seeing you at the Meeting.

Yours very truly,

[Signature]

President and Chief Executive Officer
NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that, pursuant to an order (the "Interim Order") of the Superior Court of Québec dated March 24, 2010, an annual and special meeting (the "Meeting") of the holders (the "Unitholders") of units (the "Units") of Yellow Pages Income Fund (the "Fund") will be held at Le Windsor, 1170 Peel Street, Montreal, Québec, on Thursday, May 6, 2010 at 11:00 a.m. (Montreal time) for the following purposes:

1. To consider pursuant to the Interim Order and, if thought advisable, to pass, with or without variation, a special resolution (the "Arrangement Resolution"), the full text of which is set forth in Appendix A to the accompanying management proxy circular of the Fund dated March 24, 2010 (the "Proxy Circular"), to approve a plan of arrangement under Section 192 of the Canada Business Corporations Act (the "Arrangement") and all transactions contemplated thereby, all as more particularly described in the Proxy Circular;

2. To receive the consolidated financial statements of the Fund for the fiscal year ended December 31, 2009, together with the report of the auditors thereon;

3. To elect the trustees of the Fund and to instruct and direct the trustees of the Fund as to the election of the trustees of YPG Trust;

4. To appoint the auditors of the Fund and authorize the trustees of the Fund to fix their remuneration; and

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

The accompanying Proxy Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

The 2009 Annual Report which comprises the Management's Discussion and Analysis of financial condition and results of operations, the consolidated financial statements of the Fund and the auditors' report to the Unitholders for the fiscal year ended December 31, 2009 is posted at www.ypg.com and www.sedar.com.

The record date (the "Record Date") for determining those Unitholders entitled to receive notice and to vote at the Meeting is the close of business on March 17, 2010. Only persons registered as Unitholders on the books of the Fund as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting, and no person becoming a Unitholder 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 Unitholder to receive notice of the Meeting does not deprive the Unitholder of the right to vote at the Meeting.

A Unitholder who is unable to be present at the Meeting and who wishes to appoint some other person (who need not be a Unitholder) to represent him or her at the Meeting may do so either by striking out the names set forth in the enclosed 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 proxy in the pre-addressed return envelope provided for that purpose, to CIBC Mellon Trust Company no later than 4:00 p.m. (Montreal time) on the last business day preceding the day of the Meeting, or by returning the voting instruction form provided to you in accordance with the instructions provided by your broker or intermediary.
Pursuant to the Interim Order and the Plan of Arrangement, registered holders of Units have the right to dissent with respect to the Arrangement Resolution, as though the Units were shares of a corporation governed by the Canada Business Corporations Act (the "CBCA"), and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Units in accordance with the provisions of Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order. A Unitholder's right to dissent is more particularly described in the Proxy Circular, and the text of Section 190 of the CBCA and the Interim Order are set forth in Appendix G and Appendix B, respectively, to the Proxy Circular. Only registered Unitholders are entitled to exercise rights of dissent. A dissenting Unitholder must send to the Fund at 16 Place du Commerce, Nuns' Island, Verdun, Québec, Canada, H3E 2A5, Attention: François D. Ramsay, Secretary of the Fund, a written objection to the Arrangement Resolution, which written objection must be received by 4:00 p.m. (Montreal time) on the last business day immediately preceding the date of the Meeting or any adjournment thereof.

Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss or unavailability of any right to dissent. Only registered Unitholders may dissent. Persons who are beneficial Unitholders registered in the name of a broker, custodian, nominee or intermediary who wish to dissent should be aware that they may only do so through the registered holder of such Units. All Units are registered in the name of CDS & Co. and are held through the beneficial holders' brokers, custodian, nominee or intermediaries. Accordingly, a beneficial Unitholder who wishes to exercise a right of dissent must make arrangements for the Units beneficially owned by that Unitholder to be registered in the name of the Unitholder prior to the time the written objection to the Arrangement Resolution is required to be received by the Fund or, alternatively, make arrangements for the registered holder of such Units to dissent on behalf of the Unitholder. In such case, the written objection should set forth the number of Units covered by such written objection.

Unitholders are invited to attend the Meeting; there will be an opportunity to ask questions and meet management. At the Meeting, the Fund will also report on its 2009 business results. For those Unitholders who cannot attend the Meeting in person, the Fund has made arrangements to provide a live Web cast of the Meeting. Details on how Unitholders may view the Web cast will be found at www.vpg.com and will also be provided in a media release prior to the Meeting. Nonetheless, Unitholders viewing the Web cast will not be permitted to vote through the Web cast facilities or participate in the Meeting.

DATED at Montreal, Québec, this 24th day of March, 2010.

BY ORDER OF THE TRUSTEES OF YELLOW PAGES INCOME FUND

(signed) François D. Ramsay

Secretary of Yellow Pages Income Fund
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# Yellow Pages Income Fund Proxy Circular

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## Alternative Minimum Tax

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## Amalgamation

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## Reduction of Stated Capital

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## Eligibility for Investment

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## Unitholders Not Resident in Canada

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## Unit-for-Share Exchange

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## Non-Dissenting Unitholders

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## Dissenting Unitholders

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## Amalgamation

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MANAGEMENT PROXY CIRCULAR

Introduction

This Proxy Circular is furnished in connection with the solicitation of proxies by and on behalf of the Trustees for use at the Meeting and any adjournment thereof. No Person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Proxy Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Arrangement in this Proxy Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Exhibit A to the Arrangement Agreement, which agreement is attached as Appendix C to this Proxy Circular. You are urged to carefully read the full text of the Plan of Arrangement.

All capitalized terms used in this Proxy Circular but not otherwise defined herein have the meanings set forth under "Glossary of Terms" or elsewhere in the Proxy Circular. Information contained in this Proxy Circular is given as of March 23, 2010 unless otherwise specifically stated.

Forward-looking Statements

This Proxy Circular includes 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 and phrase such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "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 results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors" in this Proxy Circular and under "Risk Factors" in the Annual Information Form of the Fund dated March 24, 2010 (the "AIF") for the year ended December 31, 2009, which AIF is incorporated by reference in this Proxy Circular. Although the forward-looking statements contained in this Proxy Circular are based upon what management believes are reasonable assumptions, the Fund cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Proxy Circular, and the Fund assumes no obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws.

Information For United States Unitholders

The securities to be issued to Unitholders in exchange for their securities under the Arrangement have not been and will not be registered under the 1933 Act, and such securities are being issued to Unitholders in reliance on the exemption from the registration requirements of the 1933 Act set forth in Section 3(a)(10) of the 1933 Act on the basis of the approval of the Court which will consider, among other things, the fairness of the Arrangement to Unitholders. The solicitation of proxies for the Meeting is not subject to the proxy requirements of Section 14(a) of the 1934 Act. Accordingly, the solicitations and transactions contemplated in this Proxy Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Proxy Circular has
been prepared in accordance with disclosure requirements applicable in Canada. Unitholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act. Specifically, information concerning the operations of the Fund contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The unaudited and audited financial statements of the Fund included, and incorporated by reference, in this Proxy Circular have been presented in Canadian dollars, were prepared in accordance with Canadian GAAP and are subject to Canadian auditing and auditor independence standards, and thus are not comparable in all respects to financial statements or financial information of United States companies.

See “Certain United States Federal Income Tax Considerations” for a summary of certain U.S. federal income tax considerations generally applicable to U.S. Holders with respect to the Arrangement. U.S. Holders are advised to consult their tax advisors to determine the particular tax consequences to them of the Arrangement.

Pursuant to U.S. Treasury Department Circular 230, we hereby inform you that the summary of the U.S. federal tax issues within this Proxy Circular was not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code of 1986, as amended. This summary was written to support the promotion or marketing of the transactions or matters addressed by this Proxy Circular. Taxpayers should seek advice from an independent tax advisor based on their particular circumstances.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that the Fund, YPG and Amalco are or will be organized under the laws of Canada, that their respective officers and directors and trustees, respectively, are residents of countries other than the United States, that certain of the experts named in this Proxy Circular are residents of countries other than the United States, and that all or substantial portions of the assets of the Fund, YPG, Amalco and such other Persons are, or will be, located outside the United States.

For further information, see “The Arrangement — Securities Law Matters — United States” in this Proxy Circular.

THE AMALCO COMMON SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS PROXY CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.
SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Proxy Circular, including the appendices hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Proxy Circular, in the documents incorporated by reference herein and in the appendices hereto. Capitalized terms not otherwise defined herein are defined in the "Glossary of Terms". In this summary, all dollar amounts are stated in Canadian dollars.

The Meeting

The Meeting will be held at Le Windsor, 1170 Peel Street, Montreal, Québec, on Thursday, May 6, 2010, commencing at 11:00 a.m. (Montreal time) for the purposes set forth in the accompanying Notice of Meeting. The business of the Meeting will be: (i) to consider and vote upon the Arrangement Resolution; (ii) to place before Unitholders the Financial Statements; (iii) to elect the Trustees and to instruct and direct the Trustees as to the election of the Trust Trustees; (iv) to appoint the auditors of the Fund and authorize the Trustees to fix their remuneration; and (v) to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

As of the date of this Proxy Circular, the Trustees are not aware of any changes to these items, and do not expect any other items to be brought forward at the Meeting. If there are changes or new items, your proxyholder can vote your Units on these items as he or she sees fit.

The Arrangement

General

If approved, the Arrangement will result in the reorganization of the Fund’s income trust structure into a dividend paying public corporation named “Yellow Media Inc.” (“Amalco”), and the Unitholders will become the holders of common shares of Amalco (“Amalco Common Shares”). Amalco will own all of the shares of Yellow Pages Group Co. and Trader.

The Units held by the Unitholders (other than the Dissenting Unitholders) will be transferred to Newco in consideration for common shares of Newco (“Newco Shares”) on the basis of one Newco Share for each Unit so transferred. Upon the Amalgamation, the holders of Newco Shares will receive Amalco Common Shares on a one-for-one basis.

As a result of the steps of the Arrangement, Unitholders will effectively receive Amalco Common Shares for their Units on a one-for-one basis.

The board of directors of Amalco will be comprised of the current members of the Board of Trustees and the senior management of Amalco will be comprised of the current members of senior management of YPG. Marc P. Tellier will serve as President and Chief Executive Officer and Christian M. Paupe will serve as Executive Vice President and Chief Financial Officer of Amalco. See “The Arrangement - Effect of the Arrangement”.

Post Arrangement Structure

Following the Effective Date of the Arrangement, the Unitholders will be the holders of Amalco Common Shares, and Amalco will own all of the issued and outstanding shares of Yellow Pages Group Co. and Trader. The following diagram illustrates the main entities of the organizational structure of Amalco immediately following the completion of the Arrangement.
Upon the completion of the Arrangement, an aggregate of approximately 513,044,685 Amalco Common Shares will be issued and outstanding, assuming that no Dissent Rights are exercised.

In connection with the Arrangement, the Fund Declaration of Trust will be amended to the extent necessary to facilitate the Arrangement as provided in the Plan of Arrangement.

See "The Arrangement — Effect of the Arrangement" and "Information Concerning Amalco".

**Effect on Unitholders**

Pursuant to the Arrangement, the Units held by Unitholders (other than the Dissenting Unitholders) will be transferred to Newco in consideration for Newco Shares on the basis of one Newco Share for each Unit so transferred. Upon the Amalgamation, the holders of Newco Shares will receive Amalco Common Shares on a one-for-one basis.

As a result of the steps of the Arrangement, Unitholders will effectively receive Amalco Common Shares for their Units on a one-for-one basis. See "The Arrangement — Effect of the Arrangement — Effect on Unitholders".

**Effect on Holders of Yellow Media Inc. Preferred Shares**

Upon the Amalgamation pursuant to the Arrangement, holders of Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, Series 5 Preferred Shares and Series 7 Preferred Shares shall receive respectively Amalco Series 1 Preferred Shares, Amalco Series 2 Preferred Shares, Amalco Series 3 Preferred Shares, Amalco Series 5 Preferred Shares and Amalco Series 7 Preferred Shares having the same rights, privileges, restrictions and conditions as the corresponding series of Yellow Media Inc. preferred shares currently held by such holders, on a one-for-one basis. See "The Arrangement — Effect of the Arrangement — Effect on Holders of Yellow Media Inc. Preferred Shares".
Effect on Holders of Exchangeable Debentures and Medium Term Notes

Pursuant to the Arrangement, Amalco shall be the successor debtor under the Exchangeable Debenture Indenture and the MTN Indenture as confirmed pursuant to the supplemental indentures to be entered into among Amalco, Yellow Pages Group Co., Trader and CIBC Mellon, as the case may be. See "The Arrangement — Effect of the Arrangement — Effect on Holders of Exchangeable Debentures".

Effect on Holders of Restricted Units

Holders of Restricted Units shall continue to hold their respective Restricted Units under the terms of the Restricted Unit Plan, but, after the Arrangement, they will be entitled to receive Amalco Common Shares rather than Units upon vesting of their respective Restricted Units. See "Executive Compensation - Restricted Unit Plan".

Effect on Holders of Management Stock Options

Holders of Stock Options shall continue to hold their respective Stock Options under the current terms of the Management Stock Option Plan, but, after the Arrangement, will be entitled to receive Amalco Common Shares rather than Units upon exercise of their respective Stock Options. See "Executive Compensation - Management Stock Option Plan (prior to August 2003)".

Effect on Distributions

If the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, distributions paid to Unitholders will continue for the months of March to and including October 2010 and will not be affected by the proposed Arrangement and will be paid in the usual manner. Accordingly, Unitholders of record on October 29, 2010 will receive their regular monthly cash distribution of $0.0667 per Unit on November 15, 2010. Provided the Arrangement is approved at the Meeting and the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, this will be the last distribution paid to Unitholders by the Fund. In the event that the Arrangement is not approved at the Meeting, the Board of Trustees will meet to determine the next distribution on the Units which would be declared payable thereon.

After the completion of the Arrangement, Amalco will implement a dividend policy whereby it will initially pay a monthly dividend of $0.0542 ($0.65 per annum) per Amalco Common Share starting in January 2011. The first such monthly dividend will be declared in respect of the month ended January 31, 2011 to the holders of record of Amalco Common Shares on January 31, 2011 and will be paid on February 15, 2011. Provided the Arrangement is approved by Unitholders at the Meeting and provided the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, the monthly dividend to be declared after the Effective Date in respect of the months ended November 30, 2010 and December 31, 2010 will be maintained at $0.0667 ($0.80 per annum) per Amalco Common Share. Dividends in respect of the months of November and December 2010 will be payable to holders of record of Amalco Common Shares on November 30, 2010 and December 31, 2010, respectively, and will be paid on December 15, 2010 and January 17, 2011, respectively. See "The Arrangement — Effect of the Arrangement — Effect on Distributions".

The dividend policy will be subject to the discretion of the board of directors of Amalco and may vary depending on, among other things, Amalco’s earnings, financial requirements, the satisfaction of solvency tests imposed by the CBCA for the declaration of dividends and other conditions existing at such future time. See "Risk Factors".
Amalco's Tax Position Post-Arrangement

If the Arrangement is approved by Unitholders at the Meeting, Amalco will become subject to Canadian federal and provincial corporate income tax on its taxable income for the period beginning on the Effective Date. Amalco expects to be taxable at an effective tax rate of approximately 28% for its 2011 taxation year.

Tax Fairness Plan

Bill C-52, Budget Implementation Act, 2007, which received Royal Assent on June 22, 2007, contained rules (the "SIFT Rules") relating to the tax treatment of SIFT entities. The SIFT Rules provide, among other things, for a tax on certain income earned by a SIFT, as well as generally treating the taxable distributions received by investors from a SIFT as taxable dividends. Under the SIFT Rules, the Fund, as a publicly traded income trust, is considered a SIFT and would be subject to trust level taxation as of January 1, 2011. In addition, the taxable distributions received by investors from the Fund would be taxable dividends.

The SIFT Rules contained in Bill C-52 are not expected to apply to the Fund provided that the Arrangement is implemented before 2011 as the government has allowed a transition for publicly-traded trusts that existed prior to November 1, 2006. To qualify for the interim period, the Fund must continue to comply with the normal growth guidelines regarding equity capital as outlined by the government (the "Normal Growth Guidelines"). The Normal Growth Guidelines provide for a safe harbor amount equal to 20% of the October 31, 2006 market capitalization for each of the 2008 to 2010 calendar years. These amounts are cumulative during the interim period. On February 25, 2009, the Minister of Finance (Canada) (the "Minister") released explanatory notes to the February 2, 2009 notice of ways and means motion which revise and clarify the Normal Growth Guidelines to accelerate the safe harbor amounts of 2009 and 2010 to make them available immediately, as initially announced in explanatory notes released on December 2, 2008.

On November 28, 2008, the Minister released a notice of ways and means motion including specific proposed rules initially contained in a draft legislation of July 14, 2008 (the "Conversion Rules") allowing publicly traded income trusts to convert into taxable Canadian corporations without any adverse tax consequences to the trust or its unitholders. On February 2, 2009, as a result of the prorogation of Parliament on December 4, 2008, the Minister reintroduced the Conversion Rules in a notice of ways and means motion. The Conversion Rules were enacted in Bill C-10 which received Royal Assent on March 12, 2009.

Background to the Arrangement

The Board of Trustees, the Board of Directors and Management continuously review the Fund’s strategic objectives and all options available to it in respect thereof to ensure that the Fund’s capital structure is efficient and that Unitholder value is being maximized. As outlined below, due to the new tax treatment of publicly traded mutual fund trusts such as the Fund, the Fund undertook an in-depth review of its capital structure which lead to the proposed transaction providing for the reorganization of the Fund’s income trust structure into a corporate structure.

Following the announcement by the Minister of the SIFT Rules on October 31, 2006, the potential reorganization of the Fund’s income trust structure to a corporate structure was discussed several times with the Trustees and directors at joint meetings of the Board of Trustees and the Board of Directors, and Management undertook work to assess the financial and legal considerations of such a reorganization. To assist the Fund, CIBC World Markets Inc. ("CIBC") and RBC Dominion Securities Inc. ("RBC") were formally engaged respectively on February 2, 2010 and December 16, 2009, as financial advisors as to
conversion matters and Scotia Capital Inc. ("Scotia") was formally engaged on February 2, 2010, as financial advisor relating to the Fund’s capital structure and financing matters. Management met with CIBC, RBC, Scotia and legal counsel on numerous occasions in order to review the proposed reorganization. At these meetings, CIBC, RBC and Scotia provided Management with preliminary financial advice regarding the proposed Arrangement and Management and legal counsel provided CIBC, RBC and Scotia with various financial, tax and other information to enable them to complete their analysis, and in the case of CIBC and RBC, in order to deliver their respective fairness opinion to the Board of Trustees and the Board of Directors.

After consulting with legal counsel and the financial advisors, Management presented its findings at a board meeting on February 10, 2010. Based on such findings, the Trustees and the directors of YPG GP requested that Management pursue the reorganization with a view of implementing the reorganization by the end of 2010 and also approved the initial dividend policy of Amalco for the period following the reorganization. The Fund announced the foregoing information on February 11, 2010.

The Board of Trustees and the Board of Directors met again on March 23, 2010 to review the proposed reorganization. At such meeting, presentations were made by Management and after duly considering the financial and legal aspects and other considerations relating to the proposed transaction, including the terms of the proposed Arrangement, the Trustees’ duties and responsibilities to Unitholders, and the respective fairness opinion delivered by each of CIBC (the "CIBC Fairness Opinion") and RBC (the "RBC Fairness Opinion"), the Board of Trustees and the Board of Directors unanimously approved the proposed transaction providing for the reorganization of the Fund’s income trust structure into a corporate structure, and concluded that the proposed transaction was in the best interests of the Fund and all Unitholders, and resolved to recommend that the Unitholders vote their Units in favour of the Arrangement. The Fund announced the details of the proposed Arrangement on March 24, 2010.

Reasons for the Arrangement

On October 31, 2006, the Minister announced the SIFT Rules. With this announcement, and the subsequent passage of related legislation, the value enhancement created by the trust structure was eliminated.

Historically, the Fund has not been liable for material amounts of income tax under the Tax Act because it generally was entitled to deduct (and has fully deducted) distributions to Unitholders in computing its income that would otherwise be subject to tax. The Fund does not conduct active business operations, but rather, it distributes to Unitholders the income it receives from its Subsidiaries, net of expenses. Commencing in 2011, the Fund would be liable, under the SIFT Rules, to pay income tax under the Tax Act at a rate comparable to the combined federal and provincial corporate tax rates on distributions paid or payable to Unitholders. Therefore, the Board of Trustees and the Board of Directors believe that the income trust structure would no longer provide any incremental benefit to the Fund and Unitholders relative to a corporate structure after 2010.

The Board of Trustees and the Board of Directors, in recommending the proposed reorganization to Unitholders, believe that the conversion to a corporation, through the Arrangement, provides a number of benefits to the Fund and Unitholders, including, without limitation, the following:

(a) the Arrangement provides for an effective and efficient method of converting from a trust to a corporation consistent with existing legislation;

(b) it is anticipated that the reorganized structure of the Fund as a common share corporation will attract new investors, including non-resident investors, and provide, in the aggregate, a more active and attractive market for Amalco’s Common Shares than currently exists for the Units;
(c) certain taxable Unitholders which are Canadian residents should benefit from lower income taxes paid on dividends received by them compared to income taxes paid on an equivalent distribution of the Fund; and

(d) Amalco will be managed by the same experienced team of professionals.

**Fairness Opinions**

**CIBC Fairness Opinion**

The Board of Trustees and the Board of Directors retained CIBC to address the fairness, from a financial point of view, of the consideration to be received by Unitholders under the Arrangement. In connection with this mandate, CIBC provided the Board of Trustees and the Board of Directors with the CIBC Fairness Opinion. The CIBC Fairness Opinion states that, on the basis of the particular assumptions and considerations summarized therein, in the opinion of CIBC, as of March 23, 2010 the consideration to be received by Unitholders under the Arrangement is fair, from a financial point of view, to Unitholders. The CIBC Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety. The summary of the CIBC Fairness Opinion described in this Proxy Circular is qualified in its entirety by reference to the full text of the CIBC Fairness Opinion. See "Background to and Reasons for the Arrangement — CIBC Fairness Opinion" and "Appendix D — CIBC Fairness Opinion".

**RBC Fairness Opinion**

The Board of Trustees and the Board of Directors retained RBC to address the fairness, from a financial point of view, of the consideration to be received by Unitholders under the Arrangement. In connection with this mandate, RBC provided the Board of Trustees and the Board of Directors with the RBC Fairness Opinion. The RBC Fairness Opinion states that, on the basis of the particular assumptions and considerations summarized therein, in the opinion of RBC, as of March 23, 2010 the consideration to be received by Unitholders under the Arrangement is fair, from a financial point of view, to Unitholders. The RBC Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety. The summary of the RBC Fairness Opinion described in this Proxy Circular is qualified in its entirety by reference to the full text of the RBC Fairness Opinion. See "Background to and Reasons for the Arrangement — RBC Fairness Opinion" and "Appendix E — RBC Fairness Opinion".

The Board of Trustees and the Board of Directors unanimously concur with the views of CIBC and RBC and such views were an important consideration in the Board of Trustees' and the Board of Directors' decision to proceed with the Arrangement.

The CIBC Fairness Opinion and the RBC Fairness Opinion were provided for the information of, and assistance to, the Board of Trustees and the Board of Directors in connection with its consideration of the Arrangement. The CIBC Fairness Opinion and the RBC Fairness Opinion are not a recommendation as to how any Unitholder should vote in respect of the Arrangement or any other matter. The CIBC Fairness Opinion and the RBC Fairness Opinion may not be used by any other person or relied upon by any other person other than the Board of Trustees and the Board of Directors, and do not confer any rights or remedies upon any employee, creditor, unitholder or other equity holder of the Fund, Yellow Media Inc. or any other party.
Recommendation of the Board of Trustees and the Board of Directors

The Board of Trustees and the Board of Directors have unanimously determined that the Arrangement is fair to Unitholders and is in the best interests of the Fund and Unitholders, and recommend that Unitholders vote in favour of the Arrangement Resolution.

In reaching its conclusions and formulating its recommendation, the Board of Trustees and the Board of Directors considered, among others, the following information and factors:

- the reasons and benefits of the Arrangement described herein. See "Background to and Reasons for the Arrangement - Reasons for the Arrangement";
- the ultimate demise of the Fund’s income trust structure as a result of the SIFT Rules; and
- the CIBC Fairness Opinion and the RBC Fairness Opinion.

See "Background to and Reasons for the Arrangement — Recommendation of the Board of Trustees and the Board of Directors ".

As at March 23, 2010, the Trustees, Trust Trustees and the directors and officers of YPG and their associates beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 1,684,946 Units, representing approximately 0.33% of the outstanding Units. Each of the members of the Board of Trustees, the Board of Directors and each of the officers of YPG have indicated that they intend to vote all of their Units in favour of the Arrangement Resolution.

Procedure for Exchange of Units

As the Units trade in the "book-entry" system only and no certificates are issued to non-registered holders, no new certificates for Amalco Common Shares will be issued to beneficial holders of such Amalco Common Shares following the completion of the Arrangement and beneficial holders of Units do not need to take any action to receive Amalco Common Shares. On or about the Effective Date, Amalco will deliver to CDS a certificate evidencing the aggregate number of Amalco Common Shares issued to Unitholders in connection with the Arrangement. Following the completion of the Arrangement, the Amalco Common Shares will continue to trade in the "book entry" system only and no certificates will be issued to non-registered holders of Amalco Common Shares, subject only to statutory rights to be issued certificates provided under the CBCA.

See "The Arrangement — Procedure for Exchange of Units".

Approval of Unitholders Required for the Arrangement

Pursuant to the Interim Order, the number of votes required to pass the Arrangement Resolution shall be not less than two-thirds of the votes cast by Unitholders, either in person or by proxy, voting at the Meeting. See "General Proxy Matters".

If you do not specify how you want your Units voted, the persons named as proxyholders will cast the votes represented by proxy at the Meeting FOR the approval of the Arrangement Resolution.

Final Order

Implementation of the Arrangement requires the satisfaction of several conditions and the approval of the Court. See "The Arrangement — Procedure for the Arrangement Becoming Effective". An application for the Final Order approving the Arrangement is expected to be made on October 1, 2010 at the Court, 1 Notre-Dame East St., Montreal, Québec, or at any other date following notification by news release to
the Unitholders of the date of presentation of such application, at least ten days before such date. On the application, the Court will consider the fairness of the Arrangement. If the Final Order is obtained on October 1, 2010 in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and TrusteeCo and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or about November 1, 2010. It is not possible, however, to state with certainty when the Effective Date will occur.

Right to Dissent

Pursuant to the Interim Order and the Plan of Arrangement, Unitholders have the right to dissent with respect to the Arrangement Resolution, as though the Units were shares of a corporation governed by the CBCA, by providing a written objection to the Arrangement Resolution to the Fund at 16 Place du Commerce, Nuns’ Island, Verdun, Québec, Canada, H3E 2A5, Attention: François Ramsay, Secretary of the Fund, by 4:00 p.m. on the Business Day immediately preceding the date of the Meeting, provided such holder also complies with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. It is important that Unitholders strictly comply with this requirement and understand that it is different from the statutory dissent provisions of the CBCA which would permit a written objection to be provided at or prior to the Meeting. Provided the Arrangement becomes effective, each Dissenting Unitholder will be entitled to be paid the fair value of the Units in respect of which the holder dissents in accordance with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. See Appendix B and Appendix G for a copy of the Interim Order and the provisions of Section 190 of the CBCA, respectively.

It is recommended that any Unitholder wishing to avail himself or herself of his or her Dissent Rights seek legal advice, as the statutory provisions covering the right to dissent are technical and complex. Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss or unavailability of any Dissent Rights. Only registered Unitholders may dissent. Persons who are beneficial Unitholders registered in the name of a broker, custodian, nominee or intermediary who wish to dissent should be aware that they may only do so through the registered holder of such Units. All Units are registered in the name of CDS & Co. and are held through the beneficial holders’ brokers, custodians, nominees or intermediaries. Accordingly, a beneficial Unitholder who wishes to exercise a right of dissent must make arrangements for the Units beneficially owned by that Unitholder to be registered in the name of the Unitholder prior to the time the written objection to the Arrangement Resolution is required to be received by the Fund or, alternatively, make arrangements for the registered holder of such Units to dissent on behalf of the Unitholder. In such case, the written objection should set forth the number of Units covered by such written objection. Pursuant to the Interim Order, a Unitholder may not exercise Dissent Rights in respect of only a portion of such holder’s Unit. See "The Arrangement — Right to Dissent".

It is a condition to the Arrangement that Unitholders holding not more than 1% of the Units shall have exercised Dissent Rights in relation to the Arrangement that have not been withdrawn as at the Effective Date. See "The Arrangement — Conditions Precedent to the Arrangement".

Stock Exchange Listing

The TSX has conditionally approved the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures, subject to Amalco fulfilling the requirements of such exchange as soon as reasonably practicable after the Effective Time. The Newco Shares that are to be issued in exchange for Units will also be listed on the TSX, and the Newco Shares will be delisted from the TSX upon the issuance of Amalco Common Shares to holders of Newco Shares pursuant to the Amalgamation under the Arrangement, all of which will occur in sequential order on the Effective Date.
After the Effective Date, the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures will be respectively listed on the TSX under the symbols “YLO”, “YLO.PR.A”, “YLO.PR.B”, “YLO.PR.C”, “YLO.PR.D” and “YLO.DB”. See “The Arrangement — Stock Exchange Listing”.

Certain Canadian Federal Income Tax Considerations

The Arrangement has been structured such that the Unit-for-Share Exchange will generally be treated for Canadian tax purposes as a tax deferred SIFT unit for share exchange pursuant to subsection 85.1(8) of the Tax Act for the Resident Unitholders (other than Dissenting Unitholders). On the Amalgamation, holders of the Newco Shares will receive Amalco Common Shares on a one-for-one basis. Such holders of Newco Shares will generally realize neither a capital gain nor a capital loss as a result of the Amalgamation.

A Non-Resident Unitholder who exchanges Units for Newco Shares on a one-for-one basis will generally not be subject to tax under the Tax Act on such exchange. On the Amalgamation, Non-Resident holders of Newco Shares will receive Amalco Common Shares on a one-for-one basis. Such holder will generally realize neither a capital gain nor a capital loss as a result of the Amalgamation.

This Proxy Circular contains a summary of the principal Canadian federal income tax considerations relevant to Residents and Non-Residents and which relate to the Arrangement and the above comments are qualified in their entirety by reference to such summary. Unitholders should read carefully the section below entitled “Certain Canadian Federal Income Tax Considerations” and should consult their own tax advisors regarding the tax considerations applicable to them in their particular circumstances.

Certain United States Federal Income Tax Considerations

As discussed in greater detail below (See "Certain United States Federal Income Tax Considerations"), Unitholders may recognize income, gain or loss under the Arrangement.

Because the tax consequences of the Arrangement may vary depending upon each Unitholder's particular circumstances, Unitholders are urged to consult their own tax advisors about the U.S. federal, state, local, and non-U.S. tax consequences of the Arrangement.

Other Tax Considerations

This Proxy Circular does not address any tax considerations of the Arrangement other than Canadian and United States federal income tax considerations. Unitholders who are resident in jurisdictions other than Canada or the United States should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning Amalco Common Shares after the Arrangement. Unitholders should also consult their own tax advisors regarding Canadian federal, provincial or territorial, and United States federal, state and local tax considerations of the Arrangement or of holding Amalco Common Shares.

Information Concerning Amalco

Amalco will be the resulting entity of the amalgamation of Yellow Media Inc., YPG GP, Newco and Trusteeco to be completed pursuant to the Arrangement. The principal and head office of Amalco will be located at 16 Place du Commerce, Nuns’ Island, Verdun, Québec, Canada, H3E 2A5.
On the Effective Date, Amalco will continue to be a reporting issuer in all Canadian jurisdictions and will continue to be subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement. See "Information Concerning Amalco" in this Proxy Circular.

Risk Factors Relating to Amalco

For a description of certain risk factors in respect of (i) the Arrangement, see "Risk Factors Relating to the Arrangement"; and (ii) the business of the Fund and the industry in which it operates which will continue to apply to Amalco after the Effective Date, see "Appendix F - Information Concerning Amalco — Risk Factors".

Moreover, the following risk factors relating to the activities of Amalco and its affiliates and the ownership of Amalco Common Shares following the Effective Date should be carefully considered by prospective investors before making a decision relating to the Arrangement:

- the uncertainty of future dividend payments by Amalco, and the amount thereof, as such payment of dividends is dependent upon, among other things, operating cash flow generated by Amalco’s Subsidiaries, financial requirements for Amalco’s operations, growth opportunities and the satisfaction of solvency tests imposed by the CBCA for the declaration and payment of dividends; and
- the level of Amalco’s indebtedness from time to time could impair Amalco’s ability to declare and pay dividends or obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

The completion of the Arrangement in the form contemplated by the Plan of Arrangement is subject to a number of conditions precedent, some of which are outside the control of the Fund, including, without limitation, receipt of Unitholder approval at the Meeting, regulatory and third party approvals, approval by the TSX of the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures, listing on the TSX of the Newco Shares, approval of the transactions contemplated by the Arrangement by Yellow Media Inc. or its Subsidiaries’ principal lenders and the issuance of the Final Order. There can be no certainty, nor can the Fund provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

The details regarding the risk factors listed above are contained elsewhere in this Proxy Circular. See "Risk Factors" and "Risk Factors Relating to the Arrangement, and "Appendix F -Information Concerning Amalco - Risk Factors".

Placement before Unitholders of Financial Statements of the Fund

The Financial Statements placed before Unitholders are included in the Fund’s 2009 annual report and available on YPG’s website at www.ypg.com and on SEDAR at www.sedar.com. Copies of such statements will also be available at the Meeting.

Election of the Trustees

Eleven (11) Trustees are to be elected to the Board of Trustees. Please refer to the section of this Proxy Circular "Election of Trustees and Trust Trustees" for further details. Each Trustee elected at the Meeting will hold office until the next annual meeting or until his or her successor is elected or appointed, unless his or her office is vacated earlier or until the Effective Date, if the Arrangement is approved. If the Arrangement is approved, the Trustees elected at the Meeting will become the directors of Amalco on the Effective Date.
If you do not specify how you want your Units voted, the persons named as proxyholders will cast the votes represented by proxy at the Meeting FOR the election as Trustees of the nominee trustees who are named in this Proxy Circular.

Appointment of Auditors

The Board of Trustees, on the advice of the Audit Committee, recommends that Deloitte & Touche LLP ("D&T"), Chartered Accountants, be reappointed as auditors of the Fund. D&T has served as auditors of the Fund since its inception on June 25, 2003. The auditors of the Fund appointed at the Meeting will serve until the end of the next annual Unitholder meeting, until their successors are appointed or until the Effective Date, if the Arrangement is approved. After the Effective Date, Deloitte & Touche LLP shall be the auditors of Amalco and shall continue in office until the first annual meeting of Amalco or until their successors are elected or appointed.

If you do not specify how you want your Units voted, the persons named as proxyholders will cast the votes represented by proxy at the Meeting FOR the appointment of Deloitte & Touche LLP as auditors of the Fund.
GENERAL PROXY MATTERS

Solicitation of Proxies

This Proxy Circular is furnished in connection with the solicitation by the Trustees of proxies to be used at the Meeting.

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 trustees, directors, officers or regular employees of the Fund and its Subsidiaries who will receive no compensation therefore in addition to their regular remuneration. The cost of any such solicitation is expected to be nominal and will be borne by the Fund. The Fund may also reimburse brokers and other persons holding Units in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies. Such costs are expected to be nominal.

Appointment of Proxies

The persons named in the enclosed form of proxy are Marc L. Reisch and Marc P. Tellier. Each Unitholder is entitled to appoint a person other than the individuals named in the enclosed form of proxy to represent such Unitholder at the Meeting.

A Unitholder who is unable to be present at the Meeting and who wishes to appoint some other person (who need not be a Unitholder) to represent him or her at the Meeting may do so either by striking out the names set forth in the enclosed 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 proxy in the pre-addressed return envelope provided for that purpose, to CIBC Mellon Trust Company no later than 4:00 p.m. (Montreal time) on the last business day preceding the day of the Meeting.

Revocation of Proxies

A Unitholder 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: (1) by depositing an instrument in writing executed by him or her or by his or her attorney authorized in writing or, if the Unitholder is a corporation, under the corporate seal or by an officer or attorney thereof duly authorized: (i) at the registered office of the Fund 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 (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof; or (2) in any other manner permitted by law. The registered office of the Fund is located at 16 Place du Commerce, Nuns’ Island, Verdun, Québec, Canada, H3E 2A5.

Voting of Proxies

The Units represented by the accompanying form of proxy will be voted or withheld from voting in accordance with the instructions of the Unitholder on any show of hands or ballot that may be called for and, if the Unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly. If no specification has been made with respect to any such matter, the persons named in the enclosed form of proxy intend to cast the votes represented by such proxy IN FAVOR of any such matter as described in this Proxy Circular.

The accompanying form of proxy confers discretionary authority upon the attorney named therein with respect to amendments or variations to matters identified in the Notice of the Meeting and other matters
which may properly come before the Meeting or any adjournment thereof. At the date of this Proxy Circular, the Trustees 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 voting it.

**Voting of Proxies for "Non-Registered Unitholders"**

"Non-registered Unitholders" are Unitholders who hold Units which are not registered in their name and which are held in the name of a nominee such as a trustee, financial institution or securities broker. For example, Units listed in an account statement provided by the broker of a Unitholder, are, in all likelihood, not registered in the Unitholder’s name. Such Units are more likely registered under the name of the broker or agent of such broker. Without specific instructions, Canadian brokers and their agents or nominees are prohibited from voting shares for the broker’s client. There are two ways, listed below, for non-registered Unitholders to vote their Units.

**Giving Voting Instructions**

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

**Voting In Person**

However, if Unitholders 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 proxy holder and follow the signature and return instructions of their nominee. Non-registered Unitholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of CIBC Mellon Trust Company. Unitholders do not otherwise have to complete the request for voting instructions sent to them as they will be voting at the Meeting.

**Record Date**

The Record Date for determining those Unitholders entitled to receive notice and to vote at the Meeting is the close of business on March 17, 2010. Only persons registered as Unitholders on the books of the Fund as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting, and no person becoming a Unitholder 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 Unitholder to receive notice of the Meeting does not deprive the Unitholder of the right to vote at the Meeting. The list of Unitholders so entitled will be available for inspection during normal business hours at the Montreal office of the Fund’s Registrar and Transfer Agent, CIBC Mellon Trust Company, located at 2001 University Street, Suite 1600, Montreal, Québec, Canada, H3A 2A6, and at the Meeting.

The information contained herein is given as at March 23, 2010, except as otherwise stated.

**Interest of Certain Persons and Companies in Matters to be Acted Upon**

No Trustee, Trust Trustee, director or officer of YPG, 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, other than as set forth herein.
SPECIAL BUSINESS OF THE MEETING

Special Business

The Meeting will be constituted as an annual as well as a special meeting. As part of the special business set out in the Notice of Meeting, Unitholders will be asked to consider and vote to approve the Arrangement Resolution.

Approval of the Arrangement Resolution

At the Meeting, Unitholders will be asked to consider and to vote to approve the Arrangement Resolution approving the Arrangement and other related transactions. To be effective, the Arrangement must be approved by a resolution passed by not less than two-thirds of the votes cast by the Unitholders voting in person or by proxy at the Meeting. A copy of the Arrangement Resolution is set out in Appendix A of this Proxy Circular.

The persons whose names are printed on the Proxy intend to vote FOR the Arrangement Resolution unless specifically instructed otherwise on the Proxy.

BACKGROUND TO AND REASONS FOR THE ARRANGEMENT

Tax Fairness Plan

Bill C-52, Budget Implementation Act, 2007, which received Royal Assent on June 22, 2007, contained the SIFT Rules relating to the tax treatment of SIFT entities. The SIFT Rules provide, among other things, for a tax on certain income earned by a SIFT, as well as generally treating the taxable distributions received by investors from a SIFT as taxable dividends. Under the SIFT Rules, the Fund, as a publicly traded income trust, is considered a SIFT and would be subject to trust level taxation as of January 1, 2011. In addition, the taxable distributions received by investors from the Fund would be taxable dividends if the Arrangement is not implemented.

The SIFT Rules are not expected to apply to the Fund until 2011 as the government has allowed a transition for publicly-traded trusts that existed prior to November 1, 2006. To qualify for the interim period, the Fund must continue to comply with the Normal Growth Guidelines. The Normal Growth Guidelines provide for a safe harbor amount equal to 20% of the October 31, 2006 market capitalization for each of the 2008 to 2010 calendar years. These amounts are cumulative during the interim period. On February 25, 2009, the Minister released explanatory notes to the February 2, 2009 notice of ways and means motion which revise and clarify the Normal Growth Guidelines to accelerate the safe harbor amounts of 2009 and 2010 to make them available in 2009, as initially announced in explanatory notes released on December 2, 2008.

On November 28, 2008, the Minister released the Conversion Rules allowing publicly traded income trusts to convert into taxable Canadian corporations without any adverse tax consequences to the trust or its unitholders. On February 2, 2009, as a result of the prorogation of Parliament on December 4, 2008, the Minister reintroduced the Conversion Rules in a notice of ways and means motion. The Conversion Rules were enacted in Bill C-10 which received Royal Assent on March 12, 2009.

Background to the Arrangement

The Board of Trustees, the Board of Directors and Management continuously review the Fund’s strategic objectives and all options available to it in respect thereof to ensure that the Fund’s capital structure is efficient and that Unitholder value is being maximized. As outlined below, due to the new tax treatment
of publicly traded mutual fund trusts such as the Fund, the Fund undertook an in-depth review of its capital structure which lead to the proposed transaction providing for the reorganization of the Fund’s income trust structure into a corporate structure.

Following the announcement by the Minister of the SIFT Rules on October 31, 2006, the potential reorganization of the Fund’s income trust structure to a corporate structure was discussed several times with the Trustees and directors at joint meetings of the Board of Trustees and the Board of Directors. Management undertook work to assess the financial and legal considerations of such a reorganization. To assist the Fund, CIBC and RBC were formally engaged respectively on February 2, 2010 and December 16, 2009, as financial advisors as to conversion matters and Scotia was formally engaged on February 2, 2010, as financial advisor relating to the Fund’s capital structure and financing matters. Management met with CIBC, RBC, Scotia and legal counsel on numerous occasions in order to review the proposed reorganization. At these meetings, CIBC, RBC and Scotia provided Management with preliminary financial advice regarding the proposed Arrangement and Management and legal counsel provided CIBC, RBC and Scotia with various financial, tax and other information to enable them to complete their analysis, and in the case of CIBC and RBC, in order to deliver their respective fairness opinion to the Board of Trustees and the Board of Directors.

After consulting with legal counsel and the financial advisors, Management presented its findings at a board meeting on February 10, 2010. Based on such findings, the Trustees and the directors of YPG GP requested that Management pursue the reorganization with a view of implementing the reorganization by the end of 2010 and also approved the initial dividend policy of Amalco for the period following the reorganization. The Fund announced the foregoing information on February 11, 2010.

The Board of Trustees and the Board of Directors met again on March 23, 2010 to review the proposed reorganization. At such meeting, presentations were made by Management and after duly considering the financial and legal aspects and other considerations relating to the proposed transaction, including the terms of the proposed Arrangement, the Trustees’ duties and responsibilities to Unitholders, and the CIBC Fairness Opinion and the RBC Fairness Opinion, the Board of Trustees and the Board of Directors unanimously approved the proposed transaction providing for the reorganization of the Fund’s income trust structure into a corporate structure, and concluded that the proposed transaction was in the best interests of the Fund and all Unitholders, and resolved to recommend that the Unitholders vote their Units in favour of the Arrangement. The Fund announced the details of the proposed Arrangement on March 24, 2010.

Reasons for the Arrangement

On October 31, 2006, the Minister announced new tax proposals concerning the taxation of income trusts and other flow-through entities. With this announcement, and the subsequent passage of related legislation, the value enhancement created by the trust structure was eliminated.

Historically, the Fund has not been liable for material amounts of income tax under the Tax Act because it generally was entitled to deduct (and has fully deducted) distributions to Unitholders in computing its income that would otherwise be subject to tax. The Fund does not conduct active business operations, but rather, it distributes to Unitholders the income it receives from YPG LP, net of expenses. Commencing in 2011, the Fund would be liable, under the SIFT Rules, to pay income tax under the Tax Act at a rate comparable to the combined federal and provincial corporate tax rates on distributions paid or payable to Unitholders. Therefore, the Board of Trustees and the Board of Directors believe that the income trust structure would no longer provide any incremental benefit to the Fund and Unitholders relative to a corporate structure after 2010.
The Board of Trustees and the Board of Directors, in recommending the proposed reorganization to Unitholders, believe that the conversion to a corporation, through the Arrangement, provides a number of benefits to the Fund and Unitholders, including, without limitation, the following:

(a) the Arrangement provides for an effective and efficient method of converting from a SIFT to a corporation consistent with existing legislation;

(b) it is anticipated that the reorganized structure of the Fund as a common share corporation will attract new investors, including non-resident investors, and provide, in the aggregate, a more active and attractive market for Amalco Common Shares than currently exists for the Units;

(c) certain taxable Unitholders which are Canadian residents should benefit from lower income taxes paid on dividends received by them compared to income taxes paid on an equivalent distribution of the Fund; and

(d) Amalco will be managed by the same experienced team of professionals.

Fairness Opinions

CIBC Fairness Opinion

The Board of Trustees and the Board of Directors retained CIBC to address the fairness, from a financial point of view, of the consideration to be received by Unitholders under the Arrangement. In connection with this mandate, CIBC provided the Board of Trustees and the Board of Directors with the CIBC Fairness Opinion. The CIBC Fairness Opinion states that, on the basis of the particular assumptions and considerations summarized therein, in the opinion of CIBC, as of March 23, 2010 the consideration to be received by Unitholders under the Arrangement is fair, from a financial point of view, to Unitholders. The CIBC Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety. The summary of the CIBC Fairness Opinion described in this Proxy Circular is qualified in its entirety by reference to the full text of the CIBC Fairness Opinion. See "Appendix D — CIBC Fairness Opinion".

RBC Fairness Opinion

The Board of Trustees and the Board of Directors retained RBC to address the fairness, from a financial point of view, of the consideration to be received by Unitholders under the Arrangement. In connection with this mandate, RBC provided the Board of Trustees and the Board of Directors with the RBC Fairness Opinion. The RBC Fairness Opinion states that, on the basis of the particular assumptions and considerations summarized therein, in the opinion of RBC, as of March 23, 2010 the consideration to be received by Unitholders under the Arrangement is fair, from a financial point of view, to Unitholders. The RBC Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety. The summary of the RBC Fairness Opinion described in this Proxy Circular is qualified in its entirety by reference to the full text of the RBC Fairness Opinion. See "Appendix E — RBC Fairness Opinion".

The Board of Trustees and the Board of Directors unanimously concur with the views of CIBC and RBC and such views were an important consideration in the Board of Trustees’ and the Board of Directors’ decision to proceed with the Arrangement.

The CIBC Fairness Opinion and the RBC Fairness Opinion were provided for the information of, and assistance to, the Board of Trustees and the Board of Directors in connection with its consideration of the Arrangement. The CIBC Fairness Opinion and the RBC Fairness Opinion are not a recommendation as to
how any Unitholder should vote in respect of the Arrangement or any other matter. The CIBC Fairness Opinion and the RBC Fairness Opinion may not be used by any other person or relied upon by any other person other than the Board of Trustees and the Board of Directors, and do not confer any rights or remedies upon any employee, creditor, unitholder or other equity holder of the Fund, Yellow Media Inc. or any other party.

Recommendation of the Board of Trustees and the Board of Directors

The Board of Trustees and the Board of Directors have unanimously determined that the Arrangement is fair to Unitholders and is in the best interests of the Fund and Unitholders, and recommend that Unitholders vote in favour of the Arrangement Resolution.

In reaching its conclusions and formulating its recommendation, the Board of Trustees and the Board of Directors considered, among others, the following information and factors:

- the reasons and benefits of the Arrangement described herein. See "Background to and Reasons for the Arrangement — Reasons for the Arrangement";
- the ultimate demise of the Fund’s income trust structure as a result of the SIFT Rules; and
- the CIBC Fairness Opinion and the RBC Fairness Opinion.

The foregoing discussion of the information and factors considered and given weight by the Board of Trustees and the Board of Directors is not intended to be exhaustive. In reaching the determination to approve and recommend the Arrangement Resolution, the Board of Trustees and the Board of Directors did not assign any relative or specific weight to the factors that were considered, and individual Trustees and directors of YPG may have given different weight to each factor. There are risks associated with the Arrangement, including that some of the potential benefits set forth in this Proxy Circular may not be realized or that there may be significant costs associated with realizing such benefits.

As at March 23, 2010, the Trustees, Trust Trustees and the directors and officers of YPG and their associates beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 1,684,946 Units, representing approximately 0.33% of the outstanding Units. Each of the members of the Board of Trustees, the Board of Directors and each of the officers of YPG have indicated they intend to vote all of their Units in favour of the Arrangement Resolution.

THE ARRANGEMENT

Effect of the Arrangement

General

If approved, the Arrangement will result in the reorganization of the Fund’s income trust structure into a dividend paying public corporation to be named “Yellow Media Inc.” (“Amalco”), and the Unitholders will become the holders of Amalco Common Shares. Amalco will own all of the issued and outstanding shares of Yellow Pages Group Co. and Trader.

The board of directors of Amalco will be comprised of the current members of the Board of Trustees, and the senior management of Amalco will be comprised of the current members of senior management of YPG. Marc P. Tellier will serve as President and Chief Executive Officer and Christian M. Paupe will serve as Executive Vice President, Corporate Services and Chief Financial Officer of Amalco.
Effect on Unitholders

Pursuant to the Arrangement, the Units held by the Unitholders (other than the Dissenting Unitholders) will be transferred to Newco in consideration for Newco Shares on the basis of one Newco Share for each Unit so transferred. Upon the Amalgamation, the holders of Newco Shares will receive Amalco Common Shares on a one-for-one basis.

As a result of the steps of the Arrangement, Unitholders will effectively receive Amalco Common Shares for their Units on a one-for-one basis.


Effect on Holders of Yellow Media Inc. Preferred Shares

Upon the Amalgamation pursuant to the Arrangement, holders of Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, Series 5 Preferred Shares and Series 7 Preferred Shares shall receive respectively Amalco Series 1 Preferred Shares, Amalco Series 2 Preferred Shares, Amalco Series 3 Preferred Shares, Amalco Series 5 Preferred Shares and Amalco Series 7 Preferred Shares having the same rights, privileges, restrictions and conditions as the corresponding series of Yellow Media Inc. preferred shares currently held by such holders, on a one-for-one basis.

See “The Arrangement — Arrangement Steps”.

Effect on Holders of Exchangeable Debentures and Medium Term Notes

Pursuant to the Arrangement, Amalco shall be the successor debtor under the Exchangeable Debenture Indenture and the MTN Indenture as confirmed pursuant to the supplemental indentures to be entered into among Amalco, Yellow Pages Group Co., Trader and CIBC Mellon, as the case may be.

See “The Arrangement — Arrangement Steps”.

Effect on Holders of Restricted Units

As of March 23, 2010, an aggregate of 5,888,549 Restricted Units are outstanding under the Restricted Unit Plan, granted to directors and management employees of YPG, representing the right to receive upon vesting an aggregate of 5,888,549 Units at target achievement levels.

Based on a literal interpretation of the terms of the Restricted Unit Plan, the transactions contemplated as part of the Arrangement could be deemed to technically trigger the accelerated vesting of the outstanding Restricted Units upon a change of control, which would normally not have been intended since the Arrangement does not result in any change to the ultimate economic ownership of the Fund and its successor entity, Amalco, due to the fact that the Unitholders do not transfer their economic interest in the Fund to third parties as a result of the Arrangement. In any event, all holders of Restricted Units under the Restricted Unit Plan have agreed to waive their right to accelerated vesting of their Restricted Units. Such holders of Restricted Units shall continue to hold their respective Restricted Units under the terms of the Restricted Unit Plan, but, after the Arrangement, will be entitled to receive Amalco Common Shares rather than Units upon vesting of their respective Restricted Units. All holders of outstanding Restricted Units have also agreed that any vesting condition based on the Fund’s financial performance will be adjusted to reflect the new corporate structure of Amalco. See ”Executive Compensation - Restricted Unit Plan”.

Yellow Pages Income Fund Proxy Circular 29
Effect on Holders of Management Stock Options

As of March 23, 2010, an aggregate of 383,986 Stock Options are outstanding under the Management Stock Option Plan, all of which have been granted to management employees of YPG and are vested, representing the right to receive upon exercise an aggregate of 383,986 Units.

Holders of Stock Options shall continue to hold their respective Stock Options under the current terms of the Management Stock Option Plan, but, after the Arrangement, will be entitled to receive Amalco Common Shares rather than Units upon exercise of their respective Stock Options. See "Executive Compensation - Management Stock Option Plan (prior to August 2003)".

Effect on Distributions

If the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, distributions paid to Unitholders will continue for the months of March to and including October 2010 and will not be affected by the proposed Arrangement and will be paid in the usual manner. Accordingly, Unitholders of record on October 29, 2010 will receive their regular monthly cash distribution of $0.0667 on November 15, 2010. Provided the Arrangement is approved at the Meeting and the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, this will be the last distribution paid to Unitholders by the Fund. In the event that the Arrangement is not approved at the Meeting, the Board of Trustees will meet to determine the next distribution on the Units which would be declared payable thereon.

After the completion of the Arrangement, Amalco will implement a dividend policy whereby it will initially pay a monthly dividend of $0.0542 ($0.65 per annum) per Amalco Common Share starting in January 2011. The first such monthly dividend will be declared in respect of the month ended January 31, 2011 to the holders of record of Amalco Common Shares on January 31, 2011 and will be paid on February 15, 2011. Provided the Arrangement is approved by Unitholders at the Meeting and provided the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, the monthly dividend to be declared after the Effective Date in respect of the months ended November 30, 2010 and December 31, 2010 will be maintained to be at $0.0667 ($0.80 per annum) per Amalco Common Share. Dividends in respect of the months of November and December 2010 will be payable to holders of record of Amalco Common Shares on November 30, 2010 and December 31, 2010, respectively, and will be paid on December 15, 2010 and January 17, 2011, respectively. See "Appendix F - Information Concerning Amalco — Dividend Record And Policy".

The dividend policy will be subject to the discretion of the board of directors of Amalco and may vary depending on, among other things, Amalco’s earnings, financial requirements, the satisfaction of solvency tests imposed by the CBCA for the declaration of dividends and other conditions existing at such future time. See "Risk Factors".

Amalco’s Tax Position Post-Arrangement

If the Arrangement is approved by Unitholders at the Meeting, Amalco will become subject to Canadian federal and provincial corporate income tax on its taxable income for the period beginning on the Effective Date. Amalco expects to be taxable at an effective tax rate of approximately 28% for its 2011 taxation year.
Arrangement Steps

Pursuant to the Arrangement, commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring one minute apart, without any further act or formality except as otherwise provided in the Plan of Arrangement:

Termination of Guarantee Agreements

(a) each of the guarantee agreements entered into by the Fund pursuant to which the Fund guarantees payments in respect of the Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares and Series 5 Preferred Shares shall be terminated and, as a result thereof, the guarantees provided thereunder shall be terminated;

Amendment to Fund Declaration of Trust

(b) the Fund Declaration of Trust shall be amended in accordance with its terms to the extent necessary to: (i) enable the Units held by each Unitholder to be transferred to Newco; (ii) reduce the requirement of a minimum number of trustees from three to one and to change the qualification requirements for the trustees; and (iii) facilitate the Arrangement and the implementation of the steps and transactions as provided in the Plan of Arrangement;

Amendment to Trust Declaration of Trust

(c) the Trust Declaration of Trust shall be amended in accordance with its terms to the extent necessary to: (i) reduce the requirement of a minimum number of trustees from three to one and to change the qualification requirements for the trustees; and (ii) facilitate the Arrangement and the implementation of the steps and transactions as provided in the Plan of Arrangement;

Dissenting Unitholders

(d) the Units held by the Dissenting Unitholders shall be deemed to have been transferred to the Fund (free of any claims) and cancelled. Such Dissenting Unitholders shall cease to have any rights as Unitholders other than the right to be paid the fair value of their Units in accordance with the Plan of Arrangement and the Interim Order. See “The Arrangement—Right to Dissent”;

Supplemental Indenture

(e) Newco shall be added as a co-debtor under the trust indenture dated July 6, 2006 among Yellow Media Inc., the Fund, the Trust, YPG LP, Yellow Pages Group Co., Trader and CIBC Mellon governing the 5.50% exchangeable unsecured subordinate debentures of Yellow Media Inc., having a maturity date of August 1, 2011 (“Exchangeable Debenture Indenture”) pursuant to the terms of a supplemental indenture to be entered into among Newco, Yellow Media Inc., the Fund, the Trust, YPG LP, Yellow Pages Group Co., Trader and CIBC Mellon;

Exchange of Units for Newco Shares

(f) the Units held by the Unitholders (other than the Dissenting Unitholders) shall be transferred to Newco in consideration for Newco Shares on the basis of one Newco Share for each Unit so transferred (the “Unit-For-Share Exchange”);

Cancellation of Common Shares of Newco

(g) the 100 common shares of Newco issued to the Fund in connection with the incorporation and organization of Newco shall be purchased for cancellation by Newco for a consideration of one dollar ($1.00) per common share, and shall be cancelled;
Replacement of Trustees

(h) the Trustees and the Trust Trustees shall be replaced with Trusteeco as the sole trustee of the Fund and the Trust;

Winding-Up of YPG LP

(i) YPG LP shall be liquidated and dissolved in accordance with the Limited Partnership Agreement (as a result of which YPG LP shall cease to exist), and all of the assets and liabilities of YPG LP shall be distributed to and assumed by the Trust and YPG GP so that each of the Trust and YPG GP shall have an undivided interest in the assets and liabilities equal to their respective interests in YPG LP;

Winding-Up of the Trust

(j) the Trust shall be liquidated and dissolved in accordance with the Trust Declaration of Trust (as a result of which the Trust shall cease to exist), and all of the assets and liabilities of the Trust shall be distributed to and assumed by the Fund;

Winding-Up of the Fund

(k) the Fund shall be liquidated and dissolved in accordance with the Fund Declaration of Trust (as a result of which the Fund shall cease to exist) and all of the assets and liabilities of the Fund shall be distributed to and assumed by Newco, including, without limitation, all liabilities in respect of any declared but unpaid distributions payable by the Fund;

Amalgamation

(l) Yellow Media Inc., YPG GP, Newco and Trusteeco shall amalgamate to form Amalco; the Amalgamation will be carried out in such a manner that:

(i) holders of Newco Shares shall receive Amalco Common Shares on the basis of one Amalco Common Share for each Newco Share;

(ii) holders of Series 1 Preferred Shares shall receive Amalco Series 1 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 1 Preferred Shares on the basis of one Amalco Series 1 Preferred Share for each Series 1 Preferred Share;

(iii) holders of Series 2 Preferred Shares shall receive Amalco Series 2 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 2 Preferred Shares on the basis of one Amalco Series 2 Preferred Share for each Series 2 Preferred Share;

(iv) holders of Series 3 Preferred Shares shall receive Amalco Series 3 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 3 Preferred Shares on the basis of one Amalco Series 3 Preferred Share for each Series 3 Preferred Share;

(v) holders of Series 5 Preferred Shares shall receive Amalco Series 5 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 5 Preferred Shares on the basis of one Amalco Series 5 Preferred Share for each Series 5 Preferred Share;
(vi) holders of Series 7 Preferred Shares shall receive Amalco Series 7 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 7 Preferred Shares on the basis of one Amalco Series 7 Preferred Share for each Series 7 Preferred Share;

(vii) the Class A common shares in the capital of Yellow Media Inc. held by Newco shall be cancelled;

(viii) the Class B common shares in the capital of Yellow Media Inc. held by Newco shall be cancelled;

(ix) the common shares in the capital of YPG GP held by Newco shall be cancelled;

(x) the common shares in the capital of Trusteeco held by Newco shall be cancelled;

(xi) all of the property, rights and privileges of each of Yellow Media Inc., YPG GP, Newco and Trusteeco shall become the property, rights and privileges of Amalco;

(xii) Amalco shall continue to be liable for the obligations of each of Yellow Media Inc., YPG GP, Newco and Trusteeco, including, without limitation, all liabilities assumed by Newco upon the winding-up of the Fund;

(xiii) any existing cause of action, claim or liability to prosecution of any of Yellow Media Inc., YPG GP, Newco and Trusteeco shall be unaffected;

(xiv) any civil, criminal or administrative action or proceeding pending against any of Yellow Media Inc., YPG GP, Newco and Trusteeco may be continued to be prosecuted by or against Amalco;

(xv) a conviction against, or ruling, order, judgment in favour of or against, any of Yellow Media Inc., YPG GP, Newco and Trusteeco may be enforced by or against Amalco;

(xvi) the Articles of Arrangement shall be deemed to be the articles of incorporation of Amalco and the Certificate shall be deemed to be the certificate of incorporation of Amalco;

(xvii) the by-laws of Amalco shall be the by-laws of Newco in effect immediately prior to the Effective Date;

(xviii) the board of directors of Amalco shall be comprised of the current members of the Board of Directors of YPG GP;

(xix) the senior management of Amalco shall be comprised of the current members of senior management of YPG GP;

(xx) the registered office of Amalco shall be the registered office of YPG GP;

(xxii) the first auditors of Amalco shall be Deloitte & Touche LLP, who shall continue to hold office until the first annual meeting of Amalco or until their successors are elected or appointed; and
upon the completion of the Amalgamation, the name of the amalgamated corporation shall be "Yellow Media Inc." in the English language form and "Yellow Média inc." in the French language form;

Exchangeable Debenture Indenture

(m) Amalco shall be the successor debtor under the Exchangeable Debenture Indenture as confirmed pursuant to a supplemental indenture to be entered into among Amalco, Yellow Pages Group Co., Trader and CIBC Mellon;

MTN Indenture

(n) Amalco shall be the successor debtor under the MTN Indenture as confirmed pursuant to a supplemental indenture to be entered into among Amalco, Yellow Pages Group Co. and CIBC Mellon; and

Reduction of Stated Capital of Amalco Common Shares

(o) Amalco shall be authorized to reduce the stated capital maintained in respect of the Amalco Common Shares by an amount determined by Amalco’s board of directors which shall not exceed $3,000,000,000, without any payment.

Post Arrangement Structure

The following diagram illustrates the main entities of the organizational structure of Amalco immediately following the completion of the Arrangement on the Effective Date.

Upon the completion of the Arrangement, an aggregate of 513,044,685 Amalco Common Shares will be issued and outstanding, assuming that no Dissent Rights are exercised.

In addition, upon the completion of the Arrangement, an aggregate of 383,986 Stock Options will be outstanding under the Management Stock Option Plan, all of which have been granted to management employees of YPG and are vested, representing the right to receive upon exercise an aggregate of 383,986 Amalco Common Shares. Since the initial public offering of the Fund in August 2003, no further Stock Options have been granted under the Management Stock Option Plan and no further Stock Options will be granted under such plan. See "The Arrangement — Effect of the Arrangement" and "Executive Compensation – Long-Term Incentive Programs".
Arrangement Agreement

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants of and from each of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, and various conditions precedent, both mutual and with respect to each entity party thereto.

The Arrangement Agreement is attached as Appendix C to this Proxy Circular and reference is made thereto for the full text thereof.

Procedure for the Arrangement Becoming Effective

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken for the Arrangement to become effective:

(a) the Arrangement must be approved by the Unitholders voting at the Meeting;
(b) the Arrangement must be approved by the Court pursuant to the Final Order;
(c) all conditions precedent to the Arrangement, including those set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate parties; and
(d) the Final Order, Articles of Arrangement and related documents, in the form prescribed by the CBCA, must be filed with the Director and the Certificate must be issued by the Director.

Unitholder Approval

Pursuant to the Interim Order, the number of votes required to approve the Arrangement Resolution shall be not less than two-thirds of the votes cast by Unitholders, either in person or by proxy, voting at the Meeting. See “General Proxy Matters — Voting of Proxies”.

Court Approvals

Interim Order

On March 24, 2010, the Court granted the Interim Order facilitating the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix B to this Proxy Circular.

Final Order

The CBCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Unitholders at the Meeting in the manner required by the Interim Order, YPG GP, Yellow Media Inc., Newco and Trusteeco will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for October 1, 2010 at the Court, 1 Notre-Dame Street East, Montreal, Québec, or at any other date before or after October 1, 2010 following notification by news release to the Unitholders of the date of presentation of such application, at least ten days before such date. At the hearing, any Unitholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon Yellow Media Inc., YPG GP, Newco and Trusteeco a notice of intention to appear together with any evidence or materials which such party intends to present to the Court on or before May 3, 2010 or, if such appearance is with the view to contest the application for the Final Order.
or to make representations in relation thereto, on or before May 5, 2010. Service of such notice shall be effected by service upon the Fund's legal counsel, Stikeman Elliott LLP, c/o Me. Jean Fontaine, 1155 René-Lévesque Blvd West, 40th Floor, Montreal, Québec, H3B 3V2.

The Final Order will constitute the basis for an exemption from the registration requirements of the 1933 Act, with respect to the Amalco Common Shares to be issued to Unitholders pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "Securities Law Matters — United States".

The Fund has been advised by its counsel, Stikeman Elliott LLP, that the Court has broad discretion under the CBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Fund may determine not to proceed with the Arrangement.

**Conditions Precedent to the Arrangement**

The respective obligations of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions. These conditions include, without limitation:

(a) the Interim Order shall have been granted in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, acting reasonably, not later than March 24, 2010 or such later date as the parties to the Arrangement Agreement may agree and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

(c) the Final Order shall have been granted in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, acting reasonably, not later than October 1, 2010 or such later date as the parties to the Arrangement Agreement may agree;

(d) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with Subsection 192(6) of the CBCA;

(e) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:

(i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated in the Arrangement Agreement or the Plan of Arrangement; or
(ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated in the Arrangement Agreement or the Plan of Arrangement.

(f) all necessary material third party and regulatory consents and approvals with respect to the transactions contemplated under the Arrangement shall have been completed or obtained including, without limitation, the necessary consents and approvals from Yellow Media Inc.'s and its Subsidiaries' principal lenders;

(g) there shall not, as of the Effective Date, be Unitholders that hold, in aggregate, in excess of 1% of all outstanding Units, that have validly exercised their Dissent Rights under the Interim Order and not withdrawn such exercise;

(h) the TSX shall have conditionally approved the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures and the listing of the Newco Shares, subject only to the filing of required documents which cannot be filed prior to the Effective Date; and

(i) the Arrangement Agreement shall not have been terminated.

Upon the conditions being fulfilled or waived, YPG GP, Yellow Media Inc., Newco and Trusteeco intend to file a copy of the Final Order and the Articles of Arrangement with the Director under the CBCA, together with such other materials as may be required by the Director, in order to give effect to the Arrangement as of the Effective Date.

Notwithstanding the foregoing, the Arrangement Resolution proposed for consideration by the Unitholders authorizes the Board of Trustees or the Board of Directors, without further notice to or approval of such Unitholders, subject to the terms of the Arrangement, to amend or terminate the Arrangement Agreement or the Plan of Arrangement, with the prior written consent of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, or to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the CBCA. The full text of the Arrangement Resolution is attached as Appendix A to this Proxy Circular.

Timing

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions at that point in time are satisfied or waived, YPG GP, Yellow Media Inc., Newco and Trusteeco will apply for the Final Order approving the Arrangement on October 1, 2010, or at any other date before or after October 1, 2010 following notification by news release to the Unitholders of the date of presentation of such application, at least ten days before such date. If the Final Order is obtained on October 1, 2010, or at any other date before or after October 1, 2010, in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or about November 1, 2010. It is not possible, however, to state with certainty when the Effective Date will occur.

The Arrangement will become effective, following the filing with the Director of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, upon issuance by the Director of the Certificate.

Procedure for Exchange of Units

As the Units trade in the "book entry" system only and no certificates are issued to non-registered holders, no new certificates for Amalco Common Shares will be issued to beneficial holders of such Amalco Common Shares following the completion of the Arrangement and beneficial holders of Units do
not need to take any action to receive Amalco Common Shares. On or about the Effective Date, Amalco will deliver to CDS a certificate evidencing the aggregate number of Amalco Common Shares issued to Unitholders in connection with the Arrangement. Following completion of the Arrangement, the Amalco Common Shares will continue to trade in the "book entry" system only and no certificates will be issued to non-registered holders of Amalco Common Shares, subject only to statutory rights to be issued certificates provided under the CBCA. Unitholders whose Units are held through a broker, securities dealer, bank, trust company or other nominee or intermediary may wish to contact their nominee or intermediary with respect to the exchange of their Units for Amalco Common Shares.

Right to Dissent

The following description of the right to dissent and appraisal to which Dissenting Unitholders are entitled is not a comprehensive statement of the procedures to be followed by a Dissenting Unitholder who seeks payment of the fair value of such Dissenting Unitholder's Units and is qualified in its entirety by the reference to the full text of the Interim Order, which is attached to this Proxy Circular as Appendix B, and the text of Section 190 of the CBCA, which is attached to this Proxy Circular as Appendix G. A Dissenting Unitholder who intends to exercise Dissent Rights and appraisal should carefully consider and comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement. Failure to strictly comply with the provisions of that section, as modified by the Interim Order and the Plan of Arrangement, and to adhere to the procedures established therein may result in the loss or unavailability of all rights thereunder.

The Interim Order and the Plan of Arrangement expressly provide Unitholders with the right to dissent from the Arrangement, in the same manner as provided in Section 190 of the CBCA as though the Units were shares of a corporation governed by the CBCA, but as modified by the Plan of Arrangement and the Interim Order. Any Unitholder who dissents from the Arrangement in compliance with Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, will be entitled, in the event the Arrangement becomes effective, to be paid by the Fund or Amalco, as the case may be, the fair value of the Units held by such Dissenting Unitholder as determined as of the close of business on the last Business Day before the Arrangement Resolution is adopted.

The Interim Order provides that a Unitholder who wishes to exercise Dissent Rights must provide the Fund with a Notice of Dissent to the Arrangement Resolution, which Notice of Dissent must be received by the Fund at 16 Place du Commerce, Nuns' Island, Verdun, Québec, Canada, H3E 2A5, Attention: François D. Ramsay, Secretary of the Fund, by 4:00 p.m. (Montreal time) on the last Business Day preceding the Meeting. It is important that Unitholders strictly comply with this requirement and understand that it is different from the statutory dissent provisions of the CBCA which would permit a Notice of Dissent to be provided at or prior to the Meeting. The filing of a Notice of Dissent does not
deprive a Unitholder of the right to vote at the Meeting. However, the CBCA provides, in effect, that a Unitholder who has submitted a Notice of Dissent and who votes in favour of the Arrangement Resolution will be deprived of further rights under Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order. A Unitholder need not vote his or her Units against the Arrangement Resolution in order to dissent. The revocation of a proxy conferring authority on the proxy holder to vote in favour of the Arrangement Resolution does not constitute a Notice of Dissent; however, any proxy granted by a Unitholder who intends to dissent, other than a proxy that instructs the proxy holder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxy holder from voting such Units in favour of the Arrangement Resolution and thereby causing the Unitholder to forfeit his or her Dissent Rights. The CBCA does not provide, and the Fund will not assume, that a vote against the Arrangement Resolution constitutes a written objection to the Arrangement Resolution. There is no right of partial dissent and, accordingly, a Dissenting Unitholder may only exercise the right to dissent with respect to all of the Units held by it on behalf of any one beneficial owner and registered in the name of the Dissenting Unitholder.

The Fund is required, within 10 days after the Unitholders adopt the Arrangement Resolution, to notify each Dissenting Unitholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Dissenting Unitholder who has voted for the Arrangement Resolution or who has withdrawn his or her Notice of Dissent.

A Dissenting Unitholder who has not withdrawn his or her Notice of Dissent must then, within 20 days after receipt of notice that the Arrangement Resolution has been adopted or, if the Dissenting Unitholder does not receive such notice, within 20 days after he or she learns that the Arrangement Resolution has been adopted, send to the Fund, at 16 Place du Commerce, Nuns’ Island, Verdun, Québec, Canada, H3E 2A5, Attention: François Ramsay, Secretary of the Fund, a Demand for Payment, containing his or her name and address, the number of Units in respect of which he or she exercises Dissent Rights, and a demand for payment of the fair value of such Units. Within 30 days after sending a Demand for Payment, the Dissenting Unitholder must send to the Fund or the Transfer Agent the certificates representing the Units in respect of which he or she dissents. A Dissenting Unitholder who fails to send certificates representing the Units in respect of which he or she dissents forfeits his or her Dissent Rights. The Fund or the Transfer Agent will endorse on any Unit certificate received from a Dissenting Unitholder a notice that the holder is a Dissenting Unitholder and will forthwith return the Unit certificates to the Dissenting Unitholder.

After sending a Demand for Payment, a Dissenting Unitholder ceases to have any rights as a holder of the Units in respect of which the Unitholder has dissented, other than the right to be paid the fair value of such Units as determined under Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, unless: (i) the Dissenting Unitholder withdraws the Demand for Payment before the Fund makes the Offer to Pay; (ii) the Fund fails to make a timely Offer to Pay to the Dissenting Unitholder and the Dissenting Unitholder withdraws his or her Demand for Payment; or (iii) the Board of Trustees revokes the Arrangement Resolution, in all of which cases the Dissenting Unitholder’s rights as a holder of the Units in respect of which he or she has dissented are reinstated.

The Fund or Amalco, as the case may be, is required, not later than 7 days after the later of the Effective Date and the date on which the Fund receives a Demand for Payment from a Dissenting Unitholder, to send to the Dissenting Unitholder an Offer to Pay for the Units in respect of which he or she has dissented in an amount considered by the Fund or Amalco, as the case may be, to be the fair value thereof, accompanied by a statement showing the manner in which such fair value was determined. Every Offer to Pay must be on the same terms. The Fund or Amalco, as the case may be, must pay for the Units of a Dissenting Unitholder within 10 days after an Offer to Pay has been accepted by such Dissenting Unitholder, but any such offer lapses if the Fund or Amalco does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.
If the Fund or Amalco, as the case may be, fails to make an Offer to Pay for a Dissenting Unitholder's Units, or if a Dissenting Unitholder fails to accept an offer which has been made, the Fund or Amalco, as the case may be, may, within 50 days after the Effective Date or within such further period as the Court may allow, apply to the Court to fix a fair value for the Units of any such Dissenting Unitholder. If the Fund or Amalco fails to apply to the Court, a Dissenting Unitholder may apply to the Court for the same purpose within a further period of 20 days or within such further period as the Court may allow. A Dissenting Unitholder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting Unitholders whose Units have not been purchased by the Fund or Amalco will be joined as parties and bound by the decision of the Court, and the Fund or Amalco will be required to notify each affected Dissenting Unitholder of the date, place and consequences of the application and of such Dissenting Unitholder's right to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any person is a Dissenting Unitholder who should be joined as a party, and the order will be rendered against the Fund or Amalco in favour of each Dissenting Unitholder and for the amount of the fair value of his or her Units as fixed by the Court. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Unitholder from the Effective Date until the date of payment. An application by either the Fund or Amalco, or a Dissenting Unitholder, must be made to the Court.

The Fund or Yellow Media Inc., as the case may be, shall not make a payment to a Dissenting Unitholder under Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, if there are reasonable grounds for believing that it is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of its assets would thereby be less than the aggregate of its liabilities. In such event, the Fund or Amalco shall notify each Dissenting Unitholder that it is lawfully unable to pay Dissenting Unitholders for their Units in which case the Dissenting Unitholder may, by written notice to the Fund or Amalco within 30 days after receipt of such notice, withdraw his Notice of Dissent, in which case such Unitholder shall, in accordance with the Interim Order, be deemed to have participated in the Arrangement as a Unitholder. If the Dissenting Unitholder does not withdraw his Notice of Dissent he will retain his status as a claimant against the Fund or Amalco, as the case may be, to be paid as soon as it is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors but in priority to the securityholders.

All Units held by Unitholders who exercise their Dissent Rights will, if the Holders are ultimately entitled to be paid the fair value thereof, be deemed to have been transferred to the Fund in exchange for such fair value as of the Effective Date and such Units so transferred shall be cancelled in accordance with the Arrangement. If such Unitholders ultimately are not entitled to be paid the fair value for the Units, such Units will be deemed to have been exchanged for Newco Shares and such Unitholders will be issued Amalco Common Shares on the same basis as all other Unitholders pursuant to the Arrangement.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the completion of the Arrangement that, holders of not greater than 1% of the outstanding Units shall have exercised Dissent Rights in respect of the Arrangement and not withdrawn such exercise as of the Effective Date.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Unitholder who seeks payment of the fair value of its Units. Section 190 of the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss or unavailability of all rights thereunder. Accordingly, each Dissenting Unitholder who might desire to exercise Dissent Rights and appraisal should carefully consider and comply with the provisions of that section and the Interim Order, the full texts of which are set out in Appendix G and B, respectively, to this Proxy Circular, and consult their own legal advisor. For a general summary of certain Canadian federal income tax implications to a Dissenting Unitholder, see "Certain Canadian Federal Income Tax Considerations — Dissenting Unitholders".
Interests of Certain Persons or Companies in the Matters to be Acted Upon

As at March 23, 2010, the Trustees, Trust Trustees and the directors and officers of YPG and their associates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of approximately 1,684,946 Units representing approximately 0.33% of the outstanding Units. The directors and officers of YPG also hold an aggregate of 3,664,637 Restricted Units and 365,721 Stock Options. Following the completion of the Arrangement, the directors and officers of YPG will be entitled to receive Amalco Common Shares rather than Units upon (i) vesting of their respective Restricted Units in accordance with the vesting and other conditions provided under the Restricted Unit Plan and (ii) exercise of their respective Stock Options in accordance with the conditions provided under the Management Stock Option Plan. See "Executive Compensation - Restricted Unit Plan" and "Executive Compensation - Management Stock Option Plan (prior to August 2003)".

Immediately after giving effect to the Arrangement, it is anticipated that the current Trustees and the directors and officers of YPG and their associates, as a group, would beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 1,684,946 Amalco Common Shares representing approximately 0.33% of the outstanding Amalco Common Shares (assuming no Dissent Rights are exercised).

CIBC, RBC and Scotia have been engaged as financial advisors to the Board of Trustees and the Board of Directors in connection with the Arrangement. CIBC, RBC and Scotia have received or will receive fees from the Fund for services rendered.

None of the principal holders of Units or any Trustee, director or officer of the Fund or YPG, as the case may be, or any associate or affiliate of any of the foregoing persons, has or had any material interest in any transaction in the last three years or any proposed transaction that materially affected, or will materially affect, the Fund or any of its affiliates, except as disclosed above or elsewhere in this Proxy Circular or in documents incorporated herein by reference.

Expenses of the Arrangement

The estimated costs to be incurred by the Fund with respect to the Arrangement and related matters including, without limitation, financial advisory, accounting, tax and legal fees, and the preparation, printing and mailing of this Proxy Circular and other related documents and agreements, are expected to aggregate approximately $7,400,000.

Stock Exchange Listing

It is a condition to completion of the Arrangement that the TSX shall have conditionally approved the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures and the listing of the Newco Shares. The TSX has conditionally approved the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures, subject to Amalco fulfilling the requirements of such exchange as soon as reasonably practicable after the Effective Date. The Newco Shares that are to be issued in exchange for Units will also be listed on the TSX, and the Newco Shares will be delisted from the TSX upon the issuance of Amalco Common Shares to holders of Newco Shares pursuant to the Amalgamation under the Arrangement, all of which will occur in sequential order on the Effective Date. After the Effective Date, the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures will be respectively listed on the TSX under the symbols "YLO", "YLO.PR.A", "YLO.PR.B", "YLO.PR.C", "YLO.PR.D" and "YLO.DB".
Securities Law Matters

Canada

The Amalco Common Shares to be issued under the Arrangement to the Unitholders, will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws or on discretionary exemptions from such requirements to be obtained from applicable securities regulatory authorities in Canada and, following completion of the Arrangement, the Amalco Common Shares will generally be "freely tradeable" (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under applicable Canadian securities laws of the Provinces and Territories of Canada.

If any related party of the Fund, including any Trustee or director or officer of YPG, were entitled to receive a "collateral benefit", as defined in MI 61-101, in connection with the Arrangement, the Arrangement would have constituted a "business combination" for purposes of MI 61-101. If the Arrangement constituted a "business combination", the Arrangement Resolution would have required minority approval in accordance with MI 61-101.

As at March 23, 2010, there were an aggregate of 5,888,549 Restricted Units outstanding under the Restricted Unit Plan. Based on a literal interpretation of the terms of the Restricted Unit Plan, the transactions contemplated as part of the Arrangement could be deemed to technically trigger the accelerated vesting of the outstanding Restricted Units upon a change of control, which would normally not have been intended since the Arrangement does not result in any change to the ultimate economic ownership of the Fund and its successor entity, Amalco, due to the fact that the Unitholders do not transfer their economic interest in the Fund to third parties as a result of the Arrangement. In any event, all holders of Restricted Units have agreed to waive their right to accelerated vesting of their Restricted Units under the Restricted Unit Plan. See “The Arrangement — Effect on Holders of Restricted Units".

Should the accelerated vesting of all outstanding Restricted Units be considered a "collateral benefit" for purposes of MI 61-101 regardless of such waivers, MI 61-101 expressly excludes benefits from being "collateral benefits" if such benefits are received solely in connection with the related party’s services as an employee, director or consultant under certain circumstances, including that the benefits are disclosed in the disclosure document for the transaction and, at the time the transaction is agreed to, the related party and its associated entities (as defined in MI 61-101) beneficially own, or exercise control or direction over, less than 1% of the outstanding securities of each class of equity securities in the issuer. In addition, pursuant to MI 61-101, benefits are also expressly excluded from being "collateral benefits" if: (i) the related party discloses to an independent committee the amount of the consideration that the related party expects that it will be beneficially entitled to receive under the terms of the transaction in exchange for equity securities beneficially owned by the related party; (ii) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in (i); and (iii) the independent committee’s determination is disclosed in the disclosure document for the transaction.

Each of the Trustees and directors and officers of YPG and their respective associated entities, hold less than 1% of the issued and outstanding Units and thus they will not be considered to have received a "collateral benefit" for purposes of MI 61-101 and the Arrangement will not constitute a business combination for purposes of MI 61-101.
United States

The following discussion is only a general overview of certain requirements of U.S. securities laws that may be applicable to the Amalco Common Shares received upon completion of the Arrangement. Recipients of Amalco Common Shares are urged to obtain legal advice to ensure that the resale of such securities complies with applicable U.S. securities laws. Further information applicable to U.S. Holders is disclosed under the heading "Management Proxy Circular — Information For United States Unitholders".

The following discussion does not address the Canadian securities laws that will apply to the issue of the Amalco Common Shares or the resale of the Amalco Common Shares by U.S. Holders within Canada. U.S. Holders reselling their Amalco Common Shares in Canada must comply with Canadian securities laws as outlined elsewhere in this Proxy Circular.

The Amalco Common Shares to be issued under the Arrangement to Unitholders are not required to be, and will not be, registered under the 1933 Act. Such securities will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act. Section 3(a)(10) exempts from the registration requirements under the 1933 Act securities issued in exchange for one or more bona fide outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all Persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the 1933 Act with respect to the Amalco Common Shares issued in connection with the Arrangement. See "The Arrangement — Procedure for the Arrangement Becoming Effective — Court Approvals — Final Order" above.

The restrictions on resale imposed by the 1933 Act will depend on whether the recipients of Amalco Common Shares are, or, within 90 days of the consummation of the Arrangement, have been, "affiliates" of Amalco after the Arrangement. As defined in Rule 144 under the 1933 Act, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under the common control with, such issuer. Persons who will not be affiliates of Amalco after the Arrangement may resell Amalco Common Shares received pursuant to the Arrangement in the United States without restriction under the 1933 Act. Recipients of Amalco Common Shares that are, or, within 90 days of the consummation of the Arrangement, have been, affiliates of Amalco, will have to comply with Rule 144 with respect to resales of the Amalco Common Shares they receive in the Arrangement.

Experts

Certain Canadian legal matters relating to the Arrangement are to be passed upon by Stikeman Elliott LLP on behalf of the Fund. As at March 23, 2010, the partners and associates of Stikeman Elliott LLP beneficially owned, directly or indirectly, less than 1% of the securities of the Fund and of Yellow Media Inc., or any associate or affiliate of the Fund or Yellow Media Inc. outstanding at such date. Certain United States legal matters relating to the Arrangement have been passed upon by Ropes & Gray LLP on behalf of the Fund. As at March 23, 2010, the partners and associates of Ropes & Gray LLP beneficially owned, directly or indirectly, less than 1% of the securities of the Fund and of Yellow Media Inc., or any associate or affiliate of the Fund or Yellow Media Inc. outstanding at such date.
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, Canadian counsel for the Fund, the following is a fair and adequate summary of the principal Canadian federal income tax consequences under the Tax Act to Unitholders in respect of the Arrangement. This summary is applicable to a Unitholder who (i) holds its Units as capital property, (ii) deals at arm’s length and is not affiliated with the Fund and YPG, and (iii) does not use or hold its Units in the course of carrying on a business, and did not acquire the Units in one or more transactions considered to be an adventure or concern in the nature of trade. A Unitholder who is a Canadian resident and might not otherwise be considered to hold its Units as capital property may, in certain circumstances, be entitled to have them, and any other “Canadian Security” (as defined in the Tax Act), treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. A Unitholder contemplating making such an election should first consult its own tax advisor. This summary is not applicable to a Unitholder that is a “financial institution”, a “specified financial institution” or to a Unitholder an interest in which would be a “tax shelter investment”, all as defined in the Tax Act, or to whom the “functional currency” reporting rules under the Tax Act apply. This summary is based upon the facts set out in the Proxy Circular, the provisions of the Tax Act and regulations thereunder (“Regulations”), and the current administrative policies and assessing practices of the Canada Revenue Agency published in writing, in force as of the date hereof. This summary takes into account the specific proposals (the "Tax Proposals") to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister prior to the date hereof. No assurance may be given that the Tax Proposals will be enacted as currently proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account, or anticipate any changes in law, whether by legislative, regulatory, or judicial action or decision. This summary does not take into account any provincial, territorial, or foreign tax consequences not specifically considered herein. The provincial, territorial, or foreign tax consequences may differ significantly from those identified in the following discussion. A Unitholder should consult its own tax advisor in respect of the provincial, territorial, or foreign tax consequences of the Arrangement.

This summary is of a general nature only and should not be construed, nor is it intended to be, legal or tax advice, or representations to any particular Unitholder. Accordingly, a Unitholder should consult with its own tax advisor for advice with respect to the tax consequences to it in its particular circumstances.

UNITHOLDERS RESIDENT IN CANADA

This portion of the summary is generally applicable to a Unitholder that is, for the purposes of the Tax Act and any applicable income tax treaty or convention and at all relevant times, a Resident (a "Resident Unitholder").

Unit-for-Share Exchange

Non-Dissenting Unitholders

The Arrangement has been structured such that the Conversion Rules described in subsection 85.1(8) of the Tax Act is expected to apply to the Unit-For-Share Exchange. Unless the Resident Unitholder is a Dissenting Unitholder, the Resident Unitholder will be deemed:

(a) to have disposed of its Units for proceeds of disposition equal to the adjusted cost base to the Resident Unitholder of such Units immediately before such exchange; and

(b) to have acquired the Newco Shares at a cost equal to the deemed proceeds of disposition of the Units.
As a consequence, a Resident Unitholder who is not a Dissenting Unitholder will realize neither a capital gain nor a capital loss as a result of an Unit-for-Share Exchange. If the fair market value of the Newco Shares received by a Resident Unitholder immediately after the Unit-for-Share Exchange exceeds the fair market value of the Unit for which it was exchanged, the excess will be included in computing the Resident Unitholder’s income for the Resident Unitholder’s taxation year in which the Unit-for-Share Exchange occurs. Resident Unitholders will not need to file income tax elections under section 85 of the Tax Act in order to achieve such a rollover. Accordingly, Newco will not make joint elections under section 85 of the Tax Act with Resident Unitholders in respect of the Unit-For-Share Exchange.

**Dissenting Unitholders**

Pursuant to the Arrangement, a Dissenting Unitholder shall be deemed to have transferred its Units to the Fund (free of any claims). A Dissenting Unitholder shall cease to have any rights as a Unitholder other than the right to be paid the fair value of its Units in accordance with the Arrangement.

A Dissenting Unitholder will recognize a capital gain (or capital loss) equal to the amount by which the cash received as payment for its Units (other than in respect of interest awarded by a court), net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of such Units to the Dissenting Unitholder. For a discussion regarding the treatment of capital gains and losses, please see the section below entitled "Taxation of Capital Gains and Losses".

Interest awarded by a court will be included in such Dissenting Shareholder’s income for the purposes of the Tax Act. A Dissenting Shareholder that is throughout the relevant taxation year a ”Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax of 6½% on its “aggregate investment income” (as defined in the Tax Act), for the year, which is defined to include income from a source that is property, such as interest.

**Taxation of Capital Gains and Losses**

Under the Tax Act, one half of any capital gain recognized by a Dissenting Unitholder on a disposition of Units will be included in the Dissenting Unitholder’s income as a capital gain. Subject to certain specific rules in the Tax Act, one half of any capital loss recognized by a Dissenting Unitholder on a disposition of such Units in a taxation year may be deducted from any taxable capital gains recognized by the Dissenting Unitholder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under circumstances described in the Tax Act.

A Dissenting Unitholder that, throughout the relevant taxation year, is a ”Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax of 6½% on certain investment income, including taxable capital gains.

**Alternative Minimum Tax**

In the case of a Dissenting Unitholder that is an individual or in the case of certain trusts, the taxable capital gains resulting from the disposition of Units may increase the Unitholder’s liability for alternative minimum tax depending upon the Dissenting Unitholder’s particular circumstances. Dissenting Unitholders to whom the alternative minimum tax rules may be relevant should consult their own tax advisors.
Amalgamation

On the Amalgamation, holders of Newco Shares (the "Predecessor Shares") will receive Amalco Common Shares on a one-for-one basis. Such holder of the Predecessor Shares will be deemed to have disposed of the Predecessor Shares for proceeds of disposition equal to the adjusted cost base of such shares at the time of the Amalgamation. Accordingly, such holder of Predecessor Shares will realize neither a capital gain nor a capital loss as a result of the Amalgamation. Such holder will be deemed to have acquired Amalco Common Shares at an aggregate cost equal to the proceeds of disposition of the Predecessor Shares.

Reduction of Stated Capital

The reduction in the stated capital of the Amalco Common Shares will not result in any immediate Canadian income tax consequences to Amalco Common Shareholders. However, the reduction of the stated capital and the paid up capital of the Amalco Common Shares may, in limited circumstances, have future Canadian income tax consequences to Amalco Common Shareholders if Amalco were to repurchase any of its Amalco Common Shares under certain limited circumstances or if Amalco were wound up.

Eligibility for Investment

Provided that the Newco Shares, the Amalco Common Shares and the Amalco Preferred Shares are listed on a designated stock exchange (which currently includes the TSX), the Newco Shares, the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("TFSA"), other than, in the case of the Exchangeable Debentures, trusts governed by deferred profit sharing plans to which contributions are made by Amalco or a person or partnership with whom Amalco does not deal at arm’s length within the meaning of the Tax Act and the Regulations.

Notwithstanding the foregoing, if the Amalco Common Shares are "prohibited investments" for purposes of a TFSA, a holder of such account will be subject to a penalty tax as set out in the Tax Act and, based on the amendments to the Tax Act proposed by the Minister, other tax consequences may result. The Amalco Common Shares will generally be a "prohibited investment" for a trust governed by a TFSA if the holder of the TFSA does not deal at arm’s length with Amalco for purposes of the Tax Act or the holder of the TFSA has a "significant interest" (within the meaning of the Tax Act) in Amalco or a corporation, partnership or trust with which Amalco does not deal at arm’s length for purposes of the Tax Act. Holders of a TFSA are advised to consult their own tax advisors in this regard.

UNITHOLDERS NOT RESIDENT IN CANADA

This portion of the summary applies to a Unitholder that is, for the purposes of the Tax Act and any relevant tax treaty or convention and at all relevant times, a Non-Resident that does not use or hold, and is not deemed to use or hold Units or Amalco Common Shares received upon the Arrangement in carrying on a business in Canada and is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere (a "Non-Resident Unitholder").
Unit-for-Share Exchange

Non-Dissenting Unitholders

A Non-Resident Unitholder who disposes of a Unit in exchange for a Newco Share pursuant to the Unit-for-Share Exchange will generally be subject to Canadian taxation on the same basis as a Resident in Canada as described above under "Unitholders Resident in Canada - Unit-for-Share Exchange – Non-Dissenting Unitholders". Where the Units held by a Non-Resident Unitholder were "taxable Canadian property" to the Non-Resident, the Newco Shares received in exchange pursuant to the Unit-for-Share Exchange will be deemed to be taxable Canadian property to the Non-Resident and, based on the Notice of Ways and Means Motion tabled by the Minister of Finance in the House of Commons on March 22, 2010 and applicable after March 4, 2010 (the “Proposed Legislation”), such Newco Shares will be deemed to be "taxable Canadian property" at any time that is within 60 months after the exchange. Based on the Proposed Legislation, Units will generally not be considered to be taxable Canadian property to a Non-Resident Unitholder unless (1) at any time during the sixty-month period immediately preceding the particular time, not less than 25% of the issued Units of the Fund were owned by or belonged to the Non-Resident Unitholder, persons with whom the Non-Resident Unitholder did not deal at arm’s length or any combination thereof, and (2) at any time during the sixty-month period immediately preceding the particular time, more than 50% of the fair market value of the Units was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists.

Dissenting Unitholders

Pursuant to the Arrangement, a disposition of a Unit by a Non-Resident Dissenting Unitholder will not be subject to taxation in Canada provided that the Units are not "taxable Canadian property" of the Non-Resident Unitholder for purposes of the Tax Act or, if the Units are "taxable Canadian Property", provided the Non-Resident Dissenting Unitholder is entitled to an exemption under an applicable tax treaty or convention. (See discussion above concerning when the Units would be taxable Canadian property to the Non-Resident Unitholder.) Any interest awarded and paid or credited to a Non-Resident Dissenting Unitholder will not be subject to Canadian withholding tax provided that such Unitholder deals at arm’s length with the Fund for the purposes of the Tax Act and such interest is not "participating debt interest" as such term is defined in the Tax Act. Non-Residents who are considering exercising their rights of dissent are urged to consult their own tax advisors as to the tax consequences of the Arrangement to them.

Amalgamation

The tax consequences to a Non-Resident Holder on the Amalgamation are as described above under the heading "Unitholders Resident in Canada — Amalgamation". In addition, based on the Proposed Legislation, where the Newco Shares were "taxable Canadian property" of a shareholder, the Amalco Shares will be deemed to be, at any time that is within 60 months after the Amalgamation, "taxable Canadian property" of the shareholder.

Reduction of Stated Capital

The tax consequences to a Non-Resident Holder on the reduction of stated capital are as described above under the heading "Unitholders Resident in Canada — Reduction of Stated Capital".
Unitholders who are resident, or are otherwise subject to tax, in jurisdiction other than Canada should consult their tax advisors with respect to tax implications of the Arrangement in such jurisdictions.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Pursuant to U.S. Treasury Department Circular 230, we hereby inform you that the summary set forth herein with respect to the U.S. federal tax issues was not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code of 1986, as amended. This summary was written to support the promotion or marketing of the transactions or matters addressed by this Proxy Circular. Taxpayers should seek advice from an independent tax advisor based on their particular circumstances.

General

The following summary is a general discussion of certain U.S. federal income tax considerations relating to the Unit-for-Share Exchange and the Amalgamation generally applicable to U.S. Holders (as defined below) of Units, who hold each of their Units and will hold each of their Newco Shares and Amalco Common Shares as a "capital asset" within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended ("IRC"). This discussion is based upon the IRC, its legislative history, Treasury Regulations promulgated thereunder, judicial authorities, published positions of the Internal Revenue Service ("IRS"), and other applicable authorities, all as in effect and available as of the date hereof and all of which are subject to change, possibly with retroactive effect, and to differing interpretation. None of the Fund, Newco, Yellow Media Inc., and Amalco has obtained or will obtain a ruling from the IRS or an opinion of counsel on the U.S. federal income tax consequences of the Arrangement, and there can be no assurance that the IRS will not take a different position concerning the tax consequences of the Arrangement or that any such position will not be sustained.

This discussion does not discuss the U.S. federal income tax consequences (i) to a Unitholder who is a Dissenting Unitholder, who is not a U.S. person (as defined in Section 7701(a)(30) of the IRC), or who acquired Units pursuant to the exercise of an employee stock option or otherwise as compensation, (ii) to a holder of stock options or Restricted Units, (iii) a distribution payment (e.g., a dividend) by the Fund around the time of the Amalgamation, or (iv) of the Fund’s, Trust’s, YPG LP’s, or Newco’s liabilities, if any. In addition, this discussion does not address any applicable U.S. federal non-income, state, local, or non-U.S. tax laws, as well as all of the U.S. federal income tax consequences that may be relevant to a particular U.S. Holder’s particular circumstances or to certain U.S. Holders that are subject to special treatment under the IRC, such as brokers; dealers in securities or currencies; banks and other financial institutions; mutual funds; insurance companies; tax-exempt entities; U.S. Holders that hold their Units in a qualified retirement plan or other tax-deferred account; regulated investment companies; common trust funds; U.S. Holders subject to the alternative minimum tax; corporations that accumulate earnings to avoid U.S. federal income tax; U.S. Holders that hold their Units as part of a straddle, hedge, conversion, constructive sale or similar transaction involving more than one position or as part of a synthetic security or other integrated transaction; traders in securities that elect to use a mark-to-market method of accounting; U.S. Holders that have a “functional currency” other than the U.S. dollar; U.S. Holders who actually or (pursuant to broad and complex attribution rules) constructively own 10% or more of the voting power of the Fund; U.S. Holders who contributed something other than money to the Fund; and U.S. expatriates.

This discussion addresses some, but not all, of the U.S. federal income tax considerations applicable to any Unitholder that owns, actually or (pursuant to broad and complex attribution rules) constructively, or will own, actually or constructively, five percent or more of the total voting power or value of Yellow Media Inc. (constructively through the Fund) immediately before the Effective Time, or of Newco or...
Amalco at or immediately after the Effective Time (each, as applicable, a "Five Percent Holder"). Any Unitholder that believes that it is or could become a Five Percent Holder of Yellow Media Inc., Newco, or Amalco should consult its own tax advisor regarding the U.S. federal, state, local and non-U.S. tax considerations applicable to it.

For purposes of this discussion, a “U.S. Holder” is any beneficial owner of a Unit that is for U.S. federal income tax purposes: (i) a citizen or individual resident of the U.S., (ii) a corporation, or an entity treated as a corporation for U.S. federal income tax purposes, which is created or organized in or under the laws of the U.S., any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if (A) a court within the U.S. is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons, as defined in Section 7701(a)(30) of the IRC, have the authority to control all substantial decisions of the trust or (B) the trust has properly elected under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, including any entity treated as a partnership for U.S. federal income tax purposes, holds Units, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Unitholders that are partnerships and partners in those partnerships are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement.

This summary is for general information only, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder or prospective Unitholder. Accordingly, Unitholders and prospective Unitholders are urged to consult their own U.S. tax advisors about the particular U.S. federal, state, local, and foreign tax consequences applicable to them with respect to the Arrangement.


As of the date hereof, the Fund and YPG LP are, and have been, treated as partnerships for U.S. federal income tax purposes, and the Trust is, and has been, treated as a disregarded entity for U.S. federal income tax purposes. In order for the Fund not to be treated as a publicly traded partnership taxable as a corporation, 90% or more of its gross income (and effectively 90% or more of the gross income of YPG LP) for U.S. federal income tax purposes must consist of interest, dividends and other types of passive income (the “90% test”). This discussion assumes that the Fund and YPG LP have each met, and will continue to meet, the 90% test and that each is taxable as a partnership for U.S. federal income tax purposes. Accordingly, this discussion assumes that for U.S. federal income tax purposes, a U.S. Holder that owns a Unit in the Fund will be treated as owning a partnership interest in the Fund, and that the Fund will be treated as owning a partnership interest in YPG LP.

In addition, this discussion assumes that Newco, YPG GP and Yellow Media Inc., which are, and have been, treated as corporations for U.S. federal income tax purposes, are not, before or after the Amalgamation, controlled foreign corporations, as that term is defined for U.S. federal income tax purposes. In the event that any of the assumptions in this discussion (discussed above and below) prove to be inaccurate, the U.S. federal income tax consequences of the Arrangement could differ significantly from those discussed below and any of those differences could be significantly adverse for a Unitholder.

U.S. Tax Consequences of the Plan of Arrangement, Generally

The Arrangement includes: (i) the Unit-for-Share Exchange and (ii) the Amalgamation. There are no U.S. federal tax authorities addressing facts identical to the Arrangement (which is effectuated pursuant to applicable provisions of the Canada Business Corporations Act) and therefore the tax treatment of the
Arrangement under U.S. federal tax law is not clear (e.g., is uncertain). Though not free from doubt, the Fund, Newco, and Amalco (and affiliates) intend to treat the Unit-for-Share Exchange and the Amalgamation pursuant to the Arrangement as two separate events for U.S. federal income tax purposes. There can be no assurance that the IRS or a U.S. court would not take a contrary view of the Unit-for-Share Exchange and the Amalgamation. Consequently, each U.S. Holder should consult its own tax advisor regarding the U.S. federal income tax consequences of the Arrangement.

U.S. Tax Consequences of the Unit-for-Share Exchange

Tax Consequences of the Unit-for-Share Exchange, Generally. Though not free from doubt (as described above), the Fund, Newco, and Amalco intend to take the position that Newco will be respected as a separate entity for U.S. federal tax purposes. If Newco is not respected as a separate entity for U.S. federal tax purposes, U.S. Holders may recognize gain, income, or loss on the Unit-for-Share Exchange and the Amalgamation. Each U.S. Holder should consult its own tax advisor regarding the possible consequences to such U.S. Holder in the event that Newco is not respected for U.S. federal tax purposes.

The remainder of this discussion assumes that Newco will be respected as a separate entity for U.S. federal tax purposes. Consequently, subject to the discussion of Section 367 of the IRC below and the discussion of a passive foreign investment company (“PFIC”) below, with respect to a Unit, it is expected that, pursuant to Section 351 of the IRC, a U.S. Holder generally should not recognize gain or loss in the Unit-for-Share Exchange. However, in the event (if ever) in which the U.S. Holder receives property other than a Newco Share in exchange for such Newco's Unit, the U.S. Holder should recognize a gain (but not a loss) on the Unit-for-Share Exchange with respect to a Unit. Generally, the aggregate U.S. tax basis of Newco Shares received by a U.S. Holder in the Unit-for-Share Exchange should be equal to the aggregate tax basis of Units surrendered in exchange therefor increased by such gain recognized (if any), and the holding period of a Newco Share received by a U.S. Holder should include the holding period of the Unit surrendered in exchange therefor. Each U.S. Holder should consult its own tax advisor regarding the calculation of any gain under Section 351 of the IRC and the possible consequences to such U.S. Holder of the Fund’s, Trust’s, or YPG LP’s liabilities, if any.

No Receipt of Cash in Lieu of Fractional Newco Shares. It is not expected that a U.S. Holder will receive cash in lieu of a fractional Newco Share in the Unit-for-Share Exchange.

Section 367 of the IRC. Section 367 of the IRC imposes certain restrictions when U.S. persons obtain tax-deferred treatment, with respect to gain but not loss, where property is exchanged for stock of a non-U.S. corporation and other property. Under Section 367, the Unit-for-Share Exchange is treated as if a U.S. Holder exchanges its pro-rata share of any underlying Fund property (including stock of Yellow Media Inc.) for a Newco Share. Section 367 normally should not impose any such restrictions on the indirect transfer of stock of Yellow Media Inc. by a U.S. Holder, if such U.S. Holder is either (i) treated as not being a Five Percent Holder (as defined above) of Yellow Media Inc. or (ii) enters into a gain recognition agreement (“GRA”) with the IRS, which normally defers gain recognition until a subsequent disposition of the Newco Share. A U.S. Holder that enters into a GRA may be unable to defer recognition of the U.S. Holder's gain due to the U.S. Holder's participation in the Amalgamation. Consequently, each Five Percent Holder is urged to consult its own tax advisor regarding a GRA and the particular application of the Section 367 rules to such Five Percent Holder, including the implications of the Fund's, Trust's, or YPG LP's liabilities, if any.

Because the Section 367 rules are complex with respect to the indirect transfer of property other than stock and a U.S. Holder would normally recognize gain in such a case, each U.S. Holder should consult its own tax advisor regarding the appropriate application of Section 367 to the Unit-for-Share
Information Reporting Requirements. A U.S. Holder may be subject to special reporting requirements with respect to the Unit-for-Share Exchange and is urged to consult its own tax advisor regarding such possible reporting requirements.

Consequences if the Unit-for-Share Exchange is a Taxable Transaction. If the Unit-for-Share Exchange fails to qualify under Section 351 of the IRC, and subject to the PFIC discussion below, a U.S. Holder should generally recognize gain or loss with respect to a Unit in an amount equal to the difference, if any, between (i) the fair market value of the Newco Share received by such U.S. Holder and (ii) the tax basis of such U.S. Holder in the Unit exchanged for such Newco Share in the Unit-for-Share Exchange. The tax basis of the Newco Share received by a U.S. Holder in the Unit-for-Share Exchange should be equal to the fair market value of the Newco Share at the time of receipt, and the holding period on the Newco Share will begin on the day after receipt. Additionally, though not expected, the backup withholding rules may apply as well (See "U.S. Backup Withholding Tax and Information Reporting" below).

U.S. Tax Consequences of the Amalgamation

Tax Consequences of the Amalgamation, Generally. Assuming that the Amalgamation is completed as described in this Proxy Circular, the Fund will take the position, though not free from doubt (as described above), that the Amalgamation should generally qualify as a reorganization within the meaning of Section 368 of the IRC. Assuming that the Amalgamation qualifies as such, and subject to the discussion of Section 367 of the IRC below and the PFIC discussion below, the tax consequences of the Amalgamation should be:

• A U.S. Holder should not recognize any gain or loss upon receiving Amalco Common Shares for such U.S. Holder’s Newco Shares in the Amalgamation. While it is not expected that a U.S. Holder will receive property other than Amalco Common Shares as part of the Amalgamation, if a U.S. Holder does receive such property then it generally will recognize gain (but not loss);

• The aggregate adjusted tax basis of the Amalco Common Shares received by a U.S. Holder pursuant to the Amalgamation will be equal to the aggregate adjusted tax basis of the Newco Shares surrendered therefor, decreased by the sum of the cash received (if any) and the fair market value of any other property received if any (other than Amalco Common Shares received), and increased by any recognized gain (whether capital gain or ordinary income); and

• The holding period of the Amalco Common Share received by a U.S. Holder pursuant to the Amalgamation will generally include the holding period of the Newco Shares surrendered therefor.

Gain, if any, must be calculated separately for each identifiable block of Newco Shares surrendered in the exchange. If a U.S. Holder has differing bases or holding periods for its Newco Shares, the U.S. Holder should consult its own tax advisor prior to the Amalgamation to identify the particular Newco Shares to be surrendered in the Amalgamation and the particular bases or holding periods of the particular Amalco Common Shares that it receives in the Amalgamation.

Any recognized gain that is not treated as a dividend generally will be treated as a long-term capital gain if the U.S. Holder has held (or is treated as having held) its Newco Shares for more than one year as of the date of the Amalgamation. Otherwise, the recognized gain generally will be a short-term capital gain.
No Receipt of Cash in Lieu of Fractional Amalco Common Shares. It is not expected that a U.S. Holder will receive cash in lieu of a fractional Amalco Common Share in the Amalgamation.

Section 367 of the IRC. The Section 367 rules discussed above (See "Tax Consequences of the Unit-for-Share Exchange – Section 367 of the IRC" above) normally should only apply to the Amalgamation for a U.S. Holder that is a Five Percent Holder of Amalco. Because the Section 367 rules are complex with respect to the Amalgamation, each U.S. Holder that may or will be a Five Percent Holder of Amalco is urged to consult with its own tax advisor about the applicability and impact of the Section 367 rules to the Amalgamation.

Consequences if the Amalgamation is a Taxable Transaction. If the Amalgamation fails to qualify as a reorganization within the meaning of Section 368(a) of the IRC, then the Amalgamation could likely be a taxable transaction. If so, then in general, subject to the PFIC discussion below, a U.S. Holder would recognize capital gain or loss as a result of the Amalgamation in an amount equal to the difference, if any, between (i) the sum of the cash received and the fair market value of the Amalco Common Shares and other property received and (ii) the U.S. Holder’s adjusted tax basis in the Newco Shares received under the Arrangement. The U.S. Holder would have an adjusted tax basis in the Amalco Common Shares and the other property received, if any, equal to their respective fair market value, and the holding period of the Amalco Common Shares received by a U.S. Holder pursuant to the Amalgamation would begin on the day after receipt. Additionally, though not expected, the backup withholding rules may apply as well (See "U.S. Backup Withholding Tax and Information Reporting" below).

PFIC Discussion

Based on the structure, income, and assets of the Fund, the Fund believes, from its inception through and including the date of this Proxy Circular, that its Units should not be classified as an interest in a partnership that holds an interest in a PFIC. This conclusion is a factual determination made annually and thus may be subject to change and there can be no assurance that such classification is correct. Additionally, there can be no assurance that neither the Newco Shares nor the Amalco Common Shares utilized in the Arrangement constitute an interest in a PFIC. However, if in the unexpected event that Yellow Media Inc. were classified as a PFIC for U.S. federal income tax purposes, then the Fund’s Units would be characterized as an interest in a partnership that holds an interest in a PFIC, which in turn means that presumably the Newco Shares and the Amalco Common Shares that are utilized in the Arrangement would also be characterized as interests in a PFIC.

A non-U.S. corporation, such as Yellow Media Inc., generally will be classified as a PFIC for U.S. federal income tax purposes for any taxable year during which either (i) at least 75% of the corporation’s gross income is “passive income” or (ii) on average, at least 50% of the gross value of the corporation’s assets is attributable to assets that produce passive income or are held for the production of passive income. For this purpose, passive income generally includes, among other categories of income, dividends, interest, certain rents and royalties, and gains from the disposition of passive assets. If a non-U.S. corporation owns at least 25% by value of the stock of another corporation, the non-U.S. corporation is generally treated for purposes of the PFIC tests as owning its proportionate share of the other corporation’s assets and as receiving directly its proportionate share of the other corporation’s income.

The remaining PFIC discussion assumes that the PFIC rules apply.

If the Unit-for-Share Exchange would otherwise be governed by Section 351 of the IRC only (See "Tax Consequences of the Unit-for-Share Exchange, Generally" above) or the Amalgamation would otherwise be governed by Section 368 of the IRC only (See "Tax Consequences of the Amalgamation, Generally" above), then subject to certain exceptions, including those discussed below, pursuant to proposed Treasury Regulations issued under Section 1291(f) of the IRC, a U.S. Holder could recognize its proportionate share
of gain (but not loss) upon certain transfers of the Units that would otherwise be tax-deferred if the Units are classified as an interest in a partnership that holds an interest in a PFIC, or the Newco Shares are classified as an interest in a PFIC, for any taxable year during which a U.S. Holder holds such Units or Newco Shares. Except as described in the next sentence, such U.S. Holder generally will be taxed at ordinary income tax rates on gain realized on the Unit-for-Share Exchange or on the Amalgamation, and may also be subject to a special interest charge with respect to any such gain. However, a U.S. Holder generally will not be subject to the rules described in the previous sentence if (i) Newco (for the Unit-for-Share Exchange) or Amalco (for the Amalgamation) is classified as a PFIC for the taxable year that includes the day after the Effective Date, (ii) the U.S. Holder timely makes a special election to treat Newco (for the Unit-for-Share Exchange) or Amalco (for the Amalgamation) as a qualified electing fund ("QEF") under Section 1295 of the IRC or (iii) possibly under certain other circumstances. In addition, a U.S. Holder may be required to provide certain information concerning the Arrangement to the IRS along with the U.S. Holder’s U.S. federal income tax return for the taxable year which includes the Effective Date.

In general, if the Unit-for-Share Exchange is a taxable transaction (See "Consequences if the Unit-for-Share Exchange is a Taxable Transaction" above) or the Amalgamation is a taxable transaction (See "Consequences if the Amalgamation is a Taxable Transaction" above), and the U.S. Holder’s Units are classified as an interest in a partnership that holds an interest in a PFIC or Newco Shares are classified as an interest in a PFIC, for any taxable year during which a U.S. Holder holds such Units or Newco Shares, then subject to certain exceptions, pursuant to Section 1291(a) of the IRC, a U.S. Holder’s recognized gain would generally be taxed at ordinary income tax rates on the gain recognized on the Unit-for-Share Exchange or on the Amalgamation, and may also be subject to a special interest charge with respect to any such gain. In addition, a U.S. Holder may be required to provide certain information concerning the Arrangement to the IRS along with the U.S. Holder’s U.S. federal income tax return for the taxable year which includes the Effective Date.

The PFIC rules are extremely complex and subject to interpretation. Due to the complexity of the PFIC rules, a U.S. Holder is strongly urged to consult its own tax advisor concerning the impact of (i) the PFIC rules on its investments and (ii) the Fund’s, Trust’s, YPG LP’s, and Newco’s liabilities, if any, on the PFIC rules, as well as the consequences and reporting requirements resulting from the Arrangement. In addition, a U.S. Holder should consult with its own tax advisor regarding the availability to it of the various elections under the PFIC rules, including, without limitation, a QEF election, and whether any of such elections is advantageous.

Foreign Currency Considerations

A U.S. Holder may be required to translate distributions made, or deemed made, by the Fund on a Unit or by Amalco on a Amalco Common Share into U.S. dollars at the applicable exchange rate in accordance with such U.S. Holder’s normal method of accounting. A U.S. Holder should consult its own tax advisor regarding the appropriate exchange rate at which to translate such amounts. Any gain or loss realized on a subsequent conversion or other disposition of Canadian dollars normally will be treated as ordinary income or loss.

U.S. Backup Withholding Tax and Information Reporting

Backup withholding tax may be imposed on a U.S. Holder under the Arrangement and on payments of dividends and payments received as a result of certain sales or other taxable distributions of Amalco Common Shares, unless the U.S. Holder is an exempt recipient such as a corporation, properly provides its correct taxpayer identification number, or otherwise establishes an exemption from the backup withholding requirements. Backup withholding is not an additional tax. Amounts withheld as backup withholding tax may be credited against a U.S. Holder’s U.S. federal income tax liability. A U.S. Holder
may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for a refund with the IRS and furnishing any required information in a timely manner. Additionally, a U.S. Holder may be subject to substantial penalties if it fails to comply with special information reporting requirements with respect to its investment in Amalco, including the reporting requirements imposed by reason of being a shareholder in a foreign corporation. Each U.S. Holder should consult its own tax advisor regarding the backup withholding tax and information reporting rules.


INFORMATION CONCERNING THE FUND

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to the Fund Declaration of Trust. The Fund was created to indirectly acquire and hold LP Units of which it currently indirectly holds 100% of the outstanding LP Units and a 100% interest in its general partner, YPG GP.

The Trust is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to the Trust Declaration of Trust. The Trust was created to acquire and hold LP Units, of which it currently holds all of the outstanding LP Units and corresponding interest in its general partner, YPG GP.

YPG LP is a limited partnership existing under the laws of the Province of Manitoba pursuant to a third amended and restated limited partnership agreement dated February 14, 2006. YPG LP currently indirectly holds 100% of Yellow Pages Group Co. and Trader.

The principal and head office of the Fund and the Trust are located at 16 Place du Commerce, Nuns' Island, Verdun, Québec, Canada, H3E 2A5.

Outstanding Units and Principal Unitholders

Pursuant to the Fund Declaration of Trust, the Fund is authorized to issue an unlimited number of Units. As at March 23, 2010, 513,044,685 Units were outstanding, each carrying the right to one vote on all matters to come before the Meeting.

As at March 23, 2010, no person or company, to the knowledge of the Trustees, owned beneficially or exercised control or direction over, directly or indirectly, more than 10% of the Units.
Intercorporate Relationships

The following chart illustrates the structure of the Fund, including the jurisdiction of establishment/incorporation of the main entities as of March 23, 2010.
Summary Description of the Business of the Fund

The Fund was created to indirectly acquire and hold LP Units. For a description of the business of the Fund, see "Business of the Company" and "Description of the Fund" in the AIF.

Significant Acquisitions

There are no proposed acquisitions that have progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of this Proxy Circular.

Debt Financing

Yellow Media Inc. announced on February 19, 2010 that it concluded a renewal of its credit facilities with its lending syndicate, which credit facilities have been increased to $1 billion. The new unsecured credit facilities consist of a revolving facility of $750 million and a non-revolving term facility of $250 million, both maturing on February 18, 2013. See "Debt Financing" in the AIF.

Distribution History

The initial distribution by the Fund to Unitholders for the 30 day period from the closing of the initial public offering of the Fund to August 31, 2003 (for the month of August 2003) was payable on September 15, 2003 in an amount of $0.0688 per Unit. Subsequent cash distributions have been made by the Fund to Unitholders every month since then and have increased or, as announced on May 7, 2009, decreased as follows:

<table>
<thead>
<tr>
<th>Date of Announcement</th>
<th>Effective Payment Date (Date of First Distribution)</th>
<th>Amount of Distribution per Unit (per Month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 18, 2003</td>
<td>December 15, 2003</td>
<td>$0.0733</td>
</tr>
<tr>
<td>May 13, 2004</td>
<td>June 15, 2004</td>
<td>$0.0766</td>
</tr>
<tr>
<td>February 14, 2005</td>
<td>March 15, 2005</td>
<td>$0.08</td>
</tr>
<tr>
<td>February 15, 2006</td>
<td>March 15, 2006</td>
<td>$0.08583</td>
</tr>
<tr>
<td>November 21, 2006</td>
<td>January 15, 2007</td>
<td>$0.09083</td>
</tr>
<tr>
<td>November 7, 2007</td>
<td>December 17, 2007</td>
<td>$0.09417</td>
</tr>
<tr>
<td>August 7, 2008</td>
<td>September 15, 2008</td>
<td>$0.0975</td>
</tr>
<tr>
<td>May 7, 2009</td>
<td>June 15, 2009</td>
<td>$0.0667</td>
</tr>
</tbody>
</table>
Price Range and Trading Volume of Securities

The following tables show the monthly range of high and low prices per Unit, Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, Series 5 Preferred Shares and Exchangeable Debenture at the close of market (TSX), as well as total monthly volumes and average daily volumes of Units, Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, Series 5 Preferred Shares and Exchangeable Debentures (as defined below) traded on the TSX for the 12-month period before the date of this Proxy Circular.

Units

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Unit ($)</th>
<th>Price per Unit ($)</th>
<th>Units Total Monthly Volume</th>
<th>Units Average Daily Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly High</td>
<td>Monthly Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 2009</td>
<td>6.04</td>
<td>5.04</td>
<td>57,707,237</td>
<td>3,037,223</td>
</tr>
<tr>
<td>March</td>
<td>6.39</td>
<td>5.07</td>
<td>52,053,909</td>
<td>2,366,087</td>
</tr>
<tr>
<td>April</td>
<td>6.19</td>
<td>5.60</td>
<td>46,581,333</td>
<td>2,218,159</td>
</tr>
<tr>
<td>May</td>
<td>6.25</td>
<td>5.52</td>
<td>88,244,616</td>
<td>4,412,231</td>
</tr>
<tr>
<td>June</td>
<td>5.57</td>
<td>5.20</td>
<td>43,980,801</td>
<td>1,999,127</td>
</tr>
<tr>
<td>July</td>
<td>5.30</td>
<td>4.92</td>
<td>41,633,546</td>
<td>1,892,434</td>
</tr>
<tr>
<td>August</td>
<td>5.15</td>
<td>4.91</td>
<td>37,152,812</td>
<td>1,857,641</td>
</tr>
<tr>
<td>September</td>
<td>5.73</td>
<td>4.82</td>
<td>62,611,366</td>
<td>2,981,494</td>
</tr>
<tr>
<td>October</td>
<td>5.70</td>
<td>5.27</td>
<td>40,911,400</td>
<td>1,948,162</td>
</tr>
<tr>
<td>November</td>
<td>5.48</td>
<td>5.18</td>
<td>33,838,977</td>
<td>1,611,380</td>
</tr>
<tr>
<td>December</td>
<td>5.38</td>
<td>5.13</td>
<td>30,253,338</td>
<td>1,440,635</td>
</tr>
<tr>
<td>January 2010</td>
<td>5.60</td>
<td>5.17</td>
<td>46,382,242</td>
<td>2,319,112</td>
</tr>
<tr>
<td>February (until March 23, 2010)</td>
<td>6.20</td>
<td>5.87</td>
<td>40,285,679</td>
<td>2,369,746</td>
</tr>
</tbody>
</table>

On February 10, 2010, the last trading day on which the Units traded prior to the announcement by YPG of the timing of the Fund’s conversion into a corporate structure and the dividend policy post conversion, and on March 23, 2010, the last trading day on which the Units traded prior to the date of this Proxy Circular, the closing price of the Units was respectively $5.18 and $6.20.

Series 1 Preferred Shares

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Share ($)</th>
<th>Price per Share ($)</th>
<th>Shares Total Monthly Volume</th>
<th>Shares Average Daily Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly High</td>
<td>Monthly Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 2009</td>
<td>19.50</td>
<td>17.95</td>
<td>240,124</td>
<td>12,638</td>
</tr>
<tr>
<td>March</td>
<td>20.05</td>
<td>19.01</td>
<td>205,966</td>
<td>9,362</td>
</tr>
<tr>
<td>April</td>
<td>21.24</td>
<td>19.70</td>
<td>274,193</td>
<td>13,057</td>
</tr>
</tbody>
</table>
### Series 1 Preferred Shares

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Share ($)</th>
<th>Price per Share ($)</th>
<th>Shares Total Monthly Volume</th>
<th>Shares Average Daily Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly High</td>
<td>Monthly Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>23.01</td>
<td>21.25</td>
<td>255,329</td>
<td>12,766</td>
</tr>
<tr>
<td>June</td>
<td>23.00</td>
<td>22.00</td>
<td>224,688</td>
<td>10,213</td>
</tr>
<tr>
<td>July</td>
<td>22.75</td>
<td>21.69</td>
<td>420,860</td>
<td>19,130</td>
</tr>
<tr>
<td>August</td>
<td>23.50</td>
<td>22.50</td>
<td>206,780</td>
<td>10,339</td>
</tr>
<tr>
<td>September</td>
<td>23.49</td>
<td>22.36</td>
<td>273,615</td>
<td>13,029</td>
</tr>
<tr>
<td>October</td>
<td>23.05</td>
<td>22.50</td>
<td>219,913</td>
<td>10,472</td>
</tr>
<tr>
<td>November</td>
<td>23.80</td>
<td>22.15</td>
<td>415,670</td>
<td>19,794</td>
</tr>
<tr>
<td>December</td>
<td>24.49</td>
<td>23.38</td>
<td>236,637</td>
<td>11,268</td>
</tr>
<tr>
<td>January 2010</td>
<td>24.30</td>
<td>23.75</td>
<td>360,800</td>
<td>18,040</td>
</tr>
<tr>
<td>February</td>
<td>24.50</td>
<td>23.83</td>
<td>359,224</td>
<td>18,907</td>
</tr>
</tbody>
</table>

On February 10, 2010, the last trading day on which the Series 1 Preferred Shares traded prior to the announcement by YPG of the timing of the Fund’s conversion into a corporate structure and the dividend policy post conversion, and on March 23, 2010, the last trading day on which the Series 1 Preferred Shares traded prior to the date of this Proxy Circular, the closing price of the Series 1 Preferred Shares was respectively $24.05 and $24.40.

### Series 2 Preferred Shares

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Share ($)</th>
<th>Price per Share ($)</th>
<th>Shares Total Monthly Volume</th>
<th>Shares Average Daily Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly High</td>
<td>Monthly Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 2009</td>
<td>13.77</td>
<td>12.48</td>
<td>188,566</td>
<td>9,925</td>
</tr>
<tr>
<td>March</td>
<td>12.31</td>
<td>11.45</td>
<td>436,597</td>
<td>19,845</td>
</tr>
<tr>
<td>April</td>
<td>14.06</td>
<td>11.70</td>
<td>779,611</td>
<td>37,124</td>
</tr>
<tr>
<td>May</td>
<td>17.00</td>
<td>14.25</td>
<td>617,537</td>
<td>30,877</td>
</tr>
<tr>
<td>June</td>
<td>17.89</td>
<td>17.09</td>
<td>255,765</td>
<td>11,626</td>
</tr>
<tr>
<td>July</td>
<td>17.49</td>
<td>16.65</td>
<td>188,205</td>
<td>8,555</td>
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<tr>
<td>August</td>
<td>18.00</td>
<td>16.94</td>
<td>494,331</td>
<td>24,717</td>
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<tr>
<td>September</td>
<td>18.24</td>
<td>17.26</td>
<td>266,820</td>
<td>12,706</td>
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<tr>
<td>October</td>
<td>18.10</td>
<td>17.61</td>
<td>126,013</td>
<td>6,001</td>
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<tr>
<td>November</td>
<td>18.08</td>
<td>17.53</td>
<td>689,877</td>
<td>32,851</td>
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<td>December</td>
<td>19.00</td>
<td>18.25</td>
<td>289,907</td>
<td>13,805</td>
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<tr>
<td>January 2010</td>
<td>19.44</td>
<td>18.90</td>
<td>278,166</td>
<td>13,908</td>
</tr>
<tr>
<td>February</td>
<td>21.21</td>
<td>19.05</td>
<td>293,969</td>
<td>15,472</td>
</tr>
<tr>
<td>Month</td>
<td>Price per Share ($)</td>
<td>Price per Share ($)</td>
<td>Shares Total Monthly Volume</td>
<td>Shares Average Daily Volume</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------</td>
<td>---------------------</td>
<td>----------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>Monthly High</td>
<td>Monthly Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On February 10, 2010, the last trading day on which the Series 2 Preferred Shares traded prior to the announcement by YPG of the timing of the Fund’s conversion into a corporate structure and the dividend policy post conversion, and on March 23, 2010, the last trading day on which the Series 2 Preferred Shares traded prior to the date of this Proxy Circular, the closing price of the Series 2 Preferred Shares was respectively $19.29 and $21.62.

**Series 3 Preferred Shares**

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Share ($)</th>
<th>Price per Share ($)</th>
<th>Shares Total Monthly Volume</th>
<th>Shares Average Daily Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly High</td>
<td>Monthly Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 2009 (since September 23, 2009)</td>
<td>24.55</td>
<td>24.50</td>
<td>595,009</td>
<td>99,168</td>
</tr>
<tr>
<td>October</td>
<td>24.65</td>
<td>22.20</td>
<td>340,794</td>
<td>16,228</td>
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<tr>
<td>November</td>
<td>24.40</td>
<td>22.11</td>
<td>217,159</td>
<td>10,341</td>
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<tr>
<td>December</td>
<td>24.55</td>
<td>23.75</td>
<td>256,999</td>
<td>12,238</td>
</tr>
<tr>
<td>January 2010</td>
<td>24.59</td>
<td>24.00</td>
<td>266,792</td>
<td>13,340</td>
</tr>
<tr>
<td>February</td>
<td>24.51</td>
<td>23.63</td>
<td>129,991</td>
<td>6,842</td>
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<tr>
<td>March (until March 23, 2010)</td>
<td>24.75</td>
<td>24.25</td>
<td>143,860</td>
<td>8,462</td>
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</tbody>
</table>

On February 10, 2010, the last trading day on which the Series 3 Preferred Shares traded prior to the announcement by YPG of the timing of the Fund’s conversion into a corporate structure and the dividend policy post conversion, and on March 23, 2010, the last trading day on which the Series 3 Preferred Shares traded prior to the date of this Proxy Circular, the closing price of the Series 3 Preferred Shares was respectively $23.75 and $24.45.

**Series 5 Preferred Shares**

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Share ($)</th>
<th>Price per Share ($)</th>
<th>Shares Total Monthly Volume</th>
<th>Shares Average Daily Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly High</td>
<td>Monthly Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December (since December 22, 2009)</td>
<td>24.00</td>
<td>23.87</td>
<td>353,952</td>
<td>58,992</td>
</tr>
<tr>
<td>January 2010</td>
<td>24.00</td>
<td>23.49</td>
<td>563,463</td>
<td>28,173</td>
</tr>
<tr>
<td>February</td>
<td>24.30</td>
<td>23.26</td>
<td>371,826</td>
<td>19,570</td>
</tr>
<tr>
<td>March (until March 23, 2010)</td>
<td>25.15</td>
<td>24.15</td>
<td>137,018</td>
<td>8,060</td>
</tr>
</tbody>
</table>
On February 10, 2010, the last trading day on which the Series 5 Preferred Shares traded prior to the announcement by YPG of the timing of the Fund’s conversion into a corporate structure and the dividend policy post conversion, and on March 23, 2010, the last trading day on which the Series 5 Preferred Shares traded prior to the date of this Proxy Circular, the closing price of the Series 5 Preferred Shares was respectively $23.38 and $24.85.

### Exchangeable Debentures

<table>
<thead>
<tr>
<th>Month</th>
<th>Price per Debenture ($) Monthly High</th>
<th>Price per Debenture ($) Monthly Low</th>
<th>Debentures Total Monthly Volume (in $1,000)</th>
<th>Debentures Average Daily Volume ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2009</td>
<td>92.00</td>
<td>86.25</td>
<td>4,440</td>
<td>233,684</td>
</tr>
<tr>
<td>March</td>
<td>90.50</td>
<td>86.00</td>
<td>4,792</td>
<td>217,823</td>
</tr>
<tr>
<td>April</td>
<td>96.25</td>
<td>89.00</td>
<td>7,762</td>
<td>369,619</td>
</tr>
<tr>
<td>May</td>
<td>98.00</td>
<td>96.00</td>
<td>2,955</td>
<td>147,750</td>
</tr>
<tr>
<td>June</td>
<td>98.25</td>
<td>96.25</td>
<td>4,489</td>
<td>204,045</td>
</tr>
<tr>
<td>July</td>
<td>98.50</td>
<td>96.00</td>
<td>2,476</td>
<td>117,905</td>
</tr>
<tr>
<td>August</td>
<td>99.50</td>
<td>98.20</td>
<td>2,087</td>
<td>104,350</td>
</tr>
<tr>
<td>September</td>
<td>99.00</td>
<td>96.50</td>
<td>13,114</td>
<td>624,476</td>
</tr>
<tr>
<td>October</td>
<td>99.00</td>
<td>97.50</td>
<td>3,248</td>
<td>154,667</td>
</tr>
<tr>
<td>November</td>
<td>101.80</td>
<td>98.50</td>
<td>33,751</td>
<td>1,607,190</td>
</tr>
<tr>
<td>December</td>
<td>101.96</td>
<td>98.50</td>
<td>8,860</td>
<td>421,881</td>
</tr>
<tr>
<td>January 2010</td>
<td>101.95</td>
<td>100.10</td>
<td>2,154</td>
<td>113,368</td>
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<tr>
<td>February</td>
<td>102.00</td>
<td>100.70</td>
<td>1,189</td>
<td>69,941</td>
</tr>
<tr>
<td>March (until March 23, 2010)</td>
<td>102.00</td>
<td>101.35</td>
<td>784</td>
<td>46,088</td>
</tr>
</tbody>
</table>

On February 10, 2010, the last trading day on which the Exchangeable Debentures traded prior to the announcement by YPG of the timing of the Fund’s conversion into a corporate structure and the dividend policy post conversion, and on March 23, 2010, the last trading day on which the Exchangeable Debentures traded prior to the date of this Proxy Circular, the closing price of the Exchangeable Debentures was respectively $100.70 and $101.60.

### Prior Sales

No securities of Yellow Media Inc. or the Fund have been purchased or sold by Yellow Media Inc. or the Fund during the 12-month period preceding the date hereof, except for the following:

(a) On June 25, 2009, Yellow Media Inc. completed an issuance of $260 million of 7.30% Medium Term Notes, Series 7, due February 2, 2015. The net proceeds of such issuance were used for general corporate purposes and to repay indebtedness outstanding under Yellow Media Inc.’s commercial paper program, and an amount of $200 million was used to repay indebtedness under an unsecured $450 million term facility available to Yellow Media Inc. (the "$450 Million Term Facility");
On July 3, 2009, Yellow Media Inc. completed an issuance of $90 million of 6.85% Medium Term Notes, Series 8, due December 3, 2013. The net proceeds of such issuance were used for general corporate purposes and to repay indebtedness outstanding under Yellow Media Inc.'s commercial paper program, and an amount of $50 million was used to repay indebtedness under the $450 Million Term Facility;

On July 10, 2009, Yellow Media Inc. completed an issuance of an additional amount of $35 million of 6.85% Medium Term Notes, Series 8, due December 3, 2013. All of the net proceeds of such issuance were used to repay indebtedness under the $450 Million Term Facility;

On July 10, 2009, Yellow Media Inc. completed an issuance of $130 million of 6.50% Medium Term Notes, Series 9, due July 10, 2013. Remaining drawings under the $450 Million Term Facility were repaid in full using a portion of the proceeds of such issuance, and the $450 Million Term Facility was cancelled on July 22, 2009;

On September 23, 2009, Yellow Media Inc. completed an issuance of 7,500,000 Series 3 Preferred Shares at a price of $25.00 per share. On September 28, 2009, pursuant to the exercise of the underwriters' over-allotment option, Yellow Media Inc. completed an additional issuance of 800,000 Series 3 Preferred Shares at a price of $25.00 per share;

On November 4, 2009, Yellow Media Inc. announced its intention to conduct a substantial issuer bid to purchase for cancellation all of its outstanding 5.50% Exchangeable Unsecured Subordinated Debentures (the "Exchangeable Debentures") at a purchase price of $1,020 in cash for each 1,000 principal amount of Exchangeable Debentures. On December 14, 2009, Yellow Media Inc. announced that an aggregate of $213.5 million principal amount was deposited under the offer and it had taken up and accepted for purchase and cancellation all of such deposited Exchangeable Debentures. The substantial issuer bid was financed through cash on hand and Yellow Media Inc.'s commercial paper program;

On November 18, 2009, Yellow Media Inc. announced its intention to exercise its right to redeem all of its outstanding $150 million 4.65% Medium Term Notes, Series 6, due February 28, 2011 (the "MTN Series 6") on the following terms: (i) redemption date: January 15, 2010; (ii) redemption price: $1,041.681 per $1,000 principal amount of MTN Series 6; (iii) accrued and unpaid interest: $17.836 per $1,000 principal amount of MTN Series 6; and (iv) total redemption price and accrued and unpaid interest: $1,059.517 per $1,000 principal amount of MTN Series 6. The redemption price was determined in accordance with the terms of the MTN Series 6 and the provisions of the trust indenture dated April 21, 2004 governing the MTN Series 6. The redemption of the MTN Series 6 was completed on January 15, 2010 and the interest accrued on the MTN Series 6 up to, but excluding, the redemption date was paid on the redemption date. Yellow Media Inc. financed the redemption through its existing commercial paper program;

On November 23, 2009, Yellow Media Inc. completed an issuance of $300 million of 7.75% Medium Term Notes Series 10 due March 2, 2020. The net proceeds of such issuance were used to repay indebtedness under Yellow Media Inc.'s commercial paper program and for general corporate purposes;

On December 22, 2009, Yellow Media Inc. completed an issuance of 5,000,000 Series 5 Preferred Shares at a price $25.00 per share;

On February 9, 2010, Yellow Media Inc. completed a private placement of 1,300,000 Series 7 Preferred Shares at a price of $7.50 per share;

On March 28, 2008, the Fund received approval from the TSX on its notice of intention to make a normal course issuer bid for its Units through the facilities of the TSX from April 2, 2008 to April 1, 2009, in accordance with applicable rules of the TSX. Under its normal course issuer bid, the Fund was authorized to purchase for cancellation up to 25 million Units, representing
approximately 5% of the Units issued and outstanding on March 28, 2008. During the course of its normal course issuer bid, the Fund purchased for cancellation 15,737,500 Units at an average price of $8.61 per Unit. On April 1, 2009, the normal course issuer bid for the Units expired and was not renewed;

(l) On June 9, 2009, Yellow Media Inc. received approval from the TSX on its notice of intention to make a normal course issuer bid for its Series 1 Preferred Shares and Series 2 Preferred Shares through the facilities of the TSX from June 11, 2009 to June 10, 2010, in accordance with applicable rules of the TSX. In its notice of intention to make a normal course issuer bid, Yellow Media Inc. stated its intention to purchase for cancellation up to 1,200,000 Series 1 Preferred Shares and 800,000 Series 2 Preferred Shares, representing respectively 10% of the public float of such series of preferred shares issued and outstanding on June 9, 2009. Since June 11, 2009, a total of 211,720 Series 1 Preferred Shares and 800,000 Series 2 Preferred Shares were purchased at average prices of $23.87 and $18.14 per share, respectively, all of which preferred shares have been cancelled; and

(m) Since March 23, 2009, Yellow Media Inc. repurchased for cancellation by private agreement $2,500,000 face value of Medium Term Notes Series 2, maturing in 2014 with a coupon of 5.71% for a total cost of $2,377,450, $128,781,000 face value of Medium Term Notes Series 3, maturing in 2019 with a coupon of 5.85% for a total cost of $118,282,609, $103,400,000 face value of Medium Term Notes Series 4, maturing in 2016 with a coupon of 5.25% for a total cost of $98,508,820, and $243,074,000 face value of Medium Term Notes Series 5, maturing in 2036 with a coupon of 6.25% for a total cost of $198,290,344. All such amounts included brokerage fees.

Legal Proceedings

YPG is involved in various non-material, ordinary course legal proceedings, none of which Management believes will have any material adverse effects on its financial and operating performance.

To the knowledge of YPG, there were no: (i) penalties or sanctions imposed against the Fund or its Subsidiaries by a court relating to securities laws or by a securities regulatory authority during the Fund’s last financial year; (ii) penalties or sanctions imposed by a court or regulatory body against the Fund or its Subsidiaries that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by the Fund or its Subsidiaries with a court relating to securities laws or with a securities regulatory authority during the last financial year.

Auditors, Transfer Agent and Registrar

The auditors of the Fund are Deloitte & Touche LLP, Chartered Accountants located at 1 Place Ville-Marie, Bureau 3000, Montreal, Québec, Canada H3B 4T9. After the Effective Date, if the Arrangement is approved, Deloitte & Touche LLP shall be the auditors of Amalco and shall continue in office until the first annual meeting of Amalco or until their successors are elected or appointed.

The transfer agent and registrar for the Units is CIBC Mellon at its principal transfer offices in Montreal.

Documents Incorporated by Reference

Information in respect of the Fund and its Subsidiaries has been incorporated by reference in this Proxy Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request, without charge, from the Secretary of the Fund, at 16 Place du Commerce, Nuns’ Island, Verdun, Québec, Canada, H3E 2A5, telephone: 514-934-2611 and are also available electronically at www.sedar.com.
The following documents of the Fund, filed by the Fund with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Proxy Circular:

(a) the AIF;
(b) the Financial Statements; and
(c) the Management's Discussion and Analysis.

Any documents of the type referred to above as well as any business acquisition reports and any material change reports (excluding confidential material change reports) subsequently filed by the Fund with securities regulatory authorities in Canada, after the date of this Proxy Circular and prior to the completion or withdrawal of the Arrangement, shall be deemed to be incorporated by reference in this Proxy Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Proxy Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Proxy Circular, except as so modified or superseded.

INFORMATION CONCERNING AMALCO

Amalco will be the resulting entity of the amalgamation of Yellow Media Inc., YPG GP, Newco and Trusteeco to be completed on the Effective Date pursuant to the Arrangement. The principal and head office of Amalco will be located at 16 Place du Commerce, Nuns’ Island, Verdun, Québec, Canada, H3E 2A5.

On the Effective Date, Amalco will become a reporting issuer in all Canadian jurisdictions and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

Reference is made to "Appendix F - Information Concerning Amalco" for a more detailed description of Amalco and certain pro forma information in respect of Amalco.

RISK FACTORS

An investment in Units and in Amalco Common Shares is subject to certain risks. Readers should carefully consider the risk factors described under the heading "Risk Factors - Risks Related to the Company and the Industry" in the AIF incorporated by reference in this Proxy Circular as well as the risk factors set forth below and elsewhere in this Proxy Circular.

The following risk factors relating to the activities of Amalco and its affiliates and the ownership of Amalco Common Shares following the Effective Date should be carefully considered by prospective investors before making a decision relating to the Arrangement:
• the uncertainty of future dividend payments by Amalco, and the amount thereof, as such payment of dividends is dependent upon, among other things, operating cash flow generated by Amalco's Subsidiaries, financial requirements for Amalco's operations, growth opportunities and the satisfaction of solvency tests imposed by the CBCA for the declaration and payment of dividends; and

• the level of Amalco's indebtedness from time to time could impair Amalco's ability to declare and pay dividends or obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Risk factors in respect of the business of the Fund and its Subsidiaries and the industry in which they operate will continue to apply to Amalco after the Effective Date and will not be affected by the Arrangement. For a description of these risk factors and for risk factors specific to Amalco, see "Appendix F - Information Concerning Amalco — Risk Factors".

RISK FACTORS RELATING TO THE ARRANGEMENT

Conditions Precedent and Required Regulatory and Third Party Approvals

The completion of the Arrangement in the form contemplated by the Plan of Arrangement is subject to a number of conditions precedent, some of which are outside the control of the Fund, including, without limitation, receipt of Unitholder approval at the Meeting, regulatory and third party approvals, approval by the TSX of the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures and the listing of the Newco Shares, approval of the transactions contemplated by the Arrangement by Yellow Media Inc. or its Subsidiaries’ principal lenders and the issuance of the Final Order. There can be no certainty, nor can the Fund provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Failure to obtain the Final Order on terms acceptable to the Board of Trustees and the Board of Directors would likely result in the decision being made not to proceed with the Arrangement. If any of the required regulatory and third party approvals cannot be obtained on terms satisfactory to the Board of Trustees and the Board of Directors, or at all, the Plan of Arrangement may have to be amended in order to mitigate against the negative consequence of the failure to obtain any such approval, and accordingly, the benefits available to Unitholders resulting from the Arrangement may be reduced. Alternatively, in the event that the Plan of Arrangement cannot be amended so as to mitigate against the negative consequences of the failure to obtain a required regulatory or third party approval, the Arrangement may not proceed at all. If the Arrangement is not completed, the market price of the Units may be adversely affected. See "The Arrangement — Procedure for the Arrangement Becoming Effective".
ANNUAL BUSINESS OF THE MEETING

The Meeting will be constituted as an annual meeting as well as a special meeting. As part of the annual business set out in the Notice of Meeting, the Financial Statements will be placed before Unitholders by the Fund and Unitholders will be asked to consider and vote on (i) the election of the Trustees and the Trust Trustees who will serve until the end of the next annual Unitholder meeting, until their successors are appointed or until the Effective Date, (ii) the appointment of the auditors of the Fund for the ensuing year and (iii) such further and other business as may be properly be brought before the Meeting or any adjournment or postponement thereof.

PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements placed before Unitholders are included in the Fund’s 2009 annual report and are available on SEDAR at www.sedar.com. Copies of such statements will also be available at the Meeting.

ELECTION OF TRUSTEES AND TRUST TRUSTEES

Trustees

The Fund Declaration of Trust provides for a minimum of three (3) and a maximum of twelve (12) trustees. The Board of Trustees has fixed to eleven (11) the number of Trustees to be elected at the Meeting.

Trustees are elected annually. The persons named in the enclosed form of proxy intend to vote FOR the election of the nominees whose names are set forth below, all of whom are now Trustees, and have been since the dates indicated. Each Trustee elected will hold office until the next annual meeting or until his or her successor is elected or appointed, unless his or her office is vacated earlier or until the Effective Date, if the Arrangement is approved. If the Arrangement is approved, the Trustees elected at the Meeting will become the directors of Amalco on the Effective Date. As you will note from the enclosed proxy form or voting instruction form, Unitholders may vote for each Trustee individually as opposed to voting for Trustees as a slate. In addition, YPG has a majority voting policy. See "Corporate Governance Disclosure – Majority Voting Policy".

The following summary sets forth, for each person proposed to be nominated for election by the Fund as a Trustee, his or her name, age, province or state, and country of residence, his or her present principal occupation, business or employment, whether the nominee is independent, the date of his or her first election or appointment as Trustee, Trust Trustee and as a director of YPG GP, the committees of the Board of Directors of YPG GP (the "Board") on which he or she serves as well as his or her attendance record in 2009 and boards of public companies on which he or she currently serves or has served in the last five years. The summary also indicates whether the nominee meets the ownership guidelines of the Board of Directors, the number of Units and Restricted Units beneficially owned or controlled or directed by him or her, directly or indirectly, as of December 31, 2009 and as of December 31, 2008, the value of Units and value ofRestricted Units as calculated under the ownership guideline for directors and the change in ownership of Units and Restricted Units between 2009 and 2008. Under the ownership guidelines for directors, the value of Units means the value which is the higher of (i) the value of the Units based on their respective purchase price, and (ii) the market value of the Units based on the closing price of the Units on the TSX on December 31, 2009 and December 31, 2008, which is $5.38 and $6.69 respectively. The value of Restricted Units means the value which is the higher of (i) the award value of the Restricted Units on their respective unit reference prices as shown on the participation agreement entered into in connection with the Restricted Unit Plan, and (ii) the market value of the Restricted Units based on the closing price of the Units on the TSX on December 31, 2008 and December 31, 2009, which is $5.38 and $6.69 respectively.
Michael T. Boychuk

Age 54  
Québec, Canada

Independent
Trustee since May 2004
Director since September 2003
Meets ownership guidelines

President and Chief Executive Officer, Bimcor Inc.  
(Investment Management Services Company)

Michael T. Boychuk has been President and Chief Executive Officer of Bimcor since July 2009. Between November 1999 and July 2009, Mr. Boychuk was Senior Vice President and Treasurer of BCE Inc. and Bell Canada. He is a director of Bimcor Inc. and a member of the advisory board of Centennial Ventures, a U.S. private equity firm. Mr. Boychuk also serves on the International advisory board of the Faculty of Management of McGill University and is a member of the Audit Committee of McGill University. Mr. Boychuk is a Chartered Accountant and holds a Bachelor of Commerce degree from McGill University as well as a graduate diploma in public accountancy.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8</td>
<td>Bell Nordiq Income Fund 2002 – 2007</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>7 of 7</td>
<td>Manitoba Telecom Services Inc. 2004</td>
</tr>
<tr>
<td>Corporate Governance and</td>
<td>2 of 2</td>
<td></td>
</tr>
<tr>
<td>Nominating Committee</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Securities Held:

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Value of Units and Restricted Units per Ownership Guidelines</th>
<th>Ownership Guideline (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>43,000</td>
<td>10,174</td>
<td>53,174</td>
<td>$590,543</td>
<td>$180,000</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>33,000</td>
<td>16,674</td>
<td>49,674</td>
<td>$678,183</td>
<td>—</td>
</tr>
</tbody>
</table>

Change in ownership year over year:

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>Restricted Units (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,000</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>
John R. Gaulding
Age 64
California, U.S.A.
Independent
Trustee since May 2004
Director since August 2003
Meets ownership guidelines

Chairman, Gaulding & Co. (Private Investment and Consulting Company)
John R. Gaulding is a private investor and business consultant in the fields of strategy and organization. Mr. Gaulding also held senior management positions with various companies in the financial services industries, was a senior partner with a global strategy consulting firm and was President and Chief Executive Officer of Pacific Bell Directory, Inc. from 1985 to 1990. From 1987 to 1990, Mr. Gaulding was also Co-Chairman of the Yellow Pages Publishers Association. Mr. Gaulding currently serves on the Board of Directors of Monster Worldwide, Inc. and ANTS Software, Inc. and is Chairman of the Board of Trustees of the Dominican University of California. Mr. Gaulding holds a Bachelor of Science degree in Engineering from the University of California at Los Angeles and a Master of Business Administration degree with honours from the University of Southern California.
Mr. Gaulding is Chairman of the Corporate Governance and Nominating Committee of YPG GP.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>7 of 8</td>
<td>ANTS Software, Inc. 2001 – Present</td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>4 of 4</td>
<td>Monster Worldwide, Inc. 2001 – Present</td>
</tr>
<tr>
<td>Nominating Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources and</td>
<td>2 of 2</td>
<td></td>
</tr>
<tr>
<td>Compensation Committee</td>
<td>100%</td>
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</table>

Securities Held:

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Value of Units and Restricted Units per Ownership Guidelines</th>
<th>Ownership Guideline (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>40,000</td>
<td>10,174</td>
<td>50,174</td>
<td>$388,673</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>17,000</td>
<td>16,674</td>
<td>33,674</td>
<td>$405,673</td>
</tr>
</tbody>
</table>

Change in ownership year over year:

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>23,000</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>

Yellow Pages Income Fund Proxy Circular 67
Paul Gobeil, FCA

Age 68
Ontario, Canada
Independent
Trustee since May 2004
Director since April 2004
Meets ownership guidelines

Vice-Chairman of the Board of Directors, Metro Inc.
(Food Retail and Distribution Company)

Mr. Gobeil has been Vice-Chairman of the Board of Directors of Metro Inc. since 1990. Paul Gobeil has held senior management positions in various companies in the food sector as well as with the Government of Québec where he was, *inter alia*, Minister responsible for Administration, President of the Treasury Board and Minister of International Affairs. From 2002 to 2007, he was Chairman of the Board of Directors of Export Development Canada. Mr. Gobeil currently serves as a director of Metro Inc., National Bank of Canada, DiagnoCure Inc. and MDN Inc. Mr. Gobeil has been a member of the *Ordre des comptables agréés du Québec* since 1965 and a Fellow since 1986. Mr. Gobeil holds a Master of Commerce degree and a Master of Accounting degree from *Université de Sherbrooke*. Mr. Gobeil also completed the Senior Management Program at Harvard Business School.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8</td>
<td>Metro Inc. 1990 – Present</td>
</tr>
<tr>
<td>Corporate Governance and</td>
<td>4 of 4</td>
<td>National Bank of Canada 1994 – Present</td>
</tr>
<tr>
<td>Nominating Committee</td>
<td></td>
<td>DiagnoCure Inc. 2005 – Present</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>3 of 3</td>
<td>MDN Inc. 2009 – Present</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>Canam Group Inc. 1992 – 2008</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hudson’s Bay Company 2003 – 2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maax Inc. 2003 – 2004</td>
</tr>
</tbody>
</table>

| Securities Held:             |
|------------------------------|----------------|
| Units                        | Restricted Units |
| As of December 31, 2009      | 47,000          |
|                              | 10,174          |
|                              | 57,174          |
|                              | $548,443        |
|                              | $180,000        |
| As of December 31, 2008      | 25,000          |
|                              | 16,674          |
|                              | 41,674          |
|                              | $571,523        |
|                              | —               |

<table>
<thead>
<tr>
<th>Change in ownership year over year:</th>
<th>Restricted Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>22,000</td>
</tr>
<tr>
<td>Restricted Units</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>
Michael R. Lambert  
Age 54  
Alberta, Canada  
Independent  
Trustee since May 2004  
Director since April 2004  
Meets ownership guidelines  

Chief Financial Officer, The Forzani Group Ltd.  
(National Sporting Goods Retail Company)  
Michael R. Lambert has been Chief Financial Officer of Forzani Group Ltd. since November 2008. Prior to that, and since October 2006, Mr. Lambert was Executive Vice President and Chief Financial Officer of Canadian Pacific Railway and, from 2003 to October 2006, Executive Vice President of Canadian Tire Corporation Ltd. and President of Mark’s Work Wearhouse, Ltd., a division of Canadian Tire. Mr. Lambert joined Mark’s Work Wearhouse Ltd. as Chief Financial Officer in 1994. In 2002, Canadian Tire acquired Mark’s Work Wearhouse. Prior to that, Mr. Lambert spent fifteen years in progressive financial positions with major Canadian public companies including Loblaw Companies Limited, George Weston Limited and the Southam Newspaper Group. Mr. Lambert is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of Windsor.  
Mr. Lambert is Chairman of the Human Resources and Compensation Committee of YPG GP.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8 100%</td>
<td>Premium Brands Inc. 2002 – 2004</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>4 of 4 100%</td>
<td></td>
</tr>
<tr>
<td>Human Resources and Compensation Committee</td>
<td>4 of 4 100%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Value of Units and Restricted Units per Ownership Guidelines</th>
<th>Ownership Guideline (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>30,000</td>
<td>10,174</td>
<td>40,174</td>
<td>$328,713</td>
<td>$180,000</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>4,500</td>
<td>16,674</td>
<td>21,174</td>
<td>$321,998</td>
<td>—</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in ownership year over year:</th>
<th>Units</th>
<th>Restricted Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25,500</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>
Anthony G. Miller

Age 67
Ontario, Canada
Independent
Trustee since June 2003
Director since June 2003
Meets ownership guidelines

Corporate Director

Mr. Miller has held a number of senior positions in advertising agencies in both the United States and Canada for over 30 years. Until January 2007, he was Chairman Emeritus of MacLaren McCann. Prior to that, and until 2003, he was Vice Chairman, McCann Ericson, World Group, a global marketing communications company. Mr. Miller is a former Chairman of the Canadian Institute of Communication and Advertising and past Chairman of the Young Presidents Organization (Ontario). Mr. Miller currently serves on the Board of Directors of Care Canada.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8</td>
<td>Cossette Communication Group Inc. 2007 – 2009</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>7 of 7</td>
<td>Spinrite Income Fund 2004 – 2007</td>
</tr>
<tr>
<td>Corporate Governance and Nominating Committee</td>
<td>1 of 2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>As of December 31, 2009</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
</tr>
</tbody>
</table>

Change in ownership year over year:

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>
Heather E.L. Munroe-Blum, O.C., Ph.D. FRSC

Age 59
Québec, Canada
Independent
Trustee since May 2006
Director since May 2006
Meets ownership guidelines

Professor, Principal and Vice-Chancellor, McGill University

Heather E. L. Munroe-Blum is Professor, Principal and Vice-Chancellor of McGill University since January 2003. In addition to her role as Principal, she is also a professor in the Department of Epidemiology and Biostatistics in the Faculty of Medicine. Prior to December 2002, Dr. Munroe-Blum was a Governor, Professor and Vice-President of Research and International Relations at the University of Toronto. Dr. Munroe-Blum is an Officer of the Order of Canada and a Specially Elected Fellow in the Academy of Science of the Royal Society of Canada. Dr. Munroe-Blum is a member of the Trilateral Commission and of Canada’s Science, Technology and Innovation Council and is the President of the Conférence des recteurs et des principaux des universités du Québec. Dr. Munroe-Blum also serves on the Executive Committee of the Association of American Universities and on the boards of the Association of Universities and Colleges of Canada, the Sir Mortimer B. Davis Jewish General Hospital, the Conférence de Montréal and the Canada Forum of Rio Tinto Alcan. Dr. Munroe-Blum holds a Bachelor of Arts degree and a Bachelor of Social Work degree from McMaster University, a Master of Social Work degree from Wilfrid Laurier University and a Doctorate degree in Epidemiology, with distinction, from the University of North Carolina at Chapel Hill.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8</td>
<td>Four Seasons Hotels and Resorts 2002 – 2007</td>
</tr>
<tr>
<td>Corporate Governance and Nominating Committee</td>
<td>4 of 4</td>
<td>Alcan Inc. 2007</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee</td>
<td>2 of 2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Value of Units and Restricted Units per Ownership Guidelines</th>
<th>Ownership Guideline (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>20,000</td>
<td>10,174</td>
<td>30,174</td>
<td>$269,287</td>
<td>$180,000</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>7,000</td>
<td>16,674</td>
<td>23,674</td>
<td>$337,987</td>
<td>—</td>
</tr>
</tbody>
</table>

Change in ownership year over year:

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,000</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>
Martin Nisenholtz

Age 54
New York, U.S.A.
Independent
Trustee since May 2006
Director since May 2006
Meets ownership guidelines

Senior Vice President, Digital Operations, The New York Times Company (Media Company)

Martin Nisenholtz has been Senior Vice President, Digital Operations for The New York Times Company since February 2005. He is responsible for the strategy development, operations and management of The New York Times Company’s digital properties, including About.com since February 2005. Prior to that, and since 1999, 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 Board of Directors for the Ad Council, Leukemia & Lymphoma Society and the Interactive Advertising Bureau (IAB). Mr. Nisenholtz holds a Bachelor in Psychology degree from the University of Pennsylvania and a graduate degree from the University of Pennsylvania Annenberg School of Communication.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8</td>
<td>100%</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee</td>
<td>2 of 2</td>
<td>100%</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>3 of 3</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Value of Units and Restricted Units per Ownership Guidelines</th>
<th>Ownership Guideline (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>18,000</td>
<td>10,174</td>
<td>28,174</td>
<td>$218,933</td>
<td>$180,000</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>1,000</td>
<td>16,674</td>
<td>17,674</td>
<td>$264,913</td>
<td></td>
</tr>
</tbody>
</table>

Change in ownership year over year:

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17,000</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>
Marc L. Reisch
Age 54
New York, U.S.A.
Independent
Trustee since August 2004
Director since August 2003
Meets ownership guidelines

Chairman, President and Chief Executive Officer, Visant Corporation (School Affinity and Marketing Services Enterprise)
Marc L. Reisch is Chairman, President and Chief Executive Officer of Visant Corporation since October 2004. Prior to that, and since September 2002, Mr. Reisch was a Senior Advisor to Kohlberg Kravis & Roberts. Mr. Reisch was also Chairman and Chief Executive Officer of Quebecor World North America between August 1999 and September 2002. Mr. Reisch holds a Bachelor of Science degree and a Master of Business Administration degree from Cornell University.

Mr. Reisch is Chairman of the Board of Trustees of the Fund and the Board of Trustees of the Trust and is also Chairman of the Board of Directors of YPG GP.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8</td>
<td>–</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee</td>
<td>4 of 4</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Restricted Units</td>
<td>Total</td>
<td>Total Value of Units and Restricted Units per Ownership Guidelines</td>
</tr>
<tr>
<td>As of December 31, 2009</td>
<td>125,694</td>
<td>20,348</td>
<td>146,042</td>
<td>$896,300</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>115,694</td>
<td>23,348</td>
<td>139,042</td>
<td>$1,116,039</td>
</tr>
</tbody>
</table>

Change in ownership year over year:

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>(3,000)</td>
</tr>
</tbody>
</table>
J. Heidi Roizen  
Age 52  
California, U.S.A.  
Independent  
Trustee since August 2009  
Director since August 2009  
Ms. Roizen has until August 5, 2014 to meet the Fund’s ownership guidelines  

Chief Executive Officer, Skinny Little Things, LLC  
(Fitness and Entertainment Company)  
Heidi Roizen is Chief Executive Officer of Skinny Little Things, LLC, a company she founded in 2008. Prior to that, Ms. Roizen held senior management positions with various companies in the technology sector including Managing Director of Mobius Venture Capital (Softbank Venture Capital), a technology venture fund, from 1999 to 2007, Vice President of Worldwide Developer Relations of Apple Computer from 1996 to 1997, and Chief Executive Officer of T/Maker Company, a personal computer software company that she co-founded, from 1983 to 1996. Ms. Roizen is a 2008 alumnus of Corporate Board Member Magazine’s list of the 50 Top Women in Technology. Ms. Roizen currently serves on the Board of Directors of TiVo Inc., as a member of the Board of Advisors of the National Center for Women in Information Technology and of Springboard Enterprises, and as the Co-Chair of the Stanford Graduate School of Business Women on Boards Initiative, a committee of the Women’s Initiative Network. Ms. Roizen holds a Bachelor of Arts degree in English and a Master of Business Administration degree from Stanford University.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>2 of 2 100%</td>
<td>TiVo, Inc. 2009 – Present</td>
</tr>
<tr>
<td>Corporate Governance and Nominating Committee</td>
<td>1 of 1 100%</td>
<td>Online Resources Corporation 2008 – 2009</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Value of Units and Restricted Units per Ownership Guidelines</th>
<th>Ownership Guideline (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>—</td>
<td>10,000</td>
<td>10,000</td>
<td>$53,800</td>
<td>$180,000</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>—</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in ownership year over year:</th>
<th>Units</th>
<th>Restricted Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Stuart H.B. Smith

Age 64
Ontario, Canada
Independent
Trustee since May 2004
Director since April 2004
Meets ownership guidelines

Chairman, EPIC Realty Partners Inc. (Real Estate Company)
Stuart H. B. Smith is Chairman of EPIC Realty Partners Inc. since September 2005. In December 2003, Mr. Smith retired as President and Chief Executive Officer of Oxford Properties Group, one of Canada’s largest property owners and managers, where he held progressively more senior positions since 1989. Mr. Smith has more than thirty years’ experience as a corporate officer and director. Mr. Smith currently serves on the Board of Directors of International Scholarship Foundation, Look Communications Inc., Altus Group Income Fund and The Hospital for Sick Children (SickKids). Mr. Smith recently served as a member of the Canadian Institute of Chartered Accountants’ Innovation Council. Mr. Smith is a Chartered Accountant and holds a graduate degree in Economics from the University of Western Ontario.
Mr. Smith was appointed Chairman of the Audit Committee of YPG GP on May 7, 2009.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8 100%</td>
<td>Look Communications Inc. 2003 – Present</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>7 of 7 100%</td>
<td>Altus Group Income Fund 2005 – Present</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TGS North American Real Estate Investment Trust 2002 – 2005</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Value of Units and Restricted Units per Ownership Guidelines</th>
<th>Ownership Guideline ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>27,000</td>
<td>10,174</td>
<td>37,174</td>
<td>$338,893</td>
<td>$180,000</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>17,000</td>
<td>16,674</td>
<td>33,674</td>
<td>$435,703</td>
<td>—</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in ownership year over year:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>10,000</td>
</tr>
<tr>
<td>Restricted Units(2)</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>
Marc P. Tellier

Age 41
Québec, Canada
Not independent
Trustee since June 2003
Director since November 2002
Meets management’s ownership guidelines

President and Chief Executive Officer, Yellow Pages Group Co.

Marc P. Tellier has been President and Chief Executive Officer of YPG and its predecessors since October 2001. Prior to joining Yellow Pages Group Co., Mr. Tellier was an officer of Bell Canada and served as Senior Vice President – Partnership Development. Mr. Tellier also served as President and Chief Executive Officer of Sympatico Lycos Inc. Mr. Tellier began his career at Bell Canada in 1990. Mr. Tellier is a year 2000 alumnus of Canada’s Top 40 under 40™. Mr. Tellier serves on the Board of Directors of the Yellow Pages Association, Yellow Media Inc. and is a director of National Bank of Canada. Mr. Tellier holds a Bachelor of Economics degree from the University of Ottawa.

<table>
<thead>
<tr>
<th>Board / Committee Membership:</th>
<th>Attendance:</th>
<th>Other Public Board Membership During Last Five Years:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8 of 8 100%</td>
<td>National Bank of Canada 2005 – Present</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities Held:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units</th>
<th>Total</th>
<th>Total Market Value of Units and Restricted Units</th>
<th>Ownership Guideline (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of December 31, 2009</td>
<td>277,445</td>
<td>931,733</td>
<td>1,209,178</td>
<td>$9,453,801</td>
</tr>
<tr>
<td>As of December 31, 2008</td>
<td>257,119</td>
<td>529,679</td>
<td>786,798</td>
<td>$8,668,857</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in ownership year over year:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Units</th>
<th>Restricted Units (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,326</td>
<td>402,054</td>
</tr>
</tbody>
</table>

(1) The ownership guideline of Non-Executive Directors is equal to three times their annual cash board retainer of $60,000. The ownership guideline of the Chairman of the Board of Directors is equal to $480,000, representing his annual cash retainer of $160,000 multiplied by 3. The ownership guideline of Marc P. Tellier, the President and Chief Executive Officer of YPG is $3,300,000, representing a multiple of 4 times his annual base salary in 2009 of $825,000.

(2) The number of Restricted Units has decreased because part of the Restricted Units vested and were paid in accordance with the Restricted Unit Plan. See "Executive Compensation – Compensation Discussion and Analysis – Long-Term Incentive Programs – Restricted Unit Plan" for further details on the Restricted Unit Plan.

To the knowledge of the Fund, (a) no trustee of the Fund is, at the date of this Proxy Circular, or has been, in the 10 years prior to the date of this Proxy Circular, a director, chief executive officer or chief financial officer of any company, that while the trustee was acting in that capacity, (i) was the 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 30 consecutive days, or (ii) after the trustee ceased to act in that capacity, was the 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 30 consecutive days because of an event which occurred while the trustee was acting in that capacity, or (b) no trustee of the Fund is, at the date of this Proxy Circular, or has been, in the 10 years prior to the date of this Proxy Circular, a director or an executive officer of any company, that while the trustee was acting in that capacity, or in the year after the trustee 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 or trustee in bankruptcy appointed to hold its assets, or (c) no trustee of the
Fund, in the 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 trustee in bankruptcy appointed to hold his or her assets, except for:

- Michael T. Boychuk, who, until April 23, 2002, was Chief Financial Officer of Teleglobe Inc. and director or executive officer of various wholly-owned subsidiaries of Teleglobe Inc. Teleglobe Inc. filed for court protection under insolvency statutes on May 15, 2002 while certain of its various wholly-owned subsidiaries filed for court protection under insolvency statutes on May 28, 2002.

- Paul Gobeil, who, until November 12, 2001, served on the board of directors of BridgePoint International Inc. and its wholly-owned subsidiary BridgePoint International (Canada) Inc. BridgePoint International (Canada) Inc. filed a proposal with its creditors on January 25, 2002. The TSX suspended trading on the shares of BridgePoint International (Canada) Inc. on January 31, 2002 for failure to meet the listing requirements of the TSX. The shares of BridgePoint International (Canada) Inc. were delisted from the TSX at the close of business on January 31, 2003.

**Trust Trustees**

According to the Fund Declaration of Trust, Unitholders are entitled to direct and instruct the Trustees of the Fund as to the manner in which the units of the Trust held by the Fund shall be voted in respect of the election of the Trust Trustees.

The Trust Declaration of Trust provides for a minimum of three (3) and a maximum of twelve (12) Trust Trustees with the number of Trust Trustees to be the same as the number of Trustees of the Fund. The Board of Trustees has fixed to eleven (11) the number of Trustees to be elected at the Meeting.

Trust Trustees are elected annually. The Fund intends to elect as Trust Trustees the same persons as will have been elected as Trustees of the Fund. In accordance with the Fund Declaration of Trust, a vote by Unitholders in favour of the nominees presented for election as Trustees shall constitute such Unitholders’ directions and instructions to the Trustees to vote the units of the Trust held by the Fund in favour of the election of the same nominees as Trust Trustees. All nominees identified under "Election of Trustees and Trust Trustees — Trustees" are now members of the Board of Trustees of the Trust, and have been since the dates indicated above. Each Trust Trustee elected will hold office until the next annual meeting or until his or her successor is elected or appointed, unless his or her office is vacated earlier or until the Effective Date, if the Arrangement is approved.

The Trust intends to elect as directors of YPG GP the same persons as will have been elected as Trust Trustees.

**Corporate Governance Disclosure**

**Guidelines**

The following constitutes the Fund’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 (hereinafter collectively, the "Corporate Governance Guidelines") which have been adopted by the Canadian Securities Administrators. Given that the Fund has no business activities and that all of the Trustees are also directors of YPG, except as specifically disclosed herein, the corporate governance practices described below refer to the corporate governance practices of YPG.
The Board of Directors has three committees: the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance and Nominating Committee. The following descriptions of the Board of Directors, its committees (the "Committees"), directors and other matters reflect YPG’s compliance with the Corporate Governance Guidelines.

Independence of the Board

The Fund complies with the Corporate Governance Guidelines which stipulate that the Board of Trustees and the Board of Directors should have a majority of independent Trustees and directors. It is the policy of the Board that all members be independent with the exception of the President and Chief Executive Officer, in order to maintain an independent Board at all times.

Ten of eleven Trustees are independent. All Committee members are independent.

Following a detailed review conducted by the Corporate Governance and Nominating Committee of YPG, the Board has determined that ten (10) of the eleven (11) Trustees, representing a majority of the Trustees, are independent as such term is defined in National Instrument 52-110 of the Canadian Securities Administrators. All Committee members are independent. Mr. Marc P. Tellier is not considered an independent Trustee as he is the President and Chief Executive Officer of YPG. The following table indicates the status of each Trustee in terms of their independence.

<table>
<thead>
<tr>
<th>Trustee</th>
<th>Status</th>
<th>Reason for Non-Independence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael T. Boychuk</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>John R. Gaulding</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Paul Gobeil</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Michael R. Lambert</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Anthony G. Miller</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Heather Munroe-Blum</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Martin Nisenholtz</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Marc L. Reisch</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>J. Heidi Roizen</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Stuart H.B. Smith</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Marc P. Tellier</td>
<td>✔️</td>
<td>Mr. Tellier is the President and Chief Executive Officer of YPG</td>
</tr>
</tbody>
</table>

In addition, the directorship of the Trustees in other issuers that are reporting issuers in a Canadian or foreign jurisdiction are included under "Election of Trustees and Trust Trustees — Trustees".

Director Service on Other Boards and Board Interlocks

The Corporate Governance Guidelines of YPG provide that the number of other boards and committees that any director sits on is left to the discretion of any such director, except that (i) before accepting any new outside board assignment, directors must 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 Trustee; (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 in order to limit the number of board and committee interlocks, (iii) any outside board assignment of the President and Chief Executive Officer of YPG is subject to the prior approval of the Board, and (iv) no officer of YPG shall serve as a director of a company to which a YPG independent director is an officer. The director shall disclose through formal notification to the Chairman of the Corporate Governance and Nominating Committee any new public company board assignment (or any new private company board assignment which involves a meaningful time commitment).

As of March 23, 2010, with the exception of Paul Gobeil and Marc P. Tellier who serve together on the Board of Directors of National Bank of Canada, no members of the Board served together on the board of any other public company. Mr. Tellier is a member of the Human Resources Committee while Mr. Gobeil is Chair of the Audit and Risk Management Committee and a member of the Conduct Review and Corporate Governance Committee of the Board of Directors of the National Bank of Canada.

Change in Director Occupation

The Corporate Governance Guidelines of YPG 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 member’s proposed resignation.

Majority Voting Policy

The Board adopted a majority voting policy in 2009, which requires that any nominee for Trustee who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the Chairman of the Board following YPG’s annual meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for Trustee is equal to the number of Trustees to be elected. The Corporate Governance and Nominating Committee and the Board shall consider the resignation and whether or not it should be accepted. The nominee shall not participate in any Committee or Board deliberations on the resignation offer. Resignations are expected to be accepted except in situations where circumstances would warrant the applicable trustee to continue to serve as a Board member. The Board shall disclose their election decision, via press release, within 90 days of the applicable annual meeting. If a resignation is accepted, the Board may appoint a new trustee to fill the vacancy created by the resignation.

Board Structure and Operations

The Trustees are elected annually by the Unitholders and together with those appointed to fill vacancies or appointed as additional trustees throughout the year, collectively constitute the Board of Trustees of the Fund and the Trust, and the Board of Directors.

The Board of Trustees of the Fund and the Trust holds its meetings jointly with the Board of Directors and meets at least four 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 of Directors. To the extent feasible, board meetings are scheduled sufficiently in advance in order to maximize director participation. Directors are expected to make themselves available for such meetings and strive for perfect attendance at Board meetings. The directors are expected to attend in person all meetings (other than conference call meetings) of the Board and Committees on which they serve. Directors are asked to notify YPG 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. However, given that the independent directors hold in camera sessions at every Board and Committee meetings, no such separate meeting of the independent directors was held in 2009.
Independent directors hold in camera sessions at all of the Board meetings.

The Board of Trustees and the Board of Directors held eight (8) meetings during the fiscal year ended December 31, 2009. Overall attendance at these meetings was 96.66%, while attendance at Committee meetings was 95.58%. The combined overall attendance at both the Board and Committee meetings was 96.20%. The following table sets forth the attendance record by the Trustees and directors of YPG GP at Board meetings and at Committee meetings of YPG GP for the fiscal year ended December 31, 2009.

<table>
<thead>
<tr>
<th>Names</th>
<th>Board of Directors (8 meetings)</th>
<th>Audit Committee (7 meetings)</th>
<th>Human Resources &amp; Compensation Committee (4 meetings)</th>
<th>Corporate Governance &amp; Nominating Committee (4 meetings)</th>
<th>Overall Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(#) (%)</td>
<td>(#) (%)</td>
<td>(#) (%)</td>
<td>(#) (%)</td>
<td>(#) (%)</td>
</tr>
<tr>
<td>Michael T. Boychuk¹</td>
<td>8/8 100</td>
<td>7/7 100</td>
<td>-</td>
<td>2/2 100</td>
<td>17/17 100</td>
</tr>
<tr>
<td>John R. Gaulding²</td>
<td>7/8 88</td>
<td>-</td>
<td>2/2 100</td>
<td>4/4 100</td>
<td>13/14 93</td>
</tr>
<tr>
<td>Paul Gobeil³</td>
<td>8/8 100</td>
<td>3/3 100</td>
<td>-</td>
<td>4/4 100</td>
<td>15/15 100</td>
</tr>
<tr>
<td>Michael R. Lambert⁴</td>
<td>8/8 100</td>
<td>4/4 100</td>
<td>4/4 100</td>
<td>-</td>
<td>16/16 100</td>
</tr>
<tr>
<td>Rt. Hon. Donald Mazankowski⁵</td>
<td>6/8 75</td>
<td>-</td>
<td>3/4 75</td>
<td>1/2 50</td>
<td>10/14 71</td>
</tr>
<tr>
<td>Anthony G. Miller⁶</td>
<td>8/8 100</td>
<td>7/7 100</td>
<td>-</td>
<td>1/2 50</td>
<td>16/17 94</td>
</tr>
<tr>
<td>Heather Munroe-Blum⁷</td>
<td>8/8 100</td>
<td>-</td>
<td>2/2 100</td>
<td>4/4 100</td>
<td>14/14 100</td>
</tr>
<tr>
<td>Martin Nisenholtz⁸</td>
<td>8/8 100</td>
<td>3/3 100</td>
<td>2/2 100</td>
<td>-</td>
<td>13/13 100</td>
</tr>
<tr>
<td>Marc L. Reisch</td>
<td>8/8 100</td>
<td>-</td>
<td>4/4 100</td>
<td>-</td>
<td>12/12 100</td>
</tr>
<tr>
<td>J. Heidi Roizen⁹</td>
<td>2/2 100</td>
<td>-</td>
<td>-</td>
<td>1/1 100</td>
<td>3/3 100</td>
</tr>
<tr>
<td>Stuart H.B. Smith</td>
<td>8/8 100</td>
<td>7/7 100</td>
<td>-</td>
<td>-</td>
<td>15/15 100</td>
</tr>
<tr>
<td>Marc P. Tellier</td>
<td>8/8 100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8/8 100</td>
</tr>
</tbody>
</table>

1. Mr. Boychuk was appointed to the Corporate Governance and Nominating Committee on May 7, 2009.
2. Mr. Gaulding was appointed to the Human Resources and Compensation Committee on May 7, 2009.
3. Mr. Gobeil was appointed to the Audit Committee on May 7, 2009.
4. Mr. Lambert was a member of the Audit Committee until May 7, 2009.
5. Mr. Mazankowski was appointed to the Corporate Governance and Nominating Committee on May 7, 2009.
6. Mr. Miller was a member of the Corporate Governance and Nominating Committee until May 7, 2009.
7. Ms. Munroe-Blum was appointed to the Human Resources and Compensation Committee on May 7, 2009.
8. Mr. Nisenholtz was appointed to the Audit Committee on May 7, 2009 and was a member of the Human Resources and Compensation Committee until May 7, 2009.
9. Ms. Roizen was appointed as Trustee on August 6, 2009 and was appointed to the Corporate Governance and Nominating Committee on November 3, 2009.

Financial and other relevant information is made available to directors several days before scheduled Board 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.

Board Mandate

The mandate of the Board of Directors is to oversee the conduct of YPG’s business and to supervise Management. The Board establishes the overall policies for YPG, monitors and evaluates YPG’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 YPG’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 (3) Committees.

The charter of the Board of Directors is attached herewith as Schedules G 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 Corporate Governance and Nominating Committee are available on YPG’s website at www.ypg.com.

Position Description

Chairman of the Board and Chairs of the Board Committees

The Chairman of the Board of Trustees and of the Board of Directors 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 Unitholders. The Chairman of the Board is Marc L. Reisch, an independent Trustee.

The responsibilities of the Chairman of the Board are set out in a position description which provides that the Chairman of the Board 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 of Directors has also developed written position descriptions for the Chairs of each Board Committee. See under "Corporate Governance and Nominating Committee", "Human Resources and Compensation Committee", and "Audit Committee", below.

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 ensuring good day-to-day management of YPG’s operations, meeting goals, objectives and strategic planning process adopted by the Board, implementing the business plan of YPG, ensuring that the Management understands the expectations of the Board, the strategic plan and the business plan of YPG and overseeing the quality and integrity of the Management.
Executive Succession Planning

Each year, the Board formally reviews and discusses with the Chief Executive Officer the succession plans for all executive officers of YPG, including the succession plan for the Chief Executive Officer. The Board may discuss the succession plans further at its in-camera session following its meeting with the Chief Executive Officer.

Recruitment of Directors

The Corporate Governance and Nominating Committee is responsible for advising the Board on the appropriate size and composition of the Board and its committees to ensure effective decision-making. The Committee is also 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 experience of the Board as a whole and of each of the existing directors. The Corporate Governance and Nominating Committee does not maintain an "evergreen" list of potential director candidates and prefers beginning any search for potential candidates by determining the desired competencies, skills and areas of expertise a new director should have. YPG does not have a retirement policy for directors.

The Corporate Governance and Nominating Committee uses a skills matrix to assist with reviewing the skill set of director candidates and the Board as a whole. The matrix outlines the desired complement of directors’ skills and areas of expertise. When a director is being recruited, the Corporate Governance and Nominating Committee initiates the process by updating the review of the skills, qualities and competencies of the remaining directors and seeking input and suggestions from the other directors as to the competencies, skills, profile and personal qualities of candidates. The 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.

Orientation and Continuing Education

The Corporate Governance and Nominating Committee uses a skills matrix to review skill set of directors.

Orientation and Continuing Education

The Corporate Governance and Nominating Committee is responsible for developing and reviewing YPG’s orientation and continuing education programs for directors. New directors are provided with an extensive information package on YPG’s business, its strategic and operational plans, its governance system and its financial position. Also, new directors meet with the President and Chief Executive Officer and other senior executives of YPG to discuss and review these matters and familiarize themselves with the operations of YPG and the industry in which it operates.

Members of senior management periodically make presentations at Board and Committee meetings to educate and keep directors informed of developments regarding YPG, 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, the directors are provided with updates and short summaries of relevant information and the Board receives reports from the deliberations and decisions of each of the Board Committees on their work at their previous meetings. Extensive documentation was also provided to directors at the annual strategic meeting of YPG and a presentation from an outside expert was made to the Board to ensure that the director’s knowledge and understanding of YPG’s business and the industry landscape remain current. In addition, during fiscal 2009, educational reading materials and presentations were provided to directors on corporate governance, executive compensation and new accounting considerations.
YPG 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.

**Code of Ethics and Business Conduct**

YPG has a Code of Ethics and Business Conduct (the “Code”) which sets out the guiding principles of YPG in all its operations and business practices. The Code of Ethics and Business Conduct deals with such matters as personal integrity and ethics, general harassment and discrimination, customer, supplier and competitor relations, shareholders and media relations, integrity of records, YPG funds and property, supplementary employment and employment of relatives, confidentiality and intellectual property rights, conflicts of interest, insiders and material inside information and political contributions and addresses the issues prescribed by the Corporate Governance Guidelines. The Code applies to all Trustees, directors, officers and employees of the Fund and YPG.

The Corporate Governance and Nominating Committee annually reviews with Management compliance with the Code and reports to the Board on the subject. The Board may grant waivers of any provisions of the Code by directors or officers of YPG in certain circumstances provided they are disclosed in compliance with applicable legislation. No such waiver has been granted since the adoption of the Code in 2004.

A Trustee and a director or officer of YPG must disclose to the Fund and YPG 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.

The Code of Ethics and Business Conduct is available on YPG’s website at www.ypg.com and on SEDAR at www.sedar.com. It may also be obtained upon request from the Secretary of YPG at its head office: 16 Place du Commerce, Nuns’ Island, Verdun, Québec, H3E 2A5, telephone: 1-800-848-8353.

**Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee is composed of five (5) independent directors, namely John R. Gaulding (Chairman), Michael T. Boychuk, Paul Gobeil, Heather Munroe-Blum and J. Heidi Roizen. The Corporate Governance and Nominating Committee held four (4) meetings during the year ended December 31, 2009. Attendance at the meetings of the Corporate Governance and Nominating Committee for 2009 was 89.58%.

The Corporate Governance and Nominating Committee has a formal written charter, available on YPG’s website at www.ypg.com, setting out its structure, its duties and responsibilities which include, among other things, monitoring the size and composition of the Board and the Committees, developing and reviewing criteria as well as establishing a process for selecting directors, identifying candidates qualified to become Board members, 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 recommendation on director compensation, developing and reviewing corporate governance principles applicable to YPG, developing for approval by the Board and overseeing the disclosure of a Code of Ethics and Business Conduct 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 is composed of four (4) independent directors, namely Michael R. Lambert (Chairman), John R. Gaulding, Heather Munroe-Blum and Marc L. Reisch. See “Executive Compensation — Compensation Discussion and Analysis” for the disclosure presented this year on executive compensation. There were four (4) Human Resources and Compensation Committee meetings held for the year ended December 31, 2009. Attendance at the meetings of the Human Resources and Compensation Committee for 2009 was 94.44%.

The Human Resources and Compensation Committee has a formal written charter, available on YPG’s website at www.ypg.com, setting out its structure, its duties and responsibilities which include, among other things, setting the compensation of the President and Chief Executive Officer of YPG and the senior executives of YPG, 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 YPG’s executive compensation philosophy, ensuring that appropriate processes are in place regarding succession planning, administering the Restricted Unit Plan and reviewing any compensation disclosure before public dissemination. The responsibilities of the Chairman of the Human Resources and Compensation 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 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.

Audit Committee

The Audit Committee is composed of five (5) directors, namely Stuart H. B. Smith (Chairman), Michael T. Boychuk, Paul Gobeil, Anthony G. Miller and Martin Nisenholtz. All the members of the Audit Committee are independent and financially literate as these terms are defined under applicable securities law, that is 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 Fund’s financial statements. There were seven (7) Audit Committee meetings held for the year ended on December 31, 2009. Attendance at the meetings of the Audit Committee for 2009 was 100%.

The Audit Committee oversees the financial reporting, accounting systems and internal controls of the Fund, the Trust and YPG. 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 Fund and YPG, 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 YPG’s Ethics Committee which is responsible for addressing issues reported through the policy.

Assessments

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 Corporate Governance and Nominating Committee annually circulates preliminary discussion points to frame the discussion between the Chairman of the Corporate Governance and Nominating Committee and each director. These discussion points relate to the leadership, independence, composition and structure, degree of engagement and involvement, effectiveness of communication with management, social dynamics, continual knowledge development and workflow of the Board and each Committee as well as the independence, performance and personal contribution of each director. Following this exercise, individual interviews with directors are conducted by the Chairman of the Committee to discuss and review the performance and effectiveness of the Board, Committees and peer review. The resulting information is compiled and analyzed by the Corporate Governance and Nominating Committee which in turn reports to the Board.

Assessment of the performance and effectiveness of the Board, Committees and peer review is made annually.

Compensation of Trustees and Directors

Annual Cash Retainer

Trustees and Trust Trustees receive no remuneration from the Fund or the Trust for acting as a Trustee or a Trust Trustee. However, each director of YPG GP who is not a salaried officer of YPG or any of its Subsidiaries (a "Non-Executive Director") receives the following annual cash compensation:

<table>
<thead>
<tr>
<th>Annual Cash Retainer ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board of Directors</strong></td>
</tr>
<tr>
<td>Chairman of the Board</td>
</tr>
<tr>
<td>Board Member</td>
</tr>
<tr>
<td><strong>Committees</strong></td>
</tr>
<tr>
<td>Chairperson of the Audit Committee</td>
</tr>
<tr>
<td>Chairperson of the Corporate Governance and Nominating and Human Resources and Compensation committees</td>
</tr>
<tr>
<td>Audit Committee Member</td>
</tr>
<tr>
<td>Corporate Governance and Nominating and Human Resources and Compensation committees Member</td>
</tr>
</tbody>
</table>

1. In February 2010, the Board revised the annual cash retainer of the Chairman of the Board and of Board members to $260,000 and $110,000 respectively and cancelled the Annual Award Policy (as defined below) pending the proposed conversion of the Fund into a corporation.

There are no meeting fees payable to the directors of YPG. Directors required to travel more than 1,000 km to attend Board and Committee meetings receive a $1,500 travel fee for in-person meetings and YPG reimburses out-of-pocket expenses incurred by the directors to attend Board and Committee meetings.
Annual Equity Award

For fiscal year 2009, in addition to the cash compensation earned by each Trustee for acting as a director of YPG GP, directors are entitled to an automatic annual grant (the "Annual Award Policy") of 3,500 Restricted Units for Non-Executive Directors and 7,000 Restricted Units for the Chairman of the Board to be made on the date which is two full trading days after the Fund releases its year-end results. These Restricted Units will vest on the third anniversary of the date of the grant provided that such director is still in office at such time. The Annual Award Policy also provides for the automatic grant of 10,000 Restricted Units for a new Non-Executive Director to be made on the date of his or her election to the Board of Directors. The Restricted Units awards are made pursuant to the Restricted Unit Plan which is the same plan as the one for the executives of YPG. See "Executive Compensation — Compensation Discussion and Analysis — Long-Term Incentive Programs — Restricted Unit Plan" for more information on the Restricted Unit Plan.

The following table summarizes, for each Non-Executive Director, the number of Restricted Units awarded during the year ended December 31, 2009, the aggregate value of such Restricted Units on the award date, which is the number of Restricted Units multiplied by the closing price of the Units on the TSX on the award date, and the year-end aggregate value thereof, which is the number of Restricted Units multiplied by the closing price of the Units on the TSX on December 31, 2009 which was $5.38.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number (#)</th>
<th>Award Date Value 1 ($)</th>
<th>Year-End Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael T. Boychuk</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>John R. Gaulding</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>Paul Gobeil</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>Michael R. Lambert</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>Donald F. Mazankowski</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>Anthony G. Miller</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>Heather Munroe-Blum</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>Martin Nisenholtz</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
<tr>
<td>Marc L. Reisch</td>
<td>7,000</td>
<td>19,460</td>
<td>37,660</td>
</tr>
<tr>
<td>J. Heidi Roizen</td>
<td>10,000</td>
<td>50,400</td>
<td>53,800</td>
</tr>
<tr>
<td>Stuart H.B. Smith</td>
<td>3,500</td>
<td>19,460</td>
<td>18,830</td>
</tr>
</tbody>
</table>

1. The award date for all directors, except for Ms. Roizen, is February 13, 2009, being two full trading days after the release of the year-end results of the Fund. The award date for Ms. Roizen is August 6, 2009 which is the date of her appointment to the Board. The closing price of the Units on the TSX on February 13, 2009 and August 6, 2009 was $5.56 and $5.04 respectively.

Ownership Guidelines for Directors

The ownership guidelines require directors to own Units representing three times their annual Board cash retainer to be achieved within five years from their appointment as a director of YPG. The ownership guidelines for directors are calculated using the value of the Units and the value of the Restricted Units. The value of Units means the value which is the higher of (i) the value of the Units based on their respective purchase price, and (ii) the market value of the Units based on the closing price of the Units on the TSX on December 31, 2009, which is $5.38. The value of Restricted Units means the value which is the higher of (i) the award value of the Restricted Units on their respective unit reference price as shown on the participation agreement entered into in connection with the Restricted Unit Plan, and (ii) the market value of the Restricted Units based on the closing price of the Units on the TSX on December 31, 2009, which is $5.38.
In order to facilitate the achievement of the ownership requirement for the directors, YPG awards to each Non-Executive Director 10,000 Restricted Units upon his or her appointment or election to the Board which time vest on the third anniversary of the date of the grant provided that such director is still in office at such time, and that the director otherwise assumes the tax liability of the award resulting from the vesting of the Restricted Units without disposing of any of the vested Units such that each director will continue to hold these 10,000 Units once they have vested.

**Share-based Awards – Value Vested During the Year**

In order to facilitate the achievement of the ownership requirement for the directors, in 2006, YPG awarded to each then current Non-Executive Director 10,000 Restricted Units under the Restricted Unit Plan. These Restricted Units vested on May 11, 2009, the third anniversary of the date of the grant, provided that such director was still in office at such time, and that the director otherwise assumed the tax liability of the award resulting from the vesting of the Restricted Units without disposing of any of the vested underlying Units such that each director continued to hold these 10,000 Units once vested.

Hence, during the year ended December 31, 2009, 10,000 Restricted Units held by the Non-Executive Directors vested on May 11, 2009. The following table shows the number of Restricted Units that have vested during the year ended December 31, 2009, the number of underlying Units retained after vesting of the Restricted Units, and the cash value of the Restricted Units on May 11, 2009.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Restricted Units Vested (#)</th>
<th>Number of Underlying Units Retained After Vesting (#)</th>
<th>Share-based Awards – Value Vested During the Year ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael T. Boychuk</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>John R. Gaulding</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>Paul Gobeil</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>Michael R. Lambert</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>Donald F. Mazankowski</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>Anthony G. Miller</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>Heather Munroe-Blum</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>Martin Nisenholtz</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>Marc L. Reisch</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
<tr>
<td>J. Heidi Roizen</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Stuart H.B. Smith</td>
<td>10,000</td>
<td>10,000</td>
<td>59,600</td>
</tr>
</tbody>
</table>

1. This value was calculated using the opening price of the Units on the TSX on May 11, 2009 which was $5.96.
Total Compensation of Non-Executive Directors

The following table provides the total compensation earned by each Non-Executive Director for acting as a director of YPG GP for the fiscal year ended December 31, 2009.

<table>
<thead>
<tr>
<th>Name</th>
<th>Board Retainer ($)</th>
<th>Audit Committee Retainer ($)</th>
<th>Human Resources and Compensation Committee Retainer ($)</th>
<th>Corporate Governance and Nominating Committee Retainer ($)</th>
<th>Travel Fee ($)</th>
<th>Share-based awards</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael T. Boychuk²</td>
<td>60,000</td>
<td>12,350</td>
<td>—</td>
<td>3,581</td>
<td>—</td>
<td>19,460</td>
<td>95,391</td>
</tr>
<tr>
<td>John R. Gaulding³</td>
<td>60,000</td>
<td>—</td>
<td>3,581</td>
<td>11,000</td>
<td>6,000</td>
<td>19,460</td>
<td>100,041</td>
</tr>
<tr>
<td>Paul Gobeil⁴</td>
<td>60,000</td>
<td>5,372</td>
<td>—</td>
<td>5,500</td>
<td>—</td>
<td>19,460</td>
<td>90,332</td>
</tr>
<tr>
<td>Michael R. Lambert⁵</td>
<td>60,000</td>
<td>2,878</td>
<td>11,000</td>
<td>—</td>
<td>6,000</td>
<td>19,460</td>
<td>99,338</td>
</tr>
<tr>
<td>Donald F. Mazankowski⁶</td>
<td>60,000</td>
<td>—</td>
<td>5,500</td>
<td>3,581</td>
<td>4,500</td>
<td>19,460</td>
<td>93,041</td>
</tr>
<tr>
<td>Anthony G. Miller⁷</td>
<td>60,000</td>
<td>8,250</td>
<td>—</td>
<td>1,919</td>
<td>—</td>
<td>19,460</td>
<td>89,629</td>
</tr>
<tr>
<td>Heather Munroe-Blum⁸</td>
<td>60,000</td>
<td>—</td>
<td>3,581</td>
<td>5,500</td>
<td>—</td>
<td>19,460</td>
<td>88,541</td>
</tr>
<tr>
<td>Martin Nisenholtz⁹</td>
<td>60,000</td>
<td>5,372</td>
<td>1,919</td>
<td>—</td>
<td>—</td>
<td>19,460</td>
<td>86,751</td>
</tr>
<tr>
<td>Marc L. Reisch¹⁰</td>
<td>160,000</td>
<td>—</td>
<td>5,500</td>
<td>—</td>
<td>—</td>
<td>38,920</td>
<td>204,420</td>
</tr>
<tr>
<td>J. Heidi Roizen¹¹</td>
<td>24,231</td>
<td>—</td>
<td>—</td>
<td>867</td>
<td>1,500</td>
<td>55,600</td>
<td>82,198</td>
</tr>
<tr>
<td>Stuart H.B. Smith¹²</td>
<td>60,000</td>
<td>15,900</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>19,460</td>
<td>95,360</td>
</tr>
</tbody>
</table>

1. Except for Ms. Roizen, the value of the share-based award represents the number of Restricted Units awarded on February 13, 2009, multiplied by the closing price of the Units on the TSX on such date which was $5.56. The value of the share-based award for Ms. Roizen represents the number of Restricted Units awarded on August 6, 2009, multiplied by the closing price of the Units on the TSX on August 6, 2009 which was $5.04.
2. Mr. Boychuk was Chairman of the Audit Committee until May 7, 2009 and was appointed to the Corporate Governance and Nominating Committee on May 7, 2009.
3. Mr. Gaulding is Chairman of the Corporate Governance and Nominating Committee and was appointed to the Human Resources and Compensation Committee on May 7, 2009.
4. Mr. Gobeil was appointed to the Audit Committee on May 7, 2009.
5. Mr. Lambert is Chairman of the Human Resources and Compensation Committee and was a member of the Audit Committee until May 7, 2009.
6. Mr. Mazankowski was appointed to the Corporate Governance and Nominating Committee on May 7, 2009.
7. Mr. Miller was a member of the Corporate Governance and Nominating Committee until May 7, 2009.
8. Ms. Munroe-Blum was appointed to the Human Resources and Compensation Committee on May 7, 2009.
9. Mr. Nisenholtz was appointed to the Audit Committee on May 7, 2009 and was a member of the Human Resources and Compensation Committee until May 7, 2009.
10. Mr. Reisch is Chairman of the Board.
11. Ms. Roizen was appointed on August 6, 2009 and was appointed to the Corporate Governance and Nominating Committee on November 3, 2009.
12. Mr. Smith is Chairman of the Audit Committee since May 7, 2009.
**Outstanding Share-based Awards**

The following table indicates for each of the Non-Executive Directors all Restricted Unit awards outstanding at the end of the fiscal year ended December 31, 2009.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of units that have not vested</th>
<th>Market or payout value of share-based awards that have not vested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael T. Boychuk</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>John R. Gaulding</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>Paul Gobeil</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>Michael R. Lambert</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>Donald F. Mazankowski</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>Anthony G. Miller</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>Heather Munroe-Blum</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>Martin Nisenholtz</td>
<td>10,174</td>
<td>54,736</td>
</tr>
<tr>
<td>Marc L. Reisch</td>
<td>20,348</td>
<td>109,472</td>
</tr>
<tr>
<td>J. Heidi Roizen</td>
<td>10,000</td>
<td>53,800</td>
</tr>
<tr>
<td>Stuart H.B. Smith</td>
<td>10,174</td>
<td>54,736</td>
</tr>
</tbody>
</table>

1. The market or payout value of the Restricted Units is determined by multiplying the number of Restricted Units by the closing price of the Units on the TSX on December 31, 2009 which was $5.38.

**EXECUTIVE COMPENSATION**

**Determining Compensation**

**Human Resources and Compensation Committee**

Compensation of executive officers of YPG, including the Chief Executive Officer, the Chief Financial Officer and the three next most highly compensated executive officers of YPG or its Subsidiaries (collectively, the "Named Executive Officers"), is determined by the Board following the recommendation of the Human Resources and Compensation Committee of YPG. Between January 1, 2009 and May 7, 2009, the Human Resources and Compensation Committee was composed of Michael R. Lambert (Chairman), Donald F. Mazankowski, Martin Nisenholtz and Marc L. Reisch. From May 7, 2009 until December 31, 2009, the Human Resources and Compensation Committee was composed of Michael R. Lambert (Chairman), John R. Gaulding, Donald F. Mazankowski, Heather Munroe-Blum and Marc L. Reisch. During the most recently completed fiscal year, all the members of the Human Resources and Compensation Committee were independent directors. The Board of Directors believes that the Human Resources and Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate. The Chairman of the Human Resources and Compensation Committee, Michael R. Lambert, will be available to answer questions relating to YPG's executive compensation matters at the Meeting.

See "Corporate Governance Disclosure - Human Resources and Compensation Committee" for a description of the charter and meetings held by the Human Resources and Compensation Committee.
Compensation Consultant

As is provided in its charter, the Human Resources 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. The Human Resources and Compensation Committee also has the authority to determine and pay the fees of its consultants.

During the fiscal year 2009, the Human Resources and Compensation Committee retained Towers Perrin to provide comments on the construct of the 2009 long-term incentive award, to provide advice on the design of the future long-term incentive program of YPG to apply following the proposed conversion of the Fund into a corporation and to review different alternatives available to YPG relating to retention alternatives for the Chief Executive Officer and the Chief Financial Officer of YPG. The Human Resources and Compensation Committee is satisfied that the advice received from Towers Perrin is objective and independent. An engagement letter documents the key elements of the reporting relationships including how and to whom Towers Perrin communicates information and recommendations.

During the fiscal year 2009, YPG also retained Morneau Sobeco to provide advice on proposed amendments to the supplementary executive pension agreement of Marc Tellier and on the supplementary executive pension agreement of Christian Paupe.

The Human Resources and Compensation Committee’s decisions with regards to compensation or the compensation programs for the Chief Executive Officer and other executive officers of YPG are its sole responsibility and may reflect factors and information other than information and recommendations provided by Towers Perrin or Morneau Sobeco.

The following table sets forth the fees paid to Towers Perrin for compensation related services as well as other fees for fiscal 2009.

<table>
<thead>
<tr>
<th></th>
<th>2009 Fees ($)</th>
<th>Percentage of 2009 Fees (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive compensation consulting fees</td>
<td>91,966</td>
<td>100</td>
</tr>
<tr>
<td>Other fees</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

1. These fees are paid for advice to the Human Resources and Compensation Committee.

Unit Ownership Guidelines for Executives

To align the interests of Management with those of Unitholders, YPG encourages Unit ownership by executive officers of YPG. The ownership guidelines for executive officers of YPG provide that the expected value of the Units and Restricted Units (excluding Stock Options) to be held by executives of YPG should be at least equal to the value of a multiple of their base salary. The table below shows the ownership guideline for each Named Executive Officer, the aggregate value of the Units and Restricted Units held by each Named Executive Officer as at December 31, 2009 and such actual ownership as a multiple of their respective base salary. The value of Units means the value which is the higher of (i) the value of the Units based on their respective purchase price, and (ii) the market value of the Units based on the closing price of the Units on the TSX on December 31, 2009, which is $5.38. The value of Restricted Units means the value which is the higher of (i) the award value of the Restricted Units on their respective unit reference prices as shown on the participation agreement entered into in connection with the Restricted Unit Plan, and (ii) the market value of the restricted Units based on the closing price of the Units of the Fund on the TSX on December 31, 2009, which is $5.38.
Ownership Guideline – Multiple of Base | Value of Units and Restricted Units ($) | Actual Ownership Multiple of Base Salary
---|---|---
Marc P. Tellier | 4.0 times | 9,453,801 | 11.5 times
Christian M. Paupe | 3.0 times | 4,987,979 | 9.6 times
Stéphane Marceau | 2.0 times | 481,894 | 1.9 times
François D. Ramsay | 2.0 times | 1,499,723 | 5.9 times
Douglas A. Clarke | 2.0 times | 1,035,436 | 4.3 times


Compensation Discussion and Analysis

Fiscal Year 2009 Summary

Overall, fiscal year 2009 was a challenging year for YPG, especially in the vertical media segment where the economic downturn had the greatest impact. Recognizing these difficult market conditions, the Human Resources and Compensation Committee agreed with Management’s recommendation to impose a salary freeze for Named Executive Officers and most of the senior executives of YPG. In addition, given that YPG did not meet its minimum corporate financial factors for the directories or vertical media segments, no payments were made to the Named Executive Officers or the senior executives under the 2009 annual incentive plan of YPG.

With regards to the Restricted Unit Plan, which is the long-term incentive component of compensation, the Fund’s 3-year average compounded annual growth1 in distributable cash per Unit adjusted for certain non-recurring items was 6.6%, representing a pay-out of 120% of target for Messrs. Tellier, Paupe and Ramsay. There was no payment under the Restricted Unit Plan for Mr. Clarke as Trader did not meet the minimum threshold of its performance target. This achievement covered the reference performance period beginning on January 1, 2007 and ending on December 31, 2009. See “Executive Compensation - Compensation Discussion and Analysis - Long-Term Incentive Programs - Restricted Unit Plan – Vesting of 2007 Restricted Plan Award”.

Compensation Philosophy and Objectives

No changes were made to the compensation philosophy and objectives of YPG in 2009. YPG’s executive compensation philosophy has the objective of attracting and retaining highly qualified executives, motivating their performance and aligning their interests with those of Unitholders. Therefore, the compensation philosophy provides that YPG’s executives receive total compensation that (i) is competitive with the compensation received by executives employed by the companies contained in the Comparator Group (as defined below), (ii) links the executives’ interests with those of the Unitholders, and (iii) rewards superior performance. YPG’s compensation philosophy is heavily weighted towards pay-for-performance components. The Human Resources and Compensation Committee also tests the different programs under a variety of performance scenarios from time to time to ensure that such programs deliver the desired outcomes. These tests were last performed in relation with 2008 compensation, as a salary freeze was imposed on Named Executive Officers and no payment was made under the 2009 Annual Incentive Plan.

The key elements included in determining the total compensation of Named Executive Officers, including the Chief Executive Officer, are base compensation, annual incentive compensation, long-term incentive

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1 As defined under “Compensation Discussion and Analysis - Long-Term Incentive Programs - Vesting of 2007 Restricted Plan Award”.

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programs and pension benefits. The Human Resources and Compensation Committee's philosophy with respect to each of these elements is described as follows:

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Compensation</td>
<td>The base salaries (including benefits and perquisites) are aligned with the median of those paid by companies included in the Comparator Group.</td>
</tr>
<tr>
<td>Annual Incentive (Short-term Incentive Program)</td>
<td>The annual incentive compensation aims at providing the 75th percentile of the annual incentive compensation offered by companies included in the Comparator Group, if YPG achieves specific financial objectives, which are determined by the Committee as being stretch performance targets.</td>
</tr>
<tr>
<td>Restricted Unit Plan (Long-term Incentive Program)</td>
<td>The long-term programs aims at bringing the total compensation received by YPG’s executives to the 75th percentile of total compensation offered by companies included in the Comparator Group, if YPG achieves specific financial objectives, which are also determined by the Committee as being stretch performance targets, and link the executives’ interests with those of the Unitholders.</td>
</tr>
<tr>
<td>Pension Benefits</td>
<td>The value of the benefits under the pension plan as well as the other relevant provisions thereof are taken into account when determining the total compensation of the Named Executive Officers.</td>
</tr>
</tbody>
</table>

The elements of compensation reviewed in this analysis are base salary, annual incentive, long-term incentive and pension. The Human Resources and Compensation Committee believes that this review process provides an effective ongoing evaluation of the compensation philosophy relative to current industry practice and facilitates appropriate and timely adjustments to the compensation philosophy.

**Benchmarking Practices and Comparator Groups**

Given there was no change in base compensation for Named Executive Officers and most senior executives, no review was conducted in 2009 to assess the competitiveness of the compensation of the executive officers of YPG. YPG has thus not benchmarked compensation against comparator groups in 2009. In 2008, the last year during which market comparisons to assess the competitiveness of the compensation for each executive officer of YPG were used, YPG’s key data sources included:

- With respect to the Chief Executive Officer and the Chief Financial Officer, the compensation disclosed in the annual proxy statements of the companies in the following two comparator groups (together, the "Peer Group"). The first comparator group "S&P/TSX 100 Companies with revenues between $700 Million and $3 Billion" was comprised of companies that were similar in size relative to YPG and which are traded on the TSX. The second group "Industry Comparator Group" was comprised of market competitors with whom YPG competes for revenue, executive talent and capital. These competitors are companies that are traded on the TSX, have revenues between $500 million and $5 billion and operate in one of the following industries: media, commercial and professional services, consumer durables and apparel, software services, technology equipment and telecommunications. The companies in the comparator groups are listed below.
S&P/TSX 100 Companies with revenues between $700 Million and $3 Billion

Aliant Inc.  CORUS Entertainment Inc.  Penn West Petroleum Ltd.
ATS Automation Tooling  Cott Corporation  Precision Drilling Corporation
Systems Inc.  Emera Incorporated  Shaw Communications Inc.
Biovail Corporation  Ensign Energy Services Inc.  TransAlta Corporation
CI Financial Inc.  Goldcorp Inc.  Western Oil Sands Inc.
Brookfield Properties  IGM Financial Inc.  WestJet Airlines Ltd.
Corporation  Manitoba Telecom Services Inc.
CAE Inc.  MDS Inc.
Cameco Corporation
Canadian Utilities Limited
Cognos Inc.

Industry Comparator Group

Aliant Inc.  CHUM Ltd.  Manitoba Telecom Services Inc.
Astral Media Inc.  Cinram International Income Fund  Research In Motion Limited
CanWest Global  Cogeco Cable Inc.  Rogers Communications Inc.
Communications Corp.  CORUS Entertainment Inc.  Torstar Corporation
CGI Group Inc.  Gildan Activewear Inc.  Transcontinental Inc.

• With respect to the other Named Executive Officers and other executive officers of YPG, compensation information found in the 2007 Mercer Benchmarking Database Survey (the "2007 Mercer Survey") which is confidential and proprietary to Mercer. For consistency purposes with the Peer Group, YPG used consolidated information extracted from a subset of the 2007 Mercer Study including only companies meeting the following criteria (together the "Survey Group"): General Industry – Revenues between $500 Million and $5 Billion and General Industry – Revenues between $500 Million and $10 Billion. Such information does not include details with respect to each company comprised in the subset. The Peer Group and the Survey Group are hereinafter referred to, collectively or individually depending on the context, as the comparator group (the "Comparator Group"). The Human Resources and Compensation Committee of YPG found that the information and data included in the 2007 Mercer Survey was more complete and relevant than the Peer Group when reviewing comparable job positions and descriptions for executive officers other than the Chief Executive Officer and the Chief Financial Officer.

Compensation Structure and Mix

For the year ended December 31, 2009, the compensation structure and mix varies by level with the most senior executives having the most at-risk pay, as follows:
<table>
<thead>
<tr>
<th>Level</th>
<th>Short-Term Incentive</th>
<th>Long-Term Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target (%) of Base Salary</td>
<td>Individual Multiplier Range (%)</td>
</tr>
<tr>
<td>President and Chief Executive Officer</td>
<td>100</td>
<td>n/a</td>
</tr>
<tr>
<td>Executive Vice President and Chief Financial Officer</td>
<td>75</td>
<td>n/a</td>
</tr>
<tr>
<td>Senior Vice President (President – Trader)</td>
<td>50</td>
<td>0 – 200</td>
</tr>
<tr>
<td>Vice President</td>
<td>40</td>
<td>0 – 200</td>
</tr>
</tbody>
</table>

**Compensation Mix (at Target) and At-Risk Pay**

<table>
<thead>
<tr>
<th>Level</th>
<th>Base Salary (%)</th>
<th>Short-Term Incentive (%)</th>
<th>Long-Term Incentive (%)</th>
<th>Total (At Risk Pay) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and Chief Executive Officer</td>
<td>20</td>
<td>20</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td>Executive Vice President and Chief Financial Officer</td>
<td>27</td>
<td>20</td>
<td>53</td>
<td>73</td>
</tr>
<tr>
<td>Senior Vice President (President – Trader)</td>
<td>33</td>
<td>17</td>
<td>50</td>
<td>67</td>
</tr>
<tr>
<td>Vice President</td>
<td>42</td>
<td>16</td>
<td>42</td>
<td>58</td>
</tr>
</tbody>
</table>

**Base Compensation**

The base compensation philosophy is intended to align base salaries (including benefits and perquisites) with the median of those paid by companies included in the Comparator Group. However, for fiscal 2009, the Human Resources and Compensation Committee agreed with Management’s recommendation to impose a salary freeze for Named Executive Officers in light of challenging business conditions.

Benefits and perquisites of executive officers include life, medical, dental and disability insurance, including additional dollar credits under YPG’s benefits program as well as a car program, club memberships, annual medical examinations and home security services.

**Incentive Programs**

The table below summarizes the different incentive programs of YPG. While the Management Stock Option Plan continues to align the executives’ interests with those of the Unitholders and vested options remain outstanding under such incentive program as noted in the table under “Executive Compensation – Outstanding Share-based Awards and Option-based Awards”, the Restricted Unit Plan is the only long-term incentive plan pursuant to which new awards are made to executives of YPG.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Applies to:</td>
<td>All management employees</td>
<td>Senior managers and above</td>
<td>Senior managers and above</td>
<td>Senior managers and above</td>
</tr>
<tr>
<td>Dilutive status:</td>
<td>Not applicable</td>
<td>Non-dilutive – Units purchased from open market</td>
<td>Non-dilutive – Units purchased from open market</td>
<td>Dilutive – reserve created at initial public offering; no future awards to be made</td>
</tr>
<tr>
<td>Granting conditions:</td>
<td>Target award adjusted at payout for actual corporate performance against target</td>
<td>Target award adjusted for individual performance if significantly above or below expectations</td>
<td>Target award adjusted for individual performance if significantly above or below expectations</td>
<td>Stock Options granted as a multiple of the executive's pre-initial public offering investment</td>
</tr>
<tr>
<td>Performance period:</td>
<td>1 year</td>
<td>3 years</td>
<td>3 years</td>
<td>5 years (2002 – 2007)</td>
</tr>
<tr>
<td>Time vesting:</td>
<td>Not applicable</td>
<td>Nil</td>
<td>50% vesting at end of year 3</td>
<td>50% over 5 years</td>
</tr>
<tr>
<td>Performance vesting:</td>
<td>Not applicable</td>
<td>100% vesting at end of year 3</td>
<td>50% vesting at end of year 3</td>
<td>50% vesting over 5 years</td>
</tr>
<tr>
<td>Maximum:</td>
<td>President and Chief Executive Officer and Executive Vice-President – up to 2 times target Other Named Executive Officers, Vice Presidents – up to 2.5 times target</td>
<td>200% vesting of award</td>
<td>250% vesting of Performance portion of award</td>
<td>100% vesting of award</td>
</tr>
<tr>
<td>Link to performance:</td>
<td>Executives</td>
<td>Directories: Cumulative compounded annual growth in distributable cash per Unit (see Restricted Unit Plan Award Vesting Matrix) Vertical Media: Cumulative compounded annual growth in EBITDA (see Restricted Unit Plan Award Vesting Matrix) Value of payout depends on market value of Unit</td>
<td>Cumulative compounded annual growth in distributable cash per Unit (see Restricted Unit Plan Award Vesting Matrix) Value of payout depends on market value of Unit</td>
<td>Annual or cumulative growth of 6% per year in distributable cash per Unit ending on December 31, 2007</td>
</tr>
<tr>
<td></td>
<td>• EBITDA (70%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Published and online revenue (30%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Key individual objectives (except Chief Executive Officer and Chief Financial Officer) Sales Executives • EBITDA (60%) • Published and online revenue (40%) • Key individual objectives</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annual Incentive Compensation

YPG’s annual incentive compensation (also referred to as annual bonus or short-term incentive plan) aims at providing the 75th percentile of the annual incentive compensation offered by companies included in the Comparator Group, if YPG achieves specific financial objectives, which are determined by the Human Resources and Compensation Committee as being stretch performance targets. The annual incentive compensation intends to align the motivations of Management with those of the Unitholders by rewarding superior performance. The annual incentive compensation has a target compensation level of between 40% and 100% of base salary depending on the executive’s role and responsibilities.

On an annual basis, the Board approves financial objectives at which no bonus, target bonus (i.e. between 40% and 100% of base salary) and maximum bonus (i.e. two times the target bonus) will be paid under the short-term incentive plan. For fiscal year 2009, these financial objectives were set in November 2008. For the 2009 fiscal year, YPG’s short-term incentive plan was based on corporate financial factors for the directories and the vertical media segments. The corporate financial factors applicable to Messrs. Tellier, Paupe and Ramsay are comprised of the directories financial factors (namely 70% for EBITDA and 30% for published and online revenue (the "Directories Financial Factors")) and the vertical media financial factors (namely 70% for EBITDA and 30% for revenue (the "Vertical Media Financial Factors"). The weighing of the Directories Financial Factors and the Vertical Media Financial Factors is 80% and 20% respectively. The corporate financial factors applicable to Mr. Marceau are only comprised of the Directories Financial Factors while the corporate financial factors applicable to Mr. Clarke are only comprised of the Vertical Media Financial Factors. Executives (other than the Chief Executive Officer and the Chief Financial Officer) are also provided key individual objectives (the individual multiplier) which are fully aligned with YPG’s strategic objectives. The maximum individual multiplier factor is 200%. The target bonus increases when the objectives are exceeded, and can potentially reach 2 times (2.5 times for executives other than the Chief Executive Officer and the Chief Financial Officer) the predetermined target percentage when all corporate and individual objectives reach their maximum level. Bonuses are lower when the objectives are not fully met.

The corporate financial factors are intended to ensure that the annual incentive compensation rewards management for its effectiveness in improving the operations of YPG and achieving sustainable growth in revenues and profitability to Unitholders. Furthermore, setting objectives specific to each officer’s area of responsibility ensures that efforts in all sectors are focused towards achieving collective goals. The individual multiplier factor (for all executives other than the Chief Executive Officer and the Chief Financial Officer) is also intended to reward the demonstration of key leadership competencies that support the organizational culture.

The financial performance targets are approved by the Human Resources and Compensation Committee. The following table shows (in millions of dollars) the financial performance targets for the year ended December 31, 2009 other than the combined published and online revenue billed target for directories. The disclosure of the combined published and online revenue billed target for directories would seriously prejudice YPG’s interests in the competitive industry in which YPG operates. YPG competes on a direct basis with other directory publishers as well as other forms of advertising companies (including internet companies). The disclosure of those targets could be used by such competitors to identify business plans, such as pricing increases, variations of products, services and programs at YPG, that are not publicly disclosed for competitive reasons. Those targets are set at a challenging level.
1. EBITDA represents Income from operations before depreciation and amortization, impairment of goodwill and restructuring and special charges. EBITDA is not a calculation based on GAAP and is not considered an alternative to income from operations or net earnings in the context of measuring YPG’s performance. EBITDA does not have a standardized meaning and is therefore not likely to be comparable with similar measures used by other publicly traded companies. Adjusted EBITDA is EBITDA adjusted by removing the effect of purchase accounting related to business acquisitions in the directories segment. EBITDA and adjusted EBITDA are key measures used by management to evaluate performance. They are also used to make decisions relating to cash distributions to unitholders and to measure compliance with debt covenants. EBITDA should not be used as an exclusive measure of cash flow since it does not account for the impact of working capital changes, capital expenditures, debt principal reductions and other sources and uses of cash.

A reconciliation of EBITDA with GAAP is provided below:

<table>
<thead>
<tr>
<th></th>
<th>Threshold</th>
<th>Target</th>
<th>Stretch</th>
<th>Stretch</th>
<th>Stretch</th>
<th>Actual 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(0%)</td>
<td>(100%)</td>
<td>(150%)</td>
<td>(200%)</td>
<td>(250%)</td>
<td></td>
</tr>
<tr>
<td><strong>Directories</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA¹</td>
<td>858.9</td>
<td>866.0</td>
<td>873.1</td>
<td>880.2</td>
<td>887.4</td>
<td>826.8</td>
</tr>
<tr>
<td><strong>Vertical Media</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>318.1</td>
<td>321.5</td>
<td>323.2</td>
<td>324.9</td>
<td>326.6</td>
<td>247.9</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>112.8</td>
<td>114.5</td>
<td>116.2</td>
<td>118.0</td>
<td>119.7</td>
<td>71.5</td>
</tr>
</tbody>
</table>

The percentage of each Named Executive Officer’s total compensation related to this information is stated in the “Short-Term Incentive” column of the “Compensation Mix (at Target) and At-Risk Pay” table above. The performance targets are set at a challenging level. For the year ended December 31, 2009, the actual results relative to the Directories Financial Factors and the Vertical Media Financial Factors were 0%.

The following table shows for each of the Named Executive Officers the target payout and range as a percentage of base salary, the actual results relative to the financial factors’ targets, the individual multiplier and the actual short-term incentive award payable for the year ended December 31, 2009.

<table>
<thead>
<tr>
<th>Name</th>
<th>Target Short-Term Incentive as a Percentage of Base Salary (a)</th>
<th>Payout Range as a Percentage of Base Salary (b)</th>
<th>Actual Results Relative to Financial Factors (% of target) (c)</th>
<th>Actual Individual Multiplier (d)</th>
<th>Actual Payout as a Percentage of Base Salary (a) x (b) x (c) (e)</th>
<th>Actual Short-Term Incentive Award ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>100%</td>
<td>0 – 200%</td>
<td>0%</td>
<td>n/a</td>
<td>0%</td>
<td>Nil</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>75%</td>
<td>0 – 150%</td>
<td>0%</td>
<td>n/a</td>
<td>0%</td>
<td>Nil</td>
</tr>
<tr>
<td>Stéphane Marceau</td>
<td>50%</td>
<td>0 – 200%</td>
<td>0%</td>
<td>n/a</td>
<td>0%</td>
<td>Nil</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>50%</td>
<td>0 – 200%</td>
<td>0%</td>
<td>n/a</td>
<td>0%</td>
<td>Nil</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>50%</td>
<td>0 – 200%</td>
<td>0%</td>
<td>n/a</td>
<td>0%</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Long-Term Incentive Programs

The long-term incentive program aims at bringing the total compensation received by YPG’s executives to the 75th percentile of total compensation offered by companies included in the Comparator Group, if YPG achieves specific financial objectives, which are also determined by the Human Resources and Compensation Committee as being stretch performance targets, and by linking the executives’ interests with those of the Unitholders.

The Restricted Unit Plan is the only long-term incentive plan pursuant to which new awards are made to executives of YPG.

Restricted Unit Plan

The Restricted Unit Plan (formerly referred to as the “new LTIP”) was designed to ensure retention and continued attraction of key executives of YPG. The Restricted Unit Plan was implemented in 2004 and is a non-dilutive plan that provides for annual awards to key executives of YPG. The quantum of any award made under the Restricted Unit Plan may be determined either in cash or in fixed number of Units. All awards made under the Restricted Unit Plan are settled in Units. Cash awards made under the Restricted Unit Plan are settled in Units using the closing price of the Units on the TSX on the trading day that is two (2) full trading days immediately following the later of (i) the day on which material undisclosed information with respect to YPG has been fully disclosed, or (ii) the day on which a then applicable blackout period ends, as provided in YPG’s insider trading policy. Cash distributions received on all Units under the Restricted Unit Plan are reinvested in additional Units and vest according to the terms of the grant pursuant to which they are paid.

The Restricted Unit Plan provides that in the event a participant ceases to be an employee of YPG, such participant ceases to be eligible for the Restricted Unit Plan. All unvested Restricted Units with a performance target on such date are cancelled, subject to the terms of the Restricted Unit Plan. The Restricted Unit Plan also provides for the vesting of all outstanding Restricted Units upon the occurrence of a change of control, whether or not such Restricted Units have met the vesting conditions.

For the awards made in 2009, half the Units awarded under the Restricted Unit Plan (inclusive of additional Units purchased through the reinvestment of distributions) vest on the basis of time (the “Time-Based Restricted Units”) at the end of a 3-year period while the other half vest on the basis of performance at the later of (i) the third anniversary of the date of the award, or (ii) the actual date where the Board determines the actual levels of achievement relative to the target of the award. As indicated in the following vesting table, no Performance-Based Restricted Units (as defined below) vest unless YPG achieves a minimum threshold performance at the end of a three-year period of 5% compounded annual growth in distributable cash per Unit on a cumulative basis. Units vest in totality if YPG achieves 6% compounded annual growth in distributable cash per Unit on a cumulative basis and up to two and one half times the actual number of Performance-Based Restricted Units awarded (inclusive of additional Units purchased through the reinvestment of distributions) if YPG achieves 9% or higher compounded annual growth in distributable cash per Unit. In addition, the Restricted Unit Plan provides for the automatic sale of the Units (inclusive of additional Units purchased through the reinvestment of distributions) following their vesting. The performance target for executives in the directories and vertical media segments are as follows:
### 2009 Restricted Unit Plan Award Vesting Matrix
for Performance-Based Restricted Units

<table>
<thead>
<tr>
<th>Restricted Unit Plan Performance Condition</th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-year average compounded annual growth in distributable cash per Unit</td>
<td>5%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Percent of award vesting</td>
<td>0%</td>
<td>100%</td>
<td>250%</td>
</tr>
</tbody>
</table>

For the awards made in 2007 and 2008, the Units awarded under the Restricted Unit Plan (inclusive of additional Units purchased through the reinvestment of distributions) vest entirely on the basis of performance (the "Performance-Based Restricted Units") at the later of (i) the third anniversary of the date of the award, or (ii) the actual date where the Board determines the actual levels of achievement relative to the target of the award. The performance target for corporate officers as well as executives employed in the directories segment is based on the achievement of the 3-year average compounded annual growth in distributable cash per Unit while the performance target for the executives employed in the vertical media segment is based on the 3-year average compounded annual growth in EBITDA.

As indicated in the following vesting table for the corporate officers as well as for participants employed in the directories segment, no Performance-Based Restricted Units vest unless YPG achieves a minimum threshold performance at the end of a three-year period of 5% compounded annual growth in distributable cash per Unit on a cumulative basis. Performance-Based Restricted Units vest in totality if YPG achieves 6% compounded annual growth in distributable cash per Unit on a cumulative basis and up to two times the actual number of Units awarded (inclusive of additional Units purchased through the reinvestment of distributions) if YPG achieves 9% or higher compounded annual growth in distributable cash per Unit. In addition, the Restricted Unit Plan provides for the automatic sale of the Units (inclusive of additional Units purchased through the reinvestment of distributions) following their vesting.

### 2007 and 2008 Restricted Unit Plan Award Vesting Matrix
for Performance-Based Restricted Units

| Applies to corporate officers and executives employed in Directories segment |
|-------------------------------------------|-----------|--------|---------|
| Restricted Unit Plan Performance Condition | Threshold | Target | Maximum |
| 3-year average compounded annual growth in distributable cash per Unit | 5%        | 6%     | 9%      |
| Percent of award vesting                  | 0%        | 100%   | 200%    |

As indicated in the following vesting table for executives employed in the vertical media segment, no Performance-Based Restricted Units vest unless the vertical media business achieves a minimum threshold performance at the end of a three-year period of 6.8% compounded annual growth in EBITDA on a cumulative basis. Performance-Based Restricted Units vest in totality if the vertical media business achieves 7.8% compounded annual growth in EBITDA on a cumulative basis and up to two times the actual number of Units awarded (inclusive of additional Units purchased through the reinvestment of distributions) if the vertical media business achieves 9.8% or higher compounded annual growth in EBITDA. In addition, the Restricted Unit Plan provides for the automatic sale of the Units (inclusive of additional Units purchased through the reinvestment of distributions) following their vesting.
2007 and 2008 Restricted Unit Plan Award Vesting Matrix
for Performance-Based Restricted Units
Applies to executives employed in Vertical Media segment

<table>
<thead>
<tr>
<th>Restricted Unit Plan Performance Condition</th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-year average compounded annual growth in EBITDA</td>
<td>6.8%</td>
<td>7.8%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Percent of award vesting</td>
<td>0%</td>
<td>100%</td>
<td>200%</td>
</tr>
</tbody>
</table>

2009 Restricted Unit Plan Award

The following table shows for each of the Named Executive Officers the base salary, the long-term incentive award at target as a percentage of base salary, the actual cash long-term incentive award made for the year ended December 31, 2009 (the “2009 Award”) and the actual number of Restricted Units at target, being the actual number of Restricted Units purchased on the TSX as finally determined by the terms of the Restricted Unit Plan, using a reference Unit price of $5.56, being the closing price of the Units on the TSX on February 13, 2009 for Messrs Tellier, Paupe, Ramsay and Clarke, and a reference Unit price of $6.01, being the closing price of the Units on the TSX on May 8, 2009 for Mr. Marceau. Mr. Marceau’s award was made with an effective date of July 2, 2009, being the first day of service of Mr. Marceau with YPG. Up to two and one half times the actual number of Performance-Based Restricted Units awarded (inclusive of additional Units purchased through the reinvestment of distributions) may vest if YPG achieves 9% or higher compounded annual growth in distributable cash per Unit on a cumulative basis.

<table>
<thead>
<tr>
<th>Name</th>
<th>Base Salary ($) (a)</th>
<th>Long-Term Incentive at Target as a Percentage of Base Salary (b)</th>
<th>2009 Actual Long-Term Incentive Award ($) (a) x (b)</th>
<th>Actual Number of Restricted Units at Target (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>825,000</td>
<td>300%</td>
<td>2,475,000</td>
<td>445,144</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>520,000</td>
<td>200%</td>
<td>1,040,000</td>
<td>187,050</td>
</tr>
<tr>
<td>Stéphane Marceau</td>
<td>300,000¹</td>
<td>150%</td>
<td>450,000</td>
<td>74,875</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>255,000</td>
<td>150%</td>
<td>383,000</td>
<td>68,885</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>240,000</td>
<td>150%</td>
<td>360,000</td>
<td>64,748</td>
</tr>
</tbody>
</table>

1. The Long-Term Incentive award of Mr. Marceau was calculated using his base salary of $250,000 plus his signing bonus of $50,000.

Following the grant of the 2009 Award, an additional 46,774, 19,655, 5,670, 7,238 and 6,804 Restricted Units were granted to each of Messrs. Tellier, Paupe, Marceau, Ramsay and Clarke respectively in payment of accrued distributions on the Restricted Units awarded during the year ended December 31, 2009. See "Executive Compensation - Compensation Discussion and Analysis - Long-Term Incentive Programs - Restricted Unit Plan" for a description of the Restricted Unit Plan.

Vesting of 2007 Restricted Unit Plan Award

As described in the compensation philosophy of YPG, a key performance measure in the long-term incentive compensation is the growth in distributable cash per Unit. On February 11, 2010, the Human
Resources and Compensation Committee of YPG reviewed the results relative to the award made in February 2007 with a performance target beginning on January 1, 2007 and ending on December 31, 2009 (the ‘2007 Award’). For the directories segment, the distributable cash per Unit for fiscal year 2006 (the starting point for the calculation of the 3-year compounded annual growth) was $1.18 while the distributable cash per unit adjusted for certain non-recurring items as determined by the Human Resources and Compensation Committee for fiscal year 2009 was $1.43. The Human Resources and Compensation Committee of YPG confirmed that the actual 3-year average compounded annual growth in distributable cash per Unit was 6.6%, and confirmed the vesting of the 2007 Award at 120% of target, representing 1.2 times the actual number of Restricted Units at target awarded. For the vertical media segment, the EBITDA for fiscal 2009 decreased by 33.9% relative to fiscal 2008 and therefore, the Human Resources and Compensation Committee confirmed that the minimum threshold performance target for the vertical media segment had not been achieved. Although the 2007 Award vested and are payable in 2010, these amounts are provided herein to complete the disclosure of the compensation applicable to the period ended on December 31, 2009. The compounded annual growth rate is calculated using the following formula:

\[
CAGR = \left( \frac{\text{Ending Value}}{\text{Beginning Value}} \right)^{\frac{1}{\# \text{ of years}}} - 1
\]

A reconciliation between cash flow from operating activities and distributable cash is provided below:

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>$750,187</td>
</tr>
<tr>
<td>Operating non-cash items(^1)</td>
<td>(16,818)</td>
</tr>
<tr>
<td>Change in operating assets and liabilities(^2)</td>
<td>(59,838)</td>
</tr>
<tr>
<td>Maintenance capital expenditures(^3)</td>
<td>(14,264)</td>
</tr>
<tr>
<td>Restructuring and special charges(^4)</td>
<td>40,316</td>
</tr>
<tr>
<td>Other(^5)</td>
<td>14,698</td>
</tr>
<tr>
<td>Distributable cash</td>
<td>$714,281</td>
</tr>
</tbody>
</table>

\(^1\) Represents operating items with no impact on current cash flow such as pension expense and employee-related expenses through restricted unit awards. The likelihood of those elements materializing into outflows on a long term basis is such that management believes it should be included in the calculation in order to reflect the cash generated from the ongoing operations.

\(^2\) Changes in operating assets and liabilities are not considered a source or use of distributable cash. As a result, it is excluded from the calculation as it would introduce cash flow variability and affect underlying cash flow available for distributions. Various working capital items, including but not limited to the timing of receivables collected and payment of payables and accruals, can have a significant impact on the determination of free cash flow available for distribution. Accordingly, management excludes the impact of changes in non-cash working capital items to remove the resulting variability of including such amounts in the determination of free cash flow available for distribution. Realized changes in working capital and working capital acquired by way of acquisition are typically funded from excess free cash flow available for distribution or the Fund’s cash on hand and available credit facilities.

\(^3\) Maintenance capital expenditures refer to capital expenditures that are necessary to sustain current productive capacity. Management believes that maintenance capital expenditures should be funded by cash flow from operating activities. Capital spending for new initiatives are expected to improve future distributable cash and as such are not deducted from cash flow from operating activities. Transition capital is provided for as part of the financing plan of specific business acquisitions and is therefore not funded from distributable cash.

\(^4\) Restructuring and special charges are excluded from the calculation as they do not reflect the ongoing operations of the business.

\(^5\) Includes amounts related to non-controlling interest in LesPAC, tax related amounts and other amounts that do not reflect the ongoing operations of the business.
## 2007 Award Vesting Matrix

<table>
<thead>
<tr>
<th>Restricted Unit Performance Condition</th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
<th>Actual Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-year average annual compounded growth in distributable cash per Unit</td>
<td>5%</td>
<td>6%</td>
<td>9%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Percent of award vesting</td>
<td>0%</td>
<td>100%</td>
<td>200%</td>
<td>120%</td>
</tr>
</tbody>
</table>

The following table shows the 2007 Award at target granted to the Named Executive Officers, the 2007 Award at target including Units purchased through the reinvestment of distributions during the vesting period, the effective multiplier considering the actual results achieved relative to target (i.e. 6.6% compounded annual growth in distributable cash per Unit relative to a maximum target of 9%), the actual number of Units vested, representing 1.2 times the 2007 Award (inclusive of Restricted Units purchased through the reinvestment of distributions during the vesting period) and the actual payout under the 2007 Award using the actual sale price on the TSX, being $5.8183. These Units were automatically disposed of in bulk sales on February 16, 2010 at an average disposition price of $5.8183 following their vesting in accordance with the terms of the Restricted Unit Plan.

<table>
<thead>
<tr>
<th>Name</th>
<th>2007 Actual Long-Term Incentive Award ($)</th>
<th>2007 Restricted Unit Award at Target (#)</th>
<th>2007 Restricted Unit Award at Target Including Reinvestment of Distributions (#) (a)</th>
<th>Effective Target Multiplier Relative to 2007 Award (b)</th>
<th>Actual Number of 2007 Restricted Unit Award Vested (#) (a) x (b)</th>
<th>Payout under 2007 Long-Term Incentive Award ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>1,550,000</td>
<td>116,105</td>
<td>171,884</td>
<td>120%</td>
<td>206,261</td>
<td>1,200,088</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>500,000</td>
<td>37,453</td>
<td>55,447</td>
<td>120%</td>
<td>66,536</td>
<td>387,126</td>
</tr>
<tr>
<td>Stéphane Marceau¹</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>230,000</td>
<td>17,228</td>
<td>25,505</td>
<td>120%</td>
<td>30,606</td>
<td>178,075</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>225,000</td>
<td>16,854</td>
<td>24,950</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
</tbody>
</table>

1. Stéphane Marceau joined the Company in July 2009.

### Management Stock Option Plan (prior to August 2003)

Following the sale of Yellow Pages Group Co. by Bell Canada in November 2002, YPG introduced the Management Stock Option Plan to align the interests of Management with those of stakeholders. The Management Stock Option Plan was offered to officers of YPG and selected management level employees. Following the initial public offering of the Fund in August 2003, no further Stock Options have been, and no further Stock Options will be, granted under the Management Stock Option Plan.

The number of Stock Options granted to each optionee pursuant to the Management Stock Option Plan was a multiple of each participant’s investment in YPG prior to the initial public offering of the Fund. The Stock Options granted were split, in equal proportions, between performance-based and time-based vesting options and are exercisable at a rate of 20% per year provided, for the performance-based options, that YPG achieved at least a 6% compounded annual growth in distributable cash per Unit on a cumulative basis. The performance targets applicable to the Stock Options issued pursuant to the
Management Stock Option Plan covered a period ending December 31, 2007 and have been exceeded by YPG. Therefore, those time-based and performance-based Stock Options have vested on the fifth anniversary of the grant date. All options expire on the tenth anniversary of the grant date.

Under the Management Stock Option Plan, the Stock Options held by Management allow participants to purchase interests in a Subsidiary of YPG. Pursuant to an optionholders liquidity agreement dated August 1, 2003 entered into by the Fund, the Trust, YPG LP, YPG GP, Yellow Media Inc. and all optionholders, each holder of options shall automatically exercise its exchange right upon exercise of Stock Options whereby any equity securities issued under the Management Stock Option Plan on the exercise of Stock Options will be immediately exchanged for Units.

The following table summarizes, for each of the Named Executive Officers, (a) the number of Stock Options exercised during the fiscal year ended December 31, 2009, (b) the aggregate value realized upon exercise, which is the difference between the market value of the underlying Units on the TSX on the exercise date and the exercise price of the Stock Options which is $3.92, (c) the total number of unexercised Stock Options held at December 31, 2009 and (d) the aggregate value of unexercised in-the-money Stock Options at December 31, 2009, which is the difference between the market value of the Units on the TSX on December 31, 2009 which was $5.38, and the exercise price of the Stock Options which is $3.92. The aggregate values indicated with respect to unexercised in-the-money Stock Options at fiscal year-end have not been, and may never be, realized. Actual gains, if any, on exercise will depend on the value of the Units on the date of exercise.

<table>
<thead>
<tr>
<th>Name</th>
<th>Securities Acquired On Exercise (#)</th>
<th>Aggregate Value Realized ($)</th>
<th>Unexercised Options at Fiscal Year-End Exercisable/Unexercisable (#)</th>
<th>Value of Unexercised in-the-Money Options at Fiscal Year-End Exercisable/Unexercisable ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>—</td>
<td>—</td>
<td>191,342 / Nil</td>
<td>279,359 / Nil</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>—</td>
<td>—</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Stéphane Marceau</td>
<td>—</td>
<td>—</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>—</td>
<td>—</td>
<td>122,458 / Nil</td>
<td>178,789 / Nil</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>—</td>
<td>—</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

**2010 Incentive Program**

Given the uncertain economic environment, affordability considerations and the objectives of developing and executing initiatives to position YPG for sustained economic recovery, the Human Resources and Compensation Committee of YPG decided that it would not make awards for 2010 under the annual incentive and long-term incentive programs of YPG. Instead, on December 6, 2009, with an effective date of January 1, 2010, the Human Resources and Compensation Committee of YPG agreed with Management’s recommendation to extend for one more year the base salary freeze of senior management employees and determined to suspend YPG’s annual incentive and long-term incentive programs for 2010 and replace them with a new incentive program (the “2010 Incentive Program”), 100% in the form of stock-based compensation, namely Restricted Units, designed to ensure retention and continued attraction of key executives of YPG through the successful conversion of the Fund into a corporation no later than January 3, 2011.
The 2010 Incentive Program is a non-dilutive program that provides for one-time awards to key executives of YPG with a target compensation level of between 125% and 375% of base salary depending on the executive’s role and responsibilities. Awards under the 2010 Incentive Program to Named Executive Officers and other executive officers of YPG were made in a fixed number of Units. Cash distributions received on all Units under the 2010 Incentive Program are reinvested in additional Units and vest according to the terms of the grant pursuant to which they are paid.

The 2010 Incentive Program awards are otherwise governed by the provisions of the Restricted Unit Plan and provides that in the event where a participant ceases to be an employee of YPG for whatever reason, such participant ceases to be eligible for the Restricted Unit Plan and all unvested Restricted Units on such date are cancelled, subject to the terms of the Restricted Unit Plan. The Restricted Unit Plan also provides for the vesting of all outstanding Restricted Units upon the occurrence of a change of control, whether or not such Restricted Units have met the vesting conditions.

The 2010 Incentive Program awards provide that half the Units awarded (inclusive of additional Units purchased through the reinvestment of distributions) vest on the basis of time (the "Time-Based Restricted Units") on the date where the Board determines the achievement of the target of the award while the other half vest on the basis of performance at the later of (i) the one-year anniversary of the date of the award, or (ii) the date where the Board determines the achievement of the target of the award, provided that for purposes of such awards that the Fund has successfully converted into a corporation no later than January 3, 2011. In addition, the Restricted Unit Plan provides for the automatic sale of the Units (inclusive of additional Units purchased through the reinvestment of distributions) following their vesting.

The following table shows for each of the Named Executive Officers the base salary, the 2010 Incentive Program award as a percentage of base salary and the actual number of Restricted Units awarded.

<table>
<thead>
<tr>
<th>Name</th>
<th>Base Salary ($)</th>
<th>2010 Incentive as a Percentage of Base Salary (%)</th>
<th>Actual Number of Restricted Units awarded (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>825,000</td>
<td>375</td>
<td>578,358</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>520,000</td>
<td>250</td>
<td>242,537</td>
</tr>
<tr>
<td>Stéphane Marceau</td>
<td>300,000</td>
<td>188</td>
<td>105,410</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>255,000</td>
<td>188</td>
<td>89,552</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>240,000</td>
<td>188</td>
<td>83,955</td>
</tr>
</tbody>
</table>

Executive Compensation Clawback

In February 2010, the Board of Directors adopted an executive clawback compensation policy concerning awards made after December 31, 2009 under YPG’s annual and long-term incentive plans. Under this policy, which applies to all executives, 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 YPG to do so, require reimbursement of all or a portion of annual or long term incentive compensation 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 YPG’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.

Pension Benefits

Named Executive Officers other than Stéphane Marceau and certain other executive officers participate in YPG’s non-contributory defined benefit pension plan with supplemental pension benefits. See “Executive Compensation – Pension Plan and Supplemental Pension Benefits” for a description of the pension plan. Stéphane Marceau and executive officers who joined YPG after January 1, 2006 participate in YPG’s defined contribution plan. The value of the benefits under the pension plan, as well as the other relevant provisions thereof are taken into account when determining the total compensation of the Named Executive Officers.
Performance Graph

The following graph compares the total cumulative return on $100 invested in Units with the cumulative total return on the S&P/TSX Composite Total Return Index (assuming reinvestment of distributions as of the date of payment of same) and the compensation (salary and bonus) paid to the Named Executive Officers for the period from December 31, 2004 to December 31, 2009.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Pages Income Fund</td>
<td>$100.00</td>
<td>$128.82</td>
<td>$108.15</td>
<td>$125.02</td>
<td>$66.36</td>
<td>$60.28</td>
</tr>
<tr>
<td>S&amp;P/TSX Composite Index</td>
<td>$100.00</td>
<td>$124.13</td>
<td>$145.55</td>
<td>$159.86</td>
<td>$107.10</td>
<td>$144.65</td>
</tr>
<tr>
<td>Compensation to Named Executive Officers (Salary and Bonus)</td>
<td>$100.00</td>
<td>$196.65</td>
<td>$208.97</td>
<td>$194.62</td>
<td>$139.69</td>
<td>$89.73</td>
</tr>
</tbody>
</table>

1. The amount of compensation (salary and bonus) paid to Named Executive Officers for the fiscal year 2004 has been attributed the value $100.00 and the values disclosed in the above chart for the following fiscal years were calculated as follows: the amount of the compensation (salary and bonus) paid to Named Executive Officers for each following fiscal year has been multiplied by $100.00 and divided by the amount of the compensation (salary and bonus) paid to Named Executive Officers for fiscal year 2004.

The trend shown by the above performance graph shows an increase in the cumulative total return of Units from 2004 to 2007, with a decrease during the 2006 fiscal year, followed by a decline starting at the beginning of the 2008 fiscal year. As shown in the above performance graph, the trend in YPG’s compensation to the Named Executive Officers (salary and bonus) has generally followed the trend of the cumulative total return of Units, with the exception of the fiscal years 2005 and 2006. In fiscal year 2005, the Human Resources and Compensation Committee awarded Named Executive Officers a one-time special bonus in order to recognize their efforts and success with the acquisition and integration of Advertising Directory Solutions Holdings. In fiscal year 2006, the Human Resources and Compensation Committee is of the view that the market price of the Units was predominantly affected by external factors, namely proposed tax changes affecting income trusts, over which YPG had no control and the market price of the Units did not appropriately reflect the performance of YPG. Increases in base salary of the Named Executive Officers during the period generally reflected the additional responsibilities resulting from the growth of YPG during the period, including their positioning within the Comparator Group, although it should be noted that no increases to base compensation were made in 2009 for Named...
Executive Officers. The incentive programs of YPG align the compensation to the Named Executive Officers with the interests of the Unitholders. Awards made under the Restricted Unit Plan are settled in Units based on the market price of the Units at the time of grant, while payouts are based on the market price of Units at the time of vesting and therefore in line with the trend in the above performance graph. In addition, the vesting of the Restricted Units granted is dependent on YPG meeting its financial targets.

Summary Compensation Table

The following table provides a summary of the compensation earned in respect of the 2009 and 2008 fiscal years by each of the Named Executive Officers for services rendered in all capacities to YPG.

<table>
<thead>
<tr>
<th>Name and principal position</th>
<th>Year</th>
<th>Base Salary1 ($)</th>
<th>Share-based awards2 ($)</th>
<th>Option-based awards3 ($)</th>
<th>Annual incentive plans4 ($)</th>
<th>Long-term incentive plans ($)</th>
<th>Pension value5 ($)</th>
<th>All other compensation6 ($)</th>
<th>Total compensation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>2009</td>
<td>825,000</td>
<td>2,726,644</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>139,200</td>
<td>650,000</td>
<td>3,690,844</td>
</tr>
<tr>
<td>President and Chief Executive Officer</td>
<td>2008</td>
<td>825,000</td>
<td>2,637,032</td>
<td>—</td>
<td>650,000</td>
<td>416,000</td>
<td>—</td>
<td>4,528,032</td>
<td></td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>2009</td>
<td>520,000</td>
<td>1,145,744</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>576,500</td>
<td>310,000</td>
<td>2,242,244</td>
</tr>
<tr>
<td>Executive Vice President, Corporate Services and Chief Financial Officer</td>
<td>2008</td>
<td>520,000</td>
<td>1,108,084</td>
<td>—</td>
<td>310,000</td>
<td>141,800</td>
<td>—</td>
<td>2,079,884</td>
<td></td>
</tr>
<tr>
<td>Stéphane Marceau7</td>
<td>2009</td>
<td>177,409</td>
<td>480,505</td>
<td>—</td>
<td>—</td>
<td>5,000</td>
<td>—</td>
<td>662,914</td>
<td></td>
</tr>
<tr>
<td>Chief Marketing Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>2009</td>
<td>255,000</td>
<td>421,940</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>22,900</td>
<td>—</td>
<td>699,840</td>
</tr>
<tr>
<td>Senior Vice President, General Counsel and Secretary</td>
<td>2008</td>
<td>245,485</td>
<td>319,642</td>
<td>—</td>
<td>120,000</td>
<td>75,500</td>
<td>—</td>
<td>760,627</td>
<td></td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>2009</td>
<td>240,000</td>
<td>396,606</td>
<td>—</td>
<td>—</td>
<td>9,800</td>
<td>—</td>
<td>646,406</td>
<td></td>
</tr>
<tr>
<td>President, Trader Corporation</td>
<td>2008</td>
<td>240,000</td>
<td>255,715</td>
<td>—</td>
<td>—</td>
<td>68,800</td>
<td>—</td>
<td>564,415</td>
<td></td>
</tr>
</tbody>
</table>

1. As a result of a salary freeze on base compensation in 2009, there was no increase on base compensation in 2009. Mr. Ramsay’s base compensation was revised to $255,000 in August 2008.
2. Restricted Units are granted on an annual basis under the Restricted Unit Plan. The dollar value disclosed in such column is calculated as follows: (i) the cash incentive amount at target as a percentage of base salary representing $2,475,000, $1,040,000, $450,000, $383,000 and $360,000 for Messrs. Tellier, Paupe, Marceau, Ramsay and Clarke, was settled into the actual number of Restricted Units at target purchased on the TSX using a reference Unit price of $5.56, which was the closing price of the Units on the TSX on the 2009 Award date, which is February 13, 2009 except for Mr. Marceau which use a reference Unit price of $6.01, being the closing price of the Units on the TSX on May 8, 2009; plus (ii) the number of Restricted Units that were reinvested, in fiscal year 2009, upon the receipt of cash distributions on the Restricted Units awarded during fiscal year 2009 multiplied by the closing price of the Units on the TSX on December 31, 2009 which was $5.38 (the “Grant Date Fair Value”). See “Executive Compensation - Compensation Discussion and Analysis - Long-Term Incentive Programs - Restricted Unit Plan” and “Executive Compensation - Compensation Discussion and Analysis - Long-Term Incentive Programs - Restricted Unit Plan – 2009 Restricted Unit Plan Award”. Note that the Grant Date Fair Value is different from the fair value determined in accordance with Section 3870 of the Canadian
Institute of Chartered Accountants Handbook (the "Accounting Fair Value"). The Accounting Fair Value is determined by multiplying the number of Restricted Units awarded during fiscal year 2009 by an average market price of $6.09. As the number of Restricted Units that vest can potentially reach two and one-half times the actual number of Performance-Based Restricted Units awarded if the actual performance reaches the maximum level of the objectives, $24.1 million was used to purchase 3,849,791 Restricted Units on the open market of the TSX, which equals to an average market price of $6.26.

3. No Stock Options were granted during the fiscal years ended December 31, 2009 and December 31, 2008.

4. Annual incentive plan amounts are paid in cash in the year following the fiscal year in respect of which they are earned. In 2009, no payments were made to the Named Executive Officers under the annual incentive plan of YPG.

5. See "Executive Compensation - Pension Plan and Supplemental Pension Benefits"; values disclosed in such column correspond to the values in the "Compensatory change" column in the Defined Benefit Plan and in the Defined Contribution Plan tables.

6. Perquisites not exceeding the lesser of $50,000 or 10% of the total salary for the Named Executive Officers are not disclosed. These perquisites include a car program, health club memberships, annual medical examinations, home security services and additional dollar credits under YPG’s benefits program.

7. Mr. Marceau joined YPG on July 2, 2009. Mr. Marceau’s annual base compensation is $250,000 and he received a $50,000 signing bonus upon joining YPG.

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, 2009. The aggregate values indicated with respect to unexercised in-the-money Stock Options at fiscal year-end have not been, and may never be, realized. Actual gains, if any, on exercise will depend on the value of the Units on the date of exercise.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of securities underlying unexercised options (#)</th>
<th>Option exercise price ($)</th>
<th>Option expiration date</th>
<th>Value of unexercised in-the-money options ($)</th>
<th>Number of shares or units of shares that have not vested (#)</th>
<th>Market or payout value of share-based awards that have not vested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>191,342</td>
<td>3.92</td>
<td>November 29, 2012</td>
<td>279,359</td>
<td>1,046,179</td>
<td>5,628,442</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,947,183</td>
<td>10,475,843</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>420,290</td>
<td>2,261,161</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>779,577</td>
<td>4,194,126</td>
</tr>
<tr>
<td>Stéphane Marceau</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>86,216</td>
<td>463,841</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>196,490</td>
<td>1,057,117</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>122,458</td>
<td>3.92</td>
<td>March 10, 2013</td>
<td>178,789</td>
<td>150,252</td>
<td>808,355</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>278,038</td>
<td>1,495,846</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>137,102</td>
<td>737,607</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>253,087</td>
<td>1,361,609</td>
</tr>
</tbody>
</table>

1. Stock Options were granted under the Management Stock Option Plan prior to August 2003 and are Stock Options of an indirect Subsidiary of the Fund, which are automatically exchangeable for Units upon exercise pursuant to an optionholder liquidity agreement entered into by the Fund, the Trust, YPG LP, YPG GP, Yellow Media Inc. and all optionholders. Each Named Executive Officer was granted a sole award under such plan. See "Executive Compensation - Long-Term Incentive Programs-Management Stock Option Plan".

2. The value of unexercised in-the-money Stock Options at fiscal year-end is calculated based on the difference between the closing price of the Units on December 31, 2009 on the TSX which was $5.38, and the Stock Option exercise price of $3.92, multiplied by the number of unexercised Stock Options.

3. The Restricted Units are granted to the Named Executive Officers under the Restricted Unit Plan. The number includes the Restricted Units grants made during the 2007, 2008 and 2009 fiscal years and the Units purchased through the reinvestment of
distributions associated with such Restricted Unit grants. See “Executive Compensation - Compensation Discussion and Analysis - Long-Term Incentive Programs - Restricted Unit Plan” for a description of the Restricted Unit Plan. The market or payout value of the Restricted Units is determined by multiplying the number of Restricted Units by the closing price of the Units on the TSX on December 31, 2009 which was $5.38.

Value Vested or Earned During the Fiscal Year ended December 31, 2009

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-based awards - Value vested during the year ($)</th>
<th>Share-based awards - Value vested during the year ($)</th>
<th>Non-equity incentive plan compensation - Value earned during the year ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>--</td>
<td>1,599,536</td>
<td>--</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>--</td>
<td>561,057</td>
<td>--</td>
</tr>
<tr>
<td>Stéphane Marceau</td>
<td>--</td>
<td>n/a</td>
<td>--</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>--</td>
<td>125,009</td>
<td>--</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>--</td>
<td>152,956</td>
<td>--</td>
</tr>
</tbody>
</table>

1. The value vested during the year was calculated by multiplying the number of Restricted Units by the actual sale price of the Units on the TSX, being $5.0767. These Units were automatically disposed of in bulk sales between February 17, 2009 and February 20, 2009 at an average disposition price of $5.0767 following their vesting in accordance with the terms of the Restricted Unit Plan.

2. See “Executive Compensation - Compensation Discussion and Analysis - Annual Incentive Compensation”.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth, as at December 31, 2009, the equity compensation plans pursuant to which equity securities of the Fund may be issued.

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights</th>
<th>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</th>
<th>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities Reflected in the First Column)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity compensation plans approved by security holders</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity compensation plans not approved by security holders¹</td>
<td>383,986</td>
<td>$3.92</td>
<td>Nil</td>
</tr>
<tr>
<td>Total</td>
<td>383,986</td>
<td>$3.92</td>
<td>Nil</td>
</tr>
</tbody>
</table>

1. For a description of the Management Stock Option Plan, see “Executive Compensation - Compensation Discussion and Analysis - Long-Term Incentive Programs - Management Stock Option Plan”. Following the initial public offering of the Fund in August 2003, no further Stock Options have been, and no further options will be, granted under the Management Stock Option Plan.

Pension Plan and Supplemental Pension Benefits

Defined Benefit Plans

Messrs Tellier, Paupe, Ramsay and Clarke and other executive officers of YPG who joined YPG prior to 2006 participate in the YPG’s non-contributory defined benefit pension plan (the “Defined Benefit Pension Plan”). The Defined Benefit Pension Plan is based on years of service with YPG and the best 60 consecutive months of pensionable earnings. Pensions are payable during the lifetime of the Named Executive Officer. Assuming termination of employment after having reached age 55, YPG 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 Units.

The following table details for each Named Executive Officer who participate in the Defined Benefit Pension Plan, the number of years of credited service as at December 31, 2009, the annual lifetime benefits payable based on the years of credited service as at December 31, 2009 and projected at age 65, the accrued obligation at the start of the fiscal year 2009 and as at December 31, 2009 and the difference between these last two amounts being split between compensatory and non-compensatory changes.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Number of years credited service¹</th>
<th>Annual benefits payable²</th>
<th>Accrued obligation at start of year ($)</th>
<th>Compensatory change³ ($)</th>
<th>Non-compensatory change⁴ ($)</th>
<th>Accrued obligation at year end ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier⁵</td>
<td>41</td>
<td>23.1</td>
<td>At year end ($)</td>
<td>At age 65 ($)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,056,800</td>
<td>2,765,300</td>
<td>139,200</td>
<td>1,761,000</td>
<td>4,665,500</td>
</tr>
<tr>
<td>Christian M. Paupe⁶</td>
<td>52</td>
<td>10.0</td>
<td>—</td>
<td>—</td>
<td>376,200</td>
<td>579,000</td>
<td>385,500</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>45</td>
<td>6.8</td>
<td>—</td>
<td>131,300</td>
<td>179,900</td>
<td>22,900</td>
<td>95,300</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>45</td>
<td>18.3</td>
<td>—</td>
<td>150,100</td>
<td>528,400</td>
<td>9,800</td>
<td>237,800</td>
</tr>
</tbody>
</table>

1. By virtue of a supplementary retirement arrangement, Messrs. Tellier and Paupe are credited with 1.5 years of pensionable service for each year of service as an officer of YPG. As at December 31, 2009, their years of credited service in excess of actual years of service with YPG amount to 4.11 and 3.34 years respectively.

2. The benefits are not subject to any deductions for government benefits or other offset amounts. The benefits are partially indexed annually to increases in the Consumer Price Index but in no case will indexation exceed 4%.

3. 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. Given that none of the Named Executive Officers have reached that age and are therefore not eligible to an immediate pension at December 31, 2009, no amount has been disclosed. For information purposes, the accrued pension amounts payable at age 65 based on years of credited service and average pensionable earnings at December 31, 2009 were as follows:

- Marc P. Tellier $585,100
- Christian M. Paupe $126,500
- François D. Ramsay $33,700
- Douglas A. Clarke $73,300

4. The accrued obligation represents the actuarial value of the projected pension benefits from all pension arrangements, attributable for service as at December 31, 2009. The compensatory change reflects the value of the projected pension benefits earned during fiscal year 2009 plus the change in the accrued obligation attributable to the impact of the differences between actual earnings (salary and bonus) for fiscal year 2009, and those assumed in the previous year’s calculations.

5. The non-compensatory change amount represents the change in the accrued obligation attributable to items that are not related to salary and bonus decisions, such as assumption changes and the interest on the accrued obligation at the start of fiscal year 2009.

6. The benefits under the supplementary executive retirement agreements of Messrs Tellier and Paupe are included in this table.

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, 2009 are expected to increase up to retirement age at an annual rate of 3.25% plus merit and promotional scale. The discount rates used at end of 2007, 2008, and 2009 were 5.50%, 7.50% and 6.50% respectively. 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.
Supplementary Executive Retirement Agreements

Changes were recently made to the retirement arrangements of Messrs. Tellier and Paupe. These changes were implemented to address retention objectives for these two executives. These retirement arrangements also support an orderly succession of these two key executives as they create an incentive for Mr. Tellier to stay with YPG at least until August 2013 and, for Mr. Paupe, at least until March 2015.

In that context, the Company has amended Mr. Tellier’s supplementary executive retirement agreement (“SERP”). Instead of forfeiting all his SERP entitlements, the amendment now allows Mr. Tellier to receive partial benefits provided he retires from YPG on or after age 45. Mr. Tellier is currently 41 years old. The pensions payable to Mr. Tellier under the Defined Benefit Pension Plan, as supplemented by the SERP, are based on pensionable service and the annual average of the best consecutive 36 months of pensionable earnings. Pensionable earnings include salary and short-term incentive awards, up to the target, whether paid in cash or in Units. Mr. Tellier’s SERP provides that, in the event of his termination of employment prior to age 55 but on or after age 45, a portion of his accrued pension would be vested and payable starting at age 65. As such, approximately one-third of his pension would be vested at age 45. This vesting percentage will increase linearly over time to reach 100% at age 55. The change makes Mr. Tellier’s pension arrangement more valuable from age 45 to age 55 although this pension enhancement has only a nominal value which is reflected in the Defined Benefit Pension Plan table above given the low level of expected turnover embedded in the actuarial assumptions. The SERP of Mr. Tellier already provides that he would be credited with 1.5 years of pensionable service for each year of service as an officer of YPG and that he would be credited with an additional three years of service in the event he was terminated without cause as provided under his employment agreement. Pensions are payable for life with a spousal survivor benefit entitlement of $66^{2/3}\%$ of the reduced pension of the executive. A retirement allowance equal to one year’s base salary is payable at time of retirement (not included in computing Mr. Tellier’s pensionable earnings and not reflected in the defined benefit plans table above). The pension payable to Mr. Tellier cannot exceed 70\% of his pensionable earnings.

In addition, YPG recently entered into a SERP agreement with Christian Paupe and provides for the accrual of 1.5 years of pensionable service for each year of service as an officer of YPG and removes the early retirement penalty otherwise applicable under the Defined Benefit Pension Plan, upon the condition that Mr. Paupe retires on or after age 57. As Mr. Paupe was a mid-career hire, his replacement income perspective at retirement provided by the Defined Benefit Pension Plan was relatively low. Changes made enhanced Mr. Paupe’s replacement income perspective at retirement, starting from age 57. The compensation value of the changes are reflected in the Defined Benefit Plans table above and have been taken into account in establishing Mr. Paupe’s compensation level for 2010.

Defined Contribution Plan

Mr. Stéphane Marceau and other executive officers who joined YPG after January 1, 2006 participate in YPG’s non-contributory defined contribution pension plan (the “Defined Contribution Pension Plan”). Under the Defined Contribution Pension Plan, YPG contributes 5\% of pensionable earnings up to the tax limit. Each participant has the responsibility to allocate YPG contributions made in his 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. YPG contributions and any investment returns are immediately vested. The amount of YPG contributions is limited to the maximum allowed under the Income Tax Act (“ITA”) for registered pension plans. When the amount of YPG contributions in any given year reaches the limit prescribed under the ITA, YPG contributions cease and deemed YPG contributions start to accumulate in the Defined Contribution Notional Account. The Defined Contribution Notional Account vests only upon reaching age 55 and is credited annually at the rate of return of an actively managed fund. 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 Units.

The following table shows amounts from the Defined Contribution Pension Plan for Mr. Marceau subject to this pension arrangement.

<table>
<thead>
<tr>
<th>Name</th>
<th>Year</th>
<th>Accumulated value at start of year ($)</th>
<th>Compensatory change1 ($)</th>
<th>Non-compensatory change2 ($)</th>
<th>Accumulated value at year end3 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stéphane Marceau</td>
<td>2009</td>
<td>0</td>
<td>5,000</td>
<td>100</td>
<td>5,100</td>
</tr>
</tbody>
</table>

1. Represents the Company contributions actually paid to the Defined Contribution Pension Plan on behalf of the NEO during fiscal 2009.
2. The non-compensatory change amount represents regular investment earnings on employer contributions.
3. Represents the accumulated value of the NEO’s contribution account at the end of fiscal year 2009.

**Employment Agreement and Termination and Change of Control Benefits**

*Employment Agreements and Non-compete/Non-solicitation Provisions*

YPG has an employment agreement with Mr. Tellier, President and Chief Executive Officer, which provides that he will be paid an annual base salary which will be reviewed annually, in accordance with YPG’s executive compensation philosophy. Mr. Tellier’s employment agreement provides that he is entitled to a severance payment (in instalments) of 300% of the sum of (i) his then base salary and (ii) an annual bonus amount equal to the annual bonus, if any, earned for the year immediately preceding the year in which such termination occurs. The other Named Executive Officers do not have employment agreements with YPG. However, Mr. Tellier and the other Named Executive Officers are bound by certain standard restrictive covenants in favour of YPG, including non-disclosure, non-solicitation and non-competition provisions for a period of two years following termination of employment.

*Change of Control Benefits*

The Restricted Unit Plan provides for the vesting of all outstanding Restricted Units upon the occurrence of a change of control, whether or not such Restricted Units have met the vesting conditions. The proposed conversion of the Fund into a corporation will not accelerate the vesting of the Restricted Units as all participants in the Restricted Unit Plan have acknowledged that the conversion of the Fund into a corporation did not constitute a change of control event.

Mr. Tellier’s SERP provides that, in the event he is terminated without cause within 24 months following a change of control, Mr. Tellier would be treated as if he had reached age 45. As at December 31, 2009, if a change of control had occurred and Mr. Tellier’s employment had been terminated, this would have resulted in an incremental pension of $160,000 per annum payable starting when Mr. Tellier reaches age 65.

Mr. Paupe’s SERP provides that, in the event he is terminated without cause within 24 months following a change of control, Mr. Paupe would be treated as if he had reached age 57 and, as a result, would become entitled to an immediate and unreduced pension. As at December 31, 2009, if a change of control had occurred and Mr. Paupe’s employment had been terminated, he would have been entitled to a pension of $126,500 per annum payable immediately, as opposed to an amount of accrued pension of
$126,500 per annum payable at age 65 as disclosed in footnote 3 to the Defined Benefit Pension Plan table above.

The retirement arrangements of Messrs. Tellier and Paupe provide that, within 90 days of the occurrence of a change of control, YPG is required to fund the otherwise unfunded portion of their vested pension via a retirement compensation arrangement.

The following table indicates estimated incremental payments triggered pursuant to termination of employment or a change of control in accordance with the applicable provisions of outstanding employment agreements (for Marc P. Tellier only) or change of control provisions for each of the Named Executive Officers.

<table>
<thead>
<tr>
<th>Name</th>
<th>Severance Value payable as per employment agreement ($)</th>
<th>Equity-Based Value payable upon a change of control ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier</td>
<td>4,950,000(^1)</td>
<td>5,628,442</td>
</tr>
<tr>
<td>Christian M. Paupe</td>
<td>—</td>
<td>2,261,161</td>
</tr>
<tr>
<td>Stéphane Marceau</td>
<td>—</td>
<td>463,841</td>
</tr>
<tr>
<td>François D. Ramsay</td>
<td>—</td>
<td>808,355</td>
</tr>
<tr>
<td>Douglas A. Clarke</td>
<td>—</td>
<td>737,607</td>
</tr>
</tbody>
</table>

1. The severance value payable as per employment agreement does not include the value of perquisites and other benefits.
2. The value of the Restricted Units vested under change of control provisions is determined by multiplying the number of outstanding Restricted Units as at December 31, 2009 by the closing price of the Units on the TSX on December 31, 2009 which was $5.38.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of YPG, nor any associate of such director or executive officer are to the date hereof, indebted to YPG. Additionally, YPG 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, YPG has adopted a policy prohibiting loans to directors or executive officers of YPG.

TRUSTEES’ AND DIRECTORS’ LIABILITY INSURANCE

The Trustees are covered under a directors and officers’ liability insurance policy. The amount of coverage is US$75.0 million. The policy covers the Trustees and officers of the Fund and the directors and officers of all of its Subsidiaries. The insurance contract contains a deductibility provision of US$1.0 million per claim. For fiscal year 2009, the Fund paid premiums of US$397,305 in respect of Trustees, directors and officers’ liability insurance.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere herein, no Trustee, Trust Trustee, director or senior officer of YPG or other insider of YPG, nor any associate or affiliate of the foregoing persons has any substantial interest, direct or indirect, in any material transaction since the commencement of the Fund’s last fiscal year.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote FOR the reappointment of Deloitte & Touche LLP, Chartered Accountants, Montreal, as auditors of the Fund to hold office until the next annual meeting of Unitholders, until their successors are appointed or until the Effective Date, if the
Arrangement is approved, at a remuneration to be determined by the Trustees. Deloitte & Touche LLP have been the auditors of the Fund since its inception on June 25, 2003.

AUDIT FEES

During the 2009 and 2008 fiscal years, the Fund and YPG retained its principal accountant, Deloitte & Touche LLP, to provide services in the categories and for the approximate amounts that follow:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($)</td>
<td>($)</td>
</tr>
<tr>
<td>Audit fees</td>
<td>2,489,890</td>
<td>1,638,683</td>
</tr>
<tr>
<td>Audit-related fees</td>
<td>235,250</td>
<td>402,000</td>
</tr>
<tr>
<td>Tax fees</td>
<td>712,465</td>
<td>718,500</td>
</tr>
<tr>
<td>All other fees</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,462,605</strong></td>
<td><strong>2,759,183</strong></td>
</tr>
</tbody>
</table>

**Audit fees.** These amounts represent fees paid for the audit of the Fund’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. The difference in audit fees between 2009 and 2008 mostly relates to securities-related financings.

**Audit-related fees.** Audit-related fees were paid for assurance and related services that are performed by D&T and are not reported under the audit fees item above. They attest services not required by statute or regulations. These services consisted primarily of consulting services with respect to accounting and financial disclosure standards (including those related to International Financial Reporting Standards), employee pension plan audits and other special purpose mandates approved by the Audit Committee.

**Tax fees.** These fees consist generally of the two categories of tax compliance, and of tax planning and advice. They include the review of tax returns, assistance with tax audits, capital structure, corporate transactions, due diligence related to acquisitions and other special purpose mandates approved by the Audit Committee.

The Audit Committee has determined that D&T’s provision of non-audit services was compatible with maintaining D&T’s independence.

The Audit Committee of YPG GP has adopted a policy regarding the engagement of D&T for non-audit services. D&T provides audit services to the Fund and YPG and is also authorized to provide specific audit-related services as well as tax services. D&T 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 following meeting. The policy also specifically prohibits the provision of certain services by D&T 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 YPG’s website at www.ypg.com and on SEDAR at www.sedar.com.

GENERAL

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

The Fund is a reporting issuer under the securities acts of all of the provinces and territories of Canada and is therefore required to file consolidated financial statements and information circulars with the various securities commissions and similar authorities in Canada. The Fund also files an Annual Information Form with those securities commissions and similar authorities in Canada. Such material is available online at www.sedar.com. The Fund will provide to any person, upon request to the Fund at 16 Place du Commerce, Nuns’ Island, Verdun, Québec, Canada, H3E 2A5, the following in English and/or French:

(i) one copy of its most recent AIF, together with one copy of any document, or the pertinent pages of any such document, incorporated by reference therein;

(ii) one copy of the comparative consolidated financial statements of the Fund for its most recently completed financial year, together with the accompanying report of the auditors thereon, both contained in the Fund’s 2009 Annual Report, and one copy of any of the quarterly financial statements of the Fund pertaining to the 2009 fiscal year, together, in all cases, with the Fund’s management discussion and analysis of the financial condition and results of operations of the Fund for the applicable period, which contain financial information of the Fund; and

(iii) one copy of this Notice of Annual and Special Meeting of Unitholders and Proxy Circular.

The AIF is available from the date of its filing with the securities commissions or similar authorities in Canada.

The above documents, as well as the Fund’s news releases, are also available at www.ypg.com and on SEDAR at www.sedar.com. Additional information relating to the Fund is also available on SEDAR at www.sedar.com.
GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Proxy Circular, including the summary hereof.

"1933 Act" means the United States Securities Act of 1933, as amended;

"1934 Act" means the United States Securities Exchange Act of 1934, as amended;

"2007 Award" has the meaning ascribed to it under "Compensation Discussion and Analysis – Vesting of 2007 Restricted Unit Plan Award";

"2007 Mercer Survey" has the meaning ascribed to it under "Compensation Discussion and Analysis – Benchmarking Practices and Comparator Groups";

"2009 Award" has the meaning ascribed to it under "Compensation Discussion and Analysis – 2009 Restricted Unit Plan Award";

"2010 Incentive Program" has the meaning ascribed to it under "Compensation Discussion and Analysis – 2010 Incentive Program";

"$450 Million Term Facility" has the meaning ascribed to it under "Information Concerning The Fund - Prior Sales";

"90% test" has the meaning ascribed to it under "Certain United States Federal Income Tax Considerations – Treatment of the Entities in the Investment Structure for U.S. Federal Income Tax Purposes";

"Accounting Fair Value" has the meaning ascribed to it under "Summary Compensation Table";

"Accounting Matters" has the meaning ascribed to it under "Corporate Governance Disclosure– Audit Committee";

"AIF" means the Annual Information Form of the Fund dated March 24, 2010 in respect of the Fund’s financial year ended December 31, 2009, incorporated by reference in this Proxy Circular;

"Amalco" means the corporation resulting from the Amalgamation;

"Amalco Common Shareholders" means the holders of Amalco Common Shares immediately after the Effective Time;

"Amalco Common Shares" means the common shares in the share capital of Amalco following the Amalgamation;

"Amalco Preferred Shares" means, collectively, the Amalco Series 1 Preferred Shares, Amalco Series 2 Preferred Shares, Amalco Series 3 Preferred Shares, and Amalco Series 5 Preferred Shares;

"Amalco Series 1 Preferred Shares" means the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of Amalco having the same rights, privileges, restrictions and conditions as the Series 1 Preferred Shares;
"Amalco Series 2 Preferred Shares" means the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of Amalco having the same rights, privileges, restrictions and conditions as the Series 2 Preferred Shares;

"Amalco Series 3 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 3 of Amalco having the same rights, privileges, restrictions and conditions as the Series 3 Preferred Shares;

"Amalco Series 5 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 5 of Amalco having the same rights, privileges, restrictions and conditions as the Series 5 Preferred Shares;

"Amalco Series 7 Preferred Shares" means the Cumulative Exchangeable First Preferred Shares, Series 7 of Amalco having the same rights, privileges, restrictions and conditions as the Series 7 Preferred Shares;

"Amalgamation" means the amalgamation of Yellow Media Inc., YPG GP, Newco and Trusteeco on the Effective Date pursuant to and in accordance with the Arrangement;

"Annual Award Policy" has the meaning ascribed to it under "Corporate Governance Disclosure – Annual Equity Award”;

"Arrangement" means the proposed arrangement, under the provisions of Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement as supplemented, modified or amended;

"Arrangement Agreement" means the arrangement agreement dated as of March 23, 2010, among the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco pursuant to which the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco have proposed to implement the Arrangement, a copy of which agreement is attached as Appendix C to this Proxy Circular, including any amendments thereto;

"Arrangement Resolution" means the special resolution in respect of the Arrangement and related matters, in substantially the form attached as Appendix A to this Proxy Circular, to be voted upon by Unitholders at the Meeting;

"Articles of Arrangement" means the articles in respect of the Arrangement required under Subsection 192(6) of the CBCA to be filed with the Director after the Final Order has been granted;

"Audit Committee" means the joint audit, finance and risk committee of the Fund and YPG GP;

"Board" has the meaning ascribed to it under "Corporate Governance Disclosure – Independence of the Board”;

"Board of Directors" or "Board" means the board of directors of YPG GP;

"Board of Trustees" means the board of trustees of the Fund;

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Montreal, in the Province of Québec, for the transaction of banking business;

"CBCA" means the Canada Business Corporations Act, R.S.C. 1985, c. C-44;

"CDS" means CDS Clearing and Depository Services Inc.;
"Certificate" means the certificate to be issued by the Director pursuant to Subsection 192(7) of the CBCA giving effect to the Arrangement;

"Chairman of the Meeting" means Marc L. Reisch;

"CIBC" means CIBC World Markets Inc.;

"CIBC Fairness Opinion" means the opinion of CIBC dated March 23, 2010, delivered to the Board of Trustees and the Board of Directors in connection with the Arrangement, a copy of which is attached as Appendix D to this Proxy Circular;

"CIBC Mellon" means CIBC Mellon Trust Company;

"Code" has the meaning ascribed to it under "Corporate Governance Disclosure – Code of Ethics and Business Conduct";

"Committee" has the meaning ascribed to it under "Corporate Governance Disclosure – Guidelines";

"Comparator Group" has the meaning ascribed to it under "Compensation Discussion and Analysis – Benchmarking Practices and Comparator Groups";

"Conversion Rules" has the meaning ascribed to it under "Summary Information – Background to the Arrangement – Tax Fairness Plan";

"Corporate Governance Guidelines" has the meaning ascribed to it under "Corporate Governance Disclosure – Guidelines";

"Court" means the Superior Court of Québec;

"D&T" means Deloitte & Touche LLP, Chartered Accountants;

"Defined Benefit Pension Plan" has the meaning ascribed to it under "Pension Plan and Supplemental Pension Benefits – Defined Benefit Plans";

"Defined Contribution Pension Plan" has the meaning ascribed to it under "Pension Plan and Supplemental Pension Benefits – Defined Contribution Plans";

"Demand for Payment" means a written notice to the Fund by a Dissenting Unitholder demanding payment of the fair value of its Units in compliance with the Dissent Procedures;

"Depositary" means CIBC Mellon Trust Company, or such other Person as may be designated by the Fund or YPG GP and their respective officers;

"Director" means the director appointed under Section 260 of the CBCA;

"Directories Financial Factors" has the meaning ascribed to it under "Executive Compensation — Compensation Discussion and Analysis – Annual Incentive Compensation";

"Dissent Procedures" means the dissent procedures described under "The Arrangement — Right to Dissent";
"Dissent Rights" means the right of a registered Unitholder to dissent to the Arrangement Resolution and to be paid the fair value of the Units in respect of which the holder dissent, all in accordance with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;

"Dissenting Unitholders" means registered Unitholders who validly exercise Dissent Rights provided to them under the Plan of Arrangement and the Interim Order and whose Dissent Rights remain valid immediately before the Effective Time;

"Effective Date" means the date the Arrangement is effective under the CBCA;

"Effective Time" means 12:01 a.m. (Montreal Time) on the Effective Date;

"Eligible Unitholder" means a Unitholder who is neither (i) a Non-Resident, nor (ii) a Person not subject to income tax under Part I of the Tax Act;

"Exchangeable Debentures" has the meaning ascribed to it under "Information Concerning The Fund – Prior Sales";

"Exchangeable Debenture Indenture" has the meaning ascribed to it under "The Arrangement - Arrangement Steps - Supplemental Indenture";

"Final Order" means the final order of the Court approving the Arrangement as such order may be amended or varied at any time prior to the Effective Time, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

"Financial Statements" means the consolidated financial statements of the Fund for the years ended December 31, 2009 and 2008, together with notes thereto and the auditors’ report thereon;

"Five Percent Holder" has the meaning ascribed to it under "Certain United States Federal Income Tax Considerations – General";

"Fund" means Yellow Pages Income Fund, an unincorporated, open-ended trust established under the laws of the Province of Ontario by the Fund Declaration of Trust;

"Fund Declaration of Trust" means the third amended and restated declaration of trust of the Fund dated May 10, 2005, as may be amended from time to time;

"GAAP" means generally accepted accounting principles in Canada, as in effect from time to time;

"GRA" has the meaning ascribed to it under "Certain United States Federal Income Tax Considerations – U.S. Tax Consequences of the Unit-for-Share Exchange";

"Grant Date Fair Value" has the meaning ascribed to it under "Summary Compensation Table";

"Holder" means a registered holder of Units immediately prior to the Effective Date or any person who surrenders to the Depositary certificates representing Units duly endorsed for transfer to such person;

"Interim Order" means the interim order of the Court dated March 24, 2010 in connection with the approval of the Arrangement, providing for, among other things, the calling and holding of the Meeting, a copy of which order is attached as Appendix B to this Proxy Circular, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
"IRC" means the Internal Revenue Code of 1986, as amended;

"IRS" means the Internal Revenue Service;

"Limited Partnership Agreement" means the third amended and restated limited partnership agreement dated February 14, 2006 between YPG GP and the Trust pursuant to which YPG LP is governed, as may be amended from time to time;

"LP Units" means the limited partnership units of YPG LP;

"Management" means the management of YPG;

"Management's Discussion and Analysis" means the management's discussion and analysis of the financial condition and results of operations of the Fund for the years ended December 31, 2009 and 2008;

"Management Stock Option Plan" means the management stock option plan implemented by YPG in November 2002 and amended in July 2003, which, following the initial public offering of the Fund in August 2003, no further options have been, and no further options will be, granted under such plan;

"Meeting" means the annual and special meeting of Unitholders to be held on May 6, 2010, and any adjournment(s) thereof, to, among other things, consider and vote on the Arrangement Resolution;

"Mercer" means Mercer (Canada) Limited;


"Minister" has the meaning ascribed to it under "Summary Information — Background to the Arrangement — Tax Fairness Plan";

"MTN Indenture" means the trust indenture dated April 21, 2004 among Yellow Media Inc., the Fund, YPG LP, Yellow Pages Group Co. and CIBC Mellon, governing and providing for the issuance of medium term notes of Yellow Media Inc.;

"MTN Series 6" has the meaning ascribed to it under "Information Concerning The Fund - Prior Sales";

"Named Executive Officer" has the meaning ascribed to it under "Executive Compensation – Determining Compensation";

"Newco" means 7341261 Canada Inc., a corporation incorporated under the CBCA as a wholly-owned Subsidiary of the Fund for the purposes of the Arrangement;

"Newco Shareholders" means the holders of Newco Shares;

"Newco Shares" means the common shares in the share capital of Newco to be issued to the Unitholders pursuant to the Unit-For-Share Exchange;

"NI 51-102" means National Instrument 51-102 — Continuous Disclosure Obligations;

"Non-Executive Director" has the meaning ascribed to it under "Election of Trustees and Trust Trustees – Compensation of Trustees and Directors";
"Non-Resident" means: (i) a Person who is not a resident of Canada for the purposes of the Tax Act or is not deemed to be a resident of Canada for the purposes of the Tax Act; or (ii) a partnership that is not a Canadian partnership for the purposes of the Tax Act;

"Non-Resident Unitholder" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Unitholders Not Resident in Canada";

"Normal Growth Guidelines" has the meaning ascribed to it under "Summary Information — Background to the Arrangement — Tax Fairness Plan";

"Notice of Dissent" means a written objection to the Arrangement Resolution by a Unitholder;

"Notice of Meeting" means the Notice of Annual and Special Meeting of Unitholders which accompanies this Proxy Circular;

"Offer to Pay" means a written offer to a Dissenting Unitholder by the Fund to pay to such Person the fair value of such Person’s Units;

"Peer Group" has the meaning ascribed to it under "Executive Compensation - Compensation Discussion and Analysis – Benchmarking Practices and Comparator Groups";

"Performance-Based Restricted Units" has the meaning ascribed to it under "Executive Compensation – Compensation Discussion and Analysis – Long-Term Incentive Programs";

"Person" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any governmental entity) or any other entity, whether or not having legal status;

"PFIC" means a passive foreign investment company;

"Plan" or "Plan of Arrangement" means the plan of arrangement attached as Exhibit A to the Arrangement Agreement, which agreement is attached as Appendix C to this Proxy Circular, as amended or supplemented from time to time in accordance with the terms thereof;

"Predecessor Shares" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations — Amalgamation";

"Proposed Legislation" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations — Unitholders not Resident in Canada";

"Proxy Circular" means this management proxy circular of the Fund dated March 24, 2010, together with all appendices hereto, distributed to Unitholders in connection with the Meeting;

"RBC" means RBC Dominion Securities Inc., a member company of RBC Capital Markets;

"RBC Fairness Opinion" means the opinion of RBC dated March 23, 2010, delivered to the Board of Trustees and the Board of Directors in connection with the Arrangement, a copy of which is attached as Appendix E to this Proxy Circular;

"Record Date" means the close of business on March 17, 2010;
"Regulations" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations";

"Regulation S" means Regulation S under the 1933 Act;

"Resident" means a person who is not a Non-Resident;

"Resident Unitholder" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Unitholders Resident in Canada";

"Restricted Unit Plan" or "Restricted Share Unit Plan" means the restricted unit plan of YPG established by YPG LP, though its general partner YPG GP, on August 30, 2004;

"Restricted Units" or "Restricted Share Units" means the restricted units issuable in accordance with the Restricted Unit Plan;

"Scotia" means Scotia Capital Inc.;

"Series 1 Preferred Shares" means the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of Yellow Media Inc.;

"Series 2 Preferred Shares" means the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of Yellow Media Inc.;

"Series 3 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 3 of Yellow Media Inc.;

"Series 5 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 5 of Yellow Media Inc.;

"Series 7 Preferred Shares" means the Cumulative Exchangeable First Preferred Shares, Series 7 of Yellow Media Inc.;

"SERP" has the meaning ascribed to it under "Pension Plan and Supplemental Pension Benefits – Supplementary Executive Retirement Agreements";

"SIFT" means a specified investment flow-through;

"SIFT Rules" has the meaning ascribed to it under "Summary Information — Background to the Arrangement — Tax Fairness Plan";

"Stock Options" means the stock options issued pursuant to the Management Stock Option Plan;

"Subsidiary" means a subsidiary as defined in Section 9 of the Securities Act (Québec);

"Survey Group" has the meaning ascribed to it under "Compensation Discussion and Analysis – Benchmarking Practices and Comparator Groups";

"Tax Act" means the Income Tax Act, R.S.C. 1985, c. 1. (5th Supp), as amended, including the regulations promulgated thereunder;
"Tax Proposals" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations";

"TFSA" means a tax-free savings account, as such term is defined in the Tax Act;

"Trader" means Trader Corporation, a corporation organized and existing under the CBCA;

"Transfer Agent" means CIBC Mellon Trust Company;

"Treasury Regulations" means the Treasury regulations promulgated under the IRC;

"Trust" means YPG Trust, an unincorporated, open-ended trust established under the laws of the Province of Ontario by the Trust Declaration of Trust;

"Trust Declaration of Trust" means the second amended and restated declaration of trust of the Trust dated May 10, 2005, as may be amended from time to time;

"Trust Trustee" or "Trustees" means the trustees of the Trust or any one of such trustee;

"Trustee" or "Trustees" means the trustees of the Fund or any one of such trustee;

"Trusteeco" means 7341296 Canada Inc., a corporation incorporated under the CBCA as a wholly-owned Subsidiary of Newco for the purposes of the Arrangement;

"TSX" means the Toronto Stock Exchange;

"Unit-For-Share Exchange" has the meaning ascribed to it under "The Arrangement — Arrangement Steps — Exchange of Units for Newco Shares";

"United States" or "U.S." means the United States, as defined in Rule 902(l) under Regulation S;

"Unitholders" means holders from time to time of Units;

"Units" means the units of the Fund;

"U.S. Holder" has the meaning ascribed to it under "Certain United States Federal Income Tax Considerations — General";

"Vertical Media Financial Factors" has the meaning ascribed to it under "Executive Compensation - Compensation Discussion and Analysis – Annual Incentive Compensation";

"Yellow Media Inc." means Yellow Media Inc., a corporation amalgamated and existing under the CBCA prior to the proposed Amalgamation pursuant to the Arrangement;

"Yellow Media Inc. Preferred Shares" means collectively the Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, Series 5 Preferred Shares and Series 7 Preferred Shares;

"Yellow Pages Group Co." means a corporation organized and existing under the laws of the Province of Nova Scotia;

"YPG" means collectively YPG LP, together with YPG GP and YPG LP’s Subsidiaries;
"YPG GP" means YPG General Partner Inc., a corporation incorporated under the CBCA to act as general partner of YPG LP with exclusive authority to manage the business and affairs of YPG LP, and an indirect wholly-owned Subsidiary of the Fund; and

"YPG LP" means a limited partnership established under the laws of the Province of Manitoba pursuant to the Limited Partnership Agreement, acting through its general partner, YPG GP.
APPROVAL OF TRUSTEES

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


By order of the trustees of Yellow Pages Income Fund

(signed) Marc L. Reisch
(signed) Marc P. Tellier
Trustees of Yellow Pages Income Fund
CONSENT OF CIBC

To: The Board of Trustees of Yellow Pages Income Fund (the "Board of Trustees") and the Board of Directors of YPG General Partner Inc. (the "Board of Directors").

We hereby consent to the references to our firm name and to our opinions contained under the headings "Summary Information - Background to the Arrangement", "Summary Information - Fairness Opinions", "Summary Information - Recommendation of the Board of Trustees and the Board of Directors", "Special Business of the Meeting - Background to the Arrangement", "Special Business of the Meeting - Fairness Opinions", "Special Business of the Meeting - Recommendation of the Board of Trustees and the Board of Directors" and "The Arrangement - Interest of Certain Persons and Companies in Matters to be Acted Upon" and the inclusion of the text of our opinion dated March 23, 2010 as Appendix D to the Proxy Circular dated March 24, 2010. In providing such consent, we do not intend that any person other than the Board of Trustees and the Board of Directors shall be entitled to rely on such opinion.

Yours very truly,

(signed) CIBC World Markets Inc.

Montreal, Québec

March 24, 2010
CONSENT OF RBC

To: The Board of Trustees of Yellow Pages Income Fund (the "Board of Trustees") and the Board of Directors of YPG General Partner Inc. (the "Board of Directors").

We refer to the fairness opinion dated March 23, 2010 (the "RBC Fairness Opinion") which we prepared for the Board of Trustees and the Board of Directors for the Arrangement (as defined in the Proxy Circular dated March 24, 2010). We consent to the inclusion of the RBC Fairness Opinion, and all references thereto, in the Proxy Circular dated March 24, 2010. In providing such consent, we do not intend that any person other than the Board of Trustees and the Board of Directors rely on such opinion.

Yours very truly,

(signed) RBC Dominion Securities Inc.

Montreal, Québec

March 24, 2010
AUDITORS' CONSENT

We have read the Management Proxy Circular (the "Proxy Circular") of Yellow Pages Income Fund (the "Fund") dated March 24, 2010 with respect to a proposed Plan of Arrangement involving the Fund, YPG Trust, YPG General Partner Inc., YPG LP, Yellow Media Inc., 7341261 Canada Inc. and 7341296 Canada Inc. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Proxy Circular of our report to the unitholders of the Fund on the consolidated balance sheets of the Fund as at December 31, 2009 and 2008 and the consolidated statements of earnings, comprehensive income, unitholders' equity and cash flows for the years then ended. Our report is dated February 3, 2010.

We also consent to the inclusion in the above-mentioned Proxy Circular of our report to the Board of Directors of 7341261 Canada Inc. on the consolidated balance sheet of 7341261 Canada Inc. as at March 23, 2010. Our report is dated March 23, 2010.

We also consent to the inclusion in the above-mentioned Proxy Circular of our report to the Board of Directors of 7341296 Canada Inc. on the balance sheet of 7341296 Canada Inc. as at March 23, 2010. Our report is dated March 23, 2010.

(signed) Deloitte & Touche LLP

(i) Chartered accountant auditor permit no. 10800

Montreal, Québec

March 24, 2010
APPENDIX A
ARRANGEMENT RESOLUTION

"BE IT RESOLVED THAT:

1. the arrangement ("Arrangement") under Section 192 of the Canada Business Corporations Act substantially as set forth in the Plan of Arrangement (the "Plan of Arrangement") attached as Exhibit A to Appendix C to the Management Proxy Circular of Yellow Pages Income Fund (the "Fund") dated March 24, 2010 (the "Proxy Circular") and all transactions contemplated thereby, be and are hereby authorized and approved;

2. the arrangement agreement ("Arrangement Agreement") dated March 23, 2010 among the Fund, YPG Trust, YPG General Partner Inc., ("YPG GP") YPG LP, Yellow Media Inc., 7341261 Canada Inc. ("Newco") and 7341296 Canada Inc. ("Trusteeco"), a copy of which is attached as Appendix C to the Proxy Circular, together with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 6 hereof, such approval to be evidenced conclusively by the execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved;

3. the amendments to the Fund’s declaration of trust dated May 10, 2005, as amended, and to YPG Trust’s declaration of trust dated May 10, 2005, as amended, as necessary to facilitate the Arrangement and also as provided in the Arrangement Agreement, and the liquidation and dissolution of the Fund, YPG Trust and YPG LP, as provided in the Plan of Arrangement, be and they are hereby authorized and approved;

4. notwithstanding that this resolution has been duly passed and/or has received the approval of the Superior Court of Québec, the board of trustees of the Fund or the board of directors of YPG GP may, without further notice to or approval of the holders of units of the Fund, subject to the terms of the Arrangement, amend or terminate the Arrangement Agreement or the Plan of Arrangement or revoke this resolution at any time prior to the filing of the Articles of Arrangement giving effect to the Arrangement;

5. Yellow Media Inc., YPG GP, Newco and Trusteeco be and are hereby authorized to apply for a final order from the Superior Court of Québec to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as may be amended or varied, as described in the Proxy Circular); and

6. any trustee, director or officer of the Fund or YPG GP is hereby authorized, for and on behalf of the Fund and YPG GP, to execute and deliver Articles of Arrangement and to execute, with or without the corporate seal and, if appropriate, deliver all other documents and instruments and do all other things as in the opinion of such director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action."
APPENDIX B
INTERIM ORDER

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No:       500-11-038648-107

DATE:     MARCH 24, 2010

__________________________________________

PRESENT:  THE HONOURABLE MR. JUSTICE CLÉMENT GASCON, J.S.C.

__________________________________________

IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985,
C. C-44, as amended (the "CBCA"):

YELLOW MEDIA INC. & AL.
Applicants

And

YELLOW PAGES INCOME FUND & AL.
And

THE DIRECTOR UNDER THE CBCA
Mis en cause

__________________________________________

INTERIM ORDER

[1] The Court is seized with Applicants' Application for the Issuance of Interim and
Final Orders with Respect to an Arrangement pursuant to Sections 192 and 248 of the
CBCA (the "Application").

[2] At present, the Court is only concerned with the Interim Order side of the
Application. At this interim stage, the purpose of the Application is to obtain an order for
the calling of a meeting of Yellow Pages Income Fund Unitholders, the whole to
approve the contemplated Plan of Arrangement attached as Appendix to the Proxy
Circular filed as Exhibit R-1.
[3] The Plan of Arrangement is described at paragraphs 12 to 14 of the Application, while the main steps contemplated by the Arrangement are described at paragraph 13 thereof.

[4] At this Interim Order stage, it is the Court’s view that the Applicants fulfill the statutory requirements of Section 192 CBCA and are thus entitled to the interim conclusions sought. Suffice it to note the following in this respect.

[5] First, the case law confirms that the Applicants can present their Application for this Interim Order ex parte (see, for instance, Re Abitibi Consolidated Inc., March 13, 2009, Gascon J., file 500-11-35851-092 (S.C); Re BCE Inc., 2007 QCCS 3878; and Re Molson Inc., JE 2005-241 (S.C.)).

[6] As stated by Blair J. in Re First Marathon Inc., [1999] O.J. No. 2805 (Ont. S.C.), the purpose here is simply to set the wheels in motion for the approval process relating to the Plan of Arrangement and to establish the necessary parameters to that end.

[7] Second, at this stage, none of the Yellow Pages Income Fund Unitholders are prejudiced. They will have ample opportunity, if need be, to apply to the Court for relief prior or after the contemplated meeting.

[8] Third, the required notice of the Application has been given to the Director pursuant to Subsection 192(5) CBCA; the latter confirmed that he did not intend to make any representations at this stage (Exhibit R-3).

[9] Fourth, the Plan of Arrangement constitutes an arrangement under Subsection 192(1) CBCA. Reference is made in this respect to paragraphs 12 to 17 of the Application. To that end, in Re Acadian Timber Income Fund¹, Pepall J. wrote the following that is directly applicable to the situation at hand:

[8] Under section 192 of the CBCA, the court has the power to make such interim orders as it deems fit. The word “arrangement” is to be given its widest character, limited only by the corporation’s own by-laws or general legislation. The purpose of an arrangement is to provide a flexible mechanism that can be adapted to the needs of a particular case. As Farley J. stated in Re Fairmont Hotels & Resorts: “…I think it is an error to forget that the very flexibility of the arrangement provision was designed to allow the solution of difficult and awkward situations.” In the Policy Statement of the Director, the Director endorses the position that the arrangement provisions of the Act are intended to be facilitative, should not be construed narrowly, and further recognizes that the term arrangement is not exhaustively defined.

(...)  

[11] In my view, the arrangement provisions should be available to all of the Applicants in this case. It seems to me that the current income trust conundrum

¹ Acadian Timber Income Fund (Re), 2009 CanLII 72057 (ON S.C.).
is the sort of exceptional situation contemplated by the dicta in Re Fairmont. Assuming that there is compliance with the provisions of the trust deed (a fact that should be addressed at the approval hearing), there is no apparent prejudice to anyone. I also note that a number of income funds that have recently converted into corporate structures have proceeded by way of an arrangement under the CBCA or other comparable provincial statutes. Lastly, while the Director did raise the issue of the ability of the Fund, AT Trust and Acadian Timber LP to be applicants, the Director advised in writing that no position was being taken on this issue for the purposes of this transaction.

[10] Fifth, as appears from the Application, neither the Yellow Pages Income Fund nor the Applicants are insolvent pursuant to Subsection 192(2) CBCA.

[11] Sixth, it is not practical for the Applicants to effect the Plan of Arrangement under any other provision of the CBCA.

[12] Finally, the Court is satisfied that the Plan of Arrangement is put forward in good faith. It is not necessary to discuss at the present time whether the Arrangement is fair and reasonable. This determination will be dealt with at the stage of the Final Order.

[13] That said, the Court notes that the Yellow Pages Income Fund is not a CBCA corporation. Without deciding at this stage whether or not any issue or contestation could be raised as a result of this at the Final Approval stage, the Court is of the view that this does not bar the issuance of the Interim Order sought.

[14] Many Interim Orders have been issued previously under Section 192 CBCA in similar situations by Superior Courts in Canada. In this Province, it has been done by this Court in the matters involving Re Supremex Income Fund (March 24, 2010) and Re Premium Brands Income Fund (June 11, 2009) and by others in the matters involving, for example, Re Colabor Income Fund (Journet J., July 10, 2009), Re Hartco Income Fund (Silcoff J., March 6, 2009) and Re Transforce Income Fund (Mongeon J., April 7, 2008).

[15] In the above-mentioned judgment, Pepall J. referred as well to many additional precedents of the same nature involving similar types of income funds.

[16] Moreover, here, paragraph 26 of the Application and the testimony of Me François D. Ramsay at the hearing confirm that the process contemplated by the Interim Order abides by the relevant provisions of the Yellow Pages Income Fund Declaration of Trust in terms of calling, holding and conducting of the meeting contemplated. In addition to that, the Interim Order includes Dissent Rights protection for the benefit of the Unitholders.

[17] Bearing these remarks in mind, the Court is satisfied with the wording of the conclusions sought for this Interim Order.
FOR THESE REASONS, THE COURT:

[1] GRANTS the Application for Interim Order (the "Interim Order");

[2] DISPENSES the Applicants Yellow Media Inc. ("Yellow Media Inc."), YPG General Partner ("YPG GP"), 7341261 Canada Inc. ("Newco") and 7341296 Canada Inc. ("Trusteeco") and the Misen cause Yellow Pages Income Fund (the "Fund"), YPG Trust (the "Trust") and YPG LP ("YPG LP") from serving the present application for Interim Order, except to the Director in charge of the Canada Business Corporations Act, R.S.C., 1985, c. C-44 (the "CBCA");

[3] ORDERS provisional execution of the Interim Order notwithstanding appeal and without the necessity of furnishing any security;

[4] ORDERS that for purposes of the Application, all capitalized terms used, and not otherwise defined herein, shall have the same meaning as set out in the Proxy Circular (as hereinafter defined);

As to the Meeting

[5] AUTHORIZES AND DIRECTS the Fund to call, hold and conduct an annual and special meeting (the "Meeting") of the holders (the "Unitholders") of units ("Units") of the Fund, such Meeting to be called, held and conducted in accordance with the provisions of the CBCA, the Fund Declaration of Trust, the rulings and directions of the chairperson of the Meeting and the Interim Order sought for the purpose of considering and, if deemed advisable, passing a special resolution (the "Arrangement Resolution") to approve a plan of arrangement (the "Plan of Arrangement") attached as Exhibit A to the Arrangement Agreement being Appendix C to the management proxy circular (the "Proxy Circular") (Exhibit R-1), and to transact such other business as may properly come before the Meeting;

[6] AUTHORIZES the Fund to make such amendments, revisions or supplements to the Proxy Circular (including to the Arrangement Resolution, the Plan of Arrangement and the other appendices) as it may determine until such time as the notice of the Meeting (the "Notice of Meeting") is given, without any additional notice to the Unitholders and DECLARES that the Arrangement Resolution and the Plan of Arrangement, as amended, revised or supplemented, shall be the one submitted at the Meeting;

[7] AUTHORIZES the Fund to hold the Meeting on or after May 6, 2010 at 11:00 a.m. (Montreal time) at Le Windsor, 1170 Peel Street, Montreal, Québec;

[8] ORDERS that the only persons entitled to attend, be heard or vote at the Meeting shall be the Unitholders as at the close of business on March 17, 2010, their proxy holders, the directors of the Applicants and the representatives of the Fund,
provided however, that such other persons having the permission of the chairperson of the Meeting shall also be entitled to attend and be heard at the Meeting;

[9] **AUTHORIZES** the Fund to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present) without the necessity of first convening the Meeting or first obtaining any vote of the Unitholders in respect of the adjournment or postponement;

[10] **ORDERS** that notice of any adjournment or postponement shall be given by mail, press release or newspaper advertisement, as determined to be the most appropriate method of communication by the Fund;

**As to the Notice of Meeting**

[11] **ORDERS** that the Fund send the Notice of Meeting in accordance with the provisions of its Fund Declaration of Trust, by mailing the same by unregistered mail, postage prepaid to the address of each Unitholder as recorded on the books of the Fund as of the close of business on March 17, 2010, provided that the Fund shall complete the mailing of such Notice of Meeting at least twenty-one days before the Meeting;

[12] **ORDERS** that the Fund send by mail to the Unitholders a copy of the documents filed herewith as Exhibits R-1 and R-2 in substantially the form filed, being the proxy form and the Proxy Circular, the latter including, inter alia, a copy of the Arrangement Resolution, of the Arrangement Agreement and of the Interim Order to be rendered herein, being respectively Appendices A, C and B to the Proxy Circular, (collectively referred to as the "Proxy Material");

[13] **DECLAR**es that the Proxy Material shall be deemed, for the purposes of the Interim Order, the Meeting and/or the final order (the "Final Order") to have been received by and/or served on the Unitholders three days after delivery thereof to the post office;

[14] **DECLAR**es that the failure or omission to give notice of the Meeting (provided it does not, to the knowledge of the Fund, result in a material number of Unitholders not receiving the Notice of Meeting) as a result of mistake or events beyond the reasonable control of the Fund or the non-receipt of such notice shall not invalidate any resolutions passed or proceedings taken at the Meeting and shall not constitute a breach of the Interim Order or defect in the calling of the Meeting, provided that if any such failure or omission is brought to the attention of the Fund, the Fund shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most practicable in the circumstances;
As to voting at the Meeting

[15] DECLARES that the Unitholders may authorize the transactions contemplated in the Plan of Arrangement by the Arrangement Resolution passed at the Meeting by at least 66 2/3% of the votes cast by the Unitholders, present or represented by proxy and entitled to vote at the Meeting;

[16] ORDERS that in respect of the vote on the Arrangement Resolution or any matter determined by the chairperson of the Meeting to be related to the Plan of Arrangement, each Unitholder shall be entitled to cast one vote in respect of each such Unit;

[17] ORDERS that for the purposes of the vote on the Arrangement Resolution, or any other vote taken at the Meeting, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by the Unitholders and further ORDERS that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution;

[18] ORDERS that the Trustees are authorized to solicit proxies on behalf of the Fund, directly and through its or its Subsidiaries officers and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine; and that the Fund may waive, in its discretion, the time limits for the deposit of proxies by the Unitholders if the Fund considers it advisable to do so;

[19] ORDERS that at any reconvening of the Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meeting;

As to Dissent Rights

[20] ORDERS that:

i) registered Unitholders shall be entitled to dissent from the Arrangement Resolution approving the Plan of Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA and in the Proxy Circular, as modified by the Interim Order;

ii) a registered Unitholder who wishes to dissent ("Dissenting Unitholder") shall provide a written objection to the Arrangement Resolution to the Fund at 16 Place du Commerce, Nuns' Island, Verdun, Québec, Canada, H3E 2A5, attn. François D. Ramsay, facsimile number (514) 934-4076, prior to 4 p.m. (Montreal time) on the last business day immediately preceding the Meeting;
iii) any Dissenting Unitholder shall be entitled to receive the fair value of the Units held by such Dissenting Unitholder pursuant to and in the manner set forth in Section 190 of the CBCA and in the Proxy Circular, as modified by the Interim Order;

**As to any additional Interim Order**

[21] **AUTHORIZES** the Applicants to petition this Honorable Court and, if and when necessary, to seek any additional Interim Order;

**As to the Final Order**

[22] **AUTHORIZES** the Applicants to present the present application for the Final Order before this Honorable Court on October 1, 2010, or at any other date before or after October 1, 2010 following notification by news release to the Unitholders of the date of presentation of the present application for a Final Order before this Honorable Court, at least ten (10) days before such date, and in the case of persons having filed an Appearance in accordance with the terms of this Interim Order, following service of a notice of such hearing date for the application for a Final Order;

[23] **DECLARÉS** that compliance with the terms of the Interim Order shall constitute good and sufficient service of this application for Final Order by the Applicants to all of the Unitholders and to any other person and that no other form of service need be made and no other material need be sent or served on such persons in respect of these proceedings, whether they reside within Québec or in another jurisdiction;

[24] **DECLARÉS** that the Applicants are entitled to make proof of service by way of an affidavit of one of their officers to the effect that the Proxy Material was sent in accordance with the Interim Order;

[25] **ORDERS** that the only persons entitled to appear and to be heard at the hearing on the application for Final Order shall be the Applicants and the Mis en cause, and any person that:

i) files an appearance with the Clerk of the Superior Court of Québec, 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6, Commercial Division, judicial District of Montréal and serves same on the Fund’s counsel, Stikeman Elliott (c/o: Jean Fontaine, 1155 René-Lévesque Blvd. W., 40th floor, Montréal, Québec, H3B 3V2), no later than three (3) business days before the date of the Meeting;

ii) if such appearance is with the view to contest the application for Final Order or to make representations in relation thereto, files a written contestation or written representations, as the case may be, supported, as to the facts, by
affidavit(s) and exhibit(s), if any, with the aforementioned Clerk of the Superior Court of Québec, 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6, Commercial Division, judicial District of Montréal, and serves same on the Fund’s counsel, Stikeman Elliott (c/o: Jean Fontaine, 1155 René-Lévesque Blvd. W., 40th floor, Montréal, Québec, H3B 3V2), no later than one (1) day before the Meeting, failing which no contestation of the application for Final Order shall be permitted, unless the Court orders otherwise;

[26] DECLARES that the Unitholders (and any transferee after the record date of March 17, 2010) and all other persons notified in accordance with the Interim Order will be duly called parties to the application for Final Order and will be bound by the orders and findings of this Court in connection with the Final Order;

[27] ORDERS that the Applicants shall present the application for Final Order with a certified copy of the Arrangement Resolution duly passed;

[28] WITHOUT COSTS.

Me Jean Fontaine
STIKEMAN, ELLIOTT
Attorneys for the Applicants

Date of hearing: March 24, 2010
APPENDIX C
ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of the 23rd day of March, 2010

AMONG:

YELLOW PAGES INCOME FUND, an unincorporated, open-ended trust established under the laws of the Province of Ontario by a third amended and restated declaration of trust dated May 10, 2005, as may be amended from time to time, acting through its attorney, YPG General Partner Inc. (the “Fund”)

- and -

YPG TRUST, an unincorporated, open-ended trust established under the laws of the Province of Ontario by a second amended and restated declaration of trust dated May 10, 2005, as may be amended from time to time, acting through its attorney, YPG General Partner Inc. (the “Trust”)

- and -

YPG GENERAL PARTNER INC., a corporation incorporated under the CBCA to act as general partner of YPG LP with exclusive authority to manage the business and affairs of YPG LP, and an indirect wholly-owned subsidiary of the Fund (“YPG GP”)

- and -

YPG LP, a limited partnership existing under the laws of the Province of Manitoba pursuant to a third amended and restated limited partnership agreement dated February 14, 2006, as may be amended from time to time, acting through its general partner, YPG GP (“YPG LP”)

- and -

YELLOW MEDIA INC., a corporation amalgamated and existing under the CBCA, and an indirect subsidiary of the Fund (“Yellow Media Inc.”)

- and -

7341261 CANADA INC., a corporation incorporated under the CBCA, and a direct wholly-owned subsidiary of the Fund (“Newco”)

- and -

7341296 CANADA INC., a corporation incorporated under the CBCA, and a direct wholly-owned subsidiary of Newco (“Trusteeco”)

WHEREAS:

(a) the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco wish to propose an arrangement with the holders of units of the Fund;

(b) YPG GP is an indirect wholly-owned subsidiary of the Fund;
(c) Yellow Media Inc. is an indirect subsidiary of the Fund;

(d) Newco is a direct wholly-owned subsidiary of the Fund;

(e) Trusteeco is an indirect wholly-owned subsidiary of the Fund;

(f) YPG GP is the general partner of YPG LP with exclusive authority to manage the business and affairs of YPG LP;

(g) all of the securities of the Trust are held by the Fund;

(h) as a result of the transactions contemplated herein, the holders of units of the Fund will become the holders of common shares of Amalco (as defined below) which will own all of the shares of Yellow Pages Group Co. and Trader Corporation on the Effective Date;

(i) the parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the Canada Business Corporations Act; and

(j) the parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for the other matters relating to such arrangement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

(a) "Agreement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

(b) "Amalco" means the corporation resulting from the Amalgamation;

(c) "Amalco Common Shares" means the common shares in the share capital of Amalco following the Amalgamation;

(d) "Amalco Preferred Shares" means, collectively, the Amalco Series 1 Preferred Shares, the Amalco Series 2 Preferred Shares, the Amalco Series 3 Preferred Shares and the Amalco Series 5 Preferred Shares;

(e) "Amalco Series 1 Preferred Shares" means the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of Amalco having the same rights, privileges, restrictions and conditions as the Series 1 Preferred Shares;

(f) "Amalco Series 2 Preferred Shares" means the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of Amalco having the same rights, privileges, restrictions and conditions as the Series 2 Preferred Shares;
(g) "Amalco Series 3 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 3 of Amalco having the same rights, privileges, restrictions and conditions as the Series 3 Preferred Shares;

(h) "Amalco Series 5 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 5 of Amalco having the same rights, privileges, restrictions and conditions as the Series 5 Preferred Shares;

(i) "Amalgamation" means the amalgamation of Yellow Media Inc., YPG GP, Newco and Trusteeco on the Effective Date pursuant to and in accordance with the Arrangement;

(j) "Arrangement" means the proposed arrangement under the provisions of Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement as supplemented, modified or amended;

(k) "Arrangement Resolution" means the special resolution in respect of the Arrangement and related matters, in substantially the form attached as Appendix A to the Proxy Circular, to be voted upon by the Unitholders at the Meeting;

(l) "Articles of Arrangement" means the articles in respect of the Arrangement required under Subsection 192(6) of the CBCA to be filed with the Director after the Final Order has been granted;

(m) "Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Montreal, in the Province of Québec, for the transaction of banking business;

(n) "CBCA" means the Canada Business Corporations Act, R.S.C., 1985, c. C-44;

(o) "CDS" means CDS Clearing and Depository Services Inc.;

(p) "Certificate" means the certificate to be issued by the Director pursuant to Subsection 192(7) of the CBCA giving effect to the Arrangement;

(q) "Court" means the Superior Court of Québec;

(r) "Depositary" means CIBC Mellon Trust Company, or such other Person as may be designated by the Fund or YPG GP and their respective officers;

(s) "Director" means the director appointed under Section 260 of the CBCA;

(t) "Effective Date" means the date the Arrangement is effective under the CBCA, as shown on the Certificate;

(u) "Effective Time" means 12:01 a.m. (Montreal Time) on the Effective Date;

(v) "Exchangeable Debentures" means the issued and outstanding 5.50% exchangeable unsecured subordinated debentures of Yellow Media Inc., having a maturity date of August 1, 2011;

(w) "Final Order" means the final order of the Court approving the Arrangement as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
(x) "**Interim Order**" means the interim order of the Court concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended by the Court;

(y) "**Meeting**" means the annual and special meeting of Unitholders to be held on May 6, 2010, and any adjournment(s) thereof, to, among other things, consider the Arrangement and related matters;

(z) "**Newco Shareholders**" means the holders of Newco Shares;

(aa) "**Newco Shares**" means the common shares in the share capital of Newco to be issued to the Unitholders in consideration for the transfer of their Units held as of the Effective Date to Newco on a one-for-one basis pursuant to the Arrangement;

(bb) "**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any governmental entity) or any other entity, whether or not having legal status;

(cc) "**Plan of Arrangement**" means the plan of arrangement attached hereto as Exhibit A, as amended or supplemented from time to time in accordance with the terms thereof;

(dd) "**Proxy Circular**" means the management proxy circular of the Fund to be dated on or about March 24, 2010, together with all appendices thereto, to be distributed to Unitholders in connection with the Meeting;

(ee) "**Series 1 Preferred Shares**" means the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of Yellow Media Inc.;

(ff) "**Series 2 Preferred Shares**" means the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of Yellow Media Inc.;

(gg) "**Series 3 Preferred Shares**" means the Cumulative Rate Reset First Preferred Shares, Series 3 of Yellow Media Inc.;

(hh) "**Series 5 Preferred Shares**" means the Cumulative Rate Reset First Preferred Shares, Series 5 of Yellow Media Inc.;

(ii) "**Subsidiary**" means a subsidiary as defined in Section 9 of the Securities Act (Québec);

(jj) "**TSX**" means the Toronto Stock Exchange;

(kk) "**Unitholders**" means holders from time to time of Units;

(ll) "**Units**" means the units of the Fund;

(mm) "**Yellow Pages Group Co.**" means a corporation organized and existing under the laws of the Province of Nova Scotia; and

(nn) "**YPG**" means collectively YPG LP, together with YPG GP and YPG LP's Subsidiaries.
1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Article References

Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and schedules are to articles, sections and schedules of this Agreement.

1.5 Extended Meanings

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders, where applicable.

1.6 Date for any Action

In the event that any date on which any action required to be taken hereunder by any of the parties hereto is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.7 Entire Agreement

This Agreement, together with the exhibit attached hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties with respect to the subject matter hereof.

1.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Québec and the federal laws of Canada applicable therein and shall be treated in all respects as a Québec contract.

1.9 Exhibit

Exhibit A annexed to this Agreement, being the Plan of Arrangement, is incorporated by reference into this Agreement and forms a part hereof.

1.10 Statutory References

A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, YPG GP, Yellow Media Inc., Newco and Trusteeco shall apply to the Court pursuant to section 192 of the CBCA for an order approving the Arrangement and in connection with such application shall:

(a) forthwith file, proceed with and diligently prosecute an application for an Interim Order under subsection 192(4) of the CBCA, providing for, among other things, the calling and holding of the Meeting for the purpose of, among other things, considering and, if deemed advisable, approving the Arrangement Resolution;

(b) subject to obtaining all necessary approvals of the Unitholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take steps necessary to submit the Arrangement to the Court and apply for the Final Order; and

(c) subject to fulfillment of the conditions set forth herein, shall deliver to the Director Articles of Arrangement and such other documents as may be required to give effect to the Arrangement, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out in the Plan of Arrangement without any further act or formality.

2.2 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date.

ARTICLE 3
COVENANTS

3.1 Covenants of the Fund, the Trust, YPG GP, YPG LP and Yellow Media Inc.

Each of the Fund, the Trust, YPG GP, YPG LP and Yellow Media Inc. covenants and agrees that it will:

(a) take, and cause its Subsidiaries to take, all actions necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;

(b) use all reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

(c) in the case of the Fund, solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and prepare the Proxy Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order and applicable corporate and securities laws, and file and distribute same to the Unitholders in a timely and expeditious manner in all jurisdictions where same are required to be filed and distributed;

(d) in the case of the Fund, convene the Meeting as ordered by the Interim Order and conduct such Meeting in accordance with the Interim Order and as otherwise required by law;
(e) use all reasonable efforts to cause each of the conditions precedent set forth in Article 4 which are within its control to be satisfied on or before the Effective Date;

(f) in the case of YPG GP and Yellow Media Inc., subject to the approval of the Arrangement Resolution by the Unitholders, as required by the Interim Order, submit the Arrangement to the Court and apply, in conjunction with Newco and Trusteeco, for the Final Order;

(g) forthwith carry out the terms of the Final Order to the extent applicable to it;

(h) in the case of YPG GP and Yellow Media Inc., after the issuance of the Final Order and subject to the fulfillment of the conditions precedent set forth in Article 4, proceed to file the Articles of Arrangement, the Final Order and all related documents with the Director pursuant to subsection 192(6) of the CBCA on or prior to the Effective Date; and

(i) prior to the Effective Date, apply for the listing of the Newco Shares and for the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures on the TSX.

3.2 Covenants of Newco and Trusteeco

Each of Newco and Trusteeco covenants and agrees that it will:

(a) take all action necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;

(b) use all reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

(c) until the Effective Date, other than as contemplated herein, in the Plan of Arrangement or in the Proxy Circular, not carry on any business, enter into any transaction or effect any corporate act whatsoever other than as contemplated herein or in the Proxy Circular without the prior written consent of the Fund;

(d) until the Effective Date, not issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities;

(e) use all reasonable efforts to cause each of the conditions precedent set forth in Article 4 which are within its control to be satisfied on or before the Effective Date;

(f) subject to approval of the Arrangement Resolution by Unitholders, as required by the Interim Order, submit the Arrangement to the Court and apply, in conjunction with YPG GP and Yellow Media Inc., for the Final Order;

(g) forthwith carry out the terms of the Final Order to the extent applicable to it;

(h) after the issuance of the Final Order and subject to the fulfillment of the conditions precedent set forth in Article 4, proceed to file the Articles of Arrangement, the Final Order and all related documents with the Director pursuant to subsection 192(6) of the CBCA on or prior to the Effective Date;

(i) in the case of Newco, reserve and authorize for issuance the Newco Shares; and
prior to the Effective Date, apply for the listing of the Newco Shares and for the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures on the TSX.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 Mutual Conditions Precedent

The respective obligations of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco to consummate the transactions contemplated by this Agreement, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions:

(a) the Interim Order shall have been granted in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, acting reasonably, not later than March 24, 2010 or such later date as the parties hereto may agree and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

(c) the Final Order shall have been granted in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, acting reasonably, not later than October 1, 2010 or such later date as the parties hereto may agree;

(d) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco, acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with Subsection 192(6) of the CBCA;

(e) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:

(i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein or pursuant to the Plan of Arrangement; or

(ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein or pursuant to the Plan of Arrangement;

(f) all necessary material third party and regulatory consents and approvals with respect to the transactions contemplated under the Arrangement shall have been completed or obtained including, without limitation, the necessary consents and approvals from Yellow Media Inc.’s and its Subsidiaries’ principal lenders;
(g) there shall not, as of the Effective Date, be Unitholders that hold, in aggregate, in excess of 1% of all outstanding Units, that have validly exercised their rights of dissent under the Interim Order and not withdrawn such exercise;

(h) the TSX shall have conditionally approved the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures and the listing of the Newco Shares, subject only to the filing of required documents which cannot be filed prior to the Effective Date; and

(i) this Agreement shall not have been terminated pursuant to Section 5.2.

4.2 Additional Conditions to Obligations of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeaco

In addition to the conditions contained in Section 4.1, the obligation of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeaco to complete the transactions contemplated by this Agreement and the Arrangement is subject to the fulfillment or satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived by them without prejudice to their right to rely on any other condition:

(a) the board of trustees of the Fund and the board of directors of YPG GP shall not have determined in their sole and absolute discretion that to proceed with the Arrangement would not be in the best interests of the Unitholders; and

(b) prior to the Effective Date, there shall have been no material adverse change in the affairs, operations, financial condition or business of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeaco or any of their respective Subsidiaries from that reflected in the Proxy Circular.

4.3 Notice and Effect of Failure to Comply with Conditions

If any of the conditions precedent set forth in Sections 4.1 or 4.2 hereof shall not be complied with or waived by the party or parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement provided that prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the party intending to rely thereon has delivered a written notice to the other party, specifying in reasonable detail all breaches of covenants which the party delivering such notice is asserting as the basis for the non fulfillment of the applicable conditions precedent and the party in breach shall have failed to cure such breach within three (3) Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one (1) such notice may be delivered by a party.

4.4 Satisfaction of Conditions

The conditions set out in this Article 4 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, Articles of Arrangement are filed under the CBCA to give effect to the Arrangement.
ARTICLE 5
AMENDMENT AND TERMINATION

5.1 Amendments

This Agreement may, at any time and from time to time before or after the Meeting, be amended in any respect whatsoever by written agreement of the parties hereto without further notice to or authorization on the part of their respective securityholders; provided that any such amendment that changes the consideration to be received by the Unitholders pursuant to the Arrangement is brought to the attention of the Court before approval of the Final Order and is subject to such requirements as may be ordered by the Court.

5.2 Termination

This Agreement shall be terminated in each of the following circumstances:

(a) if the Interim Order has not been granted in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trustee, acting reasonably, or has been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;

(b) if the Arrangement is not approved by the requisite number of votes cast by the Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

(c) if registered Unitholders that hold, in aggregate, in excess of 1% of all outstanding Units shall have validly exercised their rights of dissent under the Interim Order and not withdrawn such exercise;

(d) if the Final Order has not been granted in form and substance satisfactory to the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trustee, acting reasonably, or has been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;

(e) the mutual agreement of the parties hereto;

(f) the Arrangement shall not have become effective on or before November 1, 2010 or such later date as may be agreed to by the parties hereto; and

(g) termination of this Agreement as provided in Section 4.3.

ARTICLE 6
GENERAL

6.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

6.2 No Assignment

No party may assign its rights or obligations under this Agreement without prior written consent of the other parties to this Agreement.
6.3 Exclusivity

None of the covenants of the Fund, YPG GP or the other parties hereto contained herein shall prevent the board of trustees of the Fund, the board of directors of YPG GP or the boards of the other parties hereto from responding as required by law to any unsolicited submission or proposal regarding any acquisition or disposition of assets or any unsolicited proposal to amalgamate, merge or effect an arrangement or any unsolicited acquisition proposal generally or make any disclosure to its securityholders with respect thereto which in the judgment of the board of trustees of the Fund, the board of directors of YPG GP or the boards of the other parties hereto, acting upon the advice of outside counsel, is required under applicable law.

6.4 Equitable Remedies

All covenants herein or to be given hereunder as to enforceability in accordance with the terms of any covenant, agreement or document shall be qualified as to applicable bankruptcy and other laws affecting the enforcement of creditors' rights generally and to the effect that specific performance, being an equitable remedy, may only be ordered at the discretion of the court.

6.5 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

6.6 Waiver

No waiver by any party hereto shall be effective unless such waiver is in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

6.7 Further Assurances

Each party hereto shall, from time to time and at all times hereafter, at the request of another party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

6.8 Time of Essence

Time shall be of the essence.
6.9 Liability of the Fund and the Trust

The parties hereto acknowledge that the obligations of the Fund and the Trust hereunder shall not be personally binding upon the trustees of the Fund or the Trust or any Unitholders and that any recourse against the Fund and the Trust or any Unitholders in any manner in respect of any indebtedness, obligation or liability of the Fund and the Trust arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including without limitation claims based on contract, on negligence, tortious behaviour or otherwise, shall be limited to, and satisfied only out of, the Fund and the Trust, as the case may be.

6.10 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[Signature page follows]
IN WITNESS WHEREOF this Agreement has been executed and delivered by the parties hereto effective as of the date first above written.

YELLOW PAGES INCOME FUND, by its attorney, YPG General Partner Inc.

By: (signed) Marc P. Tellier
Name: Marc P. Tellier
Title: President and Chief Executive Officer

By: (signed) Christian M. Paupe
Name: Christian M. Paupe
Title: Executive Vice President, Corporate Services and Chief Financial Officer

YPG TRUST, by its attorney, YPG General Partner Inc.

By: (signed) Marc P. Tellier
Name: Marc P. Tellier
Title: President and Chief Executive Officer

By: (signed) Christian M. Paupe
Name: Christian M. Paupe
Title: Executive Vice President, Corporate Services and Chief Financial Officer

YPG GENERAL PARTNER INC.

By: (signed) Marc P. Tellier
Name: Marc P. Tellier
Title: President and Chief Executive Officer

By: (signed) Christian M. Paupe
Name: Christian M. Paupe
Title: Executive Vice President, Corporate Services and Chief Financial Officer

YPG LP, by its sole general partner, YPG General Partner Inc.

By: (signed) Marc P. Tellier
Name: Marc P. Tellier
Title: President and Chief Executive Officer

By: (signed) Christian M. Paupe
Name: Christian M. Paupe
Title: Executive Vice President, Corporate Services and Chief Financial Officer
YELLOW MEDIA INC.

By: (signed) Marc P. Tellier
Name: Marc P. Tellier
Title: President and Chief Executive Officer

By: (signed) Christian M. Paupe
Name: Christian M. Paupe
Title: Executive Vice President, Corporate Services and Chief Financial Officer

7341261 CANADA INC.

By: (signed) Marc P. Tellier
Name: Marc P. Tellier
Title: President and Chief Executive Officer

By: (signed) Christian M. Paupe
Name: Christian M. Paupe
Title: Executive Vice President, Corporate Services and Chief Financial Officer

7341296 CANADA INC.

By: (signed) Marc P. Tellier
Name: Marc P. Tellier
Title: President and Chief Executive Officer

By: (signed) Christian M. Paupe
Name: Christian M. Paupe
Title: Executive Vice President, Corporate Services and Chief Financial Officer
EXHIBIT A
PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

(a) "Amalco" means the corporation resulting from the Amalgamation;

(b) "Amalco Common Shares" means the common shares in the share capital of Amalco following the Amalgamation;

(c) "Amalco Series 1 Preferred Shares" means the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of Amalco having the same rights, privileges, restrictions and conditions as the Series 1 Preferred Shares;

(d) "Amalco Series 2 Preferred Shares" means the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of Amalco having the same rights, privileges, restrictions and conditions as the Series 2 Preferred Shares;

(e) "Amalco Series 3 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 3 of Amalco having the same rights, privileges, restrictions and conditions as the Series 3 Preferred Shares;

(f) "Amalco Series 5 Preferred Shares" means the Cumulative Rate Reset First Preferred Shares, Series 5 of Amalco having the same rights, privileges, restrictions and conditions as the Series 5 Preferred Shares;

(g) "Amalco Series 7 Preferred Shares" means the Cumulative Exchangeable First Preferred Shares, Series 7 of Amalco having the same rights, privileges, restrictions and conditions as the Series 7 Preferred Shares;

(h) "Amalgamation" means the amalgamation of Yellow Media Inc., YPG GP, Newco and Trusteeco on the Effective Date pursuant to and in accordance with the Arrangement;

(i) "Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement under the provisions of Section 192 of the CBCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

(j) "Arrangement Agreement" means the arrangement agreement dated as of March 23, 2010, among the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco pursuant to which the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco have proposed to implement the Arrangement, including any amendments thereto;
(k) "Articles of Arrangement" means the articles in respect of the Arrangement required under Subsection 192(6) of the CBCA to be filed with the Director after the Final Order has been granted;

(l) "Book Entry System" has the meaning ascribed to it under Section 5.3;

(m) "Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Montreal, in the Province of Québec, for the transaction of banking business;

(n) "CBCA" means the Canada Business Corporations Act R.S.C. 1985, c. C-44;

(o) "CDS" means CDS Clearing and Depository Services Inc.;

(p) "CDS Participant" has the meaning ascribed to it under Section 5.4;

(q) "Certificate" means the certificate to be issued by the Director pursuant to Subsection 192(7) of the CBCA giving effect to the Arrangement;

(r) "CIBC Mellon" means CIBC Mellon Trust Company;

(s) "Court" means the Superior Court of Québec;

(t) "Depository" means CIBC Mellon Trust Company, or such other Person as may be designated by the Fund or YPG GP and their respective officers;

(u) "Director" means the director appointed under Section 260 of the CBCA;

(v) "Dissenting Unitholders" means registered Unitholders who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Plan of Arrangement and the Interim Order and whose dissent rights remain valid immediately before the Effective Time;

(w) "Effective Date" means the date the Arrangement is effective under the CBCA, as shown on the Certificate;

(x) "Effective Time" means 12:01 a.m. (Montreal Time) on the Effective Date;

(y) "Exchangeable Debenture Indenture" means the trust indenture dated July 6, 2006 among Yellow Media Inc., the Fund, the Trust, YPG LP, Yellow Pages Group Co., Trader and CIBC Mellon governing the 5.50% exchangeable unsecured subordinate debentures of Yellow Media Inc., having a maturity date of August 1, 2011;

(z) "Final Order" means the final order of the Court approving this Arrangement as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

(aa) "Fund" means Yellow Pages Income Fund, an unincorporated, open-ended trust established under the laws of the Province of Ontario by the Fund Declaration of Trust;

(bb) "Fund Declaration of Trust" means the third amended and restated declaration of trust of the Fund dated May 10, 2005, as may be amended from time to time;
"Interim Order" means the interim order of the Court concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended by the Court;
"Series 7 Preferred Shares" means the Cumulative Exchangeable First Preferred Shares, Series 7 of Yellow Media Inc.;

"Subsidiary" means a subsidiary as defined in Section 9 of the Securities Act (Québec);

"Trader" means Trader Corporation, a corporation organized and existing under the CBCA;

"Trust" means YPG Trust, an unincorporated, open-ended trust established under the laws of the Province of Ontario by the Trust Declaration of Trust;

"Trust Declaration of Trust" means the second amended and restated declaration of trust of the Trust dated May 10, 2005, as may be amended from time to time;

"Trust Trustee" or "Trust Trustees" means the trustees of the Trust or any one of such trustee;

"Trustee" or "Trustees" means the trustees of the Fund or any one of such trustee;

"Trustee Company" means 7341296 Canada Inc., a corporation incorporated under the CBCA as a wholly-owned Subsidiary of Newco for the purposes of the Arrangement;

"TSX" means the Toronto Stock Exchange;

"Unitholders" means holders from time to time of Units;

"Units" means the units of the Fund;

"Yellow Media Inc." means Yellow Media Inc., a corporation amalgamated and existing under the CBCA prior to the Amalgamation pursuant to the Arrangement;

"Yellow Pages Group Co." means a corporation organized and existing under the laws of the Province of Nova Scotia;

"YPG GP" means YPG General Partner Inc., a corporation incorporated under the CBCA to act as general partner of YPG LP with exclusive authority to manage the business and affairs of YPG LP, and an indirect wholly-owned Subsidiary of the Fund; and

"YPG LP" means a limited partnership established under the laws of the Province of Manitoba pursuant to the Limited Partnership Agreement, acting through its general partner, YPG GP.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders, where applicable;
1.5 In the event that the date on which any action is required to be taken hereunder by any of the
parties is not a Business Day in the place where the action is required to be taken, such action
shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such
statute as amended or substituted and any regulations promulgated thereunder from time to
time in effect.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of,
the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of
the Certificate, shall become effective on, and be binding on and after, the Effective Time on: (i) the
Unitholders; (ii) the Fund; (iii) the Trust; (iv) YPG GP; (v) YPG LP; (vi) Yellow Media Inc.; (vii)
Newco; (viii) Trusteeco; and (ix) Amalco.

2.3 The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with
respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the
Arrangement has become effective and that each of the provisions of Article 3 has become
effective in the sequence and at the times set out therein.

2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take
effect with respect to any party or Person until the Effective Time. Furthermore, each of the
events listed in Article 3 shall be, without affecting the timing set out in Article 3, mutually
conditional, such that no event described in said Article 3 may occur without all steps occurring,
and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3
ARRANGEMENT

3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be
deemed to occur in the following order, each occurring one minute apart, without any further act
or formality except as otherwise provided herein:

Termination of Guarantee Agreements

(a) each of the guarantee agreements entered into by the Fund pursuant to which the Fund
guarantees payments in respect of the Series 1 Preferred Shares, Series 2 Preferred Shares,
Series 3 Preferred Shares and Series 5 Preferred Shares shall be terminated and, as a
result thereof, the guarantees provided thereunder shall be terminated;

Amendment to Fund Declaration of Trust

(b) the Fund Declaration of Trust shall be amended in accordance with its terms to the extent
necessary to: (i) enable the Units held by each Unitholder to be transferred to Newco; (ii)
reduce the requirement of a minimum number of trustees from three to one and to
change the qualification requirements for the trustees; and (iii) facilitate the Arrangement
and the implementation of the steps and transactions as provided in this Plan of
Arrangement;
Amendment to Trust Declaration of Trust

(c) the Trust Declaration of Trust shall be amended in accordance with its terms to the extent necessary to: (i) reduce the requirement of a minimum number of trustees from three to one and to change the qualification requirements for the trustees; and (ii) facilitate the Arrangement and the implementation of the steps and transactions as provided in this Plan of Arrangement;

Dissenting Unitholders

(d) the Units held by the Dissenting Unitholders shall be deemed to have been transferred to the Fund (free of any claims) and cancelled. Such Dissenting Unitholders shall cease to have any rights as Unitholders other than the right to be paid the fair value of their Units in accordance with this Plan of Arrangement and the Interim Order;

Supplemental Indenture

(e) Newco shall be added as a co-debtor under the Exchangeable Debenture Indenture pursuant to the terms of a supplemental indenture to be entered into among Newco, Yellow Media Inc., the Fund, the Trust, YPG LP, Yellow Pages Group Co., Trader and CIBC Mellon;

Exchange of Units for Newco Shares

(f) the Units held by the Unitholders (other than the Dissenting Unitholders) shall be transferred to Newco in consideration for Newco Shares on the basis of one Newco Share for each Unit so transferred;

Cancellation of Common Shares of Newco

(g) the 100 common shares of Newco issued to the Fund in connection with the incorporation and organization of Newco shall be purchased for cancellation by Newco for a consideration of one dollar ($1.00) per common share, and shall be cancelled;

Replacement of Trustees

(h) the Trustees and the Trust Trustees shall be replaced with TrusteeCo as the sole trustee of the Fund and the Trust;

Winding-Up of YPG LP

(i) YPG LP shall be liquidated and dissolved in accordance with the Limited Partnership Agreement (as a result of which YPG LP shall cease to exist), and all of the assets and liabilities of YPG LP shall be distributed to and assumed by the Trust and YPG GP so that each of the Trust and YPG GP shall have an undivided interest in the assets and liabilities equal to their respective interests in YPG LP;

Winding-Up of the Trust

(j) the Trust shall be liquidated and dissolved in accordance with the Trust Declaration of Trust (as a result of which the Trust shall cease to exist), and all of the assets and liabilities of the Trust shall be distributed to and assumed by the Fund;
Winding-Up of the Fund

(k) the Fund shall be liquidated and dissolved in accordance with the Fund Declaration of Trust (as a result of which the Fund shall cease to exist), and all of the assets and liabilities of the Fund shall be distributed to and assumed by Newco, including, without limitation, all liabilities in respect of any declared but unpaid distributions payable by the Fund;

Amalgamation

(l) Yellow Media Inc., YPG GP, Newco and Trusteeco shall amalgamate to form Amalco; the Amalgamation will be carried out in such a manner that:

(i) holders of Newco Shares shall receive Amalco Common Shares on the basis of one Amalco Common Share for each Newco Share;

(ii) holders of Series 1 Preferred Shares shall receive Amalco Series 1 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 1 Preferred Shares on the basis of one Amalco Series 1 Preferred Share for each Series 1 Preferred Share;

(iii) holders of Series 2 Preferred Shares shall receive Amalco Series 2 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 2 Preferred Shares on the basis of one Amalco Series 2 Preferred Share for each Series 2 Preferred Share;

(iv) holders of Series 3 Preferred Shares shall receive Amalco Series 3 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 3 Preferred Shares on the basis of one Amalco Series 3 Preferred Share for each Series 3 Preferred Share;

(v) holders of Series 5 Preferred Shares shall receive Amalco Series 5 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 5 Preferred Shares on the basis of one Amalco Series 5 Preferred Share for each Series 5 Preferred Share;

(vi) holders of Series 7 Preferred Shares shall receive Amalco Series 7 Preferred Shares having the same rights, privileges, restrictions and conditions as the Series 7 Preferred Shares on the basis of one Amalco Series 7 Preferred Share for each Series 7 Preferred Share;

(vii) the Class A common shares in the capital of Yellow Media Inc. held by Newco shall be cancelled;

(viii) the Class B common shares in the capital of Yellow Media Inc. held by Newco shall be cancelled;

(ix) the common shares in the capital of YPG GP held by Newco shall be cancelled;

(x) the common shares in the capital of Trusteeco held by Newco shall be cancelled;
(xi) all of the property, rights and privileges of each of Yellow Media Inc., YPG GP, Newco and Trusteeco shall become the property, rights and privileges of Amalco;

(xii) Amalco shall continue to be liable for the obligations of each of Yellow Media Inc., YPG GP, Newco and Trusteeco, including, without limitation, all liabilities assumed by Newco upon the winding-up of the Fund;

(xiii) any existing cause of action, claim or liability to prosecution of any of Yellow Media Inc., YPG GP, Newco and Trusteeco shall be unaffected;

(xiv) any civil, criminal or administrative action or proceeding pending against any of Yellow Media Inc., YPG GP, Newco and Trusteeco may be continued to be prosecuted by or against Amalco;

(xv) a conviction against, or ruling, order, judgment in favour of or against, any of Yellow Media Inc., YPG GP, Newco and Trusteeco may be enforced by or against Amalco;

(xvi) the Articles of Arrangement shall be deemed to be the articles of incorporation of Amalco and the Certificate shall be deemed to be the certificate of incorporation of Amalco;

(xvii) the by-laws of Amalco shall be the by-laws of Newco in effect immediately prior to the Effective Date;

(xviii) the board of directors of Amalco shall be comprised of the current members of the board of directors of YPG GP;

(xix) the senior management of Amalco shall be comprised of the current members of senior management of YPG GP;

(xx) the registered office of Amalco shall be the registered office of YPG GP;

(xx) the first auditors of Amalco shall be Deloitte & Touche LLP, who shall continue to hold office until the first annual meeting of Amalco or until their successors are elected or appointed; and

(xxii) upon the completion of the Amalgamation, the name of the amalgamated corporation shall be "Yellow Media Inc." in the English language form and "Yellow Média inc." in the French language form.

Exchangeable Debenture Indenture

(m) Amalco shall be the successor debtor under the Exchangeable Debenture Indenture as confirmed pursuant to a supplemental indenture to be entered into among Amalco, Yellow Pages Group Co., Trader and CIBC Mellon;

MTN Indenture

(n) Amalco shall be the successor debtor under the MTN Indenture as confirmed pursuant to a supplemental indenture to be entered into among Amalco, Yellow Pages Group Co. and CIBC Mellon; and
Reduction of Stated Capital of Amalco Common Shares

(o) Amalco shall be authorized to reduce the stated capital maintained in respect of the Amalco Common Shares by an amount determined by Amalco’s board of directors which shall not exceed $3,000,000,000, without any payment.

3.3 Upon the exchange at the Effective Time of Units for Newco Shares pursuant to Section 3.1(f) and the Amalgamation pursuant to Section 3.1(l):

(i) each former registered holder of Units (other than Dissenting Unitholders whose Units shall be deemed to have been transferred to the Fund and cancelled pursuant to Section 3.1(d)) shall cease to be the holder of the Units so exchanged;

(ii) each such registered holder of Units shall become the holder of Newco Shares having been exchanged for the Units held by such holder on the basis of one Newco Share for each Unit so transferred;

(iii) each registered holder of Newco Shares shall become the holder of Amalco Common Shares on the basis of one Amalco Common Share for each Newco Share; and

(iv) Amalco shall become the holder of all of the shares of Yellow Pages Group Co. and Trader.

ARTICLE 4
DISSSENTING UNITHOLDERS

4.1 Each registered Unitholder shall have the right to dissent with respect to the Arrangement, in the same manner as provided for in Section 190 of the CBCA as though its Units were shares of a corporation governed by the CBCA, but as modified by the terms of this Plan of Arrangement and the Interim Order. A Dissenting Unitholder shall, at the Effective Time, cease to have any rights as a Unitholder and shall only be entitled to be paid the fair value of the Units by the Fund or Amalco, as the case may be. A Dissenting Unitholder who is paid the fair value for its Units shall be deemed to have transferred its Units to the Fund at the Effective Time and such Units so transferred shall be cancelled in accordance with this Plan of Arrangement. A Dissenting Unitholder who for any reason is not entitled to be paid the fair value of the Units by the Fund or Amalco, as the case may be, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Units. The fair value of the Units shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Unitholders at the Meeting; but in no event shall Amalco or any other Person be required to recognize a Dissenting Unitholder as a shareholder of Amalco after the Effective Time. For greater certainty, in addition to any other restrictions in Section 190 of the CBCA no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement. Only registered Unitholders may dissent. Persons who are beneficial Unitholders registered in the name of a broker, custodian, nominee or intermediary who wish to dissent should be aware that they may only do so through the registered owner of such Units. All Units are registered in the name of CDS & Co. and are held through the beneficial holders’ brokers, custodians, nominees or intermediaries. Accordingly, a beneficial Unitholder who wishes to exercise his or her right of dissent must make arrangements for the Units beneficially owned by that Unitholder to be registered in the name of the Unitholder prior to the time the written objection to the special resolution in respect of the Arrangement to be voted upon by Unitholders at the Meeting is required to be received by the Fund or, alternatively, make arrangements for the registered
holder of such Units to dissent on behalf of the Unitholder. In such case, the written objection should set forth the number of Units covered by such written objection.

ARTICLE 5
OUTSTANDING CERTIFICATES

5.1 From and after the Effective Time, any certificates formerly representing Units that were exchanged under Section 3.1 shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Unitholders, other than those Dissenting Unitholders deemed to have participated in the Arrangement pursuant to Section 4.1, to receive the fair value of the Units represented by such certificates.

5.2 Any certificate formerly representing Units that is not deposited with the Depositary with all other documents as required by this Plan of Arrangement on or before the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the holder of such Units to receive Amalco Common Shares (and any dividend and distributions thereon). In such case, such Amalco Common Shares shall be returned to Amalco for cancellation.

5.3 Registration of interests in and transfers of the Amalco Common Shares will exclusively be made through a book-entry only system (the "Book Entry System") administered by CDS. On or about the Effective Date, Amalco will deliver to CDS one or more certificates evidencing the aggregate number of Amalco Common Shares issued in connection with the Arrangement.

5.4 Amalco Common Shares may be purchased or transferred through a participant in the CDS depository service (a "CDS Participant"). All rights of holders of Amalco Common Shares may be exercised through, and all payments or other property to which such holder is entitled, will be made or delivered by, CDS through which the holder holds such Amalco Common Shares. Upon purchase of such Amalco Common Shares, the holders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Amalco Common Shares are purchased.

5.5 Amalco has the option in its sole discretion to terminate registration of the Amalco Common Shares through the Book Entry System, in which case certificates for the Amalco Common Shares in fully registered form would be issued to beneficial owners of such Amalco Common Shares or their nominees.

ARTICLE 6
AMENDMENTS

6.1 The Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) approved by each of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco; and (iii) filed with the Court.

6.2 Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco (or, if following the Effective Time, Amalco) without the approval of the Court or the Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and Trusteeco (or, if following the Effective Time, Amalco), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former
holder of Units.

6.3 Subject to Section 6.2, any amendment to this Plan of Arrangement may be proposed by the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and TrusteeCo at any time prior to or at the Meeting (provided that each of the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and TrusteeCo shall have consented thereto) with or without any other prior notice or communication to Unitholders, and if so proposed and accepted by the persons voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.

6.4 Subject to Section 6.2, the Fund, the Trust, YPG GP, YPG LP, Yellow Media Inc., Newco and TrusteeCo may amend, modify or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to Unitholders.

ARTICLE 7
GENERAL

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

7.2 Severability of Plan of Arrangement Provisions

If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any parties, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.3 Governing Laws

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.
March 23, 2010

The Board of Trustees of Yellow Pages Income Fund, and
The Board of Directors of YPG General Partner Inc.
16 Place du Commerce, 10th Floor
Île-des-Soeurs, Québec
H3E 2A5

To the Boards:

CIBC World Markets Inc. ("CIBC", "we" or "us") understands that Yellow Pages Income Fund ("YPG" or the "Fund") is proposing to enter into an arrangement agreement (the "Arrangement Agreement") with YPG Trust, YPG General Partner Inc., YPG LP, Yellow Media Inc., 7341261 Canada Inc. and 7341296 Canada Inc. providing for, among other things, the Fund's conversion to a corporate structure (the "Proposed Conversion").

We understand that pursuant to the Arrangement Agreement:

a) unitholders of the Fund ("Unitholders") will effectively receive, for each unit (a "Unit") of the Fund held, one common share (the "Consideration") of an amalgamated corporation pursuant to the Arrangement (as defined below) to be named Yellow Media Inc. ("Amalco");

b) the common shares of Amalco will be listed for trading on the Toronto Stock Exchange;

c) the Proposed Conversion will be effected by way of a plan of arrangement under Section 192 of the Canada Business Corporations Act (the "Arrangement");

d) the completion of the Proposed Conversion will be conditional upon, among other things, approval by at least two-thirds of the votes cast by Unitholders who are present in person or represented by proxy at the special meeting (the "Special Meeting") of such securityholders and the approval of the Superior Court of Québec; and

e) the terms and conditions of the Proposed Conversion will be described in a management information circular of the Fund and related documents (the "Circular") that will be mailed to the Unitholders in connection with the Special Meeting.

Engagement of CIBC

By letter agreement dated February 2, 2010 (the "Engagement Agreement"), the Fund retained CIBC to act as financial advisor to the Fund and its board of trustees (the "Board of Trustees") and the board of directors of YPG General Partner Inc. (together with the Board of Trustees, the "Boards") in connection with the Proposed Conversion. Pursuant to the Engagement Agreement, the Fund has requested that we
prepare and deliver to the Boards our written opinion (the "Opinion") as to the fairness, from a financial point of view, of the Consideration to be received by Unitholders pursuant to the Arrangement Agreement.

CIBC will be paid a fee for rendering the Opinion and will be paid an additional fee that is contingent upon the completion of the Proposed Conversion. The Fund has also agreed to reimburse CIBC for its reasonable out-of-pocket expenses and to indemnify CIBC in respect of certain liabilities that might arise out of our engagement.

Credentials of CIBC

CIBC is one of Canada’s largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The Opinion expressed herein is the opinion of CIBC and the form and content herein have been approved for release by a committee of its managing directors and internal counsel, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

i) a draft dated March 15, 2010 of the Arrangement Agreement;

ii) a draft dated March 16, 2010 of the Circular;

iii) the annual reports, including the comparative audited financial statements and management’s discussion and analysis, of the Fund for the fiscal years ended December 31, 2007 and 2008;

iv) the comparative audited financial statements and management’s discussion and analysis of the Fund for the fiscal year ended December 31, 2009;

v) the annual information forms of the Fund for the fiscal years ended December 31, 2007 and 2008;

vi) the (a) management information circular of the Fund dated March 18, 2009 relating to the annual meeting of Unitholders held on May 7, 2009 and (b) management information circular of the Fund dated March 14, 2008 relating to the annual meeting of Unitholders held on May 8, 2008;

vii) certain internal financial, operational, corporate and other information prepared or provided by the management of the Fund, including internal operating and financial budgets and projections;

viii) tax scenarios regarding the Fund provided by management of the Fund;

ix) a memorandum dated September 23, 2009 prepared by Stikeman Elliott LLP, the Fund’s legal and tax counsel, concerning the structure of the Fund, the Proposed Conversion and their respective tax implications;

x) selected public market trading statistics and relevant financial information of the Fund and other public entities;

xi) selected relevant reports published by equity research analysts and industry sources regarding the Fund and other comparable public entities;
xii) a certificate addressed to us, dated as of the date hereof, from two senior officers of Yellow Media Inc. as to the completeness and accuracy of the information upon which this Opinion is based; and

xiii) such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances.

In addition, we have participated in discussions with members of the senior management of Yellow Media Inc. regarding its past and current business operations, financial condition and future prospects.

Assumptions and Limitations

Our Opinion is subject to the assumptions, explanations and limitations set forth below.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of any of the assets or securities of the Fund, Amalco or any of their respective affiliates and our Opinion should not be construed as such, nor have we been requested to identify, solicit, consider or develop any potential alternatives to the Proposed Conversion.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Fund or its affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Fund in connection with preparing this Opinion and with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the Fund’s audited financial statements and the reports of the auditors thereon.

With respect to the historical financial data, operating and financial forecasts, budgets and tax scenarios provided to us concerning the Fund and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgements of management of Yellow Media Inc., having regard to the Fund’s business, plans, financial condition and prospects.

We have also assumed that all of the representations and warranties contained in the Arrangement Agreement are correct as of the date hereof and that the Proposed Conversion will be completed substantially in accordance with its terms and all applicable laws and that the Circular will disclose all material facts relating to the Proposed Conversion and will satisfy all applicable legal requirements.

The Fund has represented to us, in a certificate of two senior officers of Yellow Media Inc., dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Fund, including the written information and discussions concerning the Fund referred to above under the heading “Scope of Review” (collectively, the "Information"), are complete and correct at the date the Information was provided to us and that, since the date of the Information, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Fund or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.
We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Proposed Conversion or the sufficiency of this letter for your purposes.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Fund as they are reflected in the Information and as they were represented to us in our discussions with management of Yellow Media Inc. and its affiliates and advisors. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Conversion.

The Opinion is being provided to the Boards for their exclusive use only in considering the Proposed Conversion and may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose, without the prior written consent of CIBC. Our Opinion is not intended to be and does not constitute a recommendation to the Boards as to whether they should approve the Arrangement Agreement nor as a recommendation to any Unitholder as to how to vote or act at the Special Meeting or as an opinion concerning the trading price or value of any securities of the Fund or Amalco following the announcement or completion of the Proposed Conversion.

CIBC believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Consideration to be received by Unitholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to Unitholders.

Yours very truly,

CIBC World Markets Inc.
APPENDIX E
RBC FAIRNESS OPINION
March 23, 2010

The Board of Trustees of Yellow Pages Income Fund
-and-
The Board of Directors of YPG General Partner Inc.
16 Place du Commerce
Île des Soeurs
Verdun, Québec
H3E 2A5

To the Boards:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that Yellow Pages Income Fund (the "Fund") proposes to reorganize the Fund’s income trust structure into a corporate structure pursuant to a plan of arrangement effected under the Canada Business Corporations Act (the "Arrangement"). Under the proposed Arrangement, the holders of trust units (the "Units") of the Fund (the "Unitholders") will exchange their Units for common shares of a newly incorporated corporation, 7341261 Canada Inc. ("Newco"), on the basis of one Newco common share for each Unit held. Pursuant to the Arrangement, Newco will be amalgamated with certain other entities to form a corporation ("Amalco"), and upon completion of such amalgamation, Amalco shall be named Yellow Media Inc. ("Yellow Media"). After giving effect to the Arrangement, Yellow Media will own all of the issued and outstanding shares of the Fund’s existing two indirect operating subsidiaries, Yellow Pages Group Co. and Trader Corporation. The terms of the Arrangement will be more fully described in a management proxy circular (the "Circular"), which will be mailed to Unitholders in connection with the Arrangement.

The Fund has retained RBC to provide advice and assistance to the Board of Trustees of the Fund and the Board of Directors of YPG General Partner Inc. ("YPG GP") (collectively, the "Boards") in evaluating the Arrangement, including the preparation and delivery to the Boards of RBC’s opinion as to the fairness of the consideration under the Arrangement from a financial point of view to the Unitholders (the "Fairness Opinion"). RBC has not prepared a valuation of the Fund, Yellow Media or any of their respective securities or assets and the Fairness Opinion should not be construed as such.

Engagement

The Fund initially contacted RBC regarding a potential advisory assignment in October 2009, and RBC was formally engaged by the Fund through separate but related agreements between the Fund and RBC dated December 16, 2009 and February 19, 2010 (together, the "Engagement Agreement"). The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on successful completion of the Arrangement. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Fund in certain circumstances. RBC consents to the inclusion of the Fairness Opinion in its entirety and a summary
thereof in the Circular and to the filing thereof, as necessary, by the Fund with the securities commissions or similar regulatory authorities in each province of Canada.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Fund, Yellow Media or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Fund, Yellow Media or the Arrangement.

**Credentials of RBC Capital Markets**

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Fairness Opinion expressed herein represents the opinion of RBC and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

**Scope of Review**

In connection with our Fairness Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft, dated March 22, 2010, of the Circular (the "Draft Circular");
2. the most recent draft, dated March 22, 2010, of the arrangement agreement to be entered into among the Fund, Newco and certain other entities;
3. audited financial statements of the Fund for each of the five years ended December 31, 2005, 2006, 2007, 2008 and 2009;
4. annual reports of the Fund for each of the two years ended December 31, 2007 and 2008;
5. the Notice of Annual Meeting of Unitholders and Management Proxy Circulars of the Fund for each of the two years ended December 31, 2007 and 2008;
6. annual information forms of the Fund for each of the two years ended December 31, 2007 and 2008;
7. the internal management budget of the Fund on a consolidated basis and segmented by business unit for the year ending December 31, 2010;
8. unaudited projected financial statements for the Fund on a consolidated basis and segmented by business unit, prepared by management of YPG GP (the general partner of YPG LP, a wholly owned indirect subsidiary of the Fund, which indirectly owns all of the Fund’s assets and businesses (YPG LP, together with its direct and indirect subsidiaries and YPG GP, is referred to herein as "YPG"), for the years ending December 31, 2011 and 2012;
9. tax analysis regarding the Fund, Yellow Media and the Arrangement prepared by management of YPG;
10. a memorandum dated September 23, 2009 prepared by the Fund’s legal counsel as well as certain other presentations prepared by management of YPG and the Fund’s legal counsel concerning the structure of the Fund, the Arrangement and their respective tax implications;
11. discussions with the Fund’s tax advisors regarding the current provisions of the *Income Tax Act* (Canada) relating to the taxation of the Fund and other Canadian publicly-traded income trusts, including the regulations made thereunder, and any proposals to amend such legislation, and the administrative and assessing practices of the Canada Revenue Agency published in writing prior to the date of the Fairness Opinion (the "Income Trust Tax Regime");

12. discussions with senior management of YPG;

13. discussions with the Fund’s legal counsel;

14. the Fund’s public disclosure regarding the dividend policy of Yellow Media after completion of the Arrangement;

15. publicly available information relating to the business, operations, financial performance and unit trading history of the Fund and other selected public companies and income trusts considered by us to be relevant;

16. publicly available information with respect to other transactions of a comparable nature considered by us to be relevant;

17. publicly available information regarding the print and online media industries;

18. representations contained in a certificate addressed to us, dated as of the date hereof, from senior officers of YPG GP on behalf of the Fund as to the completeness and accuracy of the information upon which the Fairness Opinion is based; and

19. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Fund to any information requested by RBC. As the auditors of the Fund declined to permit RBC to rely upon information provided by them as part of a due diligence review, RBC did not meet with the auditors and has assumed the accuracy and fair presentation of and relied upon the consolidated financial statements of the Fund and the reports of the auditors thereon.

**Assumptions and Limitations**

With the Boards’ approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, senior management of YPG, and their consultants and advisors (collectively, the “Information”). The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of YPG GP on behalf of the Fund have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information (as defined above) provided orally by, or in the presence of, an officer or employee of the Fund or YPG or in writing by the Fund or YPG or any of their respective subsidiaries or their respective agents to RBC for the purpose of preparing the Fairness Opinion was, at the date the Information was provided to RBC, and is complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Fund, YPG or any of their respective subsidiaries or the Arrangement and did not and does not omit to state a material fact in respect of the Fund, YPG or any of their respective subsidiaries or the Arrangement necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided or any statement was made; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to
RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Fund, YPG or any of their respective subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Fairness Opinion.

In preparing the Fairness Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Arrangement will be met and that the disclosure provided or incorporated by reference in the Draft Circular with respect to the Fund, its subsidiaries and affiliates and the Arrangement is accurate in all material respects.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions and the Income Trust Tax Regime prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Fund and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to RBC in discussions with management of YPG. In its analyses and in preparing the Fairness Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Arrangement.

The Fairness Opinion has been provided for the use of the Boards and may not be used by any other person or relied upon by any other person other than the Boards without the express prior written consent of RBC. The Fairness Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to RBC’s attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Fairness Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Fairness Opinion is not to be construed as a recommendation to any Unitholder as to whether to vote in favour of the Arrangement.

**Fairness Analysis**

**Approach to Fairness**

In considering the fairness of the consideration under the Arrangement, from a financial point of view, to the Unitholders, RBC principally considered: (i) a comparison of the trading prices and selected financial multiples of both selected print and online media companies and business income trusts to the Unit trading prices and multiples of the Fund and (ii) a review of other proposed and completed conversions of income trusts into corporations.
Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the consideration under the Arrangement is fair from a financial point of view to the Unitholders.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.
APPENDIX F
INFORMATION CONCERNING AMALCO

NOTICE TO READER

Unless otherwise noted, the disclosure in this Appendix has been prepared assuming that the Arrangement has been effected. Amalco will be the publicly listed corporation resulting from the reorganization of the Fund's income trust structure into a dividend paying public corporation pursuant to the Arrangement. Unless otherwise defined herein, all capitalized words and phrases used in this Appendix have the meaning given to such words and phrases in the "Glossary of Terms" or elsewhere in the Proxy Circular.

FORWARD-LOOKING STATEMENTS

This Appendix includes forward-looking statements within the meaning of applicable securities laws. These statements relate to analysis and other information that are based on forecast of future results or events and estimates of amounts not yet determinable. These 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 and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "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 results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors" and under "Risks and Uncertainties" in the Management's Discussion and Analysis and under "Risk Factors" in the AIF, which documents are both incorporated by reference in this Proxy Circular. Although the forward-looking statements contained in this Proxy Circular are based upon what management believes are reasonable assumptions, Amalco cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Proxy Circular, and Amalco assumes no obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

Amalco will be a corporation amalgamated under the CBCA and will be the resulting entity of the amalgamation of Yellow Media Inc., YPG GP, Newco and Trusteeco pursuant to the Plan of Arrangement. On the Effective Date, the Units held by the Unitholders will be transferred to Newco in consideration for Newco Shares on the basis of one Newco Share for each Unit so transferred. Upon the Amalgamation contemplated in the Plan of Arrangement, the holders of Newco Shares will receive Amalco Common Shares on a one-for-one basis. As a result of the steps of the Arrangement, Unitholders will effectively receive Amalco Common Shares for their Units on a one-for-one basis.

The principal and head office of Amalco are located at 16 Place du Commerce, Nun's Island, Verdun, Québec, Canada, H3E 2A5.
**Intercorporate Relationships**

The following table provides the name, the percentage of voting securities to be owned, directly or indirectly, by Amalco and the jurisdiction of incorporation, continuance or formation of Amalco’s anticipated Subsidiaries after giving effect to the Arrangement. The following table omits certain wholly-owned operating or holding companies.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Jurisdiction</th>
<th>Ownership %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Pages Group Co.</td>
<td>Nova Scotia</td>
<td>100%</td>
</tr>
<tr>
<td>Trader Corporation</td>
<td>Canada</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Organizational Structure of Amalco**

The following diagram illustrates the organizational structure of Amalco immediately following completion of the Arrangement. The following diagram illustrates the main entities of the organizational structure of Amalco immediately following the completion of the Arrangement.
GENERAL DEVELOPMENT OF THE BUSINESS

As at the date hereof, Amalco has not carried on any active business. If approved, the Arrangement will result in the reorganization of the Fund’s income trust structure into a dividend paying public corporation. Upon completion of the Arrangement, the former Unitholders will become Amalco Common Shareholders. For a detailed description of the historical development of the business of the Fund, see "General Development of the Business" in the AIF. For a description of the business to be carried on by Amalco following completion of the Arrangement, see "Description of the Business" in this Appendix.

On the Effective Date, Amalco will become a reporting issuer in all Canadian jurisdictions and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

The TSX has conditionally approved the substitutional listing of the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures, subject to Amalco fulfilling the requirements of the TSX as soon as possible after the Effective Time. After the Effective Date, the Amalco Common Shares, the Amalco Preferred Shares and the Exchangeable Debentures will be respectively listed on the TSX under the symbols "YLO", "YLO.PR.A", "YLO.PR.B", "YLO.PR.C", "YLO.PR.D" and "YLO.DB".

DESCRIPTION OF THE BUSINESS

If approved, the Arrangement will result in the reorganization of the Fund’s income trust structure into a dividend paying public corporation. Amalco through its Subsidiaries, Yellow Pages Group Co. and Trader will continue to carry the business of YPG and be a leader in the business of local commercial search provider and print and online vertical media. The board of directors of Amalco will be comprised of the current members of the Board of Trustees, and the senior management of Amalco will be comprised of the current members of senior management of YPG. Marc P. Tellier will serve as President and Chief Executive Officer and Christian M. Paupe will serve as Executive Vice President and Chief Financial Officer of Amalco. For a detailed description of the Fund’s business, which will continue to be carried on by Amalco if the Arrangement is implemented, see "The Business of the Company" in the AIF.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at the date of the Proxy Circular, Amalco has not conducted any business or operations, and will be the result of the amalgamation of Yellow Media Inc., YPG GP, Newco and TrusteeCo pursuant to the Arrangement.

In the event the Arrangement is completed, the business of the Fund will continue to be carried on by Amalco as before the Effective Date and Amalco’s financial position, risks and outlook will be substantially the same as those outlined in the Management's Discussion and Analysis incorporated by reference in the Proxy Circular.

Since the Arrangement does not contemplate a change of control for accounting purposes, the financial statements of Amalco will be the continuation of the Fund's financial statements. As a result of the Arrangement, the consolidated financial statements of Amalco will reflect the assets and liabilities of the Fund at the respective carrying amounts.

Amalco has agreed to indemnify its directors and officers, to the extent permitted under corporate law, against costs and damages incurred by the directors and officers as a result of lawsuits or any other judicial, administrative or investigative proceeding in which the directors and officers are sued as a result of their services. Amalco’s directors and officers are covered by directors’ and officers’ liability insurance.
No amount has been recorded with respect to the indemnification agreements in Amalco's audited balance sheet. See "Pro Forma Financial Statements of Amalco" attached as Exhibit A to this Appendix.

Readers are encouraged to review the Management’s Discussion and Analysis which has been filed on SEDAR at www.sedar.com and which is incorporated by reference in the Proxy Circular.

**DESCRIPTION OF CAPITAL STRUCTURE**

The authorized capital of Amalco consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. The following is a summary of the rights, privileges, restrictions and conditions attaching to the securities of Amalco which will, upon completion of the Arrangement, comprise the share capital of Amalco.

**Common Shares**

Holders of Amalco Common Shares will be entitled to one vote per share at meetings of Amalco Common Shareholders to receive dividends if, as and when declared by the board of directors of Amalco and to receive *pro rata* the remaining property and assets of Amalco upon its dissolution or winding-up, subject to the rights of shares having priority over the Amalco Common Shares. See "Dividend Record and Policy". Holders of Amalco Common Shares may make use of various shareholder remedies available pursuant to the CBCA.

**Preferred Shares**

Each series of preferred shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the board of directors of Amalco prior to the issuance thereof. Holders of preferred shares, except as required by law, will not be entitled to vote at meetings of Amalco Common Shareholders. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of Amalco, whether voluntary or involuntary, the preferred shares are entitled to preference over the Amalco Common Shares and any other shares ranking junior to the preferred shares from time to time and may also be given such other preferences over Amalco Common Shares and any other shares ranking junior to the preferred shares as may be determined at the time of creation of such series. Currently, the only series of preferred shares outstanding are the Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, Series 5 Preferred Shares and the Series 7 Preferred Shares. Upon the Amalgamation pursuant to the Arrangement, holders of Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares, Series 5 Preferred Shares and Series 7 Preferred Shares shall receive respectively Amalco Series 1 Preferred Shares, Amalco Series 2 Preferred Shares, Amalco Series 3 Preferred Shares, Amalco Series 5 Preferred Shares and Amalco Series 7 Preferred Shares having the same rights, privileges, restrictions and conditions as the corresponding series of Yellow Media Inc. preferred shares currently held by such holders, on a one-for-one basis.
PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the unaudited pro forma consolidated capitalization of Amalco as at December 31, 2009 after giving effect to the completion of the Arrangement.

<table>
<thead>
<tr>
<th>Designation</th>
<th>Authorized</th>
<th>As at December 31, 2009 (in 000s)</th>
<th>Pro forma (2) As at December 31, 2009 (in 000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper</td>
<td>$74,000</td>
<td>$74,000</td>
<td></td>
</tr>
<tr>
<td>Credit Facilities</td>
<td>$100,000</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>$2,044,947</td>
<td>$2,044,947</td>
<td></td>
</tr>
<tr>
<td>Exchangeable Debentures</td>
<td>$83,886</td>
<td>$83,886</td>
<td></td>
</tr>
<tr>
<td>Obligations under capital leases(3)</td>
<td>$9,027</td>
<td>$9,027</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,311,860</td>
<td>2,311,860</td>
</tr>
<tr>
<td>Series 1 Preferred Shares and Series 2 Preferred Shares</td>
<td>$472,777</td>
<td>$472,777</td>
<td></td>
</tr>
<tr>
<td>Total third party debt including Series 1 Preferred Shares and Series 2 Preferred Shares</td>
<td>$2,784,637</td>
<td>$2,784,637</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>$324,130</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Unitholders’ equity</td>
<td>Unlimited</td>
<td>$5,224,740</td>
<td>$5,402,797</td>
</tr>
<tr>
<td>Total capitalization</td>
<td>$8,333,507</td>
<td>$8,187,434</td>
<td></td>
</tr>
</tbody>
</table>

(1) Consolidated capitalization of Yellow Pages Income Fund.
(2) The pro forma adjustments include:
- Reclassification of the Series 3 Preferred Shares and Series 5 Preferred Shares for a total amount of $324,130, from non-controlling interests to shareholders’ equity.
- Inclusion of the dividends on Series 3 Preferred Shares and Series 5 Preferred Shares in shareholders’ equity as opposed to a charge to earnings, for a total amount of $4,075.
- Inclusion in shareholder’s equity (retained earnings) of the net earnings impact of the pro forma adjustments of $141,998 that are attributable to the change of income tax status, estimated transaction costs of $7,400 related to the Arrangement and reclassification of dividends of $4,075 on Series 3 Preferred Shares and Series 5 Preferred Shares.
(3) Including short term and long term portion.

DIVIDEND RECORD AND POLICY

After the completion of the Arrangement, Amalco will implement a dividend policy whereby it will initially pay a monthly dividend of $0.0542 ($0.65 per annum) per Amalco Common Share starting in January 2011. The first such monthly dividend will be declared in respect of the month ended January 31, 2011 to the holders of record of Amalco Common Shares on January 31, 2011 and will be paid on February 15, 2011. Provided the Arrangement is approved by Unitholders at the Meeting and provided the Effective Date of the Arrangement occurs on or about November 1, 2010, as currently scheduled, the monthly dividend to be declared after the Effective Date in respect of the months ended November 30, 2010 and December 31, 2010 will be maintained at $0.0667 ($0.80 per annum) per Amalco Common Share. Dividends in respect of the months of November and December 2010 will be payable to holders of record
of Amalco Common Shares on November 30, 2010 and December 31, 2010, respectively, and will be paid on December 15, 2010 and January 17, 2011, respectively.

The dividend policy will be subject to the discretion of the board of directors of Amalco and may vary depending on, among other things, Amalco’s earnings, financial requirements, the satisfaction of solvency tests imposed by the CBCA for the declaration of dividends and other conditions existing at such future time.

**PRIOR SALES**

As Amalco is the result of the amalgamation of Yellow Media Inc., YPG GP, Newco and Trusteeco pursuant to the Arrangement, there will be no issuance of any securities from Amalco’s share capital prior to the Effective Date.

**PRINCIPAL SHAREHOLDERS**

Immediately following completion of the Arrangement, to the best of knowledge of the directors and officers of YPG as of March 24, 2010, it is anticipated that no Person will beneficially own, directly or indirectly, or exercise control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of Amalco.

**DIRECTORS AND EXECUTIVE OFFICERS**

**Directors and Governance Structure of Amalco**

Following completion of the Arrangement, the board of directors of Amalco will be composed of the same individuals serving as members of the Board of Directors, namely Marc L. Reisch (Chairman), Michael T. Boychuk, John R. Gaulding, Paul Gobeil, Michael R. Lambert, Anthony G. Miller, Heather E.L. Munroe-Blum, Martin Nisenholtz, J. Heidi Roizen, Stuart H. B. Smith and Marc P. Tellier. The directors of Amalco shall hold office until the next annual meeting of Amalco Common Shareholders or until their respective successors have been duly elected or appointed. For detailed information on the directors who will serve as directors of Amalco, see “Election of Trustees and Trust Trustees” in the Proxy Circular.

Following completion of the Arrangement, the board of directors of Amalco will have three committees: (i) an audit committee, (ii) a corporate governance and nominating committee and (iii) a human resources and compensation committee. Each of such committee is composed of the same individuals serving as members of the audit committee, the governance and nominating committee and the human resources and compensation committee of YPG, respectively.

**Officers of Amalco**

Upon completion of the Arrangement, all the current members of senior management of YPG will become the senior management of Amalco. Marc P. Tellier will serve as President and Chief Executive Officer and Christian M. Paupe will serve as Executive Vice President and Chief Financial Officer of Amalco.

The following table sets out, for each of the proposed executive officers of Amalco upon completion of the Arrangement, the person’s name, country of residence, positions with Amalco and principal occupations during the last five years.
<table>
<thead>
<tr>
<th>Name and Country of Residence</th>
<th>Position and Principal Occupation with Amalco or its Subsidiaries</th>
<th>Principal Occupation During Last Five Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc P. Tellier, Québec, Canada</td>
<td>President and Chief Executive Officer, Yellow Pages Group Co.</td>
<td></td>
</tr>
<tr>
<td>Paul E. Batchelor, British Columbia, Canada</td>
<td>Vice-President – Sales, Alberta and British Columbia, Yellow Pages Group Co.</td>
<td>Marc P. Tellier has been President and Chief Executive Officer of YPG since October 2001</td>
</tr>
<tr>
<td>Jamie Blundell, Ontario, Canada</td>
<td>Vice-President, Operations, Trader Corporation</td>
<td>Vice-President — Sales, Alberta &amp; British Columbia since September 2006; prior thereto, General Manager for Aliant Directory Services</td>
</tr>
<tr>
<td>Helena Cain, New Brunswick, Canada</td>
<td>Senior Vice-President, Sales, Yellow Pages Group Co.</td>
<td>Vice-President, Operations at Trader since June 2006; prior thereto, Director, Manufacturing of YPG from October 2003 to June 2006</td>
</tr>
<tr>
<td>Douglas A. Clarke, Ontario, Canada</td>
<td>President, Trader Corporation</td>
<td>Senior Vice-President of Sales since October 26, 2009; prior thereto, Vice-President – Enterprise and SMB Sales for Bell Aliant and Xwave</td>
</tr>
<tr>
<td>Josée Dubuc, Québec, Canada</td>
<td>Chief Talent Officer, Yellow Pages Group Co.</td>
<td>President of Trader since February 2006; prior thereto, Director — Sales, General Business, Ontario of Yellow Pages Group Co.</td>
</tr>
<tr>
<td>Nicolas Gaudreault, Québec, Canada</td>
<td>Vice-President, Digital Media, Yellow Pages Group Co.</td>
<td>Chief Talent Officer since August 2009; prior thereto, Vice-President - Human resources since March 2003</td>
</tr>
<tr>
<td>David Gilbert, Georgia, USA</td>
<td>Vice-President, Your Community PhoneBook Sales, YPG Directories, LLC</td>
<td>Vice-President, Digital Media since September 2009; prior thereto, Vice-President and General Manager of Nurun</td>
</tr>
<tr>
<td>Jeff Knisley, Ontario, Canada</td>
<td>Vice-President, Commercial Sales, Automotive and Generalist Trader Corporation</td>
<td>Vice-President of Sales for Your Community PhoneBook, Sales of YPG Directories, LLC since 2008; prior thereto, Chief Operating Officer for Volt Directory Services — Your Community PhoneBook</td>
</tr>
<tr>
<td>Jacky Hill, Ontario, Canada</td>
<td>Vice-President, National Real Estate, Trader Corporation</td>
<td>Vice-President, Real Estate, National since June 2008; prior thereto, she worked at Trader’s predecessor company since 1990</td>
</tr>
<tr>
<td>Paul Lalonde, Québec, Canada</td>
<td>Vice-President and General Manager — Sales, Central Region and Atlantic Canada, Yellow Pages Group Co.</td>
<td>Vice-President and General Manager — Sales, Central Region since December 2009; prior thereto, Vice-President – Sales, Québec and Atlantic Canada since 2005</td>
</tr>
<tr>
<td>Lise Lavoie, Québec, Canada</td>
<td>Vice-President, Sales Québec and Atlantic Canada</td>
<td>Vice-President – Sales Québec and Atlantic Canada since August 2009; prior thereto, Sales Director since 1999</td>
</tr>
<tr>
<td>Nicolas Lavoie, Québec, Canada</td>
<td>Chief Financial Officer, Trader Corporation</td>
<td>Chief Financial Officer of Trader since May 2009; prior thereto, a number of positions in the finance area, more recently as Vice-President Finance and</td>
</tr>
<tr>
<td>Name and Country of Residence</td>
<td>Position and Principal Occupation with Amalco or its Subsidiaries</td>
<td>Principal Occupation During Last Five Years</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Geneviève LeBrun, Québec, Canada</td>
<td>Vice-President — Marketing, Trader Corporation</td>
<td>Treasurer of YPG since February 2007</td>
</tr>
<tr>
<td>Linda McFarlane, Ontario, Canada</td>
<td>Vice-President, Sales Support, Yellow Pages Group Co.</td>
<td>Vice-President, Sales Support of Yellow Pages Group Co. since September 2008; prior thereto, Director of Operations for the Ontario region</td>
</tr>
<tr>
<td>Ginette Maillé, Québec, Canada</td>
<td>Chief Accounting Officer, Yellow Pages Group Co.</td>
<td>Vice-President — Chief Accounting Officer since September 2003</td>
</tr>
<tr>
<td>Stéphane Marceau, Québec, Canada</td>
<td>Chief Marketing Officer, Yellow Pages Group Co.</td>
<td>Chief Marketing Officer since July 2009; prior thereto Chief Executive Officer of Theralive and Mobivox</td>
</tr>
<tr>
<td>Barbara E. Oberleitner, Québec, Canada</td>
<td>Vice-President and Treasurer, Yellow Pages Group Co.</td>
<td>Vice-President and Treasurer of YPG since May 2009; prior thereto, Chief Compliance Officer since December 2006 and Senior Tax Advisor and Director-Taxation since November 2004</td>
</tr>
<tr>
<td>Christian M. Paupe, Québec, Canada</td>
<td>Executive Vice-President — Corporate Services and Chief Financial Officer, Yellow Pages Group Co.</td>
<td>Executive Vice-President, Corporate Services and Chief Financial Officer since April 2003</td>
</tr>
<tr>
<td>Stephen Port, Québec, Canada</td>
<td>Vice-President — Corporate Performance, Yellow Pages Group Co.</td>
<td>Vice-President, Corporate Performance since February 2007; prior thereto, Director, Corporate Planning of YPG</td>
</tr>
<tr>
<td>Yvan Proteau, Québec, Canada</td>
<td>Chief Information Officer, Yellow Pages Group Co.</td>
<td>Chief Information Officer since March 2003</td>
</tr>
<tr>
<td>François D. Ramsay, Québec, Canada</td>
<td>Senior Vice-President — General Counsel and Secretary, Yellow Pages Group Co. and Secretary of the Fund</td>
<td>Vice-President, General Counsel and Secretary since March 2003. Appointed Senior Vice-President, General Counsel and Secretary in August 2008</td>
</tr>
<tr>
<td>D. Lorne Richmond, Ontario, Canada</td>
<td>Vice-President — Supply Chain &amp; Logistics, Yellow Pages Group Co.</td>
<td>Vice-President, Supply Chain &amp; Logistics since September 2008; prior thereto, Vice-President — Supply Chain since 1997</td>
</tr>
<tr>
<td>Greg Shearer, Pennsylvania, USA</td>
<td>Vice-President, Business Solutions, Yellow Pages Group, LLC</td>
<td>Vice-President, Business Solutions of Yellow Pages Group, LLC since September 2008. Before joining Yellow Pages Group, LLC, Vice-President, Sales of Volt Directory Systems/Services</td>
</tr>
<tr>
<td>Normand Théberge, Québec, Canada</td>
<td>Vice-President, Business Development, Trader Corporation</td>
<td>Vice-President, Business Development at Trader since February 2009; prior thereto, Director, Business Development at Yellow Pages Group Co. since 2007 and prior to joining YPG, Chief Technology Officer with Cognicase</td>
</tr>
<tr>
<td>Edward D. Valentine, Pennsylvania, USA</td>
<td>Vice-President, Publishing, Yellow Pages Group, LLC</td>
<td>Vice-President, Publishing of Yellow Pages Group, LLC since September 2008. Prior to joining Yellow Pages Group, LLC, Vice-President, Directories division of Volt Information Sciences, Inc.</td>
</tr>
<tr>
<td>Name and Country of Residence</td>
<td>Position and Principal Occupation with Amalco or its Subsidiaries</td>
<td>Principal Occupation During Last Five Years</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Daniel Verret, Québec, Canada</td>
<td>Vice-President, Controller, Yellow Pages Group Co.</td>
<td>Vice-President and Corporate Controller since August 2009; prior thereto, Director of Finance and Corporate Controller since August 2003</td>
</tr>
</tbody>
</table>

Immediately after giving effect to the Arrangement, it is anticipated that the directors and proposed officers of Amalco and their associates, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 1,684,946 Amalco Common Shares representing approximately 0.33% of the outstanding Amalco Common Shares (assuming no Dissent Rights are exercised).

**CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

**Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of the Fund and YPG, no director or proposed executive officer of Amalco (a) are, as at the date hereof, or have been, within 10 years before the date of the Proxy Circular, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the proposed nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) are, as the date of the Proxy Circular, or have been within 10 years before the date of the Proxy Circular, a director or executive officer of any company that, while person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) have, within the 10 years before the date of the Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed nominee, except for:

(a) Mr. Boychuk, who, until, April 23, 2002, was Chief Financial Officer of Teleglobe Inc. and director or executive officer of various wholly-owned subsidiaries of Teleglobe Inc. Teleglobe Inc. filed for court protection under insolvency statutes on May 15, 2002 while certain of its various wholly-owned subsidiaries filed for court protection under insolvency statutes on May 28, 2002; and

(b) Mr. Gobeil, who was a director of BridgePoint International (Canada) Inc. which filed a notice of intention to make a proposal to its creditors under the Bankruptcy and Insolvency Act (Canada) on November 13, 2001. The proposal to creditors was approved by said creditors on February 12, 2002.

**Penalties or Sanctions**

To the knowledge of the Fund and YPG, no director or proposed executive officer of Amalco, nor any personal holding company thereof, (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.
Personal Bankruptcies

To the knowledge of the Fund and YPG, in the last ten years, no director or proposed executive officer of Amalco, nor any personal holding company thereof, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets or the assets of his or her holding company.

CONFLICTS OF INTEREST

Except as disclosed in the Proxy Circular or in this Appendix, no director or proposed senior officer of Amalco or other insider of Amalco, nor any associate or affiliate of the foregoing persons, has any existing or potential material conflict of interest with Amalco or any of its Subsidiaries.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

To date, Amalco has not carried on any active business and has not completed a fiscal year of operations. No compensation has been paid by Amalco to its executive officers or directors and none will be paid until after the Arrangement is completed. Amalco’s compensation policies are expected to be similarly structured to those of YPG. See "Compensation of Trustees and Directors" and "Executive Compensation" in the Proxy Circular.

RISK FACTORS

Risk factors related to the business and operations of the Fund and its Subsidiaries and the industry in which they operate will continue to apply to Amalco after the Effective Date and will not be affected by the Arrangement.

In the event the Arrangement is completed, the business and operations of, and an investment in, Amalco will be subject to various risks as set forth in the Proxy Circular, the AIF and below. The following information is a summary only of certain risk factors which will be applicable to Amalco in the event the Arrangement becomes effective and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing in the Proxy Circular, the AIF or in any other documents incorporated by reference therein. See "Risk Factors" in the Proxy Circular and "Risk Factors – Risks Related to the Company and the Industry" in the AIF, which risk factors are incorporated herein by reference. For purposes of the risk factors described below, references to "YPG" shall mean Amalco and its Subsidiaries.

Risks Related to YPG and the Industry

Competition

YPG competes with other directory and classified advertising businesses and with other forms of advertising media. This includes newspapers, television, radio, the Internet, magazines, billboards and direct mail advertisements.

These competitors may reduce their prices to increase their market share or may be able to offer their services at lower costs than YPG. In either case, YPG could be forced to reduce prices or offer and perform other services in order to remain competitive. YPG’s failure to compete effectively with its current or future competitors could have a number of impacts such as, a reduction in its advertiser base, lower rates and increased costs. This could have a material adverse effect on its financial condition and results of operations.
A significant portion of YPG’s organic growth resulted from increased prices for YPG’s products and services on an annual basis. There can be no assurance that YPG will be able to continue to increase prices in the future. Entry of competitors into YPG’s markets may make it more difficult for YPG to maintain growth at historical rates through price increases.

The vertical media business faces substantial online competition due to the lower barriers to entry on the Internet. In addition, increased online penetration and the resulting increase in the availability of free classified advertising opportunities may cause a decrease in the total revenues for classified advertising, particularly if the vertical media business is unable to find a way to effectively generate revenue from online activities. Furthermore, the vertical media business faces competition for advantageous retail display placement. In the retail environment, the vertical media business competes with all print publications that are co-displayed at any time. The failure of YPG’s vertical media business to remain competitive and maintain favourable placement of its publications on retailer display racks could have a material adverse effect on the circulation of its publications.

Decline in Overall Usage of Directories and Vertical Media

YPG could be materially adversely affected if the usage of printed telephone directories or vertical publications declines significantly. The development of new technologies and the widespread use of Internet may cause changes in preferences and consumer habits and decline in overall usage of directories and vertical media. In particular, this could eventually have a significant influence on printed products, and the decrease in usage will ultimately lead to lower advertising revenues. Since YPG derives a substantial portion of its advertising revenues from printed publications, the new revenues that YPG could draw from online products may not necessarily offset any decline in print revenues, which could have a material adverse effect on our business.

Availability of Capital

YPG may need to refinance its available credit facilities or other debt obligations in the future. In addition, future capital expenditures and potential acquisitions may require additional financing. Despite certain signs of recovery, the recent global financial markets crisis and the global economic slowdown may continue for an undetermined period of time and could deteriorate, which may further constrain YPG’s ability to meet its future financing requirements, increase its weighted average cost of capital and cause other cost increases from counterparties also faced with liquidity problems and higher cost of capital. Disruptions and high volatility in the capital markets could reduce the amount of capital available or increase the cost of such capital. If YPG is unable to obtain additional financing, when and if required, or to refinance its credit facilities or other debt obligations, or is only able to obtain such additional financing or refinance these credit facilities or other debt obligations on less favorable and/or more restrictive terms, this could have a material adverse effect on YPG’s financial position and on its future growth by limiting acquisitions and capital expenditures, and may also indirectly limit or negatively impact its ability to pay cash distributions.

Interest Rate Fluctuations

YPG is exposed to fluctuations in short term interest rates on some of its financial obligations bearing variable interest rates. YPG is also exposed to fluctuations in long term interest rates and credit spreads relative to the refinancing of its debt obligations upon their maturity. The interest rate on new long term debt issuance will be based on the prevailing market rates at the time of the refinancing and will depend on the tenor of the new debt issued. Increases in short term interest rates and increases in interest rates on new debt issuances may have a material adverse effect on YPG’s earnings.
Pension Contributions

YPG is and may be required to make contributions to its pension plans in the future depending on various factors including future returns on pension plan assets, long-term interest rates and changes in pension regulations, which may have a negative effect on YPG's liquidity and results of operations.

The funding requirements of YPG's pension plans, resulting from valuations of its pension plan assets and liabilities, depend on a number of factors, including actual returns on pension plan assets, long-term interest rates, plan demographic and pension regulations. Changes in these factors could cause actual future contributions to significantly differ from YPG's current estimates and would require YPG to make contributions to YPG's pension plans in the future and, therefore, could have a negative effect on its liquidity and results of operations.

There is no assurance that YPG's pension plans will be able to earn their assumed rate of return. A material portion of YPG's pension plans' assets is invested in public equity securities. As a result, the ability of YPG's pension plans to earn the rate of return that we have assumed significantly depends on the performance of capital markets. The market conditions also impact the discount rate used to calculate YPG's solvency obligations and thereby could also significantly affect YPG's cash funding requirements.

Reliance on Key Brands and Trade-marks and Failure to Protect Intellectual Property Rights

YPG relies heavily on its existing brands and trademarks for a significant portion of its revenues. Failure to adequately maintain the strength and integrity of these brands and trade-marks, or to develop new brands and trademarks, could adversely affect YPG's results from operations and financial condition.

It is possible that third parties could infringe upon, misappropriate or challenge the validity of YPG's trademarks or other intellectual property rights. This could have a material adverse effect on YPG's business, its financial condition or operating results. The actions that YPG takes to protect its trade-marks and other proprietary rights may not be adequate. Litigation may be necessary to enforce or protect YPG’s intellectual property rights, its trade secrets or to determine the validity and scope of the proprietary rights of others. YPG cannot ensure that it will be able to prevent infringement of its intellectual property rights or misappropriation of its proprietary information.

Any such infringement or misappropriation could harm any competitive advantage YPG currently derives, or may derive, from its proprietary rights. Third parties may assert infringement claims against YPG. Any such claims and any resulting litigation could subject YPG to significant liability for damages. An adverse judgment arising from any litigation of this type could require Company to design around a third party’s patent or to license alternative technology from another party. In addition, litigation may be time-consuming and expensive to defend against and could result in the diversion of YPG's time and resources. Any claims from third parties may also result in limitations on YPG's ability to use the intellectual property subject to these claims.

Labour Relations

Certain non-management employees of YPG are unionized. Current union agreements range between two to four years in duration and are subject to expiration at various dates in the future. If YPG is unable to renew these agreements as they come up for renegotiation from time to time, it could result in work stoppages and other labour disturbances which could have a material adverse effect on YPG's business.
LEGAL PROCEEDINGS

Other than the proceedings relating to the approval of the Plan of Arrangement, there are no legal proceedings to which Amalco is a party or in respect of which any of their assets are the subject matter, which is material to Amalco and Amalco is not aware of any such proceedings that are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in the Proxy Circular or this Appendix, none of the persons anticipated to be directors or executive officers of Amalco or any person or company that will be the direct or indirect owner of, or will exercise control or direction over, more than 10% of any class or series of Amalco's outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any past transaction or any proposed transaction that has materially affected or will materially affect Amalco or any of its Subsidiaries.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The first auditors of Amalco shall be Deloitte & Touche LLP, Chartered Accountants located at 1 Place Ville-Marie, Suite 3000, Montreal, Québec, Canada H3B 4T9, who shall continue in office until the first annual meeting of Amalco or until their successors are elected or appointed.

Transfer Agent and Registrar

The transfer agent and registrar for the Amalco Common Shares and Amalco Preferred Shares will be CIBC Mellon at its principal transfer office in Montreal.

MATERIAL CONTRACTS

For a description of material contracts that will continue to be material contracts of Amalco after the completion of the Arrangement, see "Material Contracts" in the AIF.

FINANCIAL INFORMATION

In the event the Arrangement is completed, all the Units will, effectively be exchanged for Amalco Common Shares on a one-for-one basis. The Fund will be dissolved, and Amalco will consolidate the results of YPG in its financial statements going forward. In addition, the business of YPG will continue to be carried on as before the Effective Date by Amalco. Amalco's financial position after the Arrangement is completed will be substantially the same as those outlined in the Management's Discussion and Analysis.

Readers are encouraged to review the Management's Discussion and Analysis, which has been filed on SEDAR at www.sedar.com and which is incorporated by reference in the Proxy Circular.
## Yellow Media Inc.

### Unaudited Pro Forma Consolidated Balance Sheet

**Year Ended December 31, 2009**

(in thousands of Canadian dollars) (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Yellow Pages Income Fund 2009-12-31</th>
<th>Pro Forma Adjustments (Note 1)</th>
<th>Pro Forma Yellow Media Inc. (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td>(Note 1)</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
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</tr>
<tr>
<td>Cash and cash equivalents</td>
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<td>36,170</td>
<td>36,170</td>
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<td>Prepaid expenses</td>
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<td>6,480</td>
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<td>Deferred publication costs and other assets</td>
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<td>130,844</td>
<td>130,844</td>
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<td>Future income taxes</td>
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<tr>
<td></td>
<td></td>
<td>417,662</td>
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<td>DEFERRED PUBLICATION COSTS</td>
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<td>FIXED ASSETS</td>
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<td>OTHER ASSETS</td>
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<td>DERIVATIVE FINANCIAL INSTRUMENTS</td>
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<td>INTANGIBLES</td>
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<tr>
<td>GOODWILL</td>
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<td>FUTURE INCOME TAXES</td>
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<tr>
<td></td>
<td></td>
<td>8,941,606</td>
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</tr>
<tr>
<td><strong>LIABILITIES AND UNITHOLDERS' EQUITY / SHAREHOLDERS' EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
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</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>204,325</td>
<td>146,073</td>
<td>350,398</td>
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<tr>
<td>Distributions payable</td>
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<td>34,220</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>110,402</td>
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<td>110,402</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>76</td>
<td>76</td>
<td>76</td>
</tr>
<tr>
<td>Future income taxes</td>
<td>34,248</td>
<td>34,248</td>
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<tr>
<td>Current portion of long-term debt</td>
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<tr>
<td></td>
<td></td>
<td>385,525</td>
<td>385,525</td>
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<tr>
<td>DEFERRED CREDITS</td>
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<tr>
<td>FUTURE INCOME TAXES</td>
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</tr>
<tr>
<td>ACCRUED BENEFIT LIABILITIES</td>
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<tr>
<td>DERIVATIVE FINANCIAL INSTRUMENTS</td>
<td>719</td>
<td>719</td>
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<tr>
<td>LONG-TERM DEBT</td>
<td>2,225,720</td>
<td>2,225,720</td>
<td>2,225,720</td>
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<tr>
<td>EXCHANGEABLE DEBENTURES</td>
<td>83,886</td>
<td>83,886</td>
<td>83,886</td>
</tr>
<tr>
<td>PREFERRED SHARES</td>
<td>472,777</td>
<td>472,777</td>
<td>472,777</td>
</tr>
<tr>
<td>NON-CONTROLLING INTEREST</td>
<td>324,130</td>
<td>(324,130)</td>
<td>–</td>
</tr>
<tr>
<td>UNITHOLDERS' EQUITY / SHAREHOLDERS' EQUITY</td>
<td>5,224,740</td>
<td>178,057</td>
<td>5,402,797</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8,941,606</td>
<td>8,941,606</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.
### Yellow Media Inc.
**Unaudited Pro Forma Consolidated Statement of Earnings**
**Year Ended December 31, 2009**
*(in thousands of Canadian dollars, except per unit/share information) (Unaudited)*

<table>
<thead>
<tr>
<th></th>
<th><strong>Yellow Pages Income Fund</strong></th>
<th><strong>Pro Forma Adjustments</strong></th>
<th><strong>Pro Forma Yellow Media Inc.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009-12-31</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>1,639,884</td>
<td></td>
<td>1,639,884</td>
</tr>
<tr>
<td>Operating costs</td>
<td>746,446</td>
<td>7,400</td>
<td>753,846</td>
</tr>
<tr>
<td>Income from operations before depreciation and amortization, impairment of goodwill and restructuring and special charges</td>
<td>893,438</td>
<td>(7,400)</td>
<td>886,038</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>142,414</td>
<td></td>
<td>142,414</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>315,000</td>
<td></td>
<td>315,000</td>
</tr>
<tr>
<td>Restructuring and special charges</td>
<td>40,316</td>
<td></td>
<td>40,316</td>
</tr>
<tr>
<td>Income from operations</td>
<td>395,708</td>
<td>(7,400)</td>
<td>388,308</td>
</tr>
<tr>
<td>Financial charges, net</td>
<td>114,600</td>
<td></td>
<td>114,600</td>
</tr>
<tr>
<td>Earnings before dividends on Preferred shares, income taxes, share of losses from equity investees and non-controlling interests</td>
<td>281,108</td>
<td>(7,400)</td>
<td>273,708</td>
</tr>
<tr>
<td>Dividends on Preferred shares, series 1 and 2</td>
<td>22,427</td>
<td></td>
<td>22,427</td>
</tr>
<tr>
<td>Earnings before income taxes, share of losses from equity investees and non-controlling interests</td>
<td>258,681</td>
<td>(7,400)</td>
<td>251,281</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>42,710</td>
<td>138,673</td>
<td>181,383</td>
</tr>
<tr>
<td>Share of losses from equity investees</td>
<td>7,089</td>
<td></td>
<td>7,089</td>
</tr>
<tr>
<td>Earnings before non-controlling interests</td>
<td>208,882</td>
<td>(146,073)</td>
<td>62,809</td>
</tr>
<tr>
<td>Non-controlling interest related to investments</td>
<td>552</td>
<td></td>
<td>552</td>
</tr>
<tr>
<td>Dividends on Preferred shares, series 3 and 5</td>
<td>4,075</td>
<td>(4,075)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net earnings</strong></td>
<td>204,255</td>
<td>(141,998)</td>
<td>62,257</td>
</tr>
<tr>
<td>Basic earnings per unit/share</td>
<td>0.40</td>
<td>(0.29)</td>
<td>0.11</td>
</tr>
<tr>
<td>Weighted average number of units/shares outstanding used in computing earnings per unit/share</td>
<td>510,658,375</td>
<td>510,658,375</td>
<td>510,658,375</td>
</tr>
<tr>
<td>Diluted earnings per unit/share</td>
<td>0.36</td>
<td>(0.25)</td>
<td>0.11</td>
</tr>
<tr>
<td>Weighted average number of units/shares outstanding used in computing diluted earnings per unit/share (Note 4)</td>
<td>612,387,219</td>
<td>(94,733,616)</td>
<td>517,653,603</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.
1. BASIS OF PRESENTATION

On March 23, 2010, the Board of Trustees of Yellow Pages Income Fund (the "Fund") and the Board of Directors of YPG General Partner Inc. ("YPG GP") approved the proposed reorganization of the Fund's income trust structure into a corporate structure pursuant to a statutory plan of arrangement (the "Arrangement") under the Canada Business Corporations Act. The Arrangement will require the approval of the holders (the "Unitholders") of units ("Units") of the Fund, as well as the approval of the Superior Court of Québec, the Toronto Stock Exchange and all other necessary regulatory approvals. The Arrangement must be approved by not less than 66 2/3% of the votes cast by Unitholders voting in person or by proxy at the related special Unitholders' meeting scheduled to be held on May 6, 2010, concurrently with the Fund's annual general meeting.

Pursuant to and on the effective date of the Arrangement, the Units held by the Unitholders will be transferred to 7341261 Canada Inc. ("Newco") in consideration for common shares of Newco on the basis of one common share for each Unit so transferred. In addition, YPG LP, YPG Trust and the Fund will be liquidated and dissolved. Yellow Media Inc., YPG GP, Newco and 7341296 Canada Inc. ("Trusteeeco" under the Arrangement) will amalgamate and the amalgamated corporation will be named Yellow Media Inc. Upon the amalgamation, the holders of common shares of Newco will receive common shares of Yellow Media Inc. on the basis of one common share for each common share of Newco. As a result of the steps of the Arrangement, Unitholders will effectively receive common shares of Yellow Media Inc. for their Units on a one-for-one basis. For a detailed description of the above and other transactions forming part of the Arrangement, see the accompanying management proxy circular (the "Proxy Circular") dated March 24, 2010 prepared by management in connection with the Unitholders' meeting being held for the approval of the Arrangement.

The unaudited pro forma consolidated financial statements have been prepared by management for inclusion in the Proxy Circular. The accounting policies used in the preparation of the unaudited pro forma consolidated financial statements are those disclosed in the consolidated financial statements of the Fund.

The accompanying unaudited pro forma consolidated balance sheet has been prepared using information derived from the consolidated balance sheet of the Fund as at December 31, 2009, along with the pro forma assumptions and adjustments described in Note 2. The unaudited pro forma consolidated statement of earnings for the year ended December 31, 2009 has been prepared using information derived from the statements of earnings of the Fund for the year ended December 31, 2009 along with the pro forma assumptions and adjustments described in Note 3.

The unaudited pro forma consolidated balance sheet has been prepared as if the Arrangement had occurred on December 31, 2009. The unaudited pro forma consolidated financial statement of earnings has been prepared as if the Arrangement had occurred at January 1, 2009.

Since the Arrangement is not a business combination transaction, it will be treated as a change in business form and will be accounted for as a continuity of interests as prescribed by CICA Emerging Issues Committee abstract 170 - Conversion of an unincorporated entity to an incorporated entity.
Yellow Media Inc.
Notes to Unaudited Pro Forma Consolidated Financial Statements (continued)
(All amounts are in thousands of dollars)

1. BASIS OF PRESENTATION (continued)

The unaudited pro forma consolidated financial statements are prepared for illustrative purposes only and are based on the assumptions set forth in the notes to such statements. These financial statements are not indicative of the results of operations that might have occurred if the Arrangement had actually taken place on the dates indicated. The pro forma adjustments are based upon currently available information and management’s estimates and assumptions. Actual adjustments may differ materially from the pro forma adjustments. In the opinion of management, these unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation of the Arrangement in accordance with Canadian generally accepted accounting principles.

The unaudited pro forma consolidated financial statements should be read in conjunction with the description of the transactions contained elsewhere in the Proxy Circular and the audited and unaudited consolidated financial statements of the Fund, including the notes, incorporated by reference.

2. PRO FORMA ADJUSTMENTS TO THE CONSOLIDATED BALANCE SHEET

The unaudited pro forma consolidated balance sheet gives effect to the following adjustments as if they had occurred on December 31, 2009:

(a) The accounts payable and accrued liabilities have been adjusted by an amount of $5,113 to reflect the estimated transaction costs, net of income taxes.

(b) The accounts payable and accrued liabilities have been adjusted by an amount of $140,960 to reflect the current income taxes payable within the Yellow Media Inc. corporate structure.

(c) The Series 3 Preferred Shares and Series 5 Preferred Shares have been reclassified, for a total amount of $324,130, from non-controlling interests to shareholders’ equity.

(d) The dividends on the Series 3 Preferred Shares and Series 5 Preferred Shares have been reclassified, for a total amount of $4,075, from the statement of earnings to shareholders’ equity.

(e) The net earnings impact of the pro forma adjustments described in note 3 of $141,998 is included in the pro forma adjustments to shareholder’s equity.

The estimated income taxes on the above adjustments are based on the combined federal and provincial statutory rate of 30.9%.

3. PRO FORMA ADJUSTMENTS TO THE CONSOLIDATED STATEMENT OF EARNINGS

The unaudited pro forma consolidated statement of earnings gives effect to the following adjustments as if they had occurred on January 1, 2009:

(a) Estimated transaction costs of $7,400 associated with the Arrangement and related transactions.

(b) Provision for income taxes has been adjusted by an amount of $138,673 to reflect the current income taxes payable within the Yellow Media Inc. corporate structure along with the tax impact of the estimated transaction costs referred to above.

(c) Dividends related to the Series 3 Preferred Shares and Series 5 Preferred Shares, for a total amount of $4,075, have been reclassified from non-controlling interests to shareholders’ equity.
3. PRO FORMA ADJUSTMENTS TO THE CONSOLIDATED STATEMENT OF EARNINGS
   (continued)

   The estimated income taxes on the above adjustments are based on the combined federal and provincial statutory rate of 30.9%.

4. DILUTED EARNINGS PER UNIT / SHARE

   The pro forma diluted earnings per share for the year ended December 31, 2009 did not take into consideration the potentially dilutive effect of the Series 1 Preferred Shares and Series 2 Preferred Shares since their impact became anti-dilutive after considering the pro forma adjustments referred to above. As such, the weighted average number of units/shares outstanding used in computing pro forma diluted earnings per share was reduced by 94,733,616 units/shares, representing the dilutive effect of 57,253,961 Series 1 Preferred Shares and 37,479,655 Series 2 Preferred Shares.
EXHIBIT B
OPENING CONSOLIDATED BALANCE SHEET OF NEWCO

AUDITORS' REPORT

To the Board of Directors of 7341261 Canada Inc.:

We have audited the consolidated balance sheet of 7341261 Canada Inc. (the "Corporation") as at March 23, 2010. This financial statement is the responsibility of the Corporation’s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the consolidated balance sheet presents fairly, in all material respects, the financial position of the Corporation as at March 23, 2010 in accordance with Canadian generally accepted accounting principles.

(Signed) Deloitte & Touche LLP
Chartered accountant auditor permit no 10800

Montreal, Québec
March 23, 2010
7341261 Canada Inc.

Consolidated Balance sheet
As at March 23, 2010

<table>
<thead>
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<th>Assets</th>
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<tr>
<td>Share capital</td>
<td>Note 2</td>
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<tr>
<td>Description of the proposed Plan of Arrangement and Contingency</td>
<td>Notes 3 &amp; 4</td>
</tr>
</tbody>
</table>

On behalf of the Board:

*(signed) Marc P. Tellier*
Marc P. Tellier
Director
1. INCORPORATION AND BASIS OF PRESENTATION

7341261 Canada Inc. (the "Corporation") was incorporated under the provisions of the Canada Business Corporation Act on February 26, 2010, and on that date, issued 100 common shares for a total cash consideration of $100. The Corporation owns 100% of the outstanding common shares of 7341296 Canada Inc. ("Trusteeco" under the Arrangement). Other than the issuance of common shares, the investment in Trusteeco and the execution of a proposed Plan of Arrangement (the "Arrangement") as discussed in Note 3, there have been no other activities and the Corporation will be inactive until the Arrangement is completed. The Corporation was formed to be amalgamated with Yellow Media Inc., YPG General Partner Inc. ("YPG GP") and Trusteeco. The combined entity will ultimately become the parent in the Arrangement. This consolidated balance sheet has been prepared in accordance with Canadian generally accepted accounting principles.

2. SHARE CAPITAL

Authorized –
An unlimited number of common shares, voting;
An unlimited number of preferred shares, non-voting, non-participating, issuable in series;

Issued –

<table>
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<tr>
<th>Description</th>
<th>Number</th>
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<tr>
<td>100 common shares</td>
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3. DESCRIPTION OF THE PROPOSED PLAN OF ARRANGEMENT

On March 23, 2010, the Board of Trustees of Yellow Pages Income Fund (the "Fund") and the Board of Directors of YPG GP approved the proposed reorganization of the Fund's income trust structure into a corporate structure pursuant to the Arrangement. The Arrangement will require the approval of the holders (the "Unitholders") of units ("Units") of the Fund, as well as the approval of the Superior Court of Québec, the Toronto Stock Exchange and all other necessary regulatory approvals. The Arrangement must be approved by not less than 66 2/3% of the votes cast by Unitholders voting in person or by proxy at the related special Unitholders' meeting scheduled to be held on May 6, 2010, concurrently with the Fund's annual general meeting.

Pursuant to and on the effective date of the Arrangement, the Units held by the Unitholders will be transferred to the Corporation in consideration for common shares of the Corporation on the basis of one common share for each Unit so transferred. In addition, YPG LP, YPG Trust and the Fund will be liquidated and dissolved. Yellow Media Inc., YPG GP, the Corporation and Trusteeco will amalgamate and the amalgamated corporation will be named "Yellow Media Inc.". Upon the amalgamation, the holders of common shares of the Corporation will receive common shares of Yellow Media Inc. on the basis of one common share of Yellow Media Inc. for each common share of the Corporation.
1. INCORPORATION AND BASIS OF PRESENTATION

7341261 Canada Inc. (the "Corporation") was incorporated under the provisions of the Canada Business Corporation Act on February 26, 2010, and on that date, issued 100 common shares for a total cash consideration of $100. The Corporation owns 100% of the outstanding common shares of 7341296 Canada Inc. ("Trusteeco" under the Arrangement). Other than the issuance of common shares, the investment in Trusteeco and the execution of a proposed Plan of Arrangement (the "Arrangement") as discussed in Note 3, there have been no other activities and the Corporation will be inactive until the Arrangement is completed. The Corporation was formed to be amalgamated with Yellow Media Inc., YPG General Partner Inc. ("YPG GP") and Trusteeco. The combined entity will ultimately become the parent in the Arrangement. This consolidated balance sheet has been prepared in accordance with Canadian generally accepted accounting principles.

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$ 100

3. DESCRIPTION OF THE PROPOSED PLAN OF ARRANGEMENT

On March 23, 2010, the Board of Trustees of Yellow Pages Income Fund (the "Fund") and the Board of Directors of YPG GP approved the proposed reorganization of the Fund’s income trust structure into a corporate structure pursuant to the Arrangement. The Arrangement will require the approval of the holders (the "Unitholders") of units ("Units") of the Fund, as well as the approval of the Superior Court of Québec, the Toronto Stock Exchange and all other necessary regulatory approvals. The Arrangement must be approved by not less than 66 2/3% of the votes cast by Unitholders voting in person or by proxy at the related special Unitholders’ meeting scheduled to be held on May 6, 2010, concurrently with the Fund’s annual general meeting.

Pursuant to and on the effective date of the Arrangement, the Units held by the Unitholders will be transferred to the Corporation in consideration for common shares of the Corporation on the basis of one common share for each Unit so transferred. In addition, YPG LP, YPG Trust and the Fund will be liquidated and dissolved. Yellow Media Inc., YPG GP, the Corporation and Trusteeco will amalgamate and the amalgamated corporation will be named “Yellow Media Inc.”. Upon the amalgamation, the holders of common shares of the Corporation will receive common shares of Yellow Media Inc. on the basis of one common share of Yellow Media Inc. for each common share of the Corporation.
4. CONTINGENCY

The Corporation has agreed to indemnify its directors, and officers, to the extent permitted under corporate law, against costs and damages incurred by the directors, and officers as a result of lawsuits or any other judicial, administrative or investigative proceeding in which the directors, and officers are sued as a result of their services. The Corporation’s directors and officers are covered by directors’ and officers’ liability insurance. No amount has been recorded in this financial statement with respect to the indemnification agreements.
EXHIBIT C
OPENING BALANCE SHEET OF TRUSTEECO

AUDITORS' REPORT

To the Board of Directors of 7341296 Canada Inc.:

We have audited the balance sheet of 7341296 Canada Inc. (the "Corporation") as at March 23, 2010. This financial statement is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the balance sheet presents fairly, in all material respects, the financial position of the Corporation as at March 23, 2010 in accordance with Canadian generally accepted accounting principles.

(Signed) Deloitte & Touche LLP

Chartered accountant auditor permit nº 10800

Montreal, Québec
March 23, 2010
7341296 Canada Inc.

Balance sheet
As at March 23, 2010

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</table>

Description of the proposed Plan of Arrangement and Contingency .......... Notes 3 & 4

On behalf of the Board:

(signed) Marc P. Tellier
Marc P. Tellier
Director
7341296 Canada Inc.  
(the “Corporation”)

Notes to the Balance Sheet  
As at March 23, 2010

1. INCORPORATION AND BASIS OF PRESENTATION

7341296 Canada Inc. (the "Corporation") was incorporated under the provisions of the Canada Business Corporation Act on February 26, 2010, and on that date, issued 100 common shares for a total cash consideration of $100. Other than the issuance of common shares, and the execution of a Proposed Plan of Arrangement (the "Arrangement") as discussed in Note 3, there have been no other activities and the Corporation will be inactive until the Arrangement is completed. The Corporation was formed to replace the trustees (the "Trustees") of Yellow Pages Income Fund (the "Fund") and the trustees (the "Trust Trustees") of YPG Trust as the sole trustee of the Fund and YPG Trust in the context of the Arrangement. The Corporation will ultimately be amalgamated with Yellow Media Inc., YPG General Partner Inc. ("YPG GP") and 7341261 Canada Inc. ("Newco"). The combined entity will become the parent, after the Arrangement is completed. This balance sheet has been prepared in accordance with Canadian generally accepted accounting principles.

2. SHARE CAPITAL

Authorized –
An unlimited number of common shares, voting;
An unlimited number of preferred shares, non-voting, non-participating, issuable in series;

Issued –

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3. DESCRIPTION OF THE PROPOSED PLAN OF ARRANGEMENT

On March 23, 2010, the Trustees and the Board of Directors of YPG GP approved the proposed reorganization of the Fund’s income trust structure into a corporate structure pursuant to the Arrangement under the Canada Business Corporations Act. The Arrangement will require the approval of the holders (the “Unitholders”) of units ("Units") of the Fund, as well as the approval of the Superior Court of Québec, the Toronto Stock Exchange and all other necessary regulatory approvals. The Arrangement must be approved by not less than 66 2/3% of the votes cast by Unitholders voting in person or by proxy at the related special Unitholders’ meeting scheduled to be held on May 6, 2010, concurrently with the Fund’s annual general meeting.

Pursuant to and on the effective date of the Arrangement, the Units held by the Unitholders will be transferred to Newco in consideration for common shares of Newco on the basis of one common share for each Unit so transferred. In addition, YPG LP, YPG Trust and the Fund will be liquidated and dissolved. Yellow Media Inc., YPG GP, Newco and the Corporation will amalgamate and the amalgamated corporation will be named "Yellow Media Inc."
4. CONTINGENCY

The Corporation has agreed to indemnify its directors, and officers, to the extent permitted under corporate law, against costs and damages incurred by the directors, and officers as a result of lawsuits or any other judicial, administrative or investigative proceeding in which the directors, and officers are sued as a result of their services. The Corporation’s directors and officers are covered by directors’ and officers’ liability insurance. No amount has been recorded in this financial statement with respect to the indemnification agreements.
SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

190. Rights to dissent — (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to:

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
(c) amalgamate otherwise than under section 184;
(d) be continued under section 188;
(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
(f) carry out a going-private transaction or a squeeze-out transaction.

(2) Further right — A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

(2.1) If one class of shares — The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) Payment for shares — In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

(4) No partial dissent — A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) Objection — A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

(6) Notice of resolution — The corporation shall, within ten (10) days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

(7) Demand for payment — A dissenting shareholder shall, within twenty (20) days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty (20) days after learning that the resolution has been adopted, send to the corporation a written notice containing:
(a) the shareholder's name and address;
(b) the number and class of shares in respect of which the shareholder dissents; and
(c) a demand for payment of the fair value of such shares.

(8) **Share certificate** — A dissenting shareholder shall, within thirty (30) days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(9) **Forfeiture** — A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

(10) **Endorsing certificate** — A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

(11) **Suspension of rights** — On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where:

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12);
(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice; or
(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

(12) **Offer to pay** — A corporation shall, not later than seven (7) days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice:

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(13) **Same terms** — Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

(14) **Payment** — Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten (10) days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty (30) days after the offer has been made.

(15) **Corporation may apply to court** — Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty (50) days...
after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

(16) **Shareholder application to court** — If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty (20) days or within such further period as a court may allow.

(17) **Venue** — An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

(18) **No security for costs** — A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

(19) **Parties** — On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

(20) **Powers of court** — On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

(21) **Appraisers** — A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(22) **Final order** — The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

(23) **Interest** — A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24) **Notice that subsection (26) applies** — If subsection (26) applies, the corporation shall, within ten (10) days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(25) **Effect where subsection (26) applies** — If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty (30) days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(26) **Limitation** — Corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation’s assets would thereby be less than the aggregate of its liabilities.
APPENDIX H
YPG GENERAL PARTNER INC.
CHARTER OF THE BOARD OF DIRECTORS

YPG GENERAL PARTNER INC., AS GENERAL PARTNER OF YPG LP (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, in addition to the duties of directors of a 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 the best interests of the Corporation and its shareholders generally. 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 Chairman of the Corporate Governance and Nominating Committee of the Corporation.

Nothing contained in this mandate 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, (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 composition of the Board, including the qualification of its members, shall comply with the constituting documents of the Corporation as well as other applicable legislation, rules and regulations.

3. The Chairman of the Board shall be an independent Director 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 successors is so appointed. The Secretary of the Corporation shall be the Secretary of the Board.
4. The Board shall meet at 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 session with any other internal personnel or outside advisors, as needed or appropriate.

8. The Board may invite from time to time such person 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 Chairman 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 meeting.

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 and the external auditors.

RESPONSIBILITIES OF THE BOARD

As part of its stewardship responsibility, the Board advises management on significant business issues and, either directly or through its Committees, I 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.

2. Reviewing and approving, at the beginning of each fiscal year, the business plan, capital budget and financial goals of the Corporation 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.

3. Reviewing and approving all securities continuous disclosure filings such as the Annual Report, Proxy Circular, and Annual Information Form.

4. 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.

5. Subject to 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.
6. 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.

7. 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.

8. 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.

9. Ensuring proper succession planning, including appointing, training and monitoring of senior executives.

10. Reviewing and ratifying the Compensation Committee's assessment of the performance of the CEO and senior executives.

11. Adopting and reviewing at least annually a communication and disclosure policy for the Corporation and monitoring investor relations programs and communications with analysts, the media and the public.

12. Developing the Corporation's approach to corporate governance, including adopting and enforcing good corporate governance principles and practices.

13. Ensuring the integrity of the Corporation's internal control, management information systems and financial disclosure.

14. With the help of the Corporate Governance and Nominating Committee, oversee the development and implementation of the Director orientation program and continuing education program.

15. Establish Board Committees and define their mandates to assist the Board in carrying out its duties and responsibilities.

16. Adopt measures for receiving feedback from stakeholders and provide for appropriate disclosure of the measures as may be required by law or regulation.

17. Reviewing the Board's mandate annually and recommend and implement 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.

**COMMUNICATION WITH THE BOARD**

Shareholders and other stockholders 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 Group Co. (www.ypg.com). Such process shall allow any shareholder and other stockholder 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.
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 Code of Ethics and Business Conduct of the Corporation.

3. Act independently of management including be 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 and Committee meetings, 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 requested, 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 and policies and practices, this Charter, Board Policies and the Charters of Committees of the Board on which he or she serves with 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 CHAIRMAN OF THE BOARD

The Chairman’s responsibilities include the following, in addition to the Chairman’s responsibilities pursuant to the legislation and the Corporation’s articles and by-laws as well as those which may be assigned to him from time to time by the Board:
1. presiding at meetings of shareholders and the Board;

2. providing leadership to enhance Board effectiveness and focus and ensure 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.

**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 from time to time by the Board:

1. ensuring good day-to-day management of the Corporation’s operations;

2. meeting goals, objectives and strategic planning process adopted by the Board;

3. implementing the business plan of the Corporation;

4. ensuring that the management of the Corporation understands the expectations of the Board, the strategic plan and the business plan of the Corporation; and

5. overseeing the quality and integrity of the management of the Corporation.

Approved by the Board of the Corporation on February 17, 2004.

Last Revision: November 4, 2009.
NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS AND MANAGEMENT PROXY CIRCULAR

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