YELLOW PAGES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2019

March 30, 2020

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EXPLANATORY NOTES

The information in this Annual Information Form is stated as at December 31, 2019, unless otherwise indicated.

Unless otherwise indicated or the context otherwise requires, the “Corporation” or “Yellow Pages” refers to Yellow Pages Limited and/or its direct and indirect subsidiaries and predecessors, “YP” refers to Yellow Pages Digital & Media Solutions Limited. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “$” are to Canadian dollars.

Forward-Looking Information

This Annual Information Form contains certain assertions about the objectives, strategies, financial condition, results of operations and businesses of YP, including the Corporation’s intention to initiate a regular quarterly common share dividend of $0.11 per common share per quarter, beginning in the second quarter of 2020. These statements are considered “forward-looking” because they are based on current expectations of our business, on the markets we operate in, and on various estimates and assumptions. Forward-looking information and statements are based on a number of assumptions which may prove to be incorrect. In making certain forward-looking statements, we have made the following assumptions:

- that general economic conditions in Canada will not deteriorate;
- that we will be able to attract and retain key personnel in key positions;
- that we will be able to introduce, sell and provision the products and services that support our customer base and drive improvement in average revenue per customer (“ARPC”);
- that the decline in print revenues will remain at or below 25% per annum;
- that YP segment gross profit margins will not deteriorate materially from current levels;
- that continuing reductions in spending will mitigate the cash flow impact of revenue declines on cash flows; and
- that exposure to foreign exchange risk arising from foreign currency transactions will remain insignificant.

Forward-looking information and statements are also based upon the assumption that none of the identified risk factors that could cause actual results to differ materially from the anticipated or expected results described in the forward-looking information and statements will occur.

When used in this Annual Information Form, such forward-looking statements may be identified by words such as “aim”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “goal”, “intend”, “objective”, “may”, “plan”, “predict”, “seek”, “should”, “strive”, “target”, “will”, “would” and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as at the date of this Annual Information Form. The Corporation assumes no obligation to update or revise these forward-looking statements to reflect new events or circumstances, except as may be required pursuant to securities laws. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future results or performance, and will not necessarily be accurate indications of whether or not such results or performance will be achieved. A number of factors could cause actual results or performance to differ materially from the results or performance discussed in the forward-looking statements and could have a material adverse effect on the Corporation, its business, results from operations and financial condition, including, but not limited to, the following risk factors discussed under the “Risks and Uncertainties” section of this Annual Information Form:

- Failure by the Corporation to stabilize or grow its revenues and customer base;
- The inability of the Corporation to attract, retain and upsell customers;

- Substantial competition could reduce the market share of the Corporation;
- A higher than anticipated rate of decline in print revenue resulting from changes in preferences and consumer habits;
- The inability of the Corporation to successfully enhance and expand its offering of digital marketing and media products;
- The inability of the Corporation to supply the relationships and technologies required to appropriately service the needs of its customers;
- A prolonged economic downturn in principal markets of the Corporation;
- A higher than anticipated proportion of revenues coming from the Corporation's digital products with lower margins, such as services and resale;
- The inability of the Corporation to attract and retain key personnel;
- The Corporation's business depends on the usage of its online and mobile properties and failure to protect traffic across the Corporation's digital properties could impair its ability to grow revenues and expand its business;
- Failure by either the Corporation or the Telco Partners to fulfill their obligations set forth in the agreements between the Corporation and the Telco Partners;
- Successfully prosecuted legal action against the Corporation;
- Work stoppages and other labour disturbances;
- Challenge by tax authorities of the Corporation's position on certain income tax matters;
- The loss of key relationships or changes in the level of service provided by mapping applications and search engines;
- The failure of the Corporation's computers and communication systems;
- The inability of the Corporation to generate sufficient funds from operations, debt financings, equity financings or refinancing transactions;
- Incremental contributions by the Corporation to its pension plans; and
- An outbreak or escalation of a contagious disease may adversely affect the Corporation's business

Additional risks and uncertainties not currently known to management or that are currently deemed to be immaterial may also have a material adverse effect on the Corporation, its business, results from operations and financial condition. Although the forward-looking statements contained in this Annual Information Form are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements and cautions readers not to place undue reliance on them. These forward-looking statements are made as at the date of this Annual Information Form, and the Corporation has no intention and assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities legislation. The forward-looking contained in this Annual Information Form are expressly qualified by this cautionary statement.

Non-IFRS Measures

The Corporation's consolidated financial statements for the years ended December 31, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the financial information included in the management's discussion and analysis ("MD&A") are derived from these consolidated financial statements. The Corporation's consolidated financial statements and MD&A are available on SEDAR at www.sedar.com and on the Corporation's website at https://corporate.yp.ca.

This Annual Information Form makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Corporation's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Corporation's financial information reported under IFRS. The Corporation uses non-IFRS measures to provide investors with supplemental measures of the Corporation's operating performance. The Corporation believes non-IFRS measures are important supplemental measures of operating performance because they eliminate items that have less bearing on the Corporation's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Corporation also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Corporation's ability to meet its future debt service, capital expenditure and working capital requirements. Because other companies may calculate these non-IFRS measures differently than the Corporation does, these metrics are not comparable to similarly titled measures reported by other publicly traded companies. Refer to the Corporation's MD&A for the years ended December 31, 2019 and 2018, available on SEDAR at www.sedar.com and on the Corporation's website at https://corporate.yp.ca, for definitions.

Market and Industry Data

The Corporation has obtained the market and industry data presented in this Annual Information Form from a combination of internal surveys, third party information and the estimates of the Corporation's management. While the Corporation believes internal surveys, third party information and estimates of the Corporation's management are reliable, the Corporation has not verified them, nor have they been verified by any independent sources and the Corporation has no assurance that the information contained in third party websites is current and up-to-date. While the Corporation is not aware of any misstatements regarding the market and industry data presented in this Annual Information Form, such data involves risks and uncertainties and are subject to change based on various factors, including those factors discussed under the sections entitled "Forward-Looking Information" and "Risks and Uncertainties", and the Corporation does not make any representation as to the accuracy of such data.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated under the *Canada Business Corporations Act* ("CBCA") on October 25, 2012 under the name 8254320 Canada Inc. On December 20, 2012, the Corporation completed a plan of arrangement under the CBCA with, among other entities, Yellow Media Inc. (which changed its name as part of the plan of arrangement to YPG Financing Inc.) and changed its name to Yellow Media Limited. On December 31, 2014, Yellow Media Limited changed its name to Yellow Pages Limited through a vertical short-form amalgamation with its newly created wholly-owned subsidiary, Yellow Pages Limited.

On January 1, 2015, Yellow Pages Group Corp. and YPG Financing Inc. amalgamated to form Yellow Pages Digital & Media Solutions Limited through a vertical short-form amalgamation.

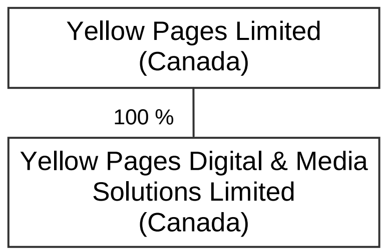
On October 1, 2018, Yellow Pages Homes Limited, 9778748 Canada Inc. and Yellow Pages Digital & Media Solutions Limited amalgamated to form Yellow Pages Digital & Media Solutions Limited through a vertical short-form amalgamation.

On January 1, 2019, Juice DMS Advertising Limited and Yellow Pages Digital & Media Solutions Limited amalgamated to form Yellow Pages Digital & Media Solutions Limited through a vertical short form amalgamation.

Yellow Pages Limited is the parent company of Yellow Pages Digital & Media Solutions Limited. The principal and head office of Yellow Pages Limited is located at 1751 Rue Richardson, Montreal, Québec, Canada, H3K 1G6.

Intercorporate Relationships

The following organization chart indicates the intercorporate relationships of the Corporation and its principal subsidiary as at the date hereof:



Certain subsidiaries of the Corporation, each of which represented not more than 10% of the consolidated assets and not more than 10% of the consolidated revenue of the Corporation, and all of which, in the aggregate, represented not more than 20% of the total consolidated assets and the total consolidated revenue of the Corporation as at the date hereof, have been omitted from the above chart.

GENERAL DEVELOPMENT OF THE BUSINESS

History of Yellow Pages Limited

The paragraphs that follow provide a description of how the Corporation's business has evolved over the years.

Yellow Pages, through one of its predecessors, published its first print directory in 1908. The business was operated as a division of Bell Canada until 1971, when it was incorporated as a wholly-owned subsidiary of Bell Canada. In November 2002, affiliates of Bell Canada sold the business to a group of private equity investors and the Corporation became public in 2003.

Between 2005 and 2010, the Corporation completed a number of acquisitions, which played a key role in its ability to expand its presence beyond Ontario and Québec to all provinces and territories across Canada, giving the Corporation a national platform to offer its products and services.

In March 2016, the Corporation acquired the consolidated net assets of Oriole Media Corp. (doing business as JUICE Mobile ("JUICE")), a premium advertising technology company whose proprietary programmatic platforms facilitate the automatic buying and selling of mobile advertising between brands and publishers.

During the fiscal year ending December 31, 2018 the Corporation divested or liquidated most of its non-synergistic or unprofitable affiliates, including the sale of all or substantially all of the assets of Western Media Group in May, all or substantially all of the assets of Totem in June, all of the shares of ComFree/DuProprio Network and all or substantially all of the assets of Yellow Pages Homes Limited in July, in August all or substantially all of the assets of RedFlagDeals.com were sold, and in December the Corporation sold all or substantially all of the assets of Juice DMS Advertising Limited.

The Corporation continued to perform organizational changes throughout 2019:

- In January, the Corporation completed the liquidation of the Mediative division;
- In April, the Corporation sold all or substantially all of the assets of YP Dine Solutions Limited and 4400438 Canada Inc. ("Bookenda"); and
- In September, 411 Local Search Corp. ("411.ca") was integrated with the Corporation's wholly-owned subsidiary Yellow Pages Digital & Media Solutions Limited.

BUSINESS OF THE CORPORATION

Our Business

Yellow Pages, a leading Canadian digital media and marketing solutions provider in Canada, offers targeted tools to local businesses, national brands and consumers allowing them to interact and transact within today's digital economy. During the year ended December 31, 2019 the Corporation operated in two reportable segments: the YP segment, and the Other segment.

Through its YP segment, the Corporation offers small and medium-sized enterprises ("SMEs") across Canada full-serve access to one of the country's most comprehensive suites of digital and traditional marketing solutions, notably online and mobile priority placement on YP digital media properties, content syndication, search engine solutions, website fulfillment, social media campaign management, digital display advertising, video production as well as print advertising. YP's dedicated sales force and customer care team of over 300 professionals offers this full suite of marketing solutions to local businesses across the country, while also supporting the evolving needs of its existing customer base of 153,300 SMEs.This segment also includes the 411.ca digital directory service which helps users find and connect with people and local businesses.

The Other segment includes the YP Dine property, allowing users to discover, search for and book local restaurants until its sale on April 30, 2019. This segment also includes Mediative until its liquidation on January 31, 2019. Mediative's offers included dedicated marketing and performance media services to national clients Canada-wide. The operations of the business sold in 2018 are also included in this segment until their respective disposal date, namely:

- Totem which provided customized content creation and delivery for global brands until its sale on May 31, 2018;
- Western Media Group, magazines generating local lifestyle content specific to the Western Canada region until its sale as of May 31, 2018;
- RedFlagDeals.com™, a Canadian provider of online and mobile promotions, deals, coupons and shopping forums, until its sale on August 22, 2018;
- ComFree/DuProprio (CFDP) provided homeowners in Canada with media to sell their homes in a cost-effective manner until its sale on July 6, 2018;
- Yellow Pages NextHome until its sale on July 23, 2018;
- JUICE Mobile's proprietary Programmatic Direct and Real-Time Bidding platforms that facilitated the automatic buying and selling of mobile advertising between brands and advertisers, until its sale on December 31, 2018.

The Company's media properties, primarily desktop, mobile and print, continue to serve as effective marketplaces for Canadian local merchants, brands and consumers. The Company's network of media properties enables Canadians to discover businesses in their neighbourhoods across the services of real estate, dining and retail verticals. A description of the Company's existing digital media properties is found below:

- YP™ – Available both online at YP.ca and as a mobile application, YP allows users to discover and transact within their local neighbourhoods through comprehensive merchant profiles, relevant editorial content, reviews and booking functionalities;

- Canada411 (C411) – One of Canada's most frequented and trusted online and mobile destinations for personal and local business information;

- 411.ca – A digital directory service to help users find and connect with people and local businesses.

Yellow Pages continues to have a significant print directories business having published 330 distinct print telephone directories in 2019. The Corporation is the official directory publisher for Bell, Telus, Bell Aliant, MTS Allstream, and a number of other incumbent telephone companies that have a leading market share in their respective markets.

Employees

The Corporation employs approximately 800 employees in offices across Canada, and holds one of the largest teams of sales advisors in the digital media and marketing solutions industry in Canada. YP's employees include a dedicated sales force and customer care team of over 300 professionals responsible for serving its customers. The sales force is composed of both face-to-face and telephone-based Media Account Consultants ("MACs"), and is broken down into various customer segments to allow for a more dedicated relationship with each customer.

Certain MACs, as well as certain office employees in Alberta, Manitoba, Ontario, British Columbia and Québec, together representing approximately 46% of the Corporation's workforce, are unionized. The following table provides a summary of the labour unions representing YP's employees that are unionized and the status of collective agreements in place and the number of employees covered by each union as at March 30, 2020:

Labour Union	**Bargaining Unit**	**Location**	**Expiry Date**	**Number of Employees**
Syndicat des employées et employés professionnels(les) et de bureau	SEPB Local 574 (C)	Office employees based in Québec	March 31, 2023	131
Syndicat des employées et employés professionnels(les) et de bureau	SEPB Local 574	MAC employees based in Québec	December 31, 2021	94
International Brotherhood of Electrical Workers	IBEW Local 2228	MAC employees based in Alberta	December 31, 2021	23

Labour Union	Bargaining Unit	Location	Expiry Date	Number of Employees
MoveUp	MoveUp Local 378	MAC employees based in British Columbia	December 31, 2021	58
UNIFOR	UNIFOR Local 7	MAC employees based in Manitoba	June 30, 2022	3
Canadian Office and Professional Employees' Union	COPE Local 131	MAC employees based in Ontario except Ottawa	June 30, 2022	46
Canadian Office and Professional Employees Union	COPE Local 131	MAC employees based in Ottawa, Ontario	December 31, 2021	6

The Corporation considers its relations with its employees to be good and the Corporation strives to maintain a positive relationship with the unions.

Selling, Production and Components

Existing or potential Canadian business customers of YP are approached by a sales force comprised of MACs and sales support staff. Supported by digital tools and competitive market intelligence, the Corporation's sales force is well equipped to present customers with a mix of products and services best suited to meet their key marketing needs. The sales force typically collects the customer's business information and provides it to the fulfillment team which delivers the requested products or services.

The selling and fulfillment cycle of digital products varies based on the product purchased, as well as on each customer's specific marketing objectives. The print directories' selling and publication cycle lasts approximately twelve months from the initial sales date. Yellow Pages' print directories are printed and distributed annually throughout the Corporation's markets.

In 2018, the Corporation began to transition fulfillment of digital products to a third party. Almost all website production, search engine marketing ("SEM"), search engine optimization ("SEO") and content syndication are now managed or facilitated through third party service providers. Production and hosting of High Definition videos and Facebook profiles continue to be managed internally.

YP contracts with a third party supplier for the printing and binding of all its directories published in Canada. The principal raw material used in manufacturing a print directory is paper, the cost of which represents less than 3.5% of the Corporation's directories revenues. The Corporation contracts with third party vendors to distribute its directories within the geographic area covered by the directory.

Under separate billing and collection agreements with Bell and Telus (collectively, the "Telco Partners"), a portion of the Corporation's monthly billing is included as a separate line item on customers' telephone bills for those who use the incumbent telephone company as their telephone service provider. Telco Partners also provide collection services. See "Business of the Corporation – Relationships with Telecommunication Companies".

Customers who do not use the incumbent telephone company as their telephone service provider, who purchase products outside of their incumbent telephone company's territory or who are users of the Corporation's services after November 1, 2014, are billed directly by the Corporation mostly on a monthly basis. Selling contractors and Certified Marketing Representatives ("CMRs"), who represent customers on the Corporation's behalf, are billed on an annual basis by the Corporation upon directory publication after which they bill their clients.

Effective January 1, 2018, revenues from print products are recognized upon delivery of the print directories instead of over the term of the publication period of twelve months. Publication costs are recognized when the related print revenue is recognized. Certain revenues, such as website and video design fees, are recognized upon completion of the related fulfillment obligation.

Relationships with Telecommunication Companies

Yellow Pages has entered into publishing agreements and is the official and exclusive publisher of telephone directories of Bell, Telus, Bell Aliant and Bell MTS. The Corporation has entered into royalty-free, 30-year licenses which grant it the right to use the Bell (up to 2032), Telus (up to 2031), Bell Aliant (up to 2037) and Bell MTS (up to 2036) trademarks in connection with the publication of print and digital telephone directories in any format (subject to certain exceptions). Pursuant to such agreements, Bell, Telus, Bell Aliant and Bell MTS have agreed not to compete with the Corporation in the creation, publication, distribution or marketing of telephone directories (subject to certain exceptions) for a period of 30 years from the execution of their respective publication and trademark license agreements. Furthermore, the Corporation has entered into Billing and Collection agreements with Bell (up to 2020) and Telus (up to 2031), whereby each performs billing and collection services on behalf of the Corporation, including billing and collecting directory advertising fees from certain Yellow Pages customers who are also customers of the Telco Partners.

Competition

The Corporation faces competition within the online, mobile and print-based local search market and within the advertising solutions market.

The Corporation faces digital competition in the consumer and digital search advertising market from search engines such as Google, Bing and Yahoo!. The Corporation also competes with properties that provide classified, directory, and/or business listing information such as Apple Maps (given their significant iOS embedded application offering within Apple mobile products), the Google Network (specifically the Google My Business), TripAdvisor, Yelp, Kijiji and Craigslist, as well as social networking organizations such as Facebook, Twitter, LinkedIn, and Instagram. However, the Corporation works in partnership with the largest players, including Facebook, Google and Apple, leveraging their ecosystems to generate visibility for its customers. In return, these global brands receive YP's accurate and credible listings and information on Canadian businesses to populate their platforms.

Within print local-based search media, Yellow Pages publishes 330 directories and faces competition from community newspapers and regionally focused independent publishers. In Québec, Les Annuaires G.B. publishes approximately 17 community-based directories in the Quebec City area. The Annuaire Agenda Familiale L.B. Inc. publishes 9 community-based directories covering the South Shore area of Montreal. In Ontario, Goldbook, a subsidiary of Metroland Media Group, a wholly-owned subsidiary of Torstar Corporation, publishes approximately 15 directories. In Alberta, British Columbia and Ontario, ACTIONpages, an independent U.S. publisher, publishes 32 print directories including the Easier-to-Read directories which it acquired in 2016.

On the digital marketing solutions market, the Corporation competes with numerous full-service providers such as Rogers, ReachLocal Canada, a wholly-owned subsidiary of Gannett Co., Bell, Telus, Web.com, GoDaddy.com, Wix.com and various boutique digital advertising agencies, which offer national enterprises and small and medium-sized businesses access to web design and hosting, e-commerce solutions, search engine solutions, social media marketing and/or digital display advertising.

Regulatory Matters

The Canadian Radio-television and Telecommunications Commission (“CRTC”) does not regulate the provision of directory advertising by, or the operations of, Yellow Pages except with regards to the protection of the incumbent telephone company customer information and insofar as the CRTC’s requirements in respect of alphabetical and classified listing telephone directories impose certain obligations on the Corporation as a service provider. These requirements include the customer’s entitlement to receive, free of charge, copies of the alphabetical directory in which the customer’s telephone number is listed in all markets where the incumbent telephone company is the local telephone service provider.

Ratings

Standard & Poor's Ratings Services (“S&P”) and DBRS Limited (“DBRS”) rate debt instruments with ratings ranging from “AAA”, which represent the highest quality of securities, to “D”, which represent securities that are in payment default. The S&P ratings ranging from “AA” to “CCC” may be modified by the addition of a plus “(+)” or minus “(-)” to show relative standing within the particular major rating category. The DBRS ratings ranging from “AA” to “C” may be modified by the addition of “(high)” or “(low)” to indicate the relative standing of a credit rating within a particular rating category.

S&P assigned a corporate rating of “B-” with a positive outlook to the Corporation, and a rating of “B” to the Corporation’s Exchangeable Debentures (as such term is defined in the section entitled “Capital Structure – Description of Exchangeable Debentures”).

Obligations rated “BB+”, “B”, “CCC”, “CC” and “C” by S&P are regarded as having significant speculative characteristics. For S&P, debt rated “BB” means that the issuer is less vulnerable to nonpayment than other speculative issues. However, such debt faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor’s inadequate capacity to meet its financial commitment on the obligation. Financial instruments that are rated in the “B” category by S&P means for S&P that the issuer is more vulnerable than the obligors rated “BB”, but currently have the capacity to meet its financial commitments. Further, this rating signifies that, in the opinion of S&P, adverse business, financial, or economic conditions will likely impair the issuer's capacity or willingness to meet its financial commitments.

DBRS assigned a corporate rating of “B (high)” for the Corporation’s issuer rating with a stable outlook to the Corporation and a “B (high)” to the Corporation’s Exchangeable Debentures.

Financial instruments that are rated in the “B” category by DBRS are, in DBRS’ opinion, of highly speculative credit quality. Further, DBRS adds that there is a high level of uncertainty as to the capacity of the issuer to meet financial obligations.

The ratings described above provide investors with an independent view of credit quality. Those ratings established by S&P and DBRS are based on quantitative and qualitative considerations relevant to the Corporation. They are intended to indicate the risk that the Corporation will not satisfy its obligations on a timely basis and disregard certain factors such as market risk or price risk. However, they are not a recommendation to buy, sell or hold securities and they may be subject to revision or withdrawal at any time by the assigning rating organization. Each credit rating should be evaluated independently of any other credit rating.

The Corporation has made normal course payments to S&P and DBRS in connection with obtaining the above-mentioned ratings. The Corporation reasonably expects that such payments will continue to be made in the future.

Facilities

The Corporation's headquarters are located in leased premises at 1751 Rue Richardson, Montreal (Québec). The main offices of the Corporation are located in Montreal (Québec), Toronto (Ontario) and Burnaby (British Columbia).

Corporate Social Responsibility and Environment

In 2015, the Corporation transitioned to a targeted distribution approach, delivering directories only to households most likely to use the directory. Yellow Pages continues to offer Canadians the option to request a directory online at delivery.yp.ca or by telephone at 1-800-268-5637. In 2019, Yellow Pages partnered with Canada Post to provide guaranteed delivery of its directories in certain areas through the Canada Post Neighbourhood Mail Program. Canadians who choose not to receive a copy of the directory will be advised by Yellow Pages to opt out from the Canada Post Neighbourhood Mail program.

The paper used in the print directories is produced by Canadian suppliers and is mainly made from wood chips. Moreover, the print directories are entirely recyclable. Outdated print directories have among the highest post-life material recycling rates, compared to other materials.

Internally, Yellow Pages continues to maintain systems for recycling waste, paper, plastic, glass, ink cartridges and batteries and decreasing paper usage.

The Corporation has reported no existing or potential environmental material hazards at any of its leased facilities, nor has it received any inquiry or notice that has resulted, or may reasonably be expected to result in, actual or potential material proceedings, claims, lawsuits or losses related to environmental liabilities.

Corporate Governance

The Corporation is committed to high ethical standards in all operations and business practices. The Corporation has a Code of Ethics which is reviewed annually. Each Director and employee of the Corporation must confirm that they have both read and complied with the requirements of the Code of Ethics each year. Corporate governance practices are monitored and reviewed by the Corporate Governance and Nominating Committee of the Corporation.

Legal Proceedings and Regulatory Actions

The Corporation is involved from time-to-time in various non-material, ordinary course legal proceedings. Management believes that none of the litigation in which the Corporation is currently involved, or has been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to its consolidated financial condition or results of operations. The Corporation is not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other regulatory body against the Corporation, nor has the Corporation entered into any settlement agreements before a court or with a securities regulatory authority.

CAPITAL STRUCTURE

Description of Common Shares

Yellow Pages is authorized to issue an unlimited number of common shares. As at March 30, 2020, there were 28,075,308 common shares of the Corporation issued and outstanding.

The holders of the common shares of Yellow Pages are entitled to one vote per common share at all meetings of shareholders of the Corporation, other than meetings at which only the holders of another class or series of shares of the Corporation are entitled to vote separately as a class or series.

The holders of the common shares of Yellow Pages are entitled to receive, subject to the rights, privileges, restrictions and conditions attached to any other classes of shares of the Corporation, any dividend declared by the Board of Directors of the Corporation on the common shares. See “Dividends and Distributions”. In the event of the liquidation, dissolution or winding-up of Yellow Pages, whether voluntary or involuntary, the holders of the common shares of Yellow Pages are entitled to receive, after payment of all liabilities of Yellow Pages and subject to the preferential rights of any class of shares of Yellow Pages ranking in priority to the common shares of Yellow Pages, the remaining assets and property of Yellow Pages.

Stock Option Plan

The Corporation currently has an employee stock option plan (the “Stock Option Plan”). The Stock Option Plan is intended to attract and retain the services of selected employees of Yellow Pages who are in a position to make a material contribution to the successful operation of the business and to more closely align the interests of management with those of the shareholders of Yellow Pages Limited. A maximum of 2,806,932 stock options may be granted under the Stock Option Plan. As at March 30, 2020, 2,419,684 options were issued and outstanding.

Description of Preferred Shares

Yellow Pages is authorized to issue an unlimited number of cumulative redeemable first preferred shares, issuable in series with such rights, privileges, restrictions and conditions as may be determined by the Board of Directors of the Corporation prior to the issuance thereof. As at March 30, 2020, there were no preferred shares of Yellow Pages issued and outstanding. The preferred shares of each series will rank on a parity with the preferred shares of every other series and will be entitled to preference over the common shares and any other shares ranking junior to the preferred shares with respect to the payment of any dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation and may also be given such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined at the time of creation of such series. Holders of preferred shares, except as otherwise provided in the terms specific to a series of preferred shares or as required by law, will not be entitled to vote at meetings of holders of common shares.

Description of Senior Secured Notes

Senior Secured Notes

On October 19, 2017, the Corporation, through its wholly-owned subsidiary, YP, issued $315 million aggregate principal amount of 10.00% Senior Secured Notes (the “Notes”) maturing on November 1, 2022 at an issue price of $980 per $1,000 principal amount of the Notes, or $6.3 million discount. The Notes accrue interest from October 19, 2017 at a rate of 10.00% per annum, payable in semi-annual instalments in arrears on May 1 and November 1 of each year. The Corporation fully repaid the outstanding balance of the Notes on December 2, 2019.

Mandatory Redemption

Pursuant to the indenture governing the Notes, the Corporation was required to use an amount equal to 100% of its consolidated Excess Cash Flow (as defined in the indenture governing the Notes) plus any Designated Net Proceeds (as defined in the indenture governing the Notes) from Asset Sales (as defined in the indenture governing the Notes) for the immediately preceding mandatory redemption period to redeem the Notes, on a semi-annual basis on the last day of May and November of each year, commencing on May 31, 2018, at a redemption price equal to 100% of the principal amount, subject to the Corporation maintaining a minimum cash balance of $20 million on the last day of the mandatory redemption period. The Corporation was required to use 75% of its consolidated Excess Cash Flow to redeem the Notes if the consolidated leverage ratio on the last day of the mandatory redemption period is no greater than 1.5 to 1. In 2019, the Corporation made in aggregate mandatory principal redemption payments of $100.7 million on the Notes.

Optional Redemption

From November 1, 2018 to October 31, 2019, the Corporation had the option to redeem all or part of the Notes at 102% of the aggregate principal amount, plus accrued and unpaid interest. From November 1, 2019 to October 31, 2020, the Corporation had the option to redeem all or part of the Notes at 101% of the aggregate principal amount, plus accrued and unpaid interest. Beginning on November 1, 2020, the Corporation would have had the option to redeem all or part of the Notes at 100% of the aggregate principal amount, plus accrued and unpaid interest. In 2019, the Corporation made in aggregate optional principal redemption payments of $69.6 million on the Notes.

Description of Exchangeable Debentures

On December 20, 2012, the Corporation, through its subsidiary YP, issued $107.5 million of senior subordinated exchangeable debentures due November 30, 2022 (the “Exchangeable Debentures”). Interest on the Exchangeable Debentures accrues at a rate of 8% per annum if, for the applicable interest period, it is paid in cash or 12% per annum if the Corporation makes a Payment in Kind (“PIK”) election to pay interest in respect of all or any part of the then outstanding Exchangeable Debentures in additional Exchangeable Debentures. Interest on the Exchangeable Debentures is payable semi-annually in arrears in equal instalments on the last day of May and November of each year to the holders of record at the close of the business as at May 15 and November 15 immediately preceding the related interest payment date. Below is a summary of certain provisions of the Exchangeable Debentures.

The Exchangeable Debentures are senior subordinated and unsecured obligations of YP. The Exchangeable Debentures are unconditionally guaranteed on a subordinated and unsecured basis by the Corporation and all of its Restricted Subsidiaries (defined in the indenture governing the Exchangeable Debentures as any subsidiary of the Corporation other than a subsidiary that is designated by the Board of Directors as being an unrestricted subsidiary).

The indenture governing the Exchangeable Debentures contains restrictive covenants, including restrictions on the incurrence of additional indebtedness, the payment of dividends and other payment restrictions, investments in unrestricted subsidiaries, the creation of liens, sale and leaseback transactions, mergers, consolidations and sales of assets and certain transactions with affiliates and its business activities. The indenture does not contain the obligation to maintain financial ratios. Financial ratio restrictions only apply upon incurrence of indebtedness and other transactions.

The indenture does permit the Corporation to make restricted payments, including payment of the dividends and common stock buyback, in an aggregate amount not to exceed $20.0 million since the date of the indenture. To date, the Corporation has made no restricted payments since the indenture went into effect.

As at March 30, 2020, the Corporation was in compliance with all covenants under the indenture governing the Exchangeable Debentures.

Exchange Option

The Exchangeable Debentures are exchangeable, at the holder’s option, into common shares of the Corporation at any time at an exchange price per common share equal to $19.04, subject to adjustment for specified transactions.

Optional Redemption

The Corporation may, at any time on or after the date on which all of the Notes have been paid in full, redeem all or part of the Exchangeable Debentures at its option, upon, not less than 30 but not more than 60 days' prior notice, at a redemption price equal to:

- in the case of a redemption occurring prior to May 31, 2021, 110% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date; or
- in the case of a redemption occurring on or after May 31, 2021, 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date.

For further details regarding the Exchangeable Debentures, please refer to the indenture governing the Exchangeable Debentures which is available on SEDAR at www.sedar.com.

Asset-Based Loan

On October 19, 2017, the Corporation, through YP, renewed its five-year \$50.0 million asset-based loan ("ABL") and extended the term of the ABL to August 2022. At the request of the Corporation, the ABL agreement was amended on November 18, 2019 to reduce the total commitment from \$50.0 million to \$25.0 million. The ABL is being used for general corporate purposes. Through the ABL, the Company has access to the funds in the form of prime rate loans, Banker's acceptance (BA) equivalent loans or letters of credit.

The ABL is secured by a first priority lien over the receivables of the Corporation. Interest is calculated based either on the BA Rate or the Prime Rate plus an applicable margin. The ABL is subject to an availability reserve of \$5.0 million if the Corporation's trailing twelve-month fixed charge coverage ratio is below 1.1 times. As at December 31, 2019, the Corporation's fixed charge coverage ratio was 1.5 times and the Corporation had \$3.4 million of letters of credit issued and outstanding under the ABL. As such, \$21.6 million of the ABL was available as at December 31, 2019.

As at March 30, 2020, the Corporation was in compliance with all covenants under the loan agreement governing the ABL.

Description of Warrants

On December 20, 2012, the Corporation issued a total of 2,995,506 common share purchase warrants ("warrants"). Each warrant is transferable and entitles the holder thereof to purchase one common share of Yellow Pages at an exercise price of \$28.16 per warrant payable in cash at any time on or prior to December 20, 2022. To date, 22 warrants were converted into common shares of Yellow Pages.

In the event of a Change of Control (as such term is defined in the indenture governing the warrants) of the Corporation, the Corporation may elect, at its sole discretion, to acquire and cancel all of the outstanding warrants in exchange for a payment in cash per warrant (the "Redemption Price") in an amount as determined by reference to the table below. The Redemption Price shall be based on the remaining term of the warrant measured from the date of the Change of Control to the Time of Expiry (as such terms are defined in the indenture governing the warrants) of the warrant (the "Remaining Term") and the total value of the consideration offered or payable per common share of Yellow Pages in the transaction constituting the Change of Control (the "Change of Control Price"), in accordance with the table below:

Years to Expiry	Share Price									
	$5.00	$10.00	$15.00	$20.00	$25.00	$30.00	$35.00	$40.00	$45.00	$50.00
	Redemption Price ($)									
10	0.51	2.35	5.13	8.51	12.29	16.35	20.60	25.00	29.51	34.11
9	0.40	2.03	4.64	7.89	11.57	15.56	19.77	24.14	28.63	33.21
8	0.30	1.72	4.12	7.22	10.80	14.72	18.88	23.21	27.67	32.24
7	0.21	1.39	3.58	6.51	9.97	13.80	17.91	22.20	26.65	31.20
6	0.13	1.08	3.02	5.75	9.07	12.81	16.85	21.11	25.53	30.08
5	0.07	0.77	2.42	4.93	8.08	11.71	15.69	19.92	24.33	28.87
4	0.03	0.49	1.81	4.03	6.98	10.49	14.40	18.60	23.01	27.56
3	0.01	0.24	1.19	3.05	5.75	9.11	12.95	17.13	21.56	26.15
2	0.00	0.07	0.60	1.98	4.32	7.48	11.27	15.47	19.96	24.63
1	-	0.00	0.12	0.81	2.55	5.44	9.22	13.58	18.25	23.09
0	-	-	-	-	-	1.84	6.84	11.84	16.84	21.84

For purposes of determining the Redemption Price, if the Change of Control Price and Remaining Term are not set forth in the table above, then:

(i) if the Change of Control Price is between two Share Prices on the table and/or the Remaining Term is between two Years to Expiry on the table, the Redemption Price will be determined by a straight-line interpolation between the amounts set forth on the table for the two Share Prices and the two Years to Expiry based on a 365-day year, as applicable;

(ii) if the Change of Control Price exceeds $50.00 per Common Share, subject to adjustment as provided for under the indenture governing the warrants, the Share Price shall be deemed to be $50.00 and the amount by which the actual Share Price exceeds $50.00 shall be added to such amounts shown in the $50.00 column for purposes of determining the applicable Redemption Price; and

(iii) if the Change of Control Price is less than $5.00 per Common Share, subject to adjustment as provided for under the indenture governing the warrants, the Redemption Price amount will be zero.

The Share Prices set forth in the heading of the table above will be adjusted in the same manner as any adjustment to the number of common shares of Yellow Pages made pursuant to the indenture governing the warrants.

For further details regarding the warrants, please refer to the indenture governing the warrants which is available on SEDAR at www.sedar.com.

DIVIDENDS AND DISTRIBUTIONS

The Corporation has not declared or paid dividends on its common shares for any of the financial years ended December 31, 2019, 2018 and 2017. On February 13, 2020, the Corporation announced its intention to initiate a regular quarterly dividend of 11 cents per common share per quarter, beginning in the second quarter of 2020. However, any future determination to pay dividends on the common shares will be at the discretion of the Board of Directors and will depend on, among other things, the

Corporation's results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant.

The Corporation is subject to significant restrictions on the payment of dividends under the indenture governing the Exchangeable Debentures, and the credit agreement governing the ABL. The Corporation and its subsidiaries (defined as subsidiaries other than certain unrestricted subsidiaries) cannot declare or pay any dividend or distribution to holders of the Corporation's or such subsidiaries' shares (other than dividends or distributions payable in common shares or certain non-redeemable preferred shares and dividends or distributions payable to the Corporation or any such subsidiary), unless provided for in the indenture governing the Exchangeable Debentures and the credit agreement governing the ABL.

MARKET FOR SECURITIES

Yellow Pages' common shares and warrants are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbols "Y" and "Y.WT", respectively. YP Exchangeable Debentures are listed for trading on the TSX under the symbol "YPG.DB".

Trading Price and Value

The following tables show the monthly range of high and low prices per Yellow Pages common share, and warrant, and YP Exchangeable Debentures at the close of market (TSX), as well as total monthly volumes and average daily volumes of common shares, warrants and Exchangeable Debentures traded on the TSX from January 1, 2019 to December 31, 2019.

Common Shares (Y)

2019 Month	Price per Common Share ($) Monthly High	Price per Common Share ($) Monthly Low	Common Shares Total Monthly Volume	Common Shares Average Daily Volume
January	6.24	5.59	665,701	30,259
February	6.19	5.50	703,896	37,047
March	6.45	5.86	386,660	18,412
April	7.49	6.35	355,542	16,931
May	8.00	6.82	474,404	21,564
June	8.22	7.08	264,603	13,230
July	7.99	7.10	220,322	10,015
August	8.77	7.90	389,344	18,540
September	8.80	8.20	128,890	6,445
October	9.05	8.22	135,389	6,154
November	9.55	8.82	153,724	7,320
December	9.20	9.00	143,083	7,154

Warrants (Y.WT)

2019 Month	Price per Warrant ($) Monthly High	Price per Warrant ($) Monthly Low	Warrants Total Monthly Volume	Warrants Average Daily Volume
January	0.50	0.35	35,873	1,631
February	0.61	0.20	187,734	9,881
March	0.47	0.35	29,603	1,410
April	0.58	0.38	30,472	1,451
May	0.58	0.43	58,504	2,659
June	0.45	0.42	32,206	1,610
July	0.45	0.39	16,285	740
August	0.45	0.39	38,652	1,841
September	0.43	0.35	28,313	1,416
October	0.41	0.35	15,835	720
November	0.47	0.26	49,575	2,361
December	0.46	0.28	76,707	3,835

Exchangeable Debentures (YPG.DB)

2019 Month	Price per Exchangeable Debenture ($) Monthly High	Price per Exchangeable Debenture ($) Monthly Low	Exchangeable Debentures Total Monthly Volume	Exchangeable Debentures Average Daily Volume
January	97.79	97.34	264,640	13,928
February	100.62	97.37	2,594,170	162,136
March	102.40	100.32	362,881	21,346
April	101.25	100.03	440,849	23,203
May	100.92	99.44	219,682	9,986
June	101.35	100.44	306,057	17,003
July	104.12	100.51	487,071	24,354
August	104.80	101.58	183,735	10,208
September	102.23	101.22	120,067	8,004
October	104.30	100.90	1,512,464	68,748
November	104.50	102.05	1,188,963	66,054
December	102.12	101.34	506,890	25,345

RISKS AND UNCERTAINTIES

Careful consideration should be given to the following risk factors which could have a material adverse effect on the Corporation, its business, results of operation and financial condition:

Failure by the Corporation to stabilize or grow its revenues and customer base

The Corporation's revenues remain adversely impacted by a lower customer count. Failure to provide existing customers with marketing solutions that meet their key marketing objectives and generate return on investment may limit the Corporations ability to retain existing customers. In addition, the inability of the Corporation's customer acquisition strategies and channels to find and attract new customers may limit the Corporation's ability to grow its total customer count. These events could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

The inability of the Corporation to attract, retain and upsell customers

The Corporation's revenues remain adversely impacted by a lower customer count. Failure to provide existing customers with marketing solutions that meet their key marketing objectives and generate return on investment may limit the Corporations ability to retain existing customers. In addition, the inability of the Corporation's customer acquisition strategies and channels to find and attract new customers may limit the Corporation's ability to grow its total customer count. These events could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

Substantial competition could reduce the market share of the Corporation

The Corporation competes with other directory, advertising media and classified advertising businesses and across various media and platforms. This includes the internet, newspapers, television, radio, mobile telecommunication devices, magazines, billboards and direct mail advertising. In particular, the directories business faces substantial competition due to increased online penetration, through the use of online search engines and social networking organizations. The Corporation may not be able to compete effectively with these online competitors, some of which may have greater resources. The Corporation's internet strategy and its directories business may be adversely affected if major search engines build local sales forces or otherwise begin to more effectively reach local businesses for local commercial search services. These competitors may reduce their prices to increase their market share or may be able to offer their services at lower costs than the Corporation can.

The Corporation may be forced to reduce its prices or offer and perform other services in order to remain competitive. The Corporation'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 the Corporation, its business, results from operations and financial condition.

A higher than anticipated rate of decline in print revenue resulting from changes in preferences and consumer habits

The Corporation could be materially adversely affected if the usage of print telephone directories declines at a rate higher than anticipated. The development of new technologies and the widespread use of the internet is causing changes in preferences and consumer habits. The usage of internet-based products providing information, formerly exclusively available in print directories, has increased rapidly. The internet has become increasingly accessible as an advertising medium for businesses of all sizes. Further, the use of the internet, including as a means to transact commerce through mobile devices, has resulted in new technologies and services that compete with traditional advertising mediums. In particular, this has a significant impact on print products, and the decrease in usage gradually leads to lower advertising revenues. References to print business directories may decline faster than expected as users increasingly turn to digital and interactive media delivery devices for local commercial search information.

The inability of the Corporation to successfully enhance and expand its offering of digital and new media products

The transition from print to digital causes uncertainties surrounding whether and when new product introductions will compensate for the declining trend in print revenues. If revenue from the Corporation's digital products does not increase significantly, the Corporation's cash flows, results of operations and financial condition will be materially adversely affected.

The Corporation expects to derive a greater portion of its total revenue from its digital and other new media products, as directory usage continues to shift from print directories to digital and other new media products.

The Corporation's transformational expansion towards digital and new media products is subject to a variety of challenges and risks, including the following:

- the Corporation may not continue to grow usage on its digital properties at the same rate as other providers or may grow at a slower rate than currently anticipated;
- internet usage as a source of information and a medium for advertising may not continue to grow, or may grow at a slower rate than currently anticipated, as a result of factors that the Corporation cannot predict or control;
- the Corporation may incur substantial additional costs and expenses related to investments in its information technology, modifications to existing products and development of new products and this may reduce profit margins in the future;
- the Corporation may be unable to develop and market new products in a timely and efficient manner, as the Corporation's markets are characterized by rapidly changing technology, introductions and enhancements to existing products and shifting advertising customer and end-user demands, including technology preferences;
- the Corporation may be unable to improve its information technology systems so as to efficiently manage increased levels of traffic on the Corporation's digital properties and provide new services and products;
- the Corporation may be unable to keep apprised of changes to search engines' terms of service or algorithms, which could cause the Corporation's digital properties, or its advertising customers' digital properties, to be excluded from or ranked lower in search results or make it more difficult or more expensive for the Corporation to provide search engine marketing and search engine optimisation solutions to its advertising customers;
- the Corporation's advertising customers may be unwilling to grow their investment in digital advertising; and
- the Corporation may be unable to increase or maintain the prices of its products and services in the future.

If any of the above-mentioned risks were to occur, the Corporation's digital revenue, as well as its business, results from operations and financial condition could be materially adversely affected.

The inability of the Corporation to supply the relationships and technologies required to appropriately service the needs of its customers

The Corporation anticipates that it will continue to depend on various third-party relationships in order to grow its business, such as technology and content providers, real-time advertising exchanges and other strategic partners. The Corporation may not be able to maintain such relationships and these third parties may experience disruptions or performance problems, which could negatively affect the Corporation's efficiency and reputation.

In addition, the Corporation relies heavily on information technology systems to manage critical functions of its digital and mobile marketing solutions. The future success of the Corporation will depend in part upon its ability to continuously enhance and improve its existing solutions in a timely manner with features and pricing that meet changing advertiser needs. As marketing via new digital advertising channels, such as mobile advertising is emerging, it may evolve in unexpected ways, and the failure of the Corporation to adapt successfully to market evolution could have a material adverse effect on the Corporation, its business, results of operations and financial condition.

A prolonged economic downturn in principal markets of the Corporation

The Corporation derives revenues principally from the sale of advertising in Yellow Pages print and digital directories across Canada. The Corporation's advertising revenues, as well as those of directories publishers in general, typically do not fluctuate widely with economic cycles. However, a prolonged economic downturn or recession affecting the Corporation's markets, or any deterioration in general economic conditions, could have a material adverse effect on the Corporation's business. The adverse effects of an economic downturn or recession on the Corporation could be compounded by the fact that the majority of the Corporation's customers are SMEs. Such businesses have fewer financial resources and higher rates of failure than larger businesses, and may be more vulnerable to prolonged economic downturns. Therefore, these SMEs may be more likely to reduce or discontinue advertising with the Corporation, which could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

A higher than anticipated proportion of revenues coming from the Corporation's digital products with lower margins, such as services and resale

Digital advertising sold on the Corporation's owned and operated media currently operate at the highest level of profitability relative to digital service (websites, search engine optimization, content syndication and Facebook) solutions and resale (SEM) solutions. Revenues sourced from digital service and resale solutions that are proportionally materially higher than anticipated may have an adverse impact on the Corporation's profitability.

The Corporation's inability to attract and retain key personnel

The success of the Corporation depends on the abilities, experience and personal efforts of senior management of the Corporation, including their ability to retain and attract skilled employees. The Corporation is also dependent on the number and experience of its sales representatives and ISIT employees. The loss of the services of such key personnel could have a material adverse effect on the Corporation, its business, its results from operations and financial condition.

The Corporation's business depends on the usage of its online and mobile properties and failure to protect traffic across the Corporation's digital properties could impair its ability to grow revenues and expand its business

The success of numerous of our customers' marketing campaigns is dependent on how well they can attract valuable audiences. The Corporation will invest in order to protect digital audiences across its network of online and mobile properties by enhancing the quality, completeness and relevance of the content distributed to its properties, and by providing compelling verticalized sites and applications for local discovery. The Corporation may not be able to protect or grow traffic across its digital properties and such investments may not prove to be cost-effective. There can be no assurance that current traffic or potential growth in traffic across the Corporation's digital properties may maintain or increase advertising customer renewal rates and/or annual spending, or lead to a measurable increase in advertising customers.

Failure by either the Corporation or the Telco Partners to fulfill their obligations set forth in the agreements between the Corporation and the Telco Partners

The Corporation has three billing and collection services agreements. The agreement with Bell Canada expires on December 31, 2020, and the agreement with Northwestel Inc., an affiliate of Bell, expires on November 29, 2032. The agreement with TELUS Communications Inc. (TELUS) expires in 2031. Through these agreements, the Corporation's billing is included as a separate line item on the telephone bills of Bell and TELUS customers who use the Corporation's services. Bell and TELUS (the Telco Partners) contract with third parties to conduct monthly billing of customers who use them as their local telephone service providers. In addition, the Telco Partners provide collection services for the Corporation with those customers who are also their customers. Additionally, the Corporation has entered into publishing agreements with each Telco Partner. If the Corporation fails to perform its obligations under these agreements and the agreements are consequently terminated by such Telco Partner, other agreements with such Telco Partners may also be terminated, including the Bell Canada Trademark License Agreement, the TELUS Trademark License Agreement, the MTS Inc. Branding and Trademark Agreement and the Bell Canada Inc. Branding and Trademark Agreement, as well as non-competition covenants we benefit from with such Telco Partners.

The Corporation has agreements with outside service suppliers to print and distribute the directories and publications. These agreements are for services that are integral to our business.

The failure of the Telco Partners or any of our other suppliers to fulfill their contractual obligations under these agreements could result in a material adverse effect on our business.

New customers or customers who do not use the Telco Partners as their local telephone provider are billed directly by the Corporation.

Successfully prosecuted legal action against the Corporation

From time to time, the Corporation may be the subject of litigation arising out of its operations. The Corporation is not currently a party to any material litigation. However, if any legitimate cause of action arose which was successfully prosecuted against the Corporation, the results of operations and financial condition could be adversely affected. Claims under such litigation may be material or may be indeterminate. Various types of claims may be made including, without limitation, breach of contract, negligence, tax and employment matters. The outcome of such litigation is uncertain and may materially impact the Corporation's financial condition or results of operations and the Corporation may be required to incur significant expenses or devote significant resources in defense against any such litigation. Moreover, unfavourable outcomes or settlements of litigation could encourage the commencement of additional litigation.

Work stoppages and other labour disturbances

Certain non-management employees of the Corporation are unionized. The Corporation currently has seven collective agreements. Each of the union agreements has been successfully renegotiated, four of which expire on December 31, 2021, two which expire on June 30, 2022, and one which expires on March 31, 2023. If the Corporation is unable to renew the agreements with its unionized staff as they come up for renegotiation from time to time, it could result in additional work stoppages and other labour disturbances, which could have a material adverse effect on our business.

Challenge by tax authorities of the Corporation's position on certain income tax matters

In the normal course of the Corporation's activities, the tax authorities are carrying out ongoing reviews. In that respect, the Corporation is of the view that all expenses claimed by the different entities of the group are reasonable and deductible and that the cost amount and capital cost allowance claims of such entities' depreciable properties have been correctly determined. There is no assurance that the tax authorities may not challenge these positions. Such challenge, if successful, may have a material adverse effect on the Corporation, its business, results from operations and financial condition.

The loss of key relationships or changes in the level of service provided by mapping applications and search engines

The Corporation has entered into agreements with mapping applications and search engines to promote its online directories. These agreements facilitate access to the Corporation's content and customer advertising, allow the Corporation to generate a higher volume of traffic than it would on its own as well as generate business leads for its advertisers, while retaining the client relationship. Loss of key relationships or changes in the level of service provided by the mapping applications and search engines could impact performance of the Corporation's internet marketing solutions. In addition, internet marketing services are provided by many other competitors within the markets the Corporation serves and its clients could choose to work with other, sometimes larger providers of these services, or with other search engines directly. The foregoing could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

The failure of the Corporation's computers and communications systems

The Corporation's business activities rely significantly on the efficient and uninterrupted operation of computers and communications systems as well as those of third parties. The Corporation's media properties, sales and advertising processing, data storage, production, billing, collection and day-to-day operations could be adversely impaired by cyber-attacks, or the failure of such technology, which could in turn have a material adverse effect on the Corporation, its business, results from operations and financial condition.

In addition, the Corporation's computer and ISIT systems may be vulnerable to damage or interruption from a variety of sources and its disaster recovery systems may be deemed ineffective. Any failure of these systems could impair the Corporation's business. This could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

The inability of the Corporation to generate sufficient funds from operations, debt financings, equity financings or refinancing transactions

The ability of the Corporation to make scheduled payments under its indebtedness will depend on, among other things, its future operating performance. There can be no assurance that the Corporation will be able to generate sufficient cash from its operations to pay its debt obligations. The Corporation's ability to generate sufficient funds from operations, debt financings, equity financings or refinancing transactions is, to a large extent, subject to economic, financial, competitive, operational and other factors, many of which are beyond the Corporation's control.

There can be no assurance that the Corporation will continue to be able to obtain on a timely basis sufficient funds on terms acceptable to the Corporation to provide adequate liquidity and to finance the operating and capital expenditures necessary to overcome the challenges associated with the evolution of its business and support its business strategy if cash flows from operations and cash on hand are insufficient.

Failure to generate sufficient funds, whether from operations or debt or equity financings or refinancing transactions, could require the Corporation to delay or abandon some of its anticipated expenditures or to modify its business strategy and could have a material adverse effect on the Corporation, its business, results from operations and financial condition. Furthermore, competitors with greater liquidity or their ability to raise money more easily and on less onerous terms could create a competitive disadvantage for the Corporation.

Incremental contributions by the Corporation to its pension plans

The Corporation may be required to make incremental 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 materially negative effect on the Corporation's liquidity and results from operations.

The funding requirements of the Corporation'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 the Corporation's current estimates and could require the Corporation to make incremental contributions to its pension plans in the future and, therefore, could have a materially negative effect on the Corporation's liquidity, business, results from operations and financial condition.

There is no assurance that the Corporation's pension plans will be able to earn their assumed rate of return. A material portion of the Corporation's pension plans' assets is invested in public equity securities. As a result, the ability of the Corporation's pension plans to earn the rate of return that management has assumed depends significantly on the performance of capital markets. The market conditions also impact the discount rate used to calculate the Corporation's solvency obligations and thereby could also significantly affect the Corporation's cash funding requirements.

An outbreak or escalation of a contagious disease may adversely affect the Corporation's business

A local, regional, national or international outbreak or escalation of a contagious disease, including the COVID-19 virus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, or fear of the foregoing, could adversely impact the ability of the Corporation's sales force to interact with customers and potential customers, cause economic uncertainty decreasing the willingness of customers to purchase services from the Corporation, cause labour shortages for the Corporation, interrupt supplies from third parties upon which the Corporation relies, increase operating costs, result in governmental regulation adversely impacting the Corporation's business and otherwise have an adverse effect on the Corporation's business, financial condition and results of operations.

TRANSFER AGENT AND REGISTRAR

AST Trust Company acts as transfer agent and registrar of the Corporation. The register of transfers of the securities of the Corporation is located at the principal transfer office in Montreal of AST Trust Company.

DIRECTORS AND OFFICERS OF YELLOW PAGES

Directors

The following table sets out, for each of the current directors of Yellow Pages, the person's name, province or state, and country of residence, membership to various board committees as applicable, principal occupation, period of service as a director of Yellow Pages or its predecessor entities and number of common shares, deferred share units ("DSUs"), restricted share units ("RSUs") or performance share units ("PSUs") of Yellow Pages beneficially owned, or controlled or directed, directly or indirectly, by him or her as at March 30, 2020. The term of office for each of the directors will expire at the time of the next annual meeting of shareholders of Yellow Pages or at such time as his or her successor is otherwise elected.

Name and Province or State of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned	Number of DSUs Beneficially Owned	Number of RSUs Beneficially Owned	Number of PSUs Beneficially Owned
David A. Eckert(5) Massachusetts, USA	President and Chief Executive Officer, Yellow Pages Limited	May 2017	Nil	24,937	156,839	Nil
Susan Kudzman(1)(5) Québec, Canada	Corporate Director	October 2014	Nil	94,255	Nil	Nil
Craig Forman(2)(4) California, USA	President and Chief Executive Officer, McClatchy Company	January 2012	4,000	58,651	Nil	Nil
Rob Hall(3)(4)(5) Cheshire, United Kingdom	Corporate Director	December 2017	Nil	40,687	Nil	Nil
Donald H. Morrison(2) Ontario, Canada	Corporate Director	March 2013	2,595	49,243	Nil	Nil
Kalpana Raina(2)(3) New York, USA	Managing Partner, 252 Solutions, LLC	December 2012	3,000	49,243	Nil	Nil
Paul W. Russo(3)(4) Tel Aviv, Israel	Corporate Director	December 2017	Nil	37,201	Nil	Nil

(1) Chair of the Board. The Chair of the Board is an ex officio member of all Committees of the Board.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Audit Committee.
(4) Member of the Human Resources and Compensation Committee.
(5) Member of the Ad Hoc Committee.

Biographies

The following are brief profiles of the current directors of Yellow Pages:

David A. Eckert has served over the past 35 years as a Chief Executive Officer of international companies in a wide range of industries including, more recently, the Hibu Group, a business providing digital marketing services and print advertising to small and medium enterprise customers. He was Vice-President and Partner at Bain & Company and served as Chief Executive Education Officer at Kellogg School of Management. He has been a director and/or chair of numerous public and private boards of directors, including the Hibu Group, X-Rite, Inc., Clean Harbors, Inc. (NYSE: CLH) and Italiaonline S.p.A. Mr. Eckert is an economics and engineering graduate of Northwestern University and earned an MBA from the Harvard Business School, where he was a Baker Scholar and a Loeb Rhoades Fellow. Mr. Eckert is Chair of the Ad Hoc Committee.

Susan Kudzman has recently retired as Executive Vice-President, Chief Risk Officer and Corporate Affairs of Laurentian Bank. Ms. Kudzman was formerly a partner at Mercer (Canada) Limited where she directed the risk management practice from 2011 to 2014. Before that time, Ms. Kudzman was Executive Vice-President and Chief Risk Officer at Caisse de dépôt et placement du Québec where she was responsible for risk management, depositor services, performance calculation and analysis and strategic planning. Ms. Kudzman currently serves on the Board of Directors, the Human Resources Committee and the Risk and Governance Committee of Transat A.T. Inc., an international tour operator and airline. She is a member of the Board of Directors, the Audit and Risk Committee and the Human Resources and Corporate Governance Committee of Medavie, a health services company that provides ambulance and homecare services as well as group and individual insurance through its Blue Cross division. She is Vice Chair of the Board of Directors of the Montreal Heart Institute Foundation. She has recently joined the Board of the Festival du Nouveu Cinema. Ms. Kudzman holds a Bachelor's degree in Actuarial Science and the titles of Fellow of the Canadian Institute of Actuaries (FCIA), Fellow of the Society of Actuaries (FSA) and Certified Enterprise Risk Analyst (CERA). Ms. Kudzman is Chair of the Board, a member of the Ad Hoc Committee, and ex-officio member of all other committees of the Board.

Craig Forman has been President and Chief Executive Officer of McClatchy Company, a Sacramento, California-based digital media company since January 2017. Mr. Forman is a technology executive with over 20 years of experience in the digital, media and communications industries. Mr. Forman held the position of Executive Chairman of the Board of Appia, Inc., a mobile advertising company, from August 2011 until March 2015 when the company was acquired by Digital Turbine Inc., on whose Board of Directors Mr. Forman served until January 2017. Mr. Forman also served as Executive Chairman of WHERE, Inc., a location-based media company, from 2010 to 2011. From 2006 to 2009, Mr. Forman served as Executive Vice President and President, Access and Audience and Chief Product Officer at EarthLink, Inc. He has also served as a senior executive at Yahoo! Inc., Time Warner Inc, and Dow Jones & co. Mr. Forman has an undergraduate degree in Public and International Affairs from the Woodrow Wilson School of Public and International Affairs of Princeton University and a Master's degree in law from Yale Law School. Mr. Forman has completed the Directors Consortium executive education program at Stanford University and the Making Corporate Boards More Effective program at Harvard Business School. Mr. Forman is Chair of the Corporate Governance and Nominating Committee, and a member of the Human Resources and Compensation Committee.

Rob Hall served as Chief Financial Officer of the Hibu Group Limited, a business providing digital marketing services and print advertising to small and medium enterprise customers in the UK and US, from March 2014 to July 2018. Mr. Hall remains a Director of Hibu Group Limited, a company he joined in 2003 and where he has held several financial roles in the UK and US. Mr. Hall holds a Bachelor of Science in Business Studies from the University of Swansea, United Kingdom and is a Chartered Management Accountant. Mr. Hall is Chair of the Audit Committee, and a member of the Human Resources and Compensation Committee and the Ad Hoc Committee.

Donald H. Morrison assumed the position of Executive Chairman of BAI Communications Canada in November 2019. Mr. Morrison retired in July 2011 from Research in Motion Limited, now Blackberry

Limited (“Blackberry”) where he had served since September 2000 as Chief Operating Officer with a mandate to strengthen Blackberry’s international operations and help build a world-class service organization. During his tenure, Blackberry expanded to more than 175 countries around the world and Blackberry’s fiscal year revenues grew from approximately $200 million to nearly $20 billion. Before joining Blackberry, Mr. Morrison held a number of senior leadership positions in Canada, Europe and the United States with AT&T Inc. and Bell Canada. Mr. Morrison is the founder and was the Chairman of The Ontario Global 100, a not-for-profit organization established to accelerate the growth of Ontario’s most promising companies through globalization and served as Director and member of the audit committee of the Mastercard Foundation until 2016. Mr. Morrison also founded and serves as Chairman of The Thomas Merton Center, an organization created to foster interreligious dialogue on matters of spirituality and chairs the Dalai Lama Center for Ethics and Transformative Values at the Massachusetts Institute of Technology. Mr. Morrison assumed the position of Executive Chair for BAI Canada in November 2019. Mr. Morrison holds an MBA and Bachelor of Arts degrees from the University of Toronto and also participated in the Executive Program at the University of Virginia, Darden Business School. Mr. Morrison is a member of the Corporate Governance and Nominating Committee.

Kalpana Raina is Managing Partner of 252 Solutions, LLC, a consulting firm. Ms. Raina was formerly with The Bank of New York (the “BNY”) from 1988 to 2006, where she last served as Executive Vice-President. Ms. Raina’s client portfolio at the BNY included clients in the media and telecommunications, healthcare, retailing, and hotels and leisure industries. Throughout her tenure, she served on numerous committees including the BNY’s credit and risk and planning committees. She currently serves on the board of directors of Information Services Group, Inc., a leading technology insight, market intelligence and advisory services company. Previously, Ms. Raina served on the board of directors and was Chair of the Executive Compensation and Development Committee of John Wiley & Sons, a provider of content enabled digital services to customers worldwide. She was also on the board of directors, the audit committee and Chair of the nominating and corporate governance committee of RealNetworks, Inc. and on the board of directors of the World Policy Institute. Ms. Raina holds a Master’s degree in English Literature from McMaster University and undergraduate and graduate degrees from Panjab University, India. Ms. Raina is a member of the Corporate Governance and Nominating Committee and member of the the Audit Committee.

Paul W. Russo most recently served as Chief Executive Officer of Color Spot Holdings, Inc., the largest grower of potted plants and shrubs in the United States. He was previously Executive Vice-President of Business Development of the Hibu Group during its successful turnaround and a Partner at Bain and Company. He received a Bachelor of Science in Business from the University of California, a MBA from Harvard Business School, and has achieved CPA certification. Mr. Russo is Chair of the Human Resources and Compensation Committee and a member of the Audit Committee.

Officers

The following tables set out, for each of the current officers of the Corporation, the person’s name, province or state, and country of residence, position with the Corporation and number of common shares, DSUs, RSUs or PSUs of the Corporation beneficially owned or controlled or directed, directly or indirectly, by him or her as at March 30, 2020.

Name and Province of Residence	**Position and Principal Occupation**	**Number of Common Shares Beneficially Owned**	**Number of DSUs Beneficially Owned**	**Number of RSUs Beneficially Owned**	**Number of PSUs Beneficially Owned**
David A. Eckert Massachusetts, USA	President and Chief Executive Officer	Nil	24,937	156,839	Nil

Name and Province of Residence	Position and Principal Occupation	Number of Common Shares Beneficially Owned	Number of DSUs Beneficially Owned	Number of RSUs Beneficially Owned	Number of PSUs Beneficially Owned
Treena Cooper Québec, Canada	Vice-President, Secretary and General Counsel	5,739	Nil	14,546	Nil
John Ireland Québec, Canada	Senior Vice-President, Organizational Effectiveness	Nil	Nil	Nil	Nil
Sherilyn King(1) Alberta, Canada	Vice-President, Sales and Customer Service	5,994	Nil	12,417	Nil
Franco Sciannamblo Québec, Canada	Senior Vice-President and Chief Financial Officer	15,052	Nil	5,442	Nil

(1) Sherilyn King was appointed Vice-President, Sales and Customer Service on September 11, 2019.

Franco Sciannamblo has held his present position or other executive positions with the Corporation or with related or affiliated corporations during the entire past five years. David A. Eckert who joined Yellow Pages as President and Chief Executive Officer in 2017, and from 2014 to 2015 was Chief Executive Officer of the Hibu Group Limited and from 2013 to 2014, was Chief Restructuring Officer of the Hibu Group Limited. Treena Cooper held a number of positions in the Corporation's legal and HR departments between 2008-2018, she was appointed Vice-President, Secretary and General Counsel on July 1, 2018. John Ireland who joined Yellow Pages as Senior Vice-President, Organizational Effectiveness in 2017, and from 2015 to 2017, was Chief People Officer at OSN. Sherilyn King held a number of positions in the Corporation's sales department from 1998 until September 2019, when she was appointed Vice-President, Sales and Customer Service of the Corporation.

Ownership in the Corporation

As at December 31, 2019, the directors and officers of the Corporation, as a group, beneficially owned or exercised control or direction over, directly or indirectly, 14,827 common shares of the Corporation, which represents approximately 0.053% of the outstanding common shares of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, (a) no director or executive officer of the Corporation is, at the date of this Annual Information Form, or has been, in the ten (10) years prior to the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company, that while the director or executive officer 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 thirty (30) consecutive days, or (ii) after the director or executive officer 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 thirty (30) consecutive days because of an event which occurred while the director or executive officer was acting in that capacity, or (b) no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, at the date of this Annual Information Form, or has been, in the ten (10) years prior to the date of this Annual Information Form, a director or an executive officer of any company, that while that person was acting in that capacity, or in the year after that person 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 appointed to hold its assets, or (c) no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, in the ten (10) years prior to the date of this Annual Information Form, 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 appointed to hold his or her assets, except for Mr. Craig Forman who was serving as President and Chief Executive Officer of The McClatchy Company when the company filed for Chapter 11 bankruptcy protection in the United States of America court in New York on February 13, 2020, and was also Director of Yellow Pages for varying periods of time immediately prior to the announcement of the Corporation's recapitalization transaction on July 23, 2012 and its implementation on December 20, 2012, and Mr. Paul W. Russo was serving as Chief Executive Officer of Color Spot Holdings when the company filed for Chapter 11 bankruptcy protection in the United States of America court in Delaware on May 29, 2018; or (d) no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation (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 making an investment decision.

Conflicts of Interests

No director or officer of Yellow Pages or other insider of Yellow Pages, nor any associate or affiliate of the foregoing persons has any existing or potential material conflict of interest with the Corporation or any of its subsidiaries.

AUDIT COMMITTEE INFORMATION

The following information is provided in accordance with Form 52-110F1 under National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Audit Committee Charter

The Audit Committee Charter is attached as Schedule A to this Annual Information Form.

Composition of the Audit Committee

As at the date hereof, the Audit Committee is composed of Rob Hall (Chair), Kalpana Raina and Paul W. Russo.

Mr. Hall was appointed to the Audit Committee on February 8, 2018. Ms. Raina and Mr. Russo were appointed to the Audit Committee on May 11, 2018.

Relevant Education and Experience

Each member of the committee is considered "independent" and "financially literate" as such terms are defined in NI 52-110. In particular, each member of the Audit Committee has (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements, (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience in the preparation, audit, analysis or evaluation of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the

Corporation's financial statements (or experience in actively supervising individuals engaged in same), and (iv) an understanding of the internal controls and procedures necessary for financial reporting. The Board therefore believes that the Audit Committee has the knowledge and background required to oversee the financial reporting and disclosure controls and procedures, accounting systems and internal controls over financial reporting of the Corporation. The table below sets out the Audit Committee members' experience.

Committee Member	Financial Literacy	Relevant Education, Professional Background and Experience
Rob Hall	Yes	Rob Hall served Chief Financial Officer of the Hibu Group Limited, a business providing digital marketing services and print advertising to small and medium enterprise customers, from March 2014 to July 2018, and continues to serve on its board of directors. Mr. Hall holds a Bachelor of Science in Business Studies from the University of Swansea, United Kingdom and is a Chartered Management Accountant.
Kalpana Raina	Yes	Ms. Raina is Managing Partner of 252 Solutions, LLC, a consulting firm. Ms. Raina previously served as Executive Vice President at the Bank of New York from 1988 to 2006. Ms. Raina holds a Master's degree from McMaster University and undergraduate and graduate degrees from Panjab University, India.
Paul W. Russo	Yes	Mr. Russo previously held the titles of CEO of Color Spot Holdings, Inc., Executive Vice President of Business Development of the Hibu Group, and Partner at Bain and Company. Mr. Russo holds a Bachelor of Science Degree in Business from the University of California, a MBA from Harvard Business School, and has achieved CPA certification.

In addition to each member's general business experience as detailed in the above table, the education and past experience of each Audit Committee member relevant to the performance of his responsibilities as an Audit Committee member is set forth in the biography of the respective director. See "Directors and Officers of Yellow Pages – Directors - Biographies".

Audit Committee Oversight

At no time since the commencement of the financial year ended December 31, 2019 has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors of the Corporation.

Principal Auditor

During the years ended December 31, 2017, 2018 and 2019, the Corporation retained Deloitte LLP ("Deloitte") as its principal auditor.

Approval Policies

The Audit Committee of Yellow Pages has adopted a policy regarding the engagement of Deloitte for non-audit services. Deloitte provides audit services to Yellow Pages and is also authorized to provide specific audit-related services as well as tax services. Deloitte may also provide other services provided, however, that all such services are pre-approved by the Chairman of the Audit Committee and that such engagement is confirmed by the Audit Committee at its following meeting. The policy also specifically prohibits the provision of certain services by Deloitte in order to maintain its independence.

External Auditor Service Fees

A summary of the fees paid to Deloitte to provide services in the categories and for the approximate amounts for the years ended December 31, 2019 and 2018 is included below:

Category of Fees	**2019 ($)**	**2018 ($)**
Audit fees	668,000	1,260,000
Audit-related fees	35,000	70,000
Tax fees	100,000	302,000
TOTAL	803,000	1,632,000

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

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

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

INTEREST OF EXPERTS

Deloitte is the independent auditor of the Corporation. The Corporation is advised that, as at the date hereof, the members of Deloitte are independent with respect to the Corporation within the meaning of Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, none of the directors or executive officers of the Corporation, the shareholders who beneficially own or control or direct, directly or indirectly, more than 10% of the voting shares of the Corporation, nor any of their associates or affiliates, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation, or any of its subsidiaries.

MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of business, Yellow Pages has entered into the following material contracts during the year ended December 31, 2019 or before such year but which are still in effect:

- the warrant indenture dated as of December 20, 2012 entered into between the Corporation and CIBC Mellon Trust Company, providing for the issuance of 2,995,506 warrants, which are exercisable at $28.16 per warrant at any time on or prior to December 20, 2022 (see “Capital Structure – Description of Warrants”);

- the trust indenture dated as of December 20, 2012 entered into between YP, the Corporation, YP NextHome, YPG (USA) Holdings Inc., Yellow Pages Digital & Media Solutions, LLC, BNY Trust Company of Canada, and Bank of New York Mellon, providing for the issue of Exchangeable Debentures (see “Capital Structure – Description of Exchangeable Debentures”); and
- the exchange agreement dated as of December 20, 2012 entered into between the Corporation, YP and BNY Trust Company of Canada, providing for, among other things, the issuance by the Corporation of common shares of the Corporation upon the exchange of Exchangeable Debentures in accordance with the terms and conditions of the indenture governing the Exchangeable Debentures (see “Capital Structure – Description of Exchangeable Debentures”).

A copy of all of the material contracts listed above is available on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to Yellow Pages may be found on SEDAR at www.sedar.com.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of Yellow Pages’ securities and securities authorized for issuance under equity compensation plans is contained in the Corporation’s information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Corporation’s consolidated financial statements and MD&A for the year ended December 31, 2019.

Yellow Pages will, upon request to the Secretary of the Corporation, 2.300 – 1751 Rue Richardson, Montreal, Québec, H3K 1G6, provide a copy of the annual and quarterly management’s discussion and analysis and financial statements of the Corporation to any shareholder of the Corporation.

SCHEDULE A

CHARTER of the AUDIT COMMITTEE
(the "Committee")
of the BOARD OF DIRECTORS of
YELLOW PAGES LIMITED

AUTHORITY

The primary responsibility for the financial reporting and disclosure controls and procedures, accounting systems and internal controls over financial reporting of Yellow Pages Limited (the "Corporation") is vested in senior management and is overseen by the board of directors (the "Board"). The Committee is a standing committee of the Board established to assist the Board in fulfilling its responsibilities in this regard.

The Committee 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. In carrying out its mandate, the Committee's review of the various activities of the Corporation shall include such investigation, analysis and approval of such activities as it may consider necessary. The Committee may engage outside advisors at the expense of the Corporation in order to assist the Committee in the performance of its duties and set and pay the compensation for such advisors.

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or the members of the Committee. Even though the Committee has a specific mandate, it does not have the obligation to act as auditors or to perform audits, or to determine that the Corporation's financial statements are complete and accurate.

Members of the Committee 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, and (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditors. The Committee's oversight responsibilities are not established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards and, if applicable, audited in accordance with Canadian generally accepted accounting standards.

STRUCTURE

1. The Committee shall be composed, as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time ("**NI 52-110**"), of three directors of the Corporation, all of whom (except to the extent permitted by NI 52-110) are independent (as defined by NI 52-110). Membership on the Committee shall be automatically terminated as such time as a member ceases to be independent.

2. Each member must (except to the extent permitted by NI 52-110) be financially literate (which is defined in NI 52-110 as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements).

3. No member of the Committee may serve on the Audit Committee of more than three public

companies, including the Corporation, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

4. No member of the Committee shall receive compensation in his or her personal capacity other than director's fees for service as a director of the Corporation, including reasonable compensation for serving on the Committee and regular benefits that other directors receive in that capacity.

5. The chairperson of the Committee (the "Chairperson") and the members of the Committee shall be appointed and removed by resolution of the Board, having considered the recommendation of the Corporate Governance and Nominating Committee, to hold office from the time of their appointment until the next annual general meeting of shareholders or until their successors are so appointed. The Chairperson must be appointed among the members of the Committee. Provided the Chairman meets the other eligibility requirements of this Charter, the Chairman of the Board is an ex officio member of the Committee. The Secretary of the Corporation (or his nominee) will act as the Secretary of the Committee. Members of the Committee may be reappointed to serve consecutive terms.

6. Vacancies at any time occurring in a Committee shall be filled by resolution of the Board, having considered the recommendation of the Corporate Governance and Nominating Committee, in accordance with the terms of its mandate.

7. The Chairperson of the Committee has the following responsibilities

   7.1 presiding at meetings of the Committee;

   7.2 ensuring the efficiency of the Committee and that members work as a team, in an effective and productive manner;

   7.3 ensuring that the Committee has the administrative support necessary to perform its work and carry out its duties; and

   7.4 acting as liaison between the Committee and the Board.

8. If the Chairperson and/or the Secretary of the Committee, as the case may be, is unable to act as such at a meeting, the Committee shall select one of the members to act as Chairperson and/or as Secretary, as the case may be, for that meeting only.

9. The Committee shall meet not less than once each quarter and may meet more often if required. Meetings of the Committee may be convened at the request of any member of the Committee, the Chairperson, Chief Executive Officer or Chief Financial Officer of the Corporation. Such meetings can be held by telephone or by any other means which enables all participants to communicate with each other simultaneously.

10. At each quarterly meeting, the Committee shall meet privately and in separate, in camera sessions with (i) the management, (ii) the internal auditor; (iii) the external auditors; and (iv) with any other internal personnel or outside advisors, as needed or appropriate. At every other meeting, the Committee shall hold an in camera session.

11. Officers may attend meetings of the Committee upon invitation to assist in the discussion and examination of the matters under consideration by the Committee.

12. A quorum at meetings of the Committee shall consist of two members. All decisions and recommendations made by the Committee shall be made by a majority vote of the members present

at the meeting. Each member, including the Chairperson, shall only be entitled to one vote. The Chairperson or the Chairman of the Board shall not have a casting vote.

13. The provision of the Articles and By-laws of the Corporation that regulate meetings and proceedings shall govern Committee meetings.

14. The Chairperson shall approve the agenda for the meetings and ensure that supporting materials are properly prepared and circulated to members with sufficient time for study by Committee members prior to the meeting.

15. The minutes of the Committee meetings shall accurately record the significant discussions of and decisions made by the Committee, including all recommendations to be made by the Committee to the Board and shall be distributed to Committee members as well as to all Directors of the Corporation, with copies to the Chief Executive Officer, the Chief Financial Officer of the Corporation and the external auditors.

<u>RESPONSIBILITIES</u>

The Committee shall perform the duties set out in this Charter and shall perform such other duties as may be necessary or appropriate under applicable law or stock exchange rules, or as may be delegated to the Committee by the Board from time to time.

Annual Financial Information

1. Review the Corporation’s annual audited and consolidated financial statements and accompanying notes, the external auditor’s report thereon as well as related MD&A and press release and recommend their approval to the Board before they are publicly disclosed, after discussing and making inquiries into matters such as the selection of accounting policies, major accounting judgments, accruals and estimates with management and the external auditors. The Committee shall seek confirmation from management that such financial statements or financial information, together with the other financial information included in the Corporations’ annual filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation as of the relevant date and for the relevant periods.

2. Review with management and the external auditors the Corporation's accounting policies, proposed material changes in securities policies or regulations, along with any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditors' preferred treatment and any other material communications with management with respect thereto, and the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

3. Review the planning and results of the external audit including:

    3.1 the auditor's engagement letter;

    3.2 the scope of the audit, including materiality, audit reports required, areas of audit risk, timetable and deadlines;

    3.3 the post-audit management letter, if any, together with management’s response thereto; and

    3.4 the form of the audit report.

Interim Financial Statements

In conjunction with regular Board meetings:

1. Review the Corporation's quarterly consolidated financial statements and accompanying notes and related MD&A and press release and recommend their approval to the Board before they are publicly disclosed, after discussing and making inquiries to management and the external auditors on the preparation of such statements. The Committee shall seek confirmation from management that such financial statements or financial information, together with the other financial information included in the Corporations' interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation as of the relevant date and for the relevant periods.

2. Review the selection of new accounting policies and major accounting judgements that arise during the quarter.

External Auditors

1. Approve all audit services provided by the external auditors engaged for the purpose of preparing or issuing an auditor's report or related work.

2. The Committee has the authority to communicate directly with the external auditors.

3. Directly overseeing the external auditors and discussing with them the quality and not just the acceptability of the Corporation's accounting principles, including (i) all critical accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the ramification of their use and the treatment preferred by the external auditors, as well as (iii) any other material written communications between the Corporation and the external auditors (including any disagreement between the external auditors and management regarding financial reporting and the resolution thereof).

4. Recommend the auditors for appointment by the Corporation and review their qualifications, performance and independence.

5. Establish the list of non-audit services that the external auditor can provide and the list of non-audit services that the external auditors are prohibited from performing. All non-audit services must be pre-approved by the Committee or, when it is not possible or practical, by the Chairman of the Committee, and the mandates entrusted are confirmed by the Committee at its first scheduled meeting thereafter.

6. Approve the basis and amount of external auditors' compensation and recommend same to the Board.

7. Ensure that the external auditors are always accountable directly to the Committee and the Board.

8. Review, at least annually, the qualifications, performance and independence of the external auditors. In conducting its review and evaluation, the Committee should:

   8.1 obtain and review (subject to client confidentiality guidelines) a report by the Corporation's external auditors describing (i) the external auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues; and (iii) any information allowing to assess the auditor’s independence, and all relationships between the external auditor and the Corporation’s management or employees;

8.2 ensure the rotation of the lead audit partner in accordance with rules of practice and other requirements applicable to the external auditors; and

8.3 confirm with any independent external auditor retained to provide audit services for any fiscal year that the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has not performed audit services for the Corporation for more than seven years in total, or if so has not thereafter resumed or assumed either such role until a further five years have elapsed.

9. Set clear hiring policies for partners, employees and former partners and employees of the external auditors of the Corporation and review. No registered public accounting firm may provide audit services to the Corporation if the Chief Executive Officer, Chief Financial Officer, chief accounting officer, controller or equivalent officer was employed by the registered public accounting firm and participated in the audit of the Corporation within one year of the initiation of the current audit.

10. Review with the external auditors any audit problems or difficulties and management's response thereto and resolve any disagreement between management and the external auditors regarding financial reporting.

Other Public Financial Information

1. Review the financial information contained in the Annual Information Form, Annual Report, Management Proxy Circular, prospectuses, press releases and other documents containing similar financial information and recommend their approval to the Board before their public disclosure or filing with Canadian or other applicable securities regulatory authorities.

2. From discussions with management, satisfy themselves as to the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information.

3. Implement adequate procedures for the review of the Corporation’s public disclosure of financial information extracted or derived from the financial statements and periodically assess the adequacy of those procedures.

Management Information Systems and Internal Controls

1. From discussions with and/or reports from management and reports from the internal and external auditors, review, monitor and evaluate the reliability, quality and integrity of the Corporation's management information systems and internal controls.

2. Review the process relative to the periodic certifications by the Chief Executive Officer and the Chief Financial Officer of the Corporation in respect of financial disclosures, the existence of any significant deficiencies in the design or operation of internal controls which could adversely affect the ability to record, process, summarize and report financial data and any significant changes in internal controls or changes to the environment in which the internal controls operate, including corrections of material deficiencies and weaknesses.

3. Request the undertaking of any specific audit or any special examinations (*e.g.*, review compliance with conflict of interest policies).

4. Review, as required, the effect of regulatory and accounting pronouncements and any other

transactions which could alter, impact or otherwise materially affect the Corporation's financial or corporate structure, including off-balance sheet items.

5. Review control weaknesses identified by the external auditors, together with management's response thereto.

6. Review at least annually and ensure that reasonable measures are in place to ensure the monitoring of the Corporation's risk assessment and management policies, including hedging policies through the use of financial derivative transactions.

7. Establish procedures for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls or auditing matters, including ensuring the confidential and anonymous submission by employees of concerns respecting questionable accounting or auditing matters.

Internal Auditor

1. Review and approve the appointment of the internal auditor and protect and promote his/her status of independence.
2. Oversee the general functions, responsibilities and performance of the internal auditor.
3. Review and approve the budget, compensation and resources for the internal auditor.
4. Review reports prepared by the internal auditor and the internal audit plan.
5. Review and discuss with management any relevant significant recommendations that the internal auditor may have presented in its reports to the Committee and receive follow-up reports on action taken with respect to the recommendations.
6. The Committee has the authority to communicate directly with the internal auditor.

Compliance Reporting

1. Report to the Board at least annually regarding the oversight and receipt of certificates from management confirming compliance with:

   1.1 debt covenants;

   1.2 all required withholding, deductions and remittances;

   1.3 corporate business conduct standards;

   1.4 laws, regulations and rules of all Canadian securities commissions or other applicable similar regulatory authorities, as well as the laws, regulations and rules of all exchanges where the Corporation's securities are listed; and

   1.5 laws and regulations covering the operation of the Corporation.

Pension Matters

1. Oversee the general administration and operation of the Yellow Pages Defined Benefit and Defined Contribution Pension Plan and the Yellow Pages Defined Contribution Pension Plan for Québec Employees Only (collectively, the "Pension Plans") and related funds (the "Funds") on behalf of the Board of Directors of Yellow Pages Digital & Media Solutions Limited (the "Company Board"), having regard to the recommendations of the Pension Committee as the case may be.

2. Appoint members to a management-level committee (the “Pension Committee”) and delegate to such Pension Committee any responsibilities determined by the members of the Committee to be of an operational nature with respect to the administration and investment of the Pension Plans and the Funds, including the authority for all operational matters contemplated by the agreements related to the Pension Plans and the Funds.

3. Review changes and amendments to the Pension Plans and provide comments and/or make recommendations to the Company Board.

4. Review actuarial valuations prepared by the actuary in relation to the Pension Plans and Funds, as applicable, and provide comments to the Company Board.

5. Review reports prepared by the Pension Committee, including but not limited to reports regarding the day-to-day administration of the Pension Plans, the Funds and related supervision and monitoring procedures (the "Control System"), and the investment of the Funds and provide comments and/or make recommendations to the Company Board.

6. At least annually, review the Statement of Investment Policies and Procedures (the "Investment Policy") of the Funds and provide comments and/or make recommendations to the Company Board.

7. Review all financial statements of the Funds and make recommendations to the Company Board in this regard.

8. Review the governance structure of the Pension Plans and Funds from time to time and provide comments and/or make recommendations to the Company Board.

9. Provide comments on and/or recommend the appointment (including the terms thereof and any changes thereto) and removal of any person providing services relating to the Pension Plans and Funds, including, benefit administration agents, funding agents, the actuary, the auditor of the Funds, investment managers (including a change to the allocation of assets managed by each such investment manager) and all other advisors.

10. On a periodic basis, as determined by the Committee, obtain assurance from the Pension Committee that (i) the Pension Plans and the Funds are administered and invested in compliance with the applicable Pension Plan text, applicable contractual arrangements, the applicable Investment Policy and applicable law; and (ii) the Control System is adhered to and that no material non-compliance has been detected.

11. Report to the Company Board at least quarterly on the administration of the Pension Plans and Funds and the activities of the Pension Committee and the Committee relating to the Pension Plans and Funds.

Other Responsibilities

1. Review the adequacy of insurance coverage.

2. Review the adequacy of the Corporation's financing, including terms and conditions.

3. Oversee the investigation of fraud, illegal acts or conflicts of interest and the reporting of concerns mechanism provided in the Policy on Reporting of Concerns.

4. Discuss with corporate counsel the status of any material pending or threatened litigation, claim or other contingency and the appropriateness of the disclosure thereof.

5. Review any material related party transactions.

6. Prepare and review the public disclosure regarding the Committee required from time to time by NI 52-110.

Reporting

1. Report, through the Chairperson, to the Board following each meeting on the significant discussions of and decisions made by the Committee and whether or not resolutions were unanimously approved; in this respect, the minutes of the Committee shall be made available and distributed to the other members of the Board.

2. Review and assess the Committee's mandate every two years or as required and recommend changes to the Board as appropriate. The Committee shall ensure that processes are in place to annually evaluate the performance and effectiveness of the Committee in accordance with the process developed by the Board's Corporate Governance and Nominating Committee as approved by the Board.

Approved by the Board of the Corporation on December 20, 2012.
Last revision: May 14, 2019