Notice of annual meeting of shareholders and management proxy circular

Wednesday, May 13, 2020
March 23, 2020

Dear Shareholders:

This year’s Annual and Special Meeting will be held on Wednesday, May 13, 2020, at 11:00 a.m. (Eastern Time) as a virtual-only meeting available via live audio webcast available at www.virtualshareholdermeeting.com/YP2020.

This is the first year we will be holding a virtual-only meeting. Management and the board of directors have determined to do so in light of the ongoing uncertainty surrounding the public health impact of the coronavirus (COVID-19) pandemic. We have determined that holding this year’s meeting virtually via a live audio webcast is a proactive and prudent step to ensure the health and safety of our shareholders and employees and the communities in which we live.

Once again, the Corporation is using notice-and-access to send the Notice of Annual and Special Meeting of Shareholders and management proxy circular to beneficial owners and registered holders of its common shares. We hope you find that this year’s proxy circular contains all the information you require in order to make a well-informed decision when casting your vote. We also encourage you to review the 2019 Annual Report, which contains Management’s Discussion and Analysis and the annual Consolidated Financial Statements for the financial year ended December 31, 2019.

Your participation in the affairs of the Corporation is important to us and we encourage you to exercise your voting right. Items to be considered at the Annual and Special Meeting of Shareholders will be receiving the consolidated financial statements of the Corporation for the year ended December 31, 2019, the election of Directors for the ensuing year, the appointment of the external auditors, adoption of a special resolution to reduce the Corporation’s stated capital account maintained for its common shares, adoption of a special resolution to approve the continuance of the Corporation from the Canada Business Corporations Act to the British Columbia Business Corporations Act; and the approval of an amendment to the 2012 Stock Option Plan. You are encouraged to vote in advance online at www.proxyvote.com or by telephone, or to complete and return the form of proxy or voting instruction form in the envelope provided for this purpose, in each by following the instructions on the form of proxy or voting instruction form. You may also access and vote the Annual and Special General Meeting virtually using the instructions provided in the circular.

The Corporation generated strong cash in 2019, produced an improved year-on-year rate of revenue change in the YP segment for four consecutive quarters, and repaid in full of the Corporation’s Senior Secured Notes. Although the Corporation has begun to see returns on the difficult actions it has taken to lay a solid foundation on which to build the Corporation’s future, we will closely monitor the impact COVID-19 may have on the Corporation’s business and adjust accordingly. We extend our thanks to our shareholders and employees for their continued confidence and support. We look forward to your participation at the meeting.

Sincerely,

Susan Kudzman

Chair
Notice of 2020 Annual and Special Meeting of Shareholders and Meeting Materials

You are receiving this notice as a shareholder of Yellow Pages Limited (the "Corporation"). It is very important that you read the meeting materials before voting your shares.

When
Wednesday, May 13, 2020 at 11:00 a.m. (Eastern Time)

Where
Virtual-only meeting via live audio webcast online at www.virtualshareholdermeeting.com/YP2020

What the Meeting is About
1. Receiving the consolidated financial statements of the Corporation for the year ended December 31, 2019, including the auditor’s report;
2. Electing the Directors of the Corporation for the ensuing year;
3. Appointing the auditors of the Corporation for the ensuing year;
4. Adoption of a special resolution to reduce the Corporation’s stated capital account;
5. Adoption of a special resolution to approve the continuance of the Corporation from the Canada Business Corporations Act to the British Columbia Business Corporations Act (the continuance);
6. Approving an amendment to the 2012 Stock Option Plan to provide for a cashless exercise feature, payable in cash, without a full deduction of the underlying Shares from the plan reserve; and
7. Considering such other business as may properly come before the meeting or any adjournment thereof.

Additional information about each of these matters is available in the section of the circular entitled “Business of the Meeting” and the subsequent sections.

Why we are Holding a Virtual-only Meeting
There is ongoing uncertainty surrounding the public health impact of the coronavirus (COVID-19) pandemic. The Corporation has determined that holding this year’s meeting virtually via a live audio webcast is a proactive and prudent step to ensure the health and safety of our shareholders and employees and the communities in which we live.

Right to Vote
Please note that you cannot vote by returning this notice.
You may vote your shares on the Internet, by phone or mail. Please refer to the instructions on your separate proxy or voting instruction form on how to vote using these methods.
You may also vote at the virtual meeting. The meeting will be a virtual-only meeting via live audio webcast available online at www.virtualshareholdermeeting.com/YP2020. You will be able to access the meeting using an internet connected device such as a laptop, computer, tablet or mobile phone, and the meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins.
Detailed information on how you can attend, participate in and vote at the meeting is available in the section of the circular entitled “Questions and Answers on Voting”.
Only registered shareholders and duly appointed proxyholders (including non-registered (beneficial) shareholders who have appointed themselves as proxyholder) will be entitled to attend, participate and vote at the meeting, all in real time.
Non-registered (beneficial) shareholders who do not duly appoint themselves as proxyholder may still attend the meeting and ask questions. Guests will be able to listen to the meeting, but will not be able to vote or ask questions at the meeting.
It is important to note that shareholders will not be able to attend this year’s meeting in person. All those participating in the virtual meeting must remain connected to the internet at all times during the meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the meeting.

Registered Shareholders
If you are not able to vote at the virtual meeting, you must have provided your voting instructions online at www.proxyvote.com or by telephone or have returned your completed form of proxy to Broadridge, in each case before Monday, May 11, 2020 at 11:59 p.m. (Eastern Time), or if the meeting is postponed or adjourned, by no later than 48 hours prior to the time of such postponed or adjourned meeting (excluding Saturdays, Sundays and holidays).

Non-Registered Shareholders
Your intermediary must receive your voting instructions with sufficient time for your vote to be processed before Monday, May 11, 2020 at 11:59 p.m. (Eastern Time), or if the meeting is postponed or adjourned, by no later than 48 hours prior to the time of such postponed or adjourned meeting (excluding Saturdays, Sundays and holidays). If you wish to access the virtual meeting and vote during the live webcast, you must appoint yourself as proxyholder using the instructions provided in the section of the circular entitled “Questions and Answers on Voting”.
If you vote by Internet or telephone, you must do so prior to Monday, May 11, 2020 at 11:59 p.m. (Eastern Time).
Alternatively, you may be a non-registered shareholder who will receive from your intermediary a form of proxy that has been pre-authorized by your intermediary indicating the number of shares to be voted, which is to be completed, dated, signed and returned to Broadridge by mail before Monday, May 11, 2020 at 11:59 p.m. (Eastern Time).

Meeting Materials
The Corporation is using “notice-and-access” to deliver the management proxy circular to both registered and non-registered shareholders. This means that the circular is being posted online to access, rather than being mailed out. Notice-and-access substantially reduces printing and mailing costs and is environmentally friendly as it reduces paper and energy consumption.
You will find enclosed with this notice a form of proxy or a voting instruction form that you can use to vote your shares of the Corporation. Shareholders who comply strictly the procedures contained in s. 190 of the Canada Business Corporations Act are entitled to dissent from the continuance to be paid the fair value of their common shares in accordance with that section.
**How to Access the Circular**

The circular is available at [www.meetingdocuments.com/ASTCA/YP](http://www.meetingdocuments.com/ASTCA/YP), the Corporation's website at corporate.yp.ca or on SEDAR at [www.sedar.com](http://www.sedar.com).

**How to Request a Paper Copy of the Circular**

The Corporation will provide a paper copy of the circular to any Shareholder, free of charge, for a period of 1 year from the date the circular is filed on SEDAR.

You may request a paper copy at any time before the meeting on the web at [www.meetingdocuments.com/ASTCA/YP](http://www.meetingdocuments.com/ASTCA/YP) or by contacting AST at 1-888-433-6443 (toll free in Canada and the United States) or 416-682-3801 (other countries).

After the meeting, requests may be made by calling 1-877-956-2003 (toll free in Canada and the United States).

Please allow a period of 3 business days for processing your request as well as typical mailing times.

By Order of the Board of Directors,

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Treena Cooper  
Vice-President, Secretary and General Counsel  
Montréal, Québec  
March 23, 2020
# MANAGEMENT PROXY CIRCULAR

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GENERAL INFORMATION

This Proxy Circular is furnished in connection with the solicitation of proxies by and on behalf of Management for use at the annual general and special meeting of shareholders being held on Wednesday, May 13, 2020, at 11:00 a.m. (Eastern Time) as a virtual-only meeting available via live audio webcast available at www.virtualshareholdermeeting.com/YP2020 (the “Meeting”).

The information contained herein is given as at March 23, 2020, except where otherwise indicated.

In this Proxy Circular, the words “we”, “us”, “our”, the “Company”, the “Corporation”, “Yellow Pages” and “YP” refer to Yellow Pages Limited (formerly Yellow Media Limited) and its subsidiaries (including Yellow Pages Digital & Media Solutions Limited, which is the amalgamated entity resulting from the vertical short-form amalgamation of Yellow Pages Digital & Media Solutions Limited and Juice DMS Advertising Limited, a wholly-owned subsidiary of the Corporation, on January 1, 2019).

FORWARD-LOOKING STATEMENTS

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

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. A number of factors could cause actual results to differ materially from the performance or results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Risk Factors” in the Annual Information Form of the Corporation dated March 30, 2020, in respect of the Corporation’s year ended December 31, 2019 (the “AIF”), which are incorporated by reference in this cautionary statement. The AIF is available on SEDAR at www.sedar.com and on our corporate website at https://corporate.yp.ca. Additional risks and uncertainties not currently known to Management or that are currently deemed to be immaterial may also have a material adverse effect on the Corporation’s business, financial position or financial performance. Although the forward-looking statements contained in this Proxy Circular are based upon what Management believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements and cautions readers not to place undue reliance on them. These forward-looking statements are made as at the date of this Proxy Circular, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws.
QUESTIONS AND ANSWERS ON VOTING

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

WHO CAN VOTE?

Only Shareholders of record as at the close of business on March 18, 2020 (the “Record Date”) are entitled to receive notice of and to vote at the Meeting, and no person becoming a Shareholder after the Record Date shall be entitled to receive notice of and to vote at the Meeting or any adjournment thereof. The failure of any Shareholder to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

WHAT WILL I BE VOTING ON?

Shareholders will be voting: (i) to elect the Directors of the Corporation (the “Directors”) for the ensuing year; (ii) to appoint the auditors of the Corporation for the ensuing year; (iii) on a special resolution to reduce the Corporation’s stated capital account maintained for the Shares; (iv) the continuance of the Corporation from the Canada Business Corporations Act (the “CBCA”) to the British Columbia Business Corporations Act (the “BCBCA”) (the “Continuance Resolution”); (v) to approve an amendment to the 2012 Stock Option Plan to provide for a cashless exercise feature, payable in cash, without a full deduction of the underlying Shares from the plan reserve; and (vi) on any other business matter as may properly come before the Meeting and that may require the vote of the Shareholders.

HOW WILL THESE MATTERS BE DECIDED AT THE MEETING?

A simple majority of the votes cast by Shareholders present at the Meeting in person or by proxy will constitute approval of these matters, other than the special resolution pertaining to the Stated Capital Reduction (as defined below) and the Continuance Resolution. The special resolution pertaining to the Stated Capital Reduction and the special resolution pertaining to the Continuance Resolution each require approval of at least two-thirds of the votes cast by Shareholders present at the Meeting in person or by proxy.

WHO IS SOLICITING MY PROXY?

Management is soliciting your proxy. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited by telephone, over the Internet, in writing or in person, by Directors, officers or regular employees of the Corporation, who will receive no other compensation therefore in addition to their regular remuneration. The Corporation may also reimburse brokers and other persons holding Shares in their name or in the name of nominees for their costs incurred in sending proxy materials to their principals in order to obtain their proxies. Such costs are expected to be nominal.

WHO CAN I CALL WITH QUESTIONS?

If you have questions about the information contained in this Proxy Circular or require assistance in completing your form of proxy, please email communications@yp.ca.

HOW DO I VOTE?

If you are eligible to vote and you are a Shareholder of record as at the close of business on the Record Date, you can vote your Shares at the Meeting or by proxy, as explained below under “How do I Vote in Advance or by Proxy…if I am a Registered Shareholder”. If your Shares are held in the name of a depository or a nominee such as a trustee, financial institution or securities broker (referred to as an intermediary), please see the instructions below under “How do I Vote in Advance or by Proxy…if I am a Non-Registered Shareholder?”

DELIVERY OF PROXY MATERIALS

Proxy materials are being sent to registered Shareholders directly and will be sent to intermediaries to be forwarded to all Non-Registered Shareholders (as defined below). The Corporation pays the cost of delivery of proxy materials for all registered and Non-Registered Shareholders.

WHY IS THIS YEAR’S MEETING VIRTUAL-ONLY?

This year’s Meeting will be held virtually via a live online audio webcast due to the ongoing uncertainty surrounding the public health impact of the coronavirus (COVID-19) pandemic. This measure is a proactive and prudent step to ensure the health and safety of our shareholders and employees and the communities in which we live.

Registered shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have appointed themselves as proxyholder) will be entitled to attend, participate and vote at the Meeting, all in real time. Non-registered shareholders who do not appoint themselves as proxyholder may still attend the Meeting and ask questions. Guests will be able to listen to the Meeting, but will not be able to vote or ask questions at the Meeting.

IT IS IMPORTANT TO NOTE THAT YOU WILL NOT BE ABLE TO ATTEND THIS YEAR’S MEETING IN PERSON. IF YOU ARE PARTICIPATING IN THE VIRTUAL MEETING YOU MUST REMAIN CONNECTED TO THE INTERNET AT ALL TIMES DURING THE MEETING IN ORDER TO VOTE WHEN BALLOTING COMMENCES. IT IS YOUR RESPONSIBILITY TO ENSURE INTERNET CONNECTIVITY FOR THE DURATION OF THE MEETING.

HOW DO I ACCESS AND VOTE AT THE MEETING…

You will be able to participate in the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone, and the Meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins and Meeting the minimum system requirements described below.

The steps that you need to follow to access the Meeting will depend on whether you are a registered shareholder or a Non-Registered Shareholder. You must follow the applicable instructions below carefully.

…IF I AM A REGISTERED SHAREHOLDER?

If you are a registered shareholder, Broadridge Investor Communications Corporation (“Broadridge”) will have sent you a form of proxy. This document will be required in order for you to complete the instructions below, but do not complete the form of proxy or return it to Broadridge since you will be accessing and voting at the Meeting during the live webcast.
Registered Shareholders can access and vote at the Meeting during the live webcast as follows:

1. Log into www.virtualshareholdermeeting.com/YP2020 at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

2. Enter your 16-digit control number into the Shareholder Login section (your control number is located on your form of proxy) and click on “Enter Here”.

3. Follow the instructions to access the Meeting and vote when prompted.

Even if you currently plan to participate in the virtual Meeting, you should consider voting your shares by proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the Meeting for any reason. If you access and vote on any matter at the Meeting during the live webcast, then you will revoke any previously submitted proxy.

...IF I AM A NON-REGISTERED SHAREHOLDER?

Non-registered shareholders wishing to access and vote at the Meeting during the live webcast can do so as follows:

1. Appoint yourself as proxyholder as described below under the heading “How do I Vote by Proxy or in Advance…if I am a Non-Registered Shareholder”, including by providing an “Appointee Name” and designating an 8-character “Appointee Identification Number”. Please note that these steps must be completed prior to the proxy deadline (defined below) or you will not be able to vote your Shares at the Meeting during the live webcast.

2. Follow the instructions below for Proxyholders to log in and vote at the Meeting.

In the event that the proxy deadline is waived by the Corporation prior to the Meeting, all Non-Registered Shareholders will be able to access and vote at the Meeting in the same manner as for registered shareholders described above except that your 16-digit control number will be located on your voting information form or form of proxy. In that case, if you have previously provided voting instructions or appointed another person to vote on your behalf and you choose to access and vote on any matter at the Meeting during the live webcast then you will revoke all prior voting instructions or appointments. If you do not wish to revoke your prior instructions or appointments, you will still be able to access the Meeting and you will be able to ask questions. You should not assume that the proxy deadline will be waived in whole or in part, and you should vote prior to the Meeting or appoint yourself or another person to vote on your behalf at the Meeting prior to the proxy deadline to ensure your vote is counted at the Meeting.

A Non-Registered Shareholder wishing to access the Meeting without voting during the live webcast – for example, because you have provided voting instructions prior to the Meeting or appointed another person to vote on your behalf at the Meeting – can access the Meeting in the same manner as for registered shareholders described above using the 16-digit control number located on your voting information form or form of proxy. You will be able to ask questions if you access the Meeting in this manner.

...IF I AM A PROXYHOLDER?

If you have been appointed as proxyholder for a registered or Non-Registered Shareholder (or you are a Non-Registered Shareholder who has appointed themselves as proxyholder), you can access and vote at the Meeting during the live webcast as follows:

1. Log into www.virtualshareholdermeeting.com/YP2020 at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

2. Enter the Appointee Name and Appointee Identification Number exactly as it was provided to Broadridge by the shareholder who appointed you as proxyholder and click on “Enter Here”. If this information is not provided to you by such shareholder, or if you do not enter it exactly as that shareholder provided it to Broadridge, you will not be able to access the Meeting or vote their Shares on their behalf during the live webcast.

If you have been appointed as proxyholder for more than one shareholder, you will be asked to enter the Appointee Information for each separate shareholder in order to vote the applicable Shares on their behalf at the Meeting.

3. Follow the instructions to access the Meeting and vote when prompted.

All shareholders must provide the Appointee Information to their appointed proxyholder exactly as they provided it to Broadridge online at www.proxyvote.com or on their voting information form or form of proxy in order for their proxyholder to access and vote their shares at the Meeting during the live webcast. Proxyholders who have forgotten or misplaced the applicable Appointee Information should contact the shareholder who appointed them as quickly as possible. If that shareholder has forgotten or misplaced the applicable Appointee Information, they should follow the steps described under the heading “How do I access and vote at the Meeting…if I am a Non-registered shareholder” as quickly as possible.

...IF I AM A GUEST?

If you wish to access the Meeting as a guest, you can log into the Meeting as set out below. Note that guests will be able to listen to the Meeting but will not be able to ask questions or vote. If you wish to contact the board chair or any member of the board please see page 56 for contact information. Please read and follow the instructions below carefully.

1. Log into www.virtualshareholdermeeting.com/YP2020 at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

2. Complete the GUEST LOGIN section and Click on “Enter Here”.

ASKING QUESTIONS AT THE MEETING

The Corporation believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold this year’s Meeting virtually. Registered shareholders, proxyholders and Non-Registered Shareholders will have an opportunity to ask questions at the Meeting in writing by sending a message to the chair of the Meeting online through the virtual Meeting platform. It is anticipated that shareholders will have substantially the same opportunity to ask questions on matters of business at the Meeting as in past years when the annual shareholders Meeting was held in person.

DIFFICULTIES IN ACCESSING THE MEETING

Shareholders with questions regarding the virtual meeting portal or requiring assistance accessing the meeting website on the day of the Meeting may call Broadridge’s technical support line at 1-800-586-1548 (toll-free) or 303-562-9288 (toll), or visit the website www.virtualshareholdermeeting.com for additional information. Shareholders with questions regarding the virtual meeting portal in advance of the meeting date should visit the website www.virtualshareholdermeeting.com or contact their intermediary.
If you are accessing the Meeting you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. Note that if you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed. Therefore, even if you currently plan to access the Meeting and vote during the live webcast, you should consider voting your shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

**HOW DO I VOTE BY PROXY OR IN ADVANCE…**

Providing voting instructions online at www.proxyvote.com or by telephone or signing and returning the form of proxy or voting information form sent to you along with the notice, in each case in accordance with the instructions provided below and on your form of proxy or voting information form, authorizes Susan Kudzman and David A. Eckert (the “named proxyholders”) to vote your Shares at the Meeting in accordance with your instructions. Each Shareholder is entitled to appoint a person or company other than the individuals named in the form of proxy (who needs not be a Shareholder) to represent such Shareholder at the Meeting.

**IF I AM A REGISTERED SHAREHOLDER?**

If you do not intend to access and vote at the Meeting during the live webcast, you are encouraged to provide your voting instructions to the named proxyholders by internet at www.proxyvote.com or by telephone, or by returning the form of proxy to Broadridge, in each case in accordance with the instructions appearing on the form of proxy.

Alternatively, you are entitled to appoint some other person or company (who need not be a Shareholder) to represent you at the Meeting. Since the Meeting will take place virtually, the process for appointing another person as your proxyholder (other than the named proxyholders) to access the Meeting and vote on your behalf is different than it would be for an in-person meeting. You must therefore follow the instructions on your form of proxy very carefully, including:

- inserting an “Appointee Name” and designating an 8-character “Appointee Identification Number” (together, this is the “Appointee Information”) online at www.proxyvote.com or in the spaces provided on your form of proxy; and
- informing your appointed proxyholder of the exact Appointee Name and 8-character Appointee Identification Number prior to the Meeting. Your proxyholder will require both your Appointee Name and Appointee Identification Number in order to access the Meeting and vote on your behalf.

You are encouraged to appoint your proxyholder online at www.proxyvote.com in accordance with the instructions on the form of proxy as this will reduce the risk of any mail disruptions in the current environment and will allow you share the Appointee Information you have created with your appointed proxyholder more easily. You may also complete and return your form of proxy by following the instructions on your form of proxy.

Please note that if you wish to appoint a person as your proxyholder other than the named proxyholders and you do not designate the Appointee Information as required when completing your appointment online or on your form of proxy or if you do not provide the exact Appointee Name and Appointee Identification Number to that other person, that other person will not be able to access the Meeting and vote on your behalf.

**What is the Deadline for Returning my Proxy?**

You are encouraged to provide your voting instructions or appoint your proxyholder online at www.proxyvote.com or by telephone, each in accordance with the instructions on the form of proxy, as this will reduce the risk of any mail disruptions in the current environment. These instructions must be provided by no later than 11:59 p.m. (Eastern Time) on May 11, 2020 or if the Meeting is adjourned, at least 48 hours (not including Saturdays, Sundays or statutory holidays in Ontario) prior to the reconvened meeting (the “proxy deadline”). If you prefer, you may also complete and return your form of proxy to Broadridge at: Data Processing Centre, P.O. Box 3700 STN Industrial Park, Markham, ON, L3R 9Z9, in which case Broadridge must receive your completed form of proxy prior to the proxy deadline.

Providing your voting instructions to the named proxyholder or appointing another person as your proxy will ensure your vote is counted at the Meeting even if you later decide not to attend the Meeting or are unable to access the Meeting in the event of technical difficulties. If you access and vote on any matter at the Meeting during the live webcast, any proxy you have previously submitted will be revoked.

**If I Change My Mind, how can I Revoke my Proxy?**

You may revoke any prior proxy by providing new voting instructions or Appointment Information at www.proxyvote.com at a later time or a new form of proxy with a later date. However, for your new voting instructions or appointment to be effective they must be received by Broadridge no later than 11:59 p.m. (Eastern Time) on May 11, 2020, or if the Meeting is adjourned, at least 48 hours (not including Saturdays, Sundays or statutory holidays in Ontario) prior to the reconvened meeting.

You may also revoke any prior proxy: (i) by depositing an instrument in writing executed by the Shareholder or by the Shareholder’s legal representative authorized in writing or, if the Shareholder is a corporation, under the corporate seal or by an officer or legal representative thereof duly authorized at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (ii) in any other manner permitted by law. If you access the virtual Meeting and vote on any matter during the live webcast, you will revoke any previously submitted proxy.

The registered office of the Corporation is located at 1751 Rue Richardson, Suite 2.300, Montréal, Québec H3K 1G6. If you wish to provide new voting instructions and not simply revoke your proxy (unless the proxy deadline is waived), your new voting instructions must be received by Broadridge no later than 11:59 p.m. (Eastern Time) on May 11, 2020, or if the Meeting is postponed or adjourned, by no later than 48 hours prior to the time of such postponed or adjourned meeting (excluding Saturdays, Sundays and holidays). The Corporation reserves the right to accept late proxies and to waive the proxy cut off with or without notice, but is under no obligation to accept or reject any particular late proxy.

**IF I AM A NON-REGISTERED SHAREHOLDER?**

All of the Shares beneficially owned by a non-registered Shareholder (a “Non-Registered Shareholder”) are registered in the name of a depositary or a nominee such as a trustee, financial institution or securities broker (an “intermediary”). For example, Shares listed in an account statement provided by the broker of a Shareholder are not registered in the Shareholder’s name.

Applicable securities laws require Shareholders’ intermediaries to seek voting instructions from them in advance of the Meeting. Accordingly, you will receive or have already received from your intermediary a request for voting instructions for the number of Shares you beneficially own. This form will include instructions on how to provide voting instructions to your intermediary or to appoint yourself or another person to access and vote at the Meeting on your behalf during the live webcast.
Giving Your Voting Instructions

You may provide your voting instructions by following the instructions on the voting instruction form provided to you by your intermediary. You are encouraged to do so online at www.proxyvote.com or by telephone if your intermediary provides you with this option. You may also mark your voting instructions on the voting instruction form or form of proxy provided to you by your intermediary, sign it, and return it as instructed and within the timelines provided by your intermediary. Your voting instructions must be received by Broadridge by the proxy deadline.

Appointing Yourself (or Another Person) to Vote at the Meeting

If you wish to access the virtual Meeting and vote during the live webcast (or appoint another person to do so, other than the named proxyholders), you are encouraged to make this appointment online at www.proxyvote.com using the instructions provided on your voting instruction form or form of proxy. If your intermediary provides you with this option. Alternatively, you may do so by inserting your name (or the name of such other person) in the space provided for the proxyholder appointment in your voting instruction form, and return it as instructed by your intermediary. Do not complete the voting section of the voting information form or form of proxy, since you or your designate will vote at the Meeting during the live webcast.

Since the Meeting will take place virtually, the process for any Non-Registered Shareholder to appoint themselves or another person (other than the named proxyholders) to access and vote at the Meeting during the live webcast is different than it would be for an in person meeting. In addition to the steps above, you must follow the additional instructions on your voting instruction form or form of proxy very carefully, including:

- inserting an “Appointee Name” and designating an 8-character “Appointee Identification Number” online at www.proxyvote.com or in the spaces provided on your form of proxy. You must complete this step regardless of whether you wish to appoint yourself or another person (other than the named proxyholders); and
- if you have appointed someone other than yourself to access and vote at the Meeting on your behalf, informing your appointed proxyholder of the exact Appointee Name and 8-character Appointee Identification Number prior to the Meeting.

You are encouraged to appoint yourself or such other person (other than the named proxyholders) online at www.proxyvote.com as this will reduce the risk of any mail disruptions in the current environment and will allow you to share the Appointee Information you have designated with any other person you have appointed to represent you at the Meeting more easily. If you do not designate the Appointee Information as required when completing your appointment online or on your voting information form or if you do not provide the exact Appointee Identification Number and Appointee Name to any other person (other than the named proxyholders) who has been appointed to access and vote at the Meeting on your behalf, neither you nor that other person, as applicable, will be able to access the Meeting and vote.

What is the Deadline for Returning my Voting Instructions?

Your intermediary must receive your voting instructions or your appointment in sufficient time for your intermediary to act on them. You are encouraged to provide your voting instructions or appointment online at www.proxyvote.com in accordance with the instructions on your voting instruction form or form of proxy and you must do so by no later than 11:59 p.m. (Eastern Time) on May 11, 2020 or if the Meeting is adjourned, at least 48 hours (not including Saturdays, Sundays or statutory holidays in Ontario) prior to the reconvened meeting. If you prefer, you may also complete and return your voting information form or form of proxy to Broadridge at: Data Processing Centre, P.O. Box 3700 STN Industrial Park, Markham, ON, L3R 9Z9, in which case Broadridge must receive your completed voting information form prior to the proxy deadline.

If I Change my Mind How do I Revoke my Prior Voting Instructions?

You can revoke your prior voting instructions or appointment by providing new instructions or Appointment Information at a later time online at www.proxyvote.com, by telephone or on a voting instruction form or form of proxy with a later date, in each case in accordance with the instructions on your voting instruction form or form of proxy, provided that your new instructions or appointment are received by your intermediary in sufficient time for your intermediary to act on them. In order to be effective, your new voting instructions or appointment must be received by Broadridge before 11:59 p.m. (Eastern Time) on May 11, 2020, or if the Meeting is adjourned, at least 48 hours (not including Saturdays, Sundays or statutory holidays) prior to the reconvened meeting. Instructions received after such deadline but before the Meeting may only be effective to revoke any prior instructions or appointment. Otherwise, contact your intermediary if you want to revoke your prior voting instructions or appointment.

If you are eligible to access and vote at the Meeting during the live webcast and you have previously provided voting instructions or appointed another person to vote on your behalf you may access the Meeting and revoke your prior instructions or appointments, but you will not be able to vote on any matter at the Meeting during the live webcast unless the proxy deadline has been waived. If you do not wish to revoke your prior instructions or appointments, you will still be able to access the Meeting and you will be able ask questions.

Proxies, voting instructions and appointments received after the proxy deadline may only be effective to revoke previously submitted proxies, voting instructions or appointments. The Corporation reserves the right to accept late proxies, voting instructions and appointments and to waive the proxy deadline with or without notice, but is under no obligation to accept or reject any particular late proxy, voting instructions or appointments.

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

The Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any vote that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. If no specification has been made with respect to the matters described in items 2, 3, 4, 5 and 6 of the accompanying Notice of Annual and Special Meeting (the “Notice of Meeting”), the persons named in the form of proxy intend to cast the votes represented by such proxy IN FAVOUR of such matters.

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

Pursuant to the articles of the Corporation, the Corporation is authorized to issue an unlimited number of Shares. As at March 23, 2020, 28,075,308 Shares were outstanding, each carrying the right to one vote on all matters to come before the Meeting.

As at March 23, 2020, other than GoldenTree Asset Management LP ("GoldenTree"), Canso Investment Counsel Ltd. ("Canso"), and Empyrean Capital Partners, LP ("Empyrean"), no person or company, to the knowledge of the Directors or executive officers of the Corporation, owned beneficially or exercised control or direction over, directly or indirectly, 10% or more of the Shares.

Based on the latest Alternative Monthly Report filed under National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues ("NI 62-103") dated December 10, 2018 GoldenTree had control over 8,496,447 Shares of the Corporation, representing, as at March 23, 2020, approximately 30.26% of the Shares. Based on the latest Alternative Monthly Report filed under NI 62-103 dated February 9, 2018, as at January 31, 2018, Canso had control over 7,722,849 Shares of the Corporation, representing, as at March 23, 2020, approximately 27.51% of the Shares, and $39,538,639 principal amount of senior subordinated exchangeable debentures of Yellow Pages Digital & Media Solutions Limited ("Exchangeable Debentures") due November 30, 2022, which are exchangeable into an additional 2,076,609 Shares. Based on the latest Alternative Monthly Report filed under NI 62-103 dated October 10, 2018 Empyrean had control over 4,969,100 Shares of the Corporation and Exchangeable Debentures which are exchangeable under the terms thereof for approximately 56,438 Shares, representing as at March 23, 2020 an aggregate of approximately 17.70% of the Shares.

BUSINESS OF THE MEETING

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

(i) the election of the Directors for the ensuing year;
(ii) the appointment of the auditors of the Corporation for the ensuing year;
(iii) adoption of a special resolution to reduce the Corporation’s stated capital account;
(iv) adoption of a special resolution to approve the continuance of the Corporation from the CBCA to the BCBCA;
(v) the approval of an amendment to the 2012 Stock Option Plan to provide for a cashless exercise feature, payable in cash, without a full deduction of the underlying Shares from the plan reserve; and
(vi) such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.
PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements to be placed before Shareholders are included in the Corporation’s 2019 Annual Report and are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our corporate website at [https://corporate.yp.ca](https://corporate.yp.ca). Copies of such statements will also be available at the Meeting.

ELECTION OF THE BOARD OF DIRECTORS

NUMBER AND ELECTION OF DIRECTORS

The Articles of the Corporation provide for a minimum of three (3) and a maximum of twelve (12) Directors. The Board has fixed the number of Directors to be elected at the Meeting at six (6).

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

NOMINEES

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

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

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

DAVID A. ECKERT

PRESIDENT AND CHIEF EXECUTIVE OFFICER, YELLOW PAGES LIMITED

David A. Eckert has served over the past 30 years as a Chief Executive Officer of international companies in a wide range of industries including, recently, the Hibu Group Limited, 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 was 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.

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(1) The value is calculated based on the closing price of the Shares of the Corporation on the Toronto Stock Exchange (‘TSX”) on the Record Date, being March 18, 2020, which was $6.93. The same method was used for all Directors.
CRAIG FORMAN

PRESIDENT AND CHIEF EXECUTIVE OFFICER OF MCCLATCHY COMPANY

Craig Forman has been President and Chief Executive Officer of McClatchy Company, a Sacramento, California-based digital media company since January 2017 and a director of McClatchy Company since July 2013. Prior to his appointment as President and Chief Executive Officer, Mr. Forman was a private investor and entrepreneur. From 2006 until 2009, Mr. Forman served as President of Consumer Access and Audience business of the Atlanta-based internet services provider Earthlink Inc. Earlier, Mr. Forman served as the Vice-President and General Manager for Yahoo! Inc.’s media and information divisions, overseeing Yahoo! News, Yahoo! Sports and Yahoo! Finance. Mr. Forman led internet and new media divisions at Time Warner Inc., a cable television company, was the Vice-President for Product Development and Editor at the search engine Infosys Corporation and was the Director and Editor of International Business Information Services for Dow Jones & Company, Inc., a publishing and financial information firm. Since 2009, Mr. Forman has served as a director on a variety of public and private company boards. Until March 2015, Mr. Forman was the Executive Chairman of the board of Appia, Inc., a Durham, North Carolina-based mobile applications marketer and distributor. In connection with the completion of Digital Turbine, Inc.’s merger with Appia, Inc. in March 2015, Mr. Forman was appointed to Digital Turbine, Inc.’s board of directors; he resigned from the Digital Turbine, Inc.’s board upon his appointment as McClatchy Company’s President and Chief Executive Officer. Mr. Forman has served on the Board of Yellow Pages Limited since 2012. Previously, Mr. Forman served as Executive Chairman of WHERE, Inc., a leading mobile advertising technology network, until it was acquired by eBay Inc. in 2011. Mr. Forman began his career as a Foreign Correspondent and Editor for The Wall Street Journal. He worked as a Deputy Bureau Chief in The Wall Street Journal’s London bureau and later served as Bureau Chief in the newspaper’s Tokyo bureau.

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 the Chair of the Corporate Governance and Nominating Committee and a member of the Human Resources and Compensation Committee.
ROB HALL
CORPORATE DIRECTOR

Rob Hall was 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 the Chair of the Audit Committee and a member of the Human Resources and Compensation and Ad Hoc Committees.

<table>
<thead>
<tr>
<th>BOARD/COMMITTEE MEMBERSHIP</th>
<th>ATTENDANCE</th>
<th>OTHER PUBLIC BOARD MEMBERSHIP DURING LAST FIVE YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ENTITY</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>12 of 13</td>
<td>92%</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>5 of 5</td>
<td>100%</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee</td>
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<td>100%</td>
</tr>
<tr>
<td>Ad Hoc Committee</td>
<td>3 of 3</td>
<td>100%</td>
</tr>
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SUSAN KUDZMAN
CORPORATE DIRECTOR

Susan Kudzman has recently retired as the 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. 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, HR and Audit committees of Medavie, a health services company and insurer. She is currently Vice-Chair of the Montreal Heart Institute Foundation.

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

Ms. Kudzman is the Chair of the Board and an ex-officio member of all committees of the Board.

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<td></td>
<td></td>
<td>ENTITY</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>13 of 13</td>
<td>100%</td>
</tr>
<tr>
<td>Special Committee</td>
<td>6 of 6</td>
<td>100%</td>
</tr>
<tr>
<td>Ad Hoc Committee</td>
<td>3 of 3</td>
<td>100%</td>
</tr>
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SECURITIES HELD

<table>
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<tr>
<th>SHARES</th>
<th>DEFERRED SHARE UNITS</th>
<th>TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(#)</td>
<td>($)</td>
<td>(#)</td>
</tr>
<tr>
<td>As at March 18, 2020</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>
KALPANA RAINA
MANAGING PARTNER, 252 SOLUTIONS, LLC (CONSULTING FIRM)

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

Ms. Raina holds a Master’s degree in English Literature from McMaster University and undergraduate and graduate degrees from Panjab University, India. Ms. Raina is a member of the Audit and Corporate Governance and Nominating Committees.

**BOARD/COMMITTEE MEMBERSHIP**

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<tr>
<th>ENTITY</th>
<th>INDUSTRY</th>
<th>POSITION</th>
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<tbody>
<tr>
<td>John Wiley &amp; Sons, Inc. (2009 – 2017)</td>
<td>Publishing and digital content services</td>
<td>Director, member of the audit committee</td>
</tr>
<tr>
<td>Information Services Group, Inc. (2009 – present)</td>
<td>Technology consulting</td>
<td>Director, member of compensation Committee, audit committee and the nominating and corporate governance committee</td>
</tr>
</tbody>
</table>

**SECURITIES HELD**

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<tr>
<th>SHARES</th>
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<th>TOTAL NUMBER AND VALUE OF SHARES AND DEFERRED SHARE UNITS</th>
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<tr>
<td>(###)</td>
<td>($$$)</td>
<td>(#) ($$$)</td>
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<tr>
<td>As at March 18, 2020</td>
<td>3,000 20,790</td>
<td>49,243 341,253</td>
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</table>

PAUL W. RUSSO
CORPORATE DIRECTOR

Paul W. Russo served as the Chief Executive Officer of Color Spot Holdings, Inc., the largest grower of potted plants and shrubs in the United States, from March 2017 to December 2018. He was previously Executive Vice-President of Business Development of the Hibu Group Limited, a business providing digital marketing services and print advertising to small and medium enterprise customers, and a partner at Bain & Company.

He received a Bachelor of Science in Business from the University of California at Berkeley, an MBA from the Harvard Business School and achieved CPA certification.

Mr. Russo is the Chair of the Human Resources and Compensation Committee and a member of the Audit Committee.

**BOARD/COMMITTEE MEMBERSHIP**

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<tr>
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<td>n/a</td>
<td>n/a</td>
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<tr>
<td>(###)</td>
<td>($$$)</td>
<td>(#) ($$$)</td>
</tr>
<tr>
<td>As at March 18, 2020</td>
<td>Nil Nil</td>
<td>37,201 257,802</td>
</tr>
</tbody>
</table>
To the knowledge of the Corporation: (i) no proposed Director is, at the date of this Proxy Circular, or has been, in the ten (10) years prior to the date of this Proxy Circular, a director, chief executive officer or chief financial officer of any company, that: (a) while the proposed Director was acting in that capacity, was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days; or (b) after the proposed Director ceased to act in that capacity, was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days because of an event which occurred while the proposed Director was acting in that capacity; or (ii) no proposed Director is, at the date of this Proxy Circular, or has been, in the ten (10) years prior to the date of this Proxy Circular, a director or an executive officer of any company, that while the proposed Director was acting in that capacity, or in the year after the proposed Director ceased to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency legislation, was subject to any proceedings, arrangement or compromise with creditors or instituted any proceedings against the same, or had a receiver, receiver-manager, director in bankruptcy or trustee appointed to hold its assets, except for Paul W. Russo who was the Chief Executive Officer of Color Spot Holdings when the company filed for Chapter 11 bankruptcy protection in the United States of American court in Delaware on May 29, 2018 and Craig Forman who was the President and Chief Executive Officer of McClatchy Company when the Company filed for Chapter 11 bankruptcy protection in the United States of American court in New York on February 13, 2020; or (iii) no proposed Director, in the ten (10) years prior to the date of this Proxy Circular, became bankrupt, made a proposal under any bankruptcy or insolvency legislation, was subject to any proceedings, arrangement or compromise with creditors or instituted any proceedings against the same, or had a receiver, receiver-manager or director in bankruptcy appointed to hold his or her assets, except for Craig Forman who was a Director of Yellow Pages Digital & Media Solutions Limited for varying periods of time immediately prior to the implementation on December 20, 2012 of the recapitalization transaction (the “Recapitalization”) in accordance with a court-approved Plan of Arrangement under the CBCA pursuant to which the former securities of Yellow Pages Digital & Media Solutions Limited and all entitlements relating thereto, were exchanged and cancelled for, as applicable, cash and common shares and warrants of the Corporation, and new senior secured notes and new senior subordinated exchangeable debentures of Yellow Pages Digital & Media Solutions Limited.

REDUCTION OF THE CORPORATION’S STATED CAPITAL ACCOUNT

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, adopt, with or without amendments, a special resolution to reduce the stated capital account maintained in respect of the Shares to $1,000,000 (the “Stated Capital Reduction”). If approved, the Stated Capital Reduction would be effective as of May 14, 2020 but, notwithstanding such approval, the Board will be authorized, without further approval of the shareholders to revoke the special resolution at any time before it becomes effective.

Background and Reasons for the Reduction in Stated Capital

Under the CBCA, a corporation is prohibited from taking certain actions, including declaring or paying a dividend or buying its own shares, if, among other things, there are reasonable grounds for believing that the realizable value of its assets would as a result of the declaration or payment of the dividend or the repurchase of shares be less than the aggregate of its liabilities and stated capital of all classes of shares.

In light of these requirements, the purpose of reducing the stated capital of the Shares is to provide the Corporation with additional flexibility to pay dividends or to buy its own shares if, as and when declared by the Board.

The proposed Stated Capital Reduction will have no impact on the Corporation’s day-to-day operations and will not on its own alter our debt arrangements or otherwise affect our financial condition.

The CBCA provides that a corporation shall not reduce its stated capital if there are reasonable grounds for believing that (a) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due, or (b) the realizable value of the corporation’s assets would thereby be less than the aggregate of its liabilities. The Corporation does not have reasonable grounds to believe that (i) it is, or would after the proposed Stated Capital Reduction be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Corporation’s assets would, as a result of the proposed Stated Capital Reduction, be less than the aggregate of the Corporation’s liabilities.

Certain Canadian Federal Income Tax Considerations

The following is a summary of certain Canadian federal income tax considerations applicable to shareholders in respect of the Stated Capital Reduction. This summary is of a general nature only and is not intended to constitute, nor should it be construed to constitute, legal or tax advice to any particular shareholder. Shareholders are advised to consult their own tax advisors regarding the consequences to them of the Stated Capital Reduction, taking into account their own particular circumstances and any applicable foreign, provincial or territorial legislation.

This summary is based on the current provisions of the Income Tax Act (Canada) (the “Tax Act”) and the published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Tax Proposals”) and assumes that all Tax Proposals will be enacted in the form proposed. However, there can be no assurance that the Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or any changes in the administrative policies or assessing practices of the CRA, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

The Stated Capital Reduction will not result in any immediate Canadian income tax consequences to Shareholders. Since no amount will be paid by the Corporation on the reduction, none of the Shareholders will be deemed to have received a dividend and there will not be any reduction in the adjusted cost base of the Shares to the Shareholders as a result of the Stated Capital Reduction. The Stated Capital Reduction will reduce the “paid-up capital” (“PUC”) of the Shares for purposes of the Tax Act by an amount equal to the reduction of stated capital. The reduction in PUC of the Shares may have future Canadian federal income tax consequences to a shareholder, including, but not limited to, if the Corporation repurchases any Shares, on a distribution of assets by the Corporation or if the Corporation is wound-up.
CONTINUANCE OF THE CORPORATION UNDER THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Background

The Corporation is currently incorporated under the CBCA. The Board proposes to continue the Corporation into British Columbia under the BCBCA (the “Continuance”). At the Meeting, shareholders will be asked to consider and, if thought advisable, approve with or without variation the Continuance Resolution to approve the Continuance. Although the Corporation would be incorporated under the BCBCA following the Continuance, the Corporation will maintain its headquarters in Montreal, where a majority of its employees are located, and where the Corporation has, for over 100 years, run its business of offering print and digital marketing solutions for small and medium businesses across Canada.

The BCBCA is a more recent statute than the CBCA, is more modern than the CBCA and provides more flexibility than does the CBCA. In particular, the BCBCA, unlike the CBCA, does not require that at least 25% of the directors be Canadian citizens or permanent residents ordinarily resident in Canada. Continuance under the BCBCA would also provide some added flexibility with respect to corporate transactions.

Continuance Process

In order to effect the Continuance:

(a) The Corporation must obtain the approval of its shareholders to the Continuance by way of the Continuance Resolution, being a special resolution to be passed by not less than two-thirds of the votes cast at the Meeting in person or by proxy (A “Special Resolution”);
(b) The Corporation must make a written application to the Director (the “Director”) under the CBCA for consent to continue under the BCBCA, such written application to establish to the satisfaction of the Director that the proposed Continuance will not adversely affect the Corporation’s creditors or shareholders;
(c) Once the Continuance Resolution is passed and the Corporation has obtained the consent of the Director under the CBCA, the Corporation must file a continuation application and the consent of the Director under the BCBCA, and certain prescribed documents under the BCBCA, including the articles that the Corporation will have once it is continued into British Columbia as a company, with the Registrar of Companies under the BCBCA (the “Registrar”) to obtain a certificate of continuation (the “Certificate of Continuation”);
(d) On the date shown on the Certificate of Continuation, the Corporation will become a company registered under the BCBCA as if it had been incorporated under the BCBCA; and
(e) The Corporation must then file a copy of the Certificate of Continuation with the Director and receive a certificate of discontinuance under the CBCA (the “Certificate of Discontinuance”).

Effect of Continuance

Upon receipt of the Certificate of Continuance, the CBCA will cease to apply to the Corporation and the Corporation will become subject to the BCBCA as if it had been incorporated under the BCBCA, and upon receipt of the Certificate of Discontinuance, the CBCA will cease to apply to the Corporation, thereby completing the Continuance. The Continuance will not create a new legal entity, affect the continuity of the Corporation or result in a change in its business. The persons elected as directors by the shareholders at the Meeting will continue to constitute the Board upon the Continuance becoming effective.

The BCBCA provides that when a foreign corporation continues under such legislation:

(a) the property, rights and interests of the foreign corporation continue to be the property, rights and interests of the company;
(b) the company continues to be liable for the obligations of the foreign corporation;
(c) an existing cause of action, claim or liability to prosecution is unaffected;
(d) a legal proceeding being prosecuted or pending by or against the foreign corporation may be prosecuted or its prosecution may be continued, as the case may be, by or against the company; and
(e) a conviction against, or a ruling, order or judgment in favour of or against, the foreign corporation may be enforced by or against the company.

The Continuance will not affect the Corporation’s status as a listed company on the TSX, as a reporting issuer under the securities legislation of any jurisdiction in Canada, and the Corporation will remain subject to the requirements of such legislation.

As of the effective date of the Continuation, the Corporation’s current constating documents — its Articles and by-laws under the CBCA — will be replaced with a notice of articles and articles under the BCBCA, the legal domicile of the Corporation will be the Province of British Columbia and the Corporation will no longer be subject to the provisions of the CBCA.

Comparison of CBCA and BCBCA

Upon the Continuance, the Corporation would be governed by the BCBCA. Although the rights and privileges of shareholders under the CBCA are in many instances comparable to those under the BCBCA, there are several notable differences and shareholders are advised to review the information contained in this Proxy Circular and to consult with their professional advisors.

In general terms, the BCBCA provides to shareholders substantively the same rights as are available to shareholders under the CBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions. There are, however, important differences concerning the qualifications of directors, location of shareholder meetings and certain shareholder remedies. The following is a summary comparison of certain provisions of the BCBCA and the CBCA. This summary is not intended to be exhaustive and is qualified in its entirety by the full provisions of the CBCA and BCBCA, as applicable.

Board of Directors

The BCBCA provides that a reporting issuer must have a minimum of three directors but does not impose any residency requirements on the directors. Under the CBCA, at least one-quarter of the directors must be resident Canadians. However, if a corporation has less than four directors, at least one director must be a resident Canadian. Subject to certain exceptions, an individual has to be a Canadian citizen or permanent resident ordinarily resident in Canada to be considered a resident Canadian under the CBCA.
Under the BCBCA, directors may be removed by shareholders by Special Resolution, or, if the articles of the company so provide, directors may be removed by a lower proportion of shareholders or by some other method. Under the CBCA, directors may be removed by a resolution passed by a majority of the votes cast by the shareholders, in person or by proxy (by “Ordinary Resolution”). In accordance with the CBCA, under the Corporation’s current by-laws (“By-laws”), directors of the Corporation may be removed by Ordinary Resolution passed at an annual or special meeting of the shareholders. Under the Articles, directors may be removed by Special Resolution.

Charter Documents

The form of the charter documents for a BCBCA company is quite different from the form for a CBCA corporation.

Under the CBCA, the charter documents consist of: (i) “articles”, which set forth, among other things, the name of the corporation, the province in which the corporation’s registered office is to be located, the authorized share capital including any rights, privileges, restrictions and conditions thereon, whether there are any restrictions on the transfer of shares of the corporation, the number of directors (or the minimum and maximum number of directors), any restrictions on the business that the corporation may carry on and other provisions such as the ability of the directors to appoint additional directors between annual meetings, and (ii) “by-laws”, which govern the management of the corporation. The articles are filed with Corporations Canada and the by-laws are filed only at the registered office.

Under the BCBCA, the charter documents consist of (i) a “notice of articles”, which sets forth the name of the company, the company’s registered and records office, the names and addresses of the directors of the company and the amount and type of authorized capital, and (ii) “articles” which govern the management of a company and set out any special rights or restrictions attached to shares. The notice of articles is filed with the Registrar of Companies and the articles are filed only at the company’s registered and records office.

A copy of the proposed articles under the BCBCA (the “Articles”) are attached to this Proxy Circular as Appendix C. A brief description of the material differences between the Corporation’s current By-laws and the proposed Articles is set out under “Comparison of the Articles to the By-Laws” below.

Changes to Constating Documents

The CBCA requires shareholder approval by Special Resolution to change the name of the corporation, whereas under the BCBCA, a change of name may be effected by way of directors’ resolution or by Ordinary Resolution. The BCBCA requires that changes made to constating documents be made by the type of resolution specified in the CBCCA: if the BCBCA does not specify the type of resolution, by the type of resolution specified in the company’s articles; or if neither the BCBCA nor the company’s articles specify the type of resolution, by Special Resolution. The Articles specify that certain alterations to the constating documents may be made by directors’ resolution or by Ordinary Resolution. Under the CBCA, changes to the articles generally require approval by Special Resolution, while changes to by-laws require shareholder approval by Ordinary Resolution.

The BCBCA is slightly less flexible with respect to the timing for adopting changes to the constating documents. Changes to the articles of a BCBCA company require approval by shareholders in order to become effective. The board of directors of a CBCA corporation, however, may amend the by-laws of the corporation with immediate effect, subject to the amendment ceasing to have effect if it is not approved by shareholders by Ordinary Resolution at the next shareholder meeting.

Shareholder Proposals and Shareholder Requisitions

Both statutes provide for shareholder proposals. Under the CBCA, a record or non-record shareholder may submit a proposal, although the record or non-record shareholder must either: (i) have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least $2,000, or (ii) have the support of persons who, in the aggregate, have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least $2,000. Under the BCBCA, in order for one or more record or non-record shareholders to be entitled to submit a proposal, they must have held voting shares for an uninterrupted period of at least two years before the date the proposal is signed by the shareholders and must own not less than 1% of the total number of voting shares or voting shares with a fair market value in excess of $2,000.

Both statutes provide that one or more record shareholders holding more than 5% of the outstanding voting equity may requisition a meeting of shareholders, and permit the requisitioning record shareholder to call the meeting where the board of directors of the company does not do so within the 21 days following the company’s receipt of the shareholder meeting requisition. However, the BCBCA, unlike the CBCA, specifies that the requisitioned shareholder meeting must be held within not more than four months after the date the company received the requisition. The CBCA does not specify such an outside limit.

Comparison of Rights of Dissent and Appraisal

The BCBCA provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is available to shareholders, whether or not their shares carry the right to vote, where the company proposes:

(a) to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
(b) to adopt an amalgamation agreement;
(c) to approve an amalgamation into a foreign jurisdiction;
(d) to approve an arrangement, the terms of which arrangement permit dissent or where the right of dissent is given pursuant to a court order;
(e) to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking;
(f) to authorize the continuation of the company into a jurisdiction other than British Columbia;
(g) to approve any other resolution, if dissent is authorized by the resolution; or
(h) a matter to which dissent rights are permitted by court order.

The CBCA contains a similar dissent remedy. However, the procedure for exercising this remedy under the CBCA is different than that contained in the BCBCA. The dissent provisions of the CBCA are described in section “Rights of Dissenting Shareholders”, below, and set forth in Appendix B to this Proxy Circular. Under the BCBCA the dissenting shareholder must generally send notice of dissent prior to the resolution being passed.
Oppression Remedies

Under the BCBCA, a shareholder of a company has the right to apply to court on the grounds that:

(i) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or

(ii) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court can grant a variety of remedies, ranging from an order restraining the conduct complained of to an order requiring the company to repurchase the shareholder’s shares or an order liquidating the company.

The CBCA also includes an oppression remedy which is very similar. However, the CBCA will only allow a court to grant relief if the effect actually exists, while the BCBCA will allow a court to grant relief where a prejudicial effect to the shareholder is merely threatened. In addition, under the BCBCA non-shareholders require the leave of a court in order to bring an oppression claim.

Shareholder Derivative Actions

Under the BCBCA, a record shareholder, non-record shareholder or director of a company may, with judicial leave, bring an action in the name and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such right, duty or obligation. There is a similar right of a shareholder or director, with leave of the court, and in the name and on behalf of the company, to defend an action brought against the company. The court will grant leave under the BCBCA for an application to commence a derivative action if:

(i) the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding;

(ii) notice of the application for leave has been given to the company and to any other person the court may order;

(iii) the complainant is acting in good faith; and

(iv) it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.

The CBCA extends the right to a broader group of complainants as it affords the right to a record shareholder, former record shareholder, non-record shareholder, former non-record shareholder, director, former director, officer and a former officer of a corporation or any of its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the CBCA permits derivative actions to be commenced in the name and on behalf of not only the corporation, but also any of its subsidiaries. No leave may be granted under the CBCA unless the court is satisfied that:

(i) the complainant has given at least fourteen days’ notice to the directors of the corporation or its subsidiary of the complainant’s intention to apply to the court if the directors of the corporation or its subsidiary do not bring, diligently prosecute, defend or discontinue the action;

(ii) the complainant is acting in good faith; and

(iii) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Place of Meetings

Subject to certain exceptions, the CBCA provides that meetings of shareholders shall be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine. A meeting may be held outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. Under the BCBCA, general meetings of shareholders are to be held in British Columbia, or may be held at a location outside of British Columbia if: (i) the location is provided for in the articles, (ii) the articles do not restrict the company from approving a location outside of British Columbia and the location is approved by the resolution required by the articles for that purpose, or if no resolution is required for that purpose by the articles, is approved by Ordinary Resolution, or (iii) the location is approved in writing by the Registrar before the meeting is held. In the case of a fully electronic meeting of the shareholders, this means that the Corporation may first require an order of the court.

Flexibility in Structuring Transactions

The BCBCA provides greater flexibility to implement certain transactions than the CBCA does. Unlike the CBCA, the BCBCA permits a subsidiary to hold shares of its parent. The BCBCA also permits a corporate group to implement horizontal short-form amalgamations even though all the shares of the amalgamating companies are not held by the same company within the group and permits a company to amalgamate with a foreign corporation to form a British Columbia company, if permitted by the foreign jurisdiction.

Constitutional Jurisdiction

Other significant differences in the statutes arise from the differences in the constitutional jurisdiction of the federal and provincial governments. For example, a CBCA corporation has the capacity to carry on business throughout Canada as of right. Under the BCBCA, the registered office of the corporation must be situated in the province specified in its articles. A BCBCA company is only allowed to carry on business in another province where that other province allows it to register to do so. A CBCA corporation is subject to provincial laws of general application, but a province cannot pass laws directed specifically at restricting a CBCA corporation’s ability to carry on business in that province. If another province so chooses, however, it can restrict a BCBCA company’s ability to carry on business within that province. Also, a CBCA corporation will not have to change its name if it wants to do business in a province where there is already a corporation with a similar name, whereas a BCBCA company may not be allowed to use its name in that other province if that name, or a similar one, is already in use. The Corporation does not expect that the Continuance will affect the continuity of the Corporation or result in a change in its business.

Comparison of New Articles to Current By-Laws

Upon the Continuance, the Corporation’s By-laws will be repealed and new Articles in the form set forth in Appendix C to this Proxy Circular will be adopted. There are many differences between the form of the current By-laws and the proposed Articles. A number of these changes reflect the increased flexibility afforded to companies under the BCBCA as compared with those governed by the CBCA. In certain cases, provisions contained in the Corporation’s current By-laws which deal with matters which will, following the Continuance, be dealt with in the BCBCA or applicable securities legislation, rules and policies, will not be contained in the new Articles. As well, certain provisions in the Corporation’s current By-laws that reflect the provisions of the CBCA will be retained in the new Articles but will be altered as required to reflect the provisions of the BCBCA. The following is a summary comparison of certain provisions of the Corporation’s current By-laws and the proposed new Articles. This summary is not intended to be exhaustive and is qualified in its entirety by the full provisions of the current By-laws and proposed new Articles, as applicable.
1. Advance notice of nomination of Directors

The Corporation proposes to adopt an advance notice requirement for director nominations. The new requirements will provide shareholders with a reasonable process for nominating directors for consideration for election at the meeting. The purpose of this new advance notice requirement is to: (i) inform the Corporation of nominees for election at a shareholder meeting proposed by a shareholder sufficiently in advance of such meeting; (ii) provide an opportunity to inform all shareholders of any potential proxy contest and proposed director nominees sufficiently in advance of the meeting; and (iii) enable the Board to make informed recommendations or present alternatives to shareholders.

The Articles would provide that shareholders seeking to nominate candidates for election as directors must provide timely notice in writing to the Corporation’s secretary by personal delivery or facsimile transmission at the number shown on the Corporation’s issuer profile on SEDAR at www.sedar.com.

To be timely, a shareholder’s notice must be received by the Corporation: (i) in the case of an annual general meeting, not later than the close of business on the 50th day before the meeting date or, if the first public announcement of the date of such meeting is less than 50 days prior to the meeting date, the close of business on the 30th day following the day on which public announcement of the date of such annual general meeting was first made by the Corporation; and (ii) in the case of a special meeting (which is not also an annual meeting) called for any purpose which includes electing directors, not later than the close of business on the 15th day following the day on which public announcement of the date of the special meeting is first made by the Corporation. The Articles would also prescribe the proper written form for a shareholder’s notice as well as additional requirements in connection with nominations. Shareholders who failed to comply with the advance notice requirements would not be entitled to make nominations for directors at the annual general or special meeting of shareholders.

2. Directors authority to set auditor’s remuneration

Under the CBCA, remuneration payable to the auditors is fixed by the board, unless fixed by shareholders by ordinary resolution. The Corporation’s practice has been for the Board to fix the remuneration payable to the auditors. In order to continue that practice under the BCBCA, the Articles need to specify that the directors are authorized to set the remuneration paid to the auditors of the Corporation.

3. Shareholder meeting matters

Various provisions of the Articles are aimed at providing additional clarity regarding the conduct of shareholder meetings, including (i) confirming that access to ballots and proxies voted at the shareholder meeting will be provided as soon as reasonably practicable after the meeting, (ii) confirming the authority of the chair of the shareholder meeting and the Board to waive the time by which proxies must be deposited with the Corporation or its agent in respect of a shareholder meeting, (iii) specifying authority for determining which persons, in addition to shareholders, proxy holders, directors and the auditors, may attend shareholder meetings, (iv) specifying authority for adjourning a shareholder meeting due to lack of quorum, (v) specifying that the chair of the meeting has authority to determine certain disputes in good faith and (vi) clarifying that both the chair of the meeting and the Board have the authority to require evidence of ownership of shares and authority to vote at a shareholder meeting.

4. Requirements for Special Resolutions

The CBCA requires that certain matters be approved by shareholders by Special Resolution. Under the BCBCA, there is flexibility to provide for different approval requirements for some matters in the articles. The Corporation proposes to adopt the more flexible approach under the BCBCA in order to be able to react and adapt to changing business conditions.

As a result, as allowed under the BCBCA, management and the Board are proposing that the Articles provide for the following matters (which currently require approval by Special Resolution) to require a directors’ resolution only, and not require a shareholders’ resolution (recognizing that regulatory authorities may require shareholder approval in certain cases in any event):

(a) a subdivision of all or any of the unissued, or fully paid issued, shares;
(b) a consolidation of all or any of the unissued, or fully paid issued, shares; and
(c) a change of name of the Corporation.

Other capital and share structure changes will continue to require shareholder approval, however the Articles would provide that unless otherwise specified in the Articles or the BCBCA, alterations to the Articles or Notices of Articles will require shareholder approval only by Ordinary Resolution. The creation, variation or elimination of special rights or restrictions attached to issued shares will nevertheless continue to require shareholder approval by Continuance Resolution.

5. Unclaimed dividends

The Articles would provide that unclaimed dividends revert to the Corporation after three years.

6. Forum for Adjudication of Certain Disputes

The Articles would provide that, unless the Corporation consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate courts therefrom, shall be the sole and exclusive forum for:

(i) any derivative action or proceeding brought on behalf of the Corporation;
(ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Corporation to the Corporation;
(iii) any action or proceeding asserting a claim arising pursuant to any provision of the BCBCA or the Articles (as either may be amended from time to time); or
(iv) any action or proceeding asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, not including claims related to the business carried on by the Corporation or such affiliates.

Continuance Resolution

In order to be effective, the Continuance Resolution requires the approval of not less than 66⅔% of the votes cast by shareholders represented at the Meeting in person or by proxy. Even if the Continuance Resolution is approved, the Board retains the power to revoke it at all times without any further approval by shareholders. The Board will only exercise such power in the event that it is, in its opinion, in the best interest of the Corporation. For example, if a significant number of shareholders dissent in respect of the Continuance Resolution, the Board may determine not to proceed with the Continuance. As a shareholder of the Corporation, you are invited to vote with respect to the Continuance Resolution set out in Schedule C.

This vote requires the approval of not less than 66⅔% of the votes cast at the Meeting, whether in person, or by proxy or otherwise. You may vote “For” or “Against” the Continuance Resolution. Abstentions will have no effect and will not be counted as votes cast on the Continuance Resolution. The Board recommends that the shareholders vote FOR the Continuance Resolution.
Rights of Dissent in Respect of the Continuance Resolution

Record shareholders who wish to dissent should take note that strict compliance with the dissent procedures is required.

The following description of rights of shareholders to dissent is not a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of its Shares and is qualified in its entirety by the reference to the full text of Section 190 of the CBCA which is attached to this Proxy Circular as Appendix B. A dissenting shareholder who intends to exercise the right of dissent should carefully consider and comply with the provisions of Section 190 of the CBCA and should seek independent legal advice. Failure to comply strictly with the provisions of the CBCA and to adhere to the procedures established therein may result in the loss of all rights thereunder.

Pursuant to Section 190 of the CBCA, a record shareholder is entitled, in addition to any other right that the shareholder may have, to dissent and to be paid by the Corporation the fair value of the shares in respect of which that shareholder dissents. “Fair value” is determined as of the close of business on the last business day before the day on which the Continuance Resolution is adopted. A shareholder may dissent only with respect to all of the shareholder’s Common Shares or shares held by the shareholder on behalf of any one non-record holder. Further, a shareholder may only dissent in respect of shares registered in the dissenting shareholder’s name.

Persons who are non-record shareholders who wish to dissent with respect to their Shares should be aware that only record shareholders are entitled to dissent with respect to them. A record shareholder such as an intermediary who holds Shares as nominee for non-record shareholders, must exercise the right of dissent on behalf of non-record shareholders with respect to the Shares held for such non-record shareholders. In such case, the Notice of Objection (as defined below) should set forth the number of Shares it covers.

A record shareholder who wishes to dissent must send a written objection notice (the “Notice of Objection”) objecting to the Continuance Resolution to the Corporation, 1751 Rue Richardson, Suite 2.300, Montréal, Québec H3K 1G6, Canada, fax number (877) 228-8542, Attention: Vice President, Secretary and General Counsel, at or prior to the time of the Meeting or any adjournment thereof in order to be effective.

The delivery of a Notice of Objection does not deprive a record shareholder of its right to vote at the Meeting, however, a vote in favour of the Continuance Resolution will result in a loss of its rights under Section 190 of the CBCA. A vote against the Continuance Resolution, whether in person or by proxy, does not constitute a Notice of Objection, but a shareholder need not vote its Shares against the Continuance Resolution in order to object. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Continuance Resolution does not constitute a Notice of Objection.

In order to prevent the proxy holder from voting such Shares in favour of the Continuance Resolution.

If the Continuance Resolution is approved at the Meeting or an adjournment or postponement thereof, the Corporation is required to deliver to each shareholder who has filed a Notice of Objection and has not voted for the Continuation Proposal or not withdrawn that shareholder’s Notice of Objection (each, a “Dissenting Shareholder”), within 10 days after the approval of the Continuance Resolution, a notice stating that the Continuance Resolution has been adopted (the “Notice of Resolution”). A Dissenting Shareholder then has 20 days after receipt of the Notice of Resolution or, if the Dissenting Shareholder does not receive a Notice of Resolution, within 20 days after learning that the Continuance Resolution has been adopted, to send to the Corporation a written notice (a “Demand for Payment”) containing the Dissenting Shareholder’s name and address, the number of Common Shares in respect of which it dissents and a demand for payment of the fair value of such Shares. A Dissenting Shareholder must within 30 days after sending the Demand for Payment, send the certificates representing the Shares in respect of which it is dissenting to the Corporation or its transfer agent, the Canadian Stock Transfer Company. The Corporation or the Canadian Stock Transfer Company must endorse the certificates with a notice that the holder is a Dissenting Shareholder under Section 190 of the CBCA and forthwith return the certificates to the Dissenting Shareholder. A Dissenting Shareholder who does not send the certificates within 30 days has no right to make a claim under Section 190 of the CBCA.

Dissenting Shareholder ceases to have any rights as a holder of Shares, other than the right to be paid their fair value, unless: (i) the Demand for Payment is withdrawn before the Corporation makes an Offer to Pay (as defined below); (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the Continuation is not proceeded with.

Not later than seven days after the later of the date shown on the Certificate of Continuation is issued by the British Columbia Registrar of Companies and the date the Corporation receives the Demand for Payment, the Corporation must send a written offer to pay (“Offer to Pay”) in the amount considered by the Board to be the fair value of the Shares in respect of which the Dissenting Shareholder has dissented. The Offer to Pay must be accompanied by a statement showing how the fair value was determined. Every Offer to Pay made to Dissenting Shareholders must be on the same terms, and lapses if not accepted within 30 days after being made. If the Offer to Pay is accepted, payment must be made within 10 days of acceptance.

If the Corporation does not make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the date shown on the Certificate of Continuation is issued by the British Columbia Registrar of Companies or within such further period as a court of competent jurisdiction may allow, apply to the court to fix a fair value for the securities of any Dissenting Shareholder. If the corporation fails to so apply to the court, a Dissenting Shareholder may do so for the same purpose within a further period of 20 days or such other period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court. Applications referred to in this paragraph may be made to a court of competent jurisdiction in the place where the Corporation has its registered office or in the province where the Dissenting Shareholder resides if the Corporation carries on business in that province.

If the Corporation makes an application to the court, it must give notice of the date, place and consequences of the application and of the Dissenting Shareholder’s right to appear and be heard to each Dissenting Shareholder who has sent the Corporation a Demand for Payment and has not accepted an Offer to Pay. All Dissenting Shareholders whose shares have not been purchased by the Corporation must be made parties to the application and are bound by the decision of the court. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court must fix a fair value for the shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the effective date of the Continuation until the date of payment of the amount so fixed. The final order of the court in the proceedings commenced by an application by the Corporation or a Dissenting Shareholder must be rendered against the Corporation and in favour of each Dissenting Shareholder.

The above is only a summary of the dissenting shareholder provisions of the CBCA. A shareholder of the Corporation wishing to exercise a right to dissent should seek independent legal advice. Failure to comply strictly with the provisions of the statute may prejudice the right of dissent.
VOTING RESULTS OF 2019 ANNUAL MEETING

The voting results at the 2019 annual meeting of Shareholders of the Corporation were as follows:

<table>
<thead>
<tr>
<th>ITEM VOTED UPON</th>
<th>ELECTION OF DIRECTORS</th>
<th>FOR</th>
<th>WITHHOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Election of Directors</td>
<td>Name</td>
<td>(#)</td>
<td>(%)</td>
</tr>
<tr>
<td>David A. Eckert</td>
<td>20,730,249</td>
<td>99.96</td>
<td>8,935</td>
</tr>
<tr>
<td>Craig Forman</td>
<td>20,721,000</td>
<td>99.91</td>
<td>18,164</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>20,730,369</td>
<td>99.96</td>
<td>8,815</td>
</tr>
<tr>
<td>Susan Kudzman</td>
<td>20,720,043</td>
<td>99.91</td>
<td>19,141</td>
</tr>
<tr>
<td>Donald H. Morrison</td>
<td>20,720,334</td>
<td>99.91</td>
<td>18,850</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>20,720,071</td>
<td>99.91</td>
<td>19,113</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>20,731,405</td>
<td>99.96</td>
<td>7,778</td>
</tr>
</tbody>
</table>

(1) Mr. Morrison is not seeking re-election at the Meeting.

2. Appointment of Auditors of the Corporation

<table>
<thead>
<tr>
<th>NAME</th>
<th>BOARD OF DIRECTORS</th>
<th>AUDIT COMMITTEE</th>
<th>HUMAN RESOURCES &amp; COMPENSATION COMMITTEE</th>
<th>CORPORATE GOVERNANCE &amp; NOMINATING COMMITTEE</th>
<th>AD HOC COMMITTEE</th>
<th>SPECIAL COMMITTEE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>David A. Eckert</td>
<td>13 of 13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 of 3</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Craig Forman</td>
<td>12 of 13</td>
<td>-</td>
<td>6 of 6</td>
<td>5 of 5</td>
<td>-</td>
<td>6 of 6</td>
<td>97%</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>12 of 13</td>
<td>5 of 5</td>
<td>6 of 6</td>
<td>-</td>
<td>3 of 3</td>
<td>-</td>
<td>96%</td>
</tr>
<tr>
<td>Susan Kudzman</td>
<td>13 of 13</td>
<td>-</td>
<td>-</td>
<td>5 of 5</td>
<td>3 of 3</td>
<td>6 of 6</td>
<td>100%</td>
</tr>
<tr>
<td>Donald H. Morrison</td>
<td>13 of 13</td>
<td>-</td>
<td>-</td>
<td>5 of 5</td>
<td>-</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>12 of 13</td>
<td>5 of 5</td>
<td>-</td>
<td>5 of 5</td>
<td>-</td>
<td>5 of 6</td>
<td>93%</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>13 of 13</td>
<td>5 of 5</td>
<td>6 of 6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
</tr>
</tbody>
</table>

TOTAL 97% 100% 100% 100% 94% 98%

(1) David A. Eckert was appointed to the Ad Hoc Committee on May 11, 2018 and named its chair on May 18, 2018.
(2) Craig Forman was named the Chair of the Corporate Governance and Nominating Committee and appointed to the Human Resources and Compensation Committee on May 11, 2018. Mr. Forman was appointed to the Special Committee on June 10, 2019.
(3) Rob Hall was appointed to the Audit Committee on February 15, 2018 and named its Chair and appointed to the Human Resources and Compensation Committees on May 11, 2018.
(4) Susan Kudzman was named Chair of the Board and appointed to the Ad Hoc Committee on May 11, 2018. Ms. Kudzman was appointed Chair of the Special Committee on June 10, 2019.
(5) Don Morrison was appointed to the Corporate Governance and Nominating Committee on May 11, 2018. Mr. Morrison is not seeking re-election at the Meeting.
(6) Kalpana Raina was appointed to the Audit Committee on May 11, 2018 and to the Special Committee on June 10, 2019.
(7) Paul W. Russo was appointed to the Human Resources and Compensation Committee on February 15, 2018. He was named Chair of the Human Resources and Compensation Committee and appointed to the Audit Committee on May 11, 2018.

BOARD AND COMMITTEE MEETINGS

The following table sets forth the attendance record by the Directors at Board and Committee meetings for the year ended December 31, 2019.

<table>
<thead>
<tr>
<th>NAME</th>
<th>BOARD OF DIRECTORS</th>
<th>AUDIT COMMITTEE</th>
<th>HUMAN RESOURCES &amp; COMPENSATION COMMITTEE</th>
<th>CORPORATE GOVERNANCE &amp; NOMINATING COMMITTEE</th>
<th>AD HOC COMMITTEE</th>
<th>SPECIAL COMMITTEE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>David A. Eckert</td>
<td>13 of 13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 of 3</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Craig Forman</td>
<td>12 of 13</td>
<td>-</td>
<td>6 of 6</td>
<td>5 of 5</td>
<td>-</td>
<td>6 of 6</td>
<td>97%</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>12 of 13</td>
<td>5 of 5</td>
<td>6 of 6</td>
<td>-</td>
<td>3 of 3</td>
<td>-</td>
<td>96%</td>
</tr>
<tr>
<td>Susan Kudzman</td>
<td>13 of 13</td>
<td>-</td>
<td>-</td>
<td>5 of 5</td>
<td>3 of 3</td>
<td>6 of 6</td>
<td>100%</td>
</tr>
<tr>
<td>Donald H. Morrison</td>
<td>13 of 13</td>
<td>-</td>
<td>-</td>
<td>5 of 5</td>
<td>-</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>12 of 13</td>
<td>5 of 5</td>
<td>-</td>
<td>5 of 5</td>
<td>-</td>
<td>5 of 6</td>
<td>93%</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>13 of 13</td>
<td>5 of 5</td>
<td>6 of 6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
</tr>
</tbody>
</table>

TOTAL 97% 100% 100% 100% 94% 98%

BOARD INDEPENDENCE

The Board, on advice of the Corporate Governance and Nominating Committee has determined that all of the Directors other than David A. Eckert are independent as such term is defined in National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators ("CSA") and do not have a material relationship with the Corporation. Mr. Eckert is not independent because he is the President and Chief Executive Officer of the Corporation. As a result, more than a majority of the Board is independent and all Committee members are independent.

DIRECTOR SERVICE ON OTHER BOARDS AND BOARD INTERLOCKS

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

- **Maximum directorships:** Directors should limit the number of Boards of Directors on which they serve to no more than four (4) public company boards, including the Corporation.

- **Maximum audit committee memberships:** Members of the Audit Committee of the Corporation shall not simultaneously serve on the audit committees of more than three (3) public companies, including the Corporation’s Audit Committee.

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

The Corporate Governance Guidelines of the Corporation provide that: (i) before accepting any new outside board assignment (or any new private company or government board assignment which involves a meaningful time commitment), Directors must formally inform the Chair of the Corporate Governance and Nominating Committee to ensure that such new board assignment will not create a conflict of interest with his or her position as a Director; (ii) any new public company board assignment on which another Director already serves is subject to the approval of the Corporate Governance and Nominating Committee to limit the number of board and committee interlocks to no more than two (2) instances where two (2) of the Corporation's Directors could generally serve on the same outside board or outside board committees; (iii) any outside board assignment of the President and Chief Executive Officer of the Corporation is subject to the prior approval of the Board; and (iv) no officer of the Corporation shall serve as a director of a company to which an independent Director of the Corporation is an officer.
As at March 23, 2020, none of the members of the Board served together on the board of any other public company.

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

DIRECTOR TENURE

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

As at March 23, 2020, the Corporation’s average Board tenure for Directors seeking election or re-election is 4.7 years.

ORIENTATION AND CONTINUING EDUCATION

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

Board members have regular access to the Corporation’s senior management to discuss Board presentations and other matters of interest. Additionally, Board members are encouraged to share the best practices they observe on other boards they sit on.

The Corporation also encourages its Board members to attend external continuing education programs and bears the cost of such attendance to the extent reasonable. In early 2019, Board members had the opportunity to attend a presentation given by a top tier law firm to deepen their knowledge on areas relevant to their function and responsibilities as a Board member.

EVALUATION OF BOARD AND COMMITTEE PERFORMANCE

In 2019, the Corporate Governance and Nominating Committee conducted a formal assessment with respect to performance and effectiveness of the Board, its Committees, Board and Committee chairs and individual Directors. The comprehensive evaluation process included two (2) primary components.

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

One-on-One Meetings: The Chair of the Corporate Governance and Nominating Committee together with the Chair of the Board held “one-on-one” meetings with each of the individual Directors to obtain feedback on Board and Committee performance. Preliminary discussion points were circulated before the meeting to frame the discussion with each Director. The discussion points related to the review of the Online Survey results, performance of the Board and Committees, the Chair and the Chief Executive Officer, effectiveness of communication at the Board, performance and personal contribution of each Director and suggestions for improvement. The resulting information was compiled and analyzed by the Chair of the Corporate Governance and Nominating Committee and reported on to the Board.

COMPENSATION OF DIRECTORS

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

<table>
<thead>
<tr>
<th>ANNUAL BOARD COMPENSATION STRUCTURE</th>
<th>DIRECTOR AMOUNT</th>
<th>CHAIR AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash board retainer</td>
<td>$85,000</td>
<td>$142,500</td>
</tr>
<tr>
<td>Equity board retainer (in the form of deferred share units)</td>
<td>$65,000</td>
<td>$107,500</td>
</tr>
<tr>
<td>Total</td>
<td>$150,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>
The deferred share unit plan of the Corporation was adopted on June 12, 2013 and subsequently amended and restated effective as at October 20, 2013 (the “DSU Plan”). The objective of the DSU Plan is to promote a greater alignment of interests between Eligible Participants (defined below) and Shareholders. Deferred share units (“DSUs”) are a notional unit granted or credited to an Eligible Participant’s account that, subject to the provisions of the DSU Plan, entitles an Eligible Participant to receive, on a deferred basis, a Share (purchased on the secondary market) or the cash equivalent thereof, at the discretion of the Corporation, upon redemption, unless such DSU expires prior to being settled. DSUs may be granted to any Director (an “Eligible Director”) or employee of the Corporation (or any subsidiary of the Corporation) designated by the Board (an “Eligible Employee”), and together with an Eligible Director, an “Eligible Participant”). Eligible Directors may elect to receive up to 100% of their annual retainer for service on the Board, but no less than $65,000 in the case of Directors and $107,500 in the case of the Chair, in the form of DSUs. Eligible Employees may elect to receive up to 100% of their annual base compensation and short-term incentive plan payment in the form of DSUs. DSUs are not assignable or transferable other than by will or the laws of descent and distribution.

The number of DSUs issued to each Eligible Participant who elects to receive DSUs is determined by dividing the amount of the Eligible Participant’s annual retainer or annual base compensation and short-term incentive plan payment to be provided in DSUs, if applicable, by the volume weighted average trading price of the Shares on the TSX for the five (5) trading days ending on the trading day immediately preceding the date of grant.

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

SHARE OWNERSHIP GUIDELINES FOR NON-EXECUTIVE DIRECTORS

The Corporation’s share ownership guidelines require that Non-Executive Directors hold equity interest in the Corporation representing the value of three (3) times the annual Director Board retainer, being currently $450,000, to be achieved within five (5) years from the later of their appointment as a Director and July 1, 2013 (the date the current compensation structure was implemented). The Director’s respective share ownership is calculated using the value of the equity interest, including Shares and DSUs held by a Director. For purposes of share ownership guidelines for Non-Executive Directors, the value of Shares is calculated based on the closing price of the Shares on the TSX on the calculation date. The value of DSUs is calculated based on the value which is the higher of: (a) the valuation interest based on the value of the underlying Shares on the date of the grant as defined in the DSU Plan; and (b) the market value of the Shares based on the closing price of the Shares on the TSX on the calculation date. The ownership guidelines for Non-Executive Directors also provide that in the event there is an increase in the minimum share ownership within a reasonable period of time. Directors are prohibited from hedging the value of the Corporation's securities that they hold. The table below illustrates the percentage of attainment of the ownership guidelines by the Non-Executive Directors as at December 31, 2019.

<table>
<thead>
<tr>
<th>Name</th>
<th>2019 Board Retainer</th>
<th>Minimum Ownership Requirement</th>
<th>Value of Ownership Interest(1) (Shares and DSUs)</th>
<th>Actual Percentage of Minimum Ownership Requirement</th>
<th>Minimum Ownership Requirement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig Forman</td>
<td>150,000</td>
<td>450,000</td>
<td>656,228</td>
<td>146%</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>150,000</td>
<td>450,000</td>
<td>271,863</td>
<td>60%</td>
<td>December 4, 2022</td>
</tr>
<tr>
<td>Susan Kudzman</td>
<td>250,000</td>
<td>450,000</td>
<td>926,905</td>
<td>205%</td>
<td>October 14, 2019</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>150,000</td>
<td>450,000</td>
<td>561,931</td>
<td>125%</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>150,000</td>
<td>450,000</td>
<td>271,863</td>
<td>60%</td>
<td>December 4, 2022</td>
</tr>
</tbody>
</table>

(1) The value of ownership interest is calculated based on the higher of the closing price of the Shares on the TSX on December 31, 2019 (which was $9.06) and the applicable purchase price of the Shares or the value of the Shares underlying the DSU awards on the applicable date of grant of such awards.
SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR

The following table shows the number of DSUs that vested during the year ended December 31, 2019 and the value of DSUs vested during the year for all Non-Executive Directors.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of DSUs Vested and Underlying Shares Retained After Vesting</th>
<th>Value Vested During the Year(1)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig Forman</td>
<td>10,472</td>
<td>$64,996</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>10,472</td>
<td>$64,996</td>
</tr>
<tr>
<td>Susan Kudzman</td>
<td>17,320</td>
<td>$107,498</td>
</tr>
<tr>
<td>Donald H. Morrison</td>
<td>10,472</td>
<td>$64,996</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>10,472</td>
<td>$64,996</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>10,472</td>
<td>$64,996</td>
</tr>
</tbody>
</table>

(1) The value was calculated using the volume weighted average trading price of the Shares on the TSX in the five (5) days preceding January 1, 2019, the date of grant, which was $6.2066 for all Directors.

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

OUTSTANDING SHARE-BASED AWARDS

The following table indicates for each of the Non-Executive Directors, all DSU awards outstanding as at December 31, 2019. Non-Executive Directors are not eligible to receive Options or other option-based awards.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares or Units of Shares That Have not Vested</th>
<th>Market or Payout Value of Share-based Awards That Have not Vested</th>
<th>Market or Payout Value of Vested Share-based Awards not Paid Out or Distributed(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig Forman</td>
<td>Nil</td>
<td>Nil</td>
<td>619,988</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>Nil</td>
<td>Nil</td>
<td>271,863</td>
</tr>
<tr>
<td>Susan Kudzman</td>
<td>Nil</td>
<td>Nil</td>
<td>926,905</td>
</tr>
<tr>
<td>Donald H. Morrison</td>
<td>Nil</td>
<td>Nil</td>
<td>543,061</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>Nil</td>
<td>Nil</td>
<td>543,061</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>Nil</td>
<td>Nil</td>
<td>271,863</td>
</tr>
</tbody>
</table>

(1) The market or payout value of the DSUs was determined by multiplying the number of DSUs vested but not paid out or distributed as at December 31, 2019 by the closing price of the Shares on the TSX on December 31, 2019 (which was $9.06). In accordance with the terms of the DSU Plan, no Eligible Director will have any right to receive any payment or other benefit in respect of their outstanding DSUs under the DSU Plan, including the amounts disclosed in the column “Market or payout value of vested share-based awards not paid out or distributed”, until he or she ceases to be an Eligible Director (and is not at that time an employee of the Corporation or any of its affiliates) as a result of the termination (with or without cause) of his or her membership on the Corporation’s or an affiliate’s Board of Directors for any reason, including by death, disability, retirement or resignation.

TOTAL COMPENSATION OF NON-EXECUTIVE DIRECTORS

The following table provides the total compensation earned for the year ended December 31, 2019 by each Non-Executive Director who was a Director of the Corporation during the year ended December 31, 2019. Please see “Election of the Board of Directors – Compensation of Directors” for a description of the Board and Committee retainers.

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees Earned – Non-Executive Directors</th>
<th>Allocation of Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Board Retainer</td>
<td>Audit Committee Retainer</td>
</tr>
<tr>
<td>Craig Forman</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>150,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Susan Kudzman</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td>Donald H. Morrison</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>150,000</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Non-Executive Directors do not receive Options, restricted share units or performance share units. A one-time DSU award in the amount of $75,000 is awarded to a Director upon his or her appointment to the Board (see “Election of the Board of Directors – Compensation of Directors”).

(2) Craig Forman was appointed to the Special Committee on June 10, 2019 and received a onetime cash retainer of $25,000 in connection with such appointment. Mr. Forman received a further $9,000 for attending six (6) Special Committee meetings. All Other Compensation consisted of travel fees as Mr. Forman traveled more than 1,000 kilometers to attend in-person Board and Committee meetings on three (3) occasions.

(3) Rob Hall received $7,500 for attending five (5) Special Committee meetings. All Other Compensation consisted of travel fees as Mr. Hall traveled more than 1,000 kilometers to attend in-person Board and Committee meetings on four (4) occasions.

(4) Susan Kudzman was appointed as Chair of the Special Committee and received a onetime cash retainer of $35,000 in connection with such appointment. Ms. Kudzman received a further $9,000 for attending six (6) Special Committee meetings.

(5) Donald H. Morrison received $7,500 for attending five (5) Special Committee meetings. Mr. Morrison is not standing for re-election at the Meeting.

(6) Kalpana Raina was appointed to the Special Committee on June 10, 2019 and received a onetime cash retainer of $25,000 in connection with such appointment. Ms. Kalpana received a further $7,500 for attending five (5) Special Committee meetings.

(7) Paul W. Russo received $7,500 for attending five (5) Special Committee meetings. All Other Compensation consisted of travel fees as Mr. Russo traveled more than 1,000 kilometers to attend in-person Board and Committee meetings on four (4) occasions.
The role of the Board is to oversee the conduct of the Corporation’s business and to supervise Management. The Board also establishes the overall policies for the Corporation, monitors and evaluates the Corporation’s strategic direction and retains plenary power for those functions not specifically delegated by it to its committees or to Management.

The Board had five (5) standing committees (each, a “Committee”), being the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee, the Audit Committee, the Ad Hoc Committee and the Special Committee. A more detailed description of the role of the Board and its Committees is under “Schedule “A”: Disclosure of Corporation Governance Practices”.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The number of members of the Corporate Governance and Nominating Committee is set at three (3). Since 2017, Craig Forman and Kalpana Raina have served on the Committee. On May 11, 2018, Donald H. Morrison became a member of the Committee and Mr. Forman was appointed Chairman. Since Mr. Morisson is not seeking re-election at the Meeting, his position as a member of the Corporate Governance and Nominating Committee will be filled by the Board at the end of his service.

The table below sets out their experience.

<table>
<thead>
<tr>
<th>COMMITTEE MEMBER</th>
<th>EXPERIENCE ACQUIRED THROUGH ROLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig Forman</td>
<td>Craig Forman acquired experience in corporate governance by serving as Executive Chairman of the board of Appia, Inc. and WHERE, Inc. and as Executive Vice-President and President, Access and Audience and Chief Product Officer at EarthLink, Inc., an Atlanta-based Internet services provider. Mr. Forman is President and Chief Executive Officer of the McClatchy Company, a news and information provider, and serves as a Director on its board. Mr. Forman served on the board of Digital Turbine Inc., a media and mobile communications company. He also served as Director on the boards of several private companies. Mr. Forman has a Master’s degree in law from Yale Law School and completed the Director’s Consortium executive education program from Stanford University in 2012 which included modules on corporate governance.</td>
</tr>
<tr>
<td>Donald H. Morrison</td>
<td>Mr. Morrison acquired experience in corporate governance by serving as Chief Operating Officer of Blackberry from 2000 to 2011. Prior to that, he held a number of senior leadership positions in Canada, Europe and the United States. Prior to joining Blackberry, Mr. Morrison held a number of senior leadership positions with AT&amp;T and Bell Canada. Mr. Morrison holds an MBA from the University of Toronto and also participated in the Executive Program at the University of Virginia, Darden Business School.</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>Kalpana Raina serves on the board of directors of Information Services Group, Inc., a leading technology insight, market intelligence and advisory services company and is a member of its nominating and corporate governance committee. She also previously served on the board of directors of RealNetworks, Inc and was Chair of its nominating and corporate governance committee.</td>
</tr>
</tbody>
</table>

In 2019, the Corporate Governance and Nominating Committee:

- Recommended the nominees for election as Directors at the Meeting.
- Reviewed the composition of Committees.
- Reviewed the charter of the Board and the charters of the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee and the Audit Committee.
- Oversaw the annual assessment process on the performance and effectiveness of the Board which consisted of an online survey and one-on-one interviews with each Director.
- Approved the annual revisions of the Code of Ethics and the Corporation’s Insider Trading Policy.
- Reviewed and approved the Corporation’s disclosure on corporate governance in the Proxy Circular in respect of the 2019 annual meeting of Shareholders.
- Reviewed the Corporation’s compliance with its Diversity Policy and recommended amendments to the Diversity Policy to the Board.
- Met privately without Management present at each meeting of the Committee.
HUMAN RESOURCES AND COMPENSATION COMMITTEE

The number of members of the Human Resources and Compensation Committee is set at three (3) members. Since May 11, 2018, Craig Forman, Rob Hall and Paul W. Russo (Chair) have served on such Committee.

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

<table>
<thead>
<tr>
<th>COMMITTEE MEMBER</th>
<th>EXPERIENCE ACQUIRED THROUGH ROLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig Forman</td>
<td>Craig Forman acquired experience in human resources and compensation by serving as Executive Chairman of the board of Appia, Inc. and WHERE, Inc. and as Executive Vice-President and President, Access and Audience and Chief Product Officer at EarthLink, Inc., an Atlanta-based Internet services provider. Mr. Forman is President and Chief Executive Officer of the McClatchy Company, a news and information provider, and serves as a Director on its board. Mr. Forman served on the board of Digital Turbine Inc., a media and mobile communications company. He also served as Director on the boards of several private companies. Mr. Forman has a Master's degree in law from Yale Law School and completed the Director’s Consortium executive education program from Stanford University in 2012.</td>
</tr>
<tr>
<td>Rob Hall</td>
<td>Rob Hall acquired experience related to human resources and compensation while he was 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. Mr. Hall joined the Hibu Group Limited in 2003 and held several financial roles in the United Kingdom and the United States. Mr. Hall is a Director of the Hibu Group Limited and holds a Bachelor of Science in Business Studies from the University of Swansea, United Kingdom and is a Chartered Management Accountant.</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>While serving as Chief Executive Officer of Color Spot Holdings, Inc. between March 2017 to December 2018 and previously Executive Vice-President of Business Development of the Hibu Group Limited, a business providing digital marketing services and print advertising to small and medium enterprise customers, during its successful turnaround, and as an Executive of a number of other private companies, Paul W. Russo acquired experience related to human resources and compensation matters. He also holds a Bachelor of Science in Business from the University of California at Berkeley, an MBA from the Harvard Business School and has achieved CPA certification.</td>
</tr>
</tbody>
</table>

In 2019, the Human Resources and Compensation Committee:

- Reviewed and approved the report on the results of the 2018 short-term incentive plan and 2016 performance share units' payouts compared to targets for the performance cycle ended on December 31, 2018.
- Reviewed the annual performance assessments for the senior executives and approved their base compensation.
- Retained Willis Towers Watson as its independent compensation advisor.
- Reviewed and approved the targets under the 2019 Short-Term Incentive and Long-Term Incentive Plans and recommended the award of Options and restricted share units to senior management and selected members of management.
- Reviewed and approved senior executive and organizational changes.
- Reviewed senior executive succession planning.
- Reviewed and approved the compensation discussion and analysis in the proxy circular for the 2019 annual meeting of Shareholders.
- Received various updates and recommendations in relation with labour matters of the Corporation.
- Met privately without Management present at each meeting of the Committee.

For a more comprehensive discussion of the activities conducted in 2019 by the Human Resources and Compensation Committee, see “Executive Compensation – Discussion and Analysis”.

26  YELLOW PAGES LIMITED PROXY CIRCULAR
AUDIT COMMITTEE

The number of members of the Audit Committee is set at three (3) members. Since May 2018, Rob Hall (Chair), Kalpana Raina and Paul W. Russo served on such Committee.

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

<table>
<thead>
<tr>
<th>COMMITTEE MEMBER</th>
<th>EXPERIENCE ACQUIRED THROUGH ROLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rob Hall</td>
<td>Rob Hall was 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.</td>
</tr>
<tr>
<td>Kalpana Raina</td>
<td>During the 18 years she served at the Bank of New York, a global financial services institution, Ms. Raina had broad exposure to accounting, corporate finance and credit risk issues, specifically in her role as Executive Vice-President and as manager of its offices in France, Spain, Italy, Belgium and Germany. Ms. Raina is also a Director and a member of the Audit Committee of Information Services Group, Inc. and John Wiley &amp; Sons, Inc., and previously served as Director and member of the Audit Committee of RealNetworks, Inc.</td>
</tr>
<tr>
<td>Paul W. Russo</td>
<td>While serving as Chief Executive Officer of Color Spot Holdings, Inc. between March 2017 to December 2018 and previously Executive Vice-President of Business Development of the Hibu Group Limited, a business providing digital marketing services and print advertising to small and medium enterprise customers, during its successful turnaround, and as an Executive of a number of other private companies, Paul W. Russo acquired experience related to accounting and corporate finance. He also received a Bachelor of Science in Business from the University of California at Berkeley, an MBA from the Harvard Business School and achieved CPA certification.</td>
</tr>
</tbody>
</table>

In 2019, the Audit Committee:

- Recommended for approval by the Board the annual and quarterly consolidated financial statements and related Management’s Discussion and Analysis and press releases.
- Reviewed the auditor’s engagement letter, including scope of audit and fees, and confirmed its independence.
- Oversaw the management of liabilities in connection with the long-term incentive plan for Management and DSU Plan for Directors and Management.
- Reported to the Board on oversight and receipt of certificates from Management confirming compliance with debt covenants, withholdings, deductions and remittances.
- Reviewed management’s computations pertaining to the redemption of outstanding debt.
- Reviewed quarterly reports relating to treasury.
- Reviewed quarterly reports from the Ethics Committee.
- Reviewed reports from internal audit and monitored implementation of recommendations from the internal auditor and approved the internal audit budget.
- Reviewed pension reports and approved financial statements for the pension plans.
- Monitored the investment strategy for the Corporation’s defined benefit and defined contribution pension plans.
- Received and reviewed reports from Management on internal controls over financial reporting and on disclosure controls and procedures.
- Reviewed the Audit Committee’s Charter.
- Recommended for approval the AIF for the year ended December 31, 2018, as well as the Proxy Circular for the 2019 annual meeting of Shareholders.
- Met quarterly in private and separately with each of the external auditors, internal auditors and Management.

AD HOC COMMITTEE

The number of members of the Ad Hoc Committee is set at three (3) members. Since 2018, David A. Eckert (Chair), Rob Hall and Susan Kudzman have served on such Committee. The Ad Hoc Committee was created on May 11, 2018 and is responsible for reviewing, considering and making recommendations to the Board with respect to any and all matters related to the streamlining of the Corporation’s portfolio of leased office space and such other matters as determined by the Board from time to time.

In 2019, the Ad Hoc Committee reviewed and approved documentation relating to the streamlining of the Corporation’s portfolio of leased office space.

SPECIAL COMMITTEE

The number of members of the Special Committee was set at three (3) members. Craig Forman, Susan Kudzman (Chair) and Kalpana Raina served on such Committee. The Special Committee was created on June 10, 2019 and dissolved on September 5, 2019. The Special Committee was responsible for reviewing, considering and making recommendations to the Board with respect to any and all matters related to potential M&A transactions.
EXECUTIVE COMPENSATION

THE BOARD OF DIRECTORS’ LETTER TO SHAREHOLDERS

Dear Shareholders:

On behalf of the Human Resources and Compensation Committee and the Board, we are pleased to share with you the approach to executive compensation, including the framework we used to make our compensation decisions for 2019. Our focus continued to be the delivery of value to the Corporation’s stakeholders, the attraction and retention of the right talent and the alignment of compensation to the current dynamics facing the Corporation.

Given the need for a turnaround plan in late 2017, the Board implemented a compensation framework in 2018 that was significantly different from the previous years. As the Corporation would continue to progress through its turnaround in 2019, the Board decided it was appropriate to maintain the same framework as 2018 for both the annual short-term incentive plan (“STIP”) and long-term incentive plan (“LTIP”) for all eligible employees, including executive management team. Details on both the STIP and the LTIP are described below.

Corporate Performance Highlights

In 2019, the Corporation continued to realign its cost structure to the new realities of its revenue base and achieved a number of significant financial and non-financial milestones upon which our executive compensation decisions have been based. In particular, the Corporation:

- Fully repaid its Senior Secured Notes, three years in advance of maturity, by making optional and mandatory redemption payments totalling $170.2 million during the year;
- Reduced net debt excluding lease obligations by 70%, resulting in $54.1 million net debt excluding lease obligations as at December 31, 2019 compared to $182.2 million as at December 31, 2018;
- Improved Adjusted EBITDA margin by 6.6%, to 40.0% from 33.4% for the same period last year, even though Adjusted EBITDA decreased by $31.3 million for the year-ended December 31, 2019 amounting to $161.3 million, compared to $192.6 million for the year-ended December 31, 2018;
- Adjusted EBITDA less CAPEX was $151.6 million in 2019 compared to $180.5 million in 2018;
- Completed the sale or liquidation of the remaining unprofitable or non-synergistic affiliates and realigned its operating and financial reporting structure to reflect its new core operating business;
- Completed the renegotiation of all seven (7) collective bargaining agreements with its unions across Canada, eliminating constraints on the ability to manage customer facing employees;
- Implemented numerous revenue initiatives that delivered improved year-on-year rate of revenue change in the YP segment for four consecutive quarters; and
- Received credit ratings upgrades from S&P Global Ratings and DBRS.

Definition of Adjusted EBITDA and Adjust EBITDA margin: The Company reports on Income from operations before depreciation and amortization, impairment of intangible assets and goodwill, and restructuring and other charges (defined herein as Adjusted EBITDA). Adjusted EBITDA is derived from revenues less operating costs, as shown in Yellow Pages Limited’s consolidated statements of income (loss). Adjusted EBITDA margin is defined as the percentage of Adjusted EBITDA to revenues. Adjusted EBITDA and Adjusted EBITDA margin are not performance measures defined under IFRS and are not considered to be an alternative to income from operations or net earnings in the context of measuring Yellow Pages’ performance. Adjusted EBITDA and Adjusted EBITDA margin do not have a standardized meaning and are therefore not likely to be comparable with similar measures used by other publicly traded companies.

Definition of Adjusted EBITDA less CAPEX: Adjusted EBITDA less CAPEX is a non-IFRS financial measure and does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other publicly traded companies. We define Adjusted EBITDA less CAPEX as Adjusted EBITDA, as defined above, less CAPEX, which we define as additions to intangible assets and additions to property and equipment less lease incentives received as reported in the Investing Activities section of the Company’s consolidated statements of cash flows.

The most comparable IFRS financial measure to Adjusted EBITDA less Capex is Income from operations before depreciation and amortization, impairment of intangible assets and goodwill, and restructuring and other charges (defined above as Adjusted EBITDA) as shown in Yellow Pages Limited’s consolidated statements of income (loss).

ANNUAL SHORT-TERM INCENTIVE PLAN

Plan Design

As noted above, the framework of the STIP was changed in 2018 and maintained in 2019. The 2019 STIP had two (2) measurements of achievement, Financial and Non-Financial. The metrics of the Financial measurement, weighted at 75%, was based on Adjusted EBITDA less Capex (as defined above). The metrics of the Non-Financial measurement, weighted at 25%, was based on discretionary metrics to be assessed by the Board. Considering the complexities of such a large restructuring and urgency with which the Corporation needed to act, the Board determined that achievement would be assessed at its discretion along the scale of: Poor (0 payout), Good (payout at 100%) or Excellent (200%).

See “Executive Compensation – Discussion and Analysis – Total Compensation Components – Annual Short-Term Incentive Plan” for details.

Results

As noted above in Corporate Performance Highlights and further explained in the section “Executive Compensation – Discussion and Analysis – Total Compensation Components – Annual Short-Term Incentive Plan – 2019 STIP Payout”, the Corporation took difficult actions and achieved important results required to build its continued success.

With regards to the Financial measures, the Corporation achieved significant financial milestones in 2019. Adjusted EBITDA margin for 2019 increased by 6.6% to 40.0% compared to the same period last year which resulted in Adjusted EBITDA for the year of $161.3 million. These achievements occurred in a year in which the Corporation’s revenue declined by $174.0 million compared to 2018. Adjusted EBITDA less CAPEX was $151.6 million in 2019 compared to $180.5 million in 2018.
Similar to 2018, the excess cashflow generated during 2019 was used to improve the Corporation’s capital structure as part of management’s turnaround plan. The Corporation repaid over $170.2 million on its Senior Secured Notes in 2019 resulting in a full repayment, three years ahead of its scheduled maturity. The Company’s net debt, excluding lease obligations, dramatically improved to $54.1 million as at December 31, 2019 as compared to $182.2 million as at December 31, 2018 (a 70% reduction). The interest savings from this early redemption will enhance the Corporation’s future cashflow. As a result of the foregoing, the Corporation’s capitalization ratios dramatically improved in 2019. As at December 31, 2019, the ratio of the Corporation’s net debt, excluding lease obligations, to Adjusted EBITDA was 0.3 times compared to 0.9 times as at December 31, 2018.

With regards to the Non-Financial measures, the Corporation successfully renegotiated the remaining collective bargaining agreements with all of its sales representatives across Canada. The executive management team restructured agreements that had not been materially altered in over twenty (20) years. The renegotiated collective bargaining agreements provide management with the flexibility to properly manage the Corporation’s selling efforts and to compete in the competitive marketplace in which it operates.

Furthermore, the Corporation divested or liquidated the remaining non-performing and non-synergetic businesses. This allowed the Corporation to further improve its profitability and better align its operating and financial reporting structure to focus on its core business.

Finally, the Corporation’s improved capital structure as a result of the early redemption of the Senior Secured Notes resulted in three credit ratings upgrades, in aggregate, from S&P Global Ratings and DBRS Limited in 2019. This was further evidence from the credit markets that the Corporation was achieving success with its turnaround plans.

Given the rapid turnaround and achievements on the Financial and Non-Financial measures, and in a context where employees of the Corporation have not received standard inflation salary increases for over four years, the Board assessed performance to be Excellent and awarded a payout at 200% on both measures. To determine the 2019 STIP payouts for each Named Executive Officer see section “Executive Compensation – Discussion and Analysis – Total Compensation Components – Annual Short-Term Incentive Plan – 2019 STIP Payout” for details.

LONG-TERM INCENTIVE PLAN

2019 Plan

As the turnaround of the Corporation is ongoing, the total long-term grant value of the 2019 long-term incentive plan (“LTIP”) for Senior-Vice Presidents remained the same as 2018, whereby 100% was in stock options (“Options”). For Vice-Presidents and senior management, 70% of the grant value was in Options and 30% in restricted share units (“RSUs”).

2017 Performance and Restricted Share Unit Plan Payout

In 2017, the Corporation granted RSUs and PSUs to certain Named Executive Officers under the Corporation’s Restricted Share Unit and Performance Share Unit Plan adopted on May 6, 2013 (the “RSU&PSU Plan”). The vesting of the RSUs was contingent on a three-year time-based vesting condition, to be confirmed at the time of the approval of the financial statements for the year ended December 31, 2019. The vesting of the PSUs was tied 50% to the achievement of a predetermined level of Cumulative Consolidated Revenues on December 31, 2019 and 50% to a predetermined level of Cumulative Free Cash Flow on December 31, 2019. The Corporation was unsuccessful in its efforts to achieve target of the predetermined level of Cumulative Consolidated Revenues, however it achieved the maximum payout threshold for Cumulative Free Cash Flow. As such, the 2017 PSUs vested with a payout of 75% for the eligible Named Executive Officers (see section “Executive Compensation – Discussion and Analysis – Long-term Incentive Programs – 2017 LTIP” for details).

Conclusion

We believe that the Corporation’s executive compensation policy and programs are designed to properly align the Corporation’s objectives and executive rewards, thus encouraging appropriate behaviour. The HRCC and Board will continue to review and implement changes as needed to the executive compensation policy and programs, especially in light of COVID-19 and its potential impact on the Corporation’s business.

The Human Resources and Compensation Committee
Paul W. Russo (Chair)
Craig Forman
Rob Hall
DISCUSSION AND ANALYSIS

This section discloses the Corporation’s executive compensation philosophy, approach and components, and explains in greater detail the process followed by the Human Resources and Compensation Committee (the “HRCC”) regarding executive pay.

DETERMINING COMPENSATION

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The 2019 compensation of executive officers of the Corporation, including the President and Chief Executive Officer, the Senior Vice-President and Chief Financial Officer and the three (3) next most highly compensated executive officers of the Corporation or its Subsidiaries, which included one executive who left the Corporation in late 2019 (collectively, the “Named Executive Officers”), was determined by the Board following the recommendation of the HRCC.

All the members of the HRCC are independent Directors. The HRCC collectively has the knowledge, experience and background required to fulfill its mandate and to make decisions on the suitability of the Corporation’s compensation policies, as discussed in “Election of the Board of Directors – Human Resources and Compensation Committee”. Further, the HRCC fully understands the long-term implications and limitations of the key elements of compensation described in “Executive Compensation – Discussion and Analysis – Compensation Philosophy and Objectives”. See “Elections of the Board of Director – Human Resources and Compensation Committee” and “Schedule “A” Disclosure of Corporate Governance Practices – Committees of the Board – Human Resources and Compensation Committee” for a description of meetings held and matters undertaken in 2019 by the HRCC.

COMPENSATION DECISION PROCESS AND RISK MANAGEMENT

The HRCC aims at designing and developing compensation programs that ensures the Corporation attracts and retains the right talent, and aligns compensation with the dynamics facing the Corporation. When making decisions about executive pay, the HRCC considers a number of factors, both quantitative and qualitative. While quantitative analysis and best practices are important factors that the HRCC relies on when analyzing executive pay, discretion, judgment and prior compensation experience are instrumental in delivering programs that are in the best interest of the Corporation.

The HRCC follows a rigorous process when establishing objectives for different pay-at-risk programs. Payment is made at the end of the performance period provided the actual achievement exceeds the threshold or minimum level of performance required. The Board also maintains discretion over final payout, regardless of the achievement of specific performance metrics. The HRCC considers the implications of the possible risks associated with the Corporation’s compensation programs in order to mitigate potential undesired outcomes of having executives take excessive risks when managing the Corporation.

SHARE OWNERSHIP GUIDELINES FOR EXECUTIVES

In May 2013, the HRCC reviewed and implemented new share ownership guidelines for the Named Executive Officers and other executives of the Corporation. The purpose of the guidelines is to promote the ownership of the Corporation’s Shares by the executives to align their interests with those of the Shareholders. Notwithstanding the foregoing, Mr. Eckert is not bound by said guidelines considering his employment agreement is for a term of three (3) years. However, Mr. Eckert is bound by post-employment holding obligations. For further information see “Executive Compensation – Discussion and Analysis – Employment Agreements, Terminations and Change of Control Benefits”.

Under the guidelines, the executives are required to hold a certain value, equal to a multiple of their base salary (the “Minimum Share Ownership”), in Shares, DSUs or RSUs. Senior Vice-Presidents are to hold two times their base salary and Vice-Presidents are to hold one time their base salary. The executives must achieve the Minimum Share Ownership within seven (7) years (further to an amendment made to the Share Ownership Guidelines for Executives whereby the period within which executives must attain Minimum Share Ownership was extended to seven years from five) of their appointment. The extent to which the Minimum Share Ownership is achieved is evaluated annually. The executives’ Minimum Share Ownership is calculated using the value of Shares, DSUs and RSUs held by an executive, based on the value which is the higher of: (a) the value of the Shares (or underlying Shares in the case of DSUs or RSUs) based on their respective purchase price or award price; and (b) the market value of the Shares (or underlying Shares in the case of DSUs or RSUs) based on the closing price of the Shares on the TSX on December 31 of the last year then ended. The value of the Options, PSUs or warrants is not included in the calculation of the Minimum Share Ownership. Executives are prohibited from purchasing financial instruments to hedge or offset a decrease in market value of the Corporation’s securities that they hold and must retain Shares underlying a minimum of 25% of their exercised Options until they achieve their Minimum Share Ownership. Executives are also prohibited from granting charges (such as hypothecs or pledges) on their Shares. As of December 31, 2019, none of the Named Executive Officers were required to have achieved Minimum Share Ownership.

EXECUTIVE COMPENSATION CLAWBACK POLICY

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

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

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

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

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

COMPENSATION CONSULTANT

As provided in its charter, the HRCC has the authority to retain and does retain, from time to time, the services of executive compensation consultants to provide advice on executive compensation matters. Executive compensation services, as well as other services provided by such executive compensation consultants at the request of Management, must be pre-approved by the HRCC. The HRCC also has the authority to determine and approve the fees of its consultants. In addition, the Corporate Governance and Nominating Committee has the authority to retain and does retain, from time to time, the services of compensation consultants to provide advice on director compensation matters.
In 2018, the HRCC retained the services of Willis Towers Watson (“Towers”), an independent executive and director compensation consulting firm and Towers reported directly to the Chair of the HRCC. In 2019, Tower’s mandate covered the following:

- Attendance at various Committee meetings;
- Review of the Report on Executive Compensation section of the Corporation’s management proxy circular;
- Review of short and long-term incentive plan design for the Named Executive Officers and other employees of the Corporation;
- Review compensation arrangements proposed for executives; and
- Review compensation of the Senior Vice President and Chief Financial Officer and the Vice President, Secretary and General Counsel;

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

In 2016, Management retained Towers to conduct executive compensation benchmarking for the Named Executive Officers and other executive positions of the Corporation as part of the review of the Corporation’s pay positioning policy at that time. No such benchmarking was conducted by Management in 2017, 2018 or 2019.

The following table sets forth the fees paid to Towers for compensation-related services as well as other fees for 2019 and 2018:

<table>
<thead>
<tr>
<th>Type of Fees</th>
<th>2019 Fees ($)</th>
<th>Percentage of 2019 Fees (%)</th>
<th>2018 Fees ($)</th>
<th>Percentage of 2018 Fees (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Compensation Related Fees</td>
<td>62,328</td>
<td>100</td>
<td>53,840</td>
<td>100</td>
</tr>
<tr>
<td>All Other Fees</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td><strong>62,328</strong></td>
<td><strong>100</strong></td>
<td><strong>53,840</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

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

**COMPENSATION PHILOSOPHY AND OBJECTIVES**

Although the Corporation entered into a renewed turnaround at the end of 2017, the objectives of the Corporation’s executive compensation philosophy remain unchanged. The objectives are to deliver programs that attract and retain highly qualified executives, motivate their performance, and align their interests with those of the Shareholders. Therefore, the compensation philosophy provides that the Corporation’s executives receive total compensation that:

- Supports the Corporation’s turnaround; and
- Pays for performance.

The HRCC reinforces the pay-for-performance philosophy by allocating a significant portion of total compensation to pay-at-risk components. As discussed under “Executive Compensation – Discussion and Analysis – Determining Compensation – Compensation Decision Process and Risk Management”, the HRCC typically reviews the appropriateness of the Corporation’s compensation philosophy and objectives on an annual basis. The HRCC typically reviews the competitiveness of the Corporation’s executive compensation periodically. The analysis usually includes a review of base salary, target annual short-term incentive, target total cash, target long-term incentive, and target total direct compensation (i.e., total target cash plus long-term incentive) for each executive position.

Benchmarking against a comparator group was not performed in 2019 and the HRCC determined that previous benchmarking against suggested comparator groups performed in 2015 and refreshed in 2016 are no longer relevant or applicable to the Corporation. Once the turnaround is complete, the HRCC will consider performing further benchmarking.
TOTAL COMPENSATION COMPONENTS

As can be seen in the graph below, the total compensation of the Named Executive Officers consisted of base salary, annual short-term incentive award, long-term incentive programs, and benefits, pension and perquisites. Considering the Corporation began its turnaround in 2017, and continued to be in a turnaround in 2018 and 2019, the Board decided to remove PSUs and RSUs from the equity mix of long-term incentive plan of Named Executive Officers who are Senior Vice-Presidents and PSUs from the equity mix of long-term incentive plan of Named Executive Officers who are Vice-Presidents.

As in prior years, the pay-at-risk components in 2019 represented a significant portion of total compensation as can be seen in the graph below. This is consistent with the compensation philosophy of the HRCC.

BASE SALARY

The HRCC determines the base salary for executives of the Corporation, including the Named Executive Officers, based on recommendations from Management considering the going market rate, individual executive performance and corporate objectives for the year, and skills and expertise.

In 2019, the HRCC decided not to make any adjustments to the Named Executive Officers’ compensation, other than a market rate adjustment to Mr. Sciannamblo and Ms. Cooper’s base salary. These adjustments became effective January 1, 2020.

ANNUAL SHORT-TERM INCENTIVE PLAN

All of the Corporation’s executives, including the Named Executive Officers, participate in the Corporation’s annual short-term incentive plan (the “STIP”). The STIP aims to reward executives for their effectiveness in achieving the short-term financial success of the Corporation and meeting key operational targets. The STIP pays for the achievement of annual objectives as evaluated by the Board. Each Named Executive Officer has an annual STIP target award expressed as a percentage of base salary. The respective 2019 STIP target awards for the Corporation’s executives are detailed in the table below:

<table>
<thead>
<tr>
<th>Position</th>
<th>Annual STIP Target Award (% of Base Salary)</th>
<th>Maximum Payout (% of Base Salary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and Chief Executive Officer (1)</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Senior Vice-Presidents (or other equivalent positions)</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>Vice-Presidents (or other equivalent positions)</td>
<td>40</td>
<td>80</td>
</tr>
</tbody>
</table>

(1) As per the terms of the President and Chief Executive Officer’s employment agreement.
In 2019, the HRCC reviewed the STIP for executives, including the Named Executive Officers, to ensure that the indicators used represent key drivers of the Corporation in order to drive the right behaviours. The HRCC decided to maintain the construct of the STIP established in 2018. The HRCC maintained discretion to adjust the final payout based on the Corporation’s overall financial performance. The HRCC maintained the targets and maximum payouts under the STIP as a percentage relative to base salary. Further, the HRCC reviewed the individual performance of the Named Executive Officers when determining the final STIP payouts to allow for recognition of exceptional achievements.

As can be seen from the Corporate Performance Scorecard found below, the 2019 STIP was based on a Corporate Scorecard which consisted of Financial and Non-Financial measures, having a weight of 75% and 25% respectively. Performance would be assessed at the Board’s discretion and would be Poor (0 payout), Good (payout at 100%) or Excellent (200%) depending on achievement.

### 2019 CORPORATE PERFORMANCE SCORECARD

<table>
<thead>
<tr>
<th>Financial Measures</th>
<th>Weighting</th>
<th>Non-Financial Measures</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA less CAPEX (1)</td>
<td>75%</td>
<td>Discretionary measure</td>
<td>25%</td>
</tr>
</tbody>
</table>

(1) Adjusted EBITDA less CAPEX is a non-GAAP measure. See section “Executive Compensation – The Board of Director’s Letter to Shareholders” for the Adjusted EBITDA less CAPEX definition

The Financial and Non-Financial measures established in 2019 were intended to ensure that the annual STIP rewarded executives for ensuring the Corporation successfully delivered the realignment of its cost structure throughout the year in order to stabilize and grow the business over the long-term. Executives’ objectives (the individual multiplier) were fully aligned with the Corporation’s strategic objectives. The individual multiplier factor was intended to reward the demonstration of key leadership competencies that supported the Corporation’s turnaround. The maximum payout factor is 200% of the Executives Annual STIP Target Award (a percentage of base salary) if all individual objectives reached their maximum level and the Corporate Scorecard reached up to 200%. If the Corporate Performance Scorecard of the individual objectives were not achieved at target but reached or exceeded the applicable minimum thresholds for payout, the annual STIP payout would be proportionately lower.

The annual STIP payout is calculated as follows:

### 2019 STIP PAYOUT

The results for the purposes of the 2019 STIP were approved in February 2020.

#### Financial Measurements

Management’s effort to reverse the long running revenue decline showed progress in 2019, as the year-over-year quarterly rate of change improved in each of the four (4) quarters of the year in the YP segment. Annual revenue nonetheless continued to decline in 2019 (down $174 million from 2018), reducing EBITDA $31.3 million to $161.3 million. However, management’s continued cost reduction efforts raised EBITDA margin 6.6 points to 40%, believed to be among the highest in the global YP industry.

The cashflow generated during the year ended 2019 was used to improve the Corporation’s capital structure as part of management’s turnaround plan. The Corporation repaid over $170.2 million on its Senior Secured Notes in 2019 which result in an early full repayment in December 2019, three years ahead of its scheduled maturity. As a result, Corporation’s net debt, excluding lease obligations, as at December 31, 2019 was $54.1 million, more than 70% reduction from $182.2 million as at December 31, 2018. As a result of the foregoing, the Company’s capitalization ratios dramatically improved in 2019. The Company’s net debt, excluding lease obligations, to Adjusted EBITDA was 0.3 times as at December 31, 2019 compared to 0.9 times one year earlier. More importantly, with the early redemption of the Corporation’s Senior Secured Notes, the Corporation will now have additional flexibility to allocate future excess cashflow to new corporate strategic initiatives and still maintain financial prudence to meet its remaining debt obligations on its Exchangeable Debentures.

#### Non-Financial Measurements

The Corporation successfully renegotiated the collective bargaining agreements with its remaining sales representatives across Canada. The executive management team restructured agreements that had not been altered in over twenty (20) years, thus enabling management to effectively manage the sales team. The new agreement will reward superior performers, compensate them for profitable revenue growth, assign accounts to them in ways that it deems best for the Corporation and its customers, evaluate and manage individuals based on results, and make changes promptly, in response to the shifting needs of its competitive marketplace.

Further, throughout 2019, the Corporation successfully divested or liquidated its remaining non-performing and non-synergetic businesses. This allowed the Corporation to further improve its profitability and better align its operating and financial reporting structure to focus on its core business.

Finally, the Corporation’s improved capital structure as a result of the early redemption of the Senior Secured Notes resulted in three credit ratings upgrades, in aggregate, from S&P Global Ratings and DBRS Limited in 2019. This was further evidence that the Corporation was achieving success with its turnaround plans.
LONG-TERM INCENTIVE PROGRAMS

The LTIP design is reviewed annually by the HRCC in order to maintain alignment between the interests of the Corporation’s Named Executive Officers and other executives with those of the Corporation’s Shareholders and focus on long-term shareholder value creation. As such, for 2019 the equity mix of the LTIP was adjusted. 100% of the total long-term grant value for Named Executive Officers that are Senior Vice-Presidents was reflected in Options and for Named Executive Officers that are Vice-Presidents and other senior management, the total long-term grant value was reflected 70% in Options and 30% in RSUs.

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

• Encourage long-term Shareholder value creation;
• Provide executives with line of sight between performance indicators they could directly impact and their compensation; and
• Attract and retain executives;

Except for the President and Chief Executive Officer, each Named Executive Officer has an annual LTIP target award expressed as a percentage of their base salary. Upon his appointment as the President and Chief Executive Officer of the Corporation, Mr. Eckert received an LTIP grant award and is not entitled to further LTIP grant awards during the three year term of his employment agreement.

2017 LTIP

The 2017 LTIP annual grant consisted of a combination of RSUs and PSUs awarded to designated executives and senior management employees. For the eligible Named Executive Officers, the weighted value of the PSUs and RSUs was 50% of the total long-term incentive award value, respectively. The RSUs granted to the executives were contingent on a three-year time-based vesting condition to be confirmed at the time of the approval of the December 31, 2019 financial statements.

The vesting of the PSUs was tied 50% to the achievement of a predetermined level of Cumulative Consolidated Revenues on December 31, 2019 and 50% to a predetermined level of Cumulative Free Cash Flow on December 31, 2019. To follow the Corporation’s risk management practices, the maximum number of PSUs that can vest was capped at a 1.5-time payout multiplier. The Corporation was unsuccessful in its efforts to achieve target of the 2017 PSUs vested with a payout of 75% for the eligible Named Executive Officers as shown in the tables below.

2017 PSU Targets

<table>
<thead>
<tr>
<th>50% Weighting</th>
<th>Period starting January 1, 2017 and ending on December 31, 2019</th>
<th>50% Weighting</th>
<th>Period starting January 1, 2019 and ending on December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative Consolidated Revenues&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>$2.2 Billion</td>
<td>$2.35 Billion</td>
<td>$2.5 Billion</td>
</tr>
<tr>
<td>Payout</td>
<td>50%</td>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Cumulative Consolidated Revenues: The sum of consolidated revenues for the years ending December 31, 2017, 2018 and 2019 as disclosed in the Audited Consolidated Statements of Income for the years ended December 31, 2017, 2018 and 2019. For reference, consolidated revenues for the year ending December 31, 2016 amounted to $817,979,000.

<sup>(b)</sup> Cumulative Free Cash Flow: Cumulative free cash flow was determined based on the Audited Consolidated Statements of Cash Flows for the years ending December 31, 2017, 2018 and 2019. It reflects cash flows from operating activities, adjusted for the change in operating assets and liabilities, less additions to intangible assets and additions to property and equipment. For reference, Free Cash Flow for the year ending December 31, 2016 amounted to $104,041,000 (equals: $158,113,000 plus $9,434,000 minus $50,787,000 and minus $12,719,000).

2017 PSU Achievements

<table>
<thead>
<tr>
<th>Cumulative Consolidated Revenues</th>
<th>2017A</th>
<th>2018A</th>
<th>2019A</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement</td>
<td>50% x 0 = 0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cumulative Free Cash Flow</th>
<th>2017A</th>
<th>2018A</th>
<th>2019A</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement</td>
<td>50% x 150 = 75%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The following table indicates the amounts (in dollars or Share value) for the RSUs and PSUs received by the eligible Named Executive Officer in the settlement of the 2017 LTIP awards:

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>2017 LTIP Grant Date Value Awarded</th>
<th>2017 LTIP Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treena Cooper</td>
<td>$45,000</td>
<td>$103,771</td>
</tr>
<tr>
<td>Sheryllyn King</td>
<td>$54,000</td>
<td>$124,528</td>
</tr>
<tr>
<td>Franco Sciammandi</td>
<td>$138,000</td>
<td>$378,283</td>
</tr>
</tbody>
</table>

(1) This value was calculated by multiplying the number of RSUs and PSUs awarded at the time of grant to the eligible Named Executive Officer, by the volume weighted average price of such RSUs and PSUs being $4.6927.

(2) This payout was calculated by multiplying the number of vested RSUs and PSUs by $12.3700, which was the price of the Shares during the settlement period, which was completed on March 2, 2020.

2019 LTIP

As previously noted, in order to align the interests of the Corporation’s eligible Named Executive Officers and other executives with those of the Shareholders and to focus on long-term shareholder value creation, and taking into account the Corporation continues to execute on a turnaround plan, the HRCC and the Compensation Committee determined that it was appropriate to continue to in 2019 with the equity mix established in 2018. Named Executive Officers who are Senior Vice-Presidents received 100% of their grants in Options under the 2012 Stock Option Plan and for Named Executive Officers who are Vice-Presidents and other designated executives and senior management, the total long-term grant value reflected 70% in Options and 30% in RSUs. The vesting and exercise period of the Options granted in 2019 have a term of four (4) years and vest as to 100% on the third anniversary. In 2020, the equity mix and value of the LTIP remained the same, however the HRCC determined it appropriate to modify the vesting and exercise periods. In order to maintain a sense of urgency as the Corporation completes its turnaround, to focus efforts to deliver consistent performance over the long term and to promote retention, the Options granted in 2020 will vest and become exercisable in the following manner: 25% vest after year one, an additional 25% vest after year two and the final 50% vest after year three, with one hundred and eighty days (180) to exercise after each vesting date.

There is no performance condition for the RSUs to vest. The RSUs will vest upon the date of the approval of the financial statements as at December 31, 2021, which is expected to occur in February 2023 and subject to the participant’s continued employment with the Corporation.

Named Executive Officers, other executives and key management employees of the Corporation were awarded a fixed dollar incentive amount granted in Options and RSUs based on a percentage of their base salary, as set forth in the table below. The number of Options awarded to each Named Executive Officer was determined by dividing the dollar incentive amount by the volume weighted average trading price of the Shares on the TSX for the twenty (20) trading days preceding the approval of the award. The actual number of Options granted to the Named Executive Officers is shown in the Outstanding Share-based Awards and Option-based Awards table in the section “Executive Compensation – Discussion and Analysis – Incentive Plan Awards.”

<table>
<thead>
<tr>
<th>Position</th>
<th>Annual LTIP Target of Base Salary</th>
<th>Stock Options</th>
<th>Mix of 2019 LTIP Instruments</th>
<th>Restricted Share Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and CEO</td>
<td>85%</td>
<td>39%</td>
<td>39%</td>
<td>22%</td>
</tr>
<tr>
<td>Senior Vice-Presidents</td>
<td>85%</td>
<td>100%</td>
<td>39%</td>
<td>22%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>60%</td>
<td>70%</td>
<td>39%</td>
<td>22%</td>
</tr>
</tbody>
</table>

(1) Represents the grant award received by Mr. Eckert when he was appointed President and Chief Executive Officer of the Corporation on September 15, 2017, annualized over the three-year term of his employment agreement.

Pursuant to Mr. Eckert’s Long-Term Incentive Plan Grant Agreement, a one-time grant covering the three-year term of his agreement of 701,875 Options at a stock price of $7.97 per share was awarded to Mr. Eckert on September 15, 2017. The Options are to vest and be exercised on September 15, 2020 at 9:30 EST. The Corporation is to cause a cashless exercise of the Options, whereby the cash proceeds are to be paid to Mr. Eckert as soon as practicable after the settlement of the sale of the underlying Shares. Further, pursuant to Mr. Eckert’s Long-Term Incentive Plan Grant Agreement, a grant of 701,875 Share Appreciation Rights ("SARs") was awarded to Mr. Eckert on September 15, 2017. The fair market value per share on the September 15, 2017 grant date was $7.97 per share. The SARs are to vest on September 15, 2020 at 9:30 EST. Upon vesting of the SARs, Mr. Eckert will receive a payment in cash representing the excess of the fair market value of Yellow Pages Limited’s shares on the vesting date less the fair market value of Yellow Pages Limited’s Shares on the grant date. Mr. Eckert’s Long-Term Incentive Plan Agreement also included a grant of 156,839 RSUs. The fair market value per share on the September 15, 2017 grant date was $7.97 per share. The RSUs are to vest on September 15, 2020 at 9:30 EST.

SUMMARY OF THE STOCK OPTION PLAN, RSU/PSU PLAN AND THE SHARE APPRECIATION PLAN

2012 STOCK OPTION PLAN

The 2012 Stock Option Plan was adopted on December 20, 2012. This long-term incentive plan is intended to: (i) attract and retain the services of selected employees and officers of the Corporation or an affiliate (as defined in the CBA), which is also a related person as defined under Section 251 of the Income Tax Act (Canada), and any other entity declared by the Board to an affiliated entity for the purpose of the 2012 Stock Option Plan (each an “Affiliated Entity”), who are in a position to make a material contribution to the successful operation of the business; (ii) provide a meaningful incentive to Management to lead the Corporation through the turnaround of its business; and (iii) more closely align the interests of management with those of the Shareholders.

The 2012 Stock Option Plan makes available up to 1,290,612 Shares for issuance pursuant to the exercise of Options. This number of shares available for issuance was increased to 2,806,932 further to shareholder approval received at the Corporation’s Annual General Meeting on May 11, 2018. The following additional limitations apply to grants under the 2012 Stock Option Plan: (i) the number of Shares issuable to insiders, at any time, under the 2012 Stock Option Plan and any other share compensation arrangements of the Corporation, shall be less than five percent (5%) of the issued and outstanding Shares; (ii) the number of Shares issued to insiders, within any one (1) year period, under the 2012 Stock Option Plan and any other share compensation arrangements of the Corporation, shall be less than five percent (5%) of the issued and outstanding Shares; and (iii) the maximum aggregate number of Shares with regard to which awards may be made to any one participant under the 2012 Stock Option Plan and under any other share compensation arrangements of the Corporation, shall be less than five percent (5%) of the Shares issued and outstanding.

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

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

YELLOW PAGES LIMITED PROXY CIRCULAR 35
APPROPRIATION OF THE AMENDMENT TO 2012 Stock Option Plan

On March 23, 2020, the Board approved an amendment to the 2012 Stock Option Plan to provide for a cashless exercise feature, payable in cash, without a full deduction of the underlying Shares from the plan reserve. Under the amendment provision of the 2012 Stock Option Plan, this amendment is subject to shareholder approval. If the amendment is approved by shareholders, subject to approval of the Board or the Committee at the time of exercise, an option holder may elect to surrender an exercisable Option for cancellation in exchange for a cash payment equal to the amount by which the Fair Market Value (defined in the table below) of the Share on the date of surrender exceeds the exercise price. The underlying Shares in respect of the surrendered Option will be added back to the plan reserve.

The 2012 Stock Option Plan includes the following provisions:

<table>
<thead>
<tr>
<th>Exercise Price</th>
<th>The exercise price is equal to the volume weighted average trading price of the Shares on the TSX for the five (5) trading days immediately preceding the grant date (the “Fair Market Value”).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Date</td>
<td>The grant date of an Option may be the date on which the Option is granted or, if determined by the Board at the time of grant, after the date the Board resolves to grant the Option, in order to ensure, among other things, that the Fair Market Value of the Option is calculated based on trading days outside of a Blackout Period.</td>
</tr>
<tr>
<td>Vesting</td>
<td>Options may not be transferred or assigned, except in the event of death, where options can be exercised by the administrator of the participant’s estate.</td>
</tr>
<tr>
<td>Circumstances under which an individual is no longer entitled to participate</td>
<td></td>
</tr>
<tr>
<td>• Resignation or Termination Without Cause – Except upon a resignation for good reason following a Change of Control: (i) each exercisable Option then held by the participant shall remain exercisable for a period of three (3) calendar months from the date of such cessation or termination, but not later than the end of the Option Period, and thereafter any such Option shall expire; and (ii) each non-exercisable Option then held by a participant shall expire immediately.</td>
<td></td>
</tr>
<tr>
<td>• Termination for Cause – Unless the Board or a Committee otherwise provides, if a participant is dismissed for cause, each Option then held by the participant, whether or not exercisable on the date of such dismissal, shall immediately expire on the date of such dismissal.</td>
<td></td>
</tr>
<tr>
<td>• Long-Term Disability – Each exercisable Option then held by the participant shall remain exercisable for a period of twelve (12) calendar months from the date of the long-term disability, but not later than the end of the Option Period, and thereafter any such Option shall expire; and each non-exercisable Option then held by a participant shall become exercisable on the date it would have been exercisable as if the participant had not ceased to be employed by the Corporation or an affiliated entity thereof and shall remain exercisable up to the earlier of twelve (12) calendar months from the date of the long-term disability or the end of the Option Period and thereafter any such Option shall expire.</td>
<td></td>
</tr>
<tr>
<td>• Death – Each exercisable Option then held by the participant shall remain exercisable for a period of twelve (12) calendar months from the date of death, but not later than the end of the Option Period, and thereafter any such Option shall expire; and each non-exercisable Option then held by a participant shall become exercisable by the administrator or liquidator of his or her estate from the date of death and for a period of twelve (12) calendar months from such date, but not later than the end of the Option Period, and thereafter any such Option shall expire.</td>
<td></td>
</tr>
<tr>
<td>• Retirement – If a participant retires and has reached the age of sixty (60) years old at the date of retirement: (i) each exercisable Option then held by the participant shall remain exercisable for a period of thirty-six (36) calendar months from the date of retirement, but not later than the end of the Option Period, and thereafter any such Option shall expire; (ii) each non-exercisable Option then held by the participant shall become exercisable as if the participant had not ceased to be employed by the Corporation or an affiliated entity thereof and shall remain exercisable up to the earlier of thirty-six (36) calendar months from the date of retirement or the end of the Option Period and thereafter any such Option shall expire. If a participant retires prior to the end of the Option Period and has not reached the age of sixty (60) years old at the date of retirement, (i) each exercisable Option then held by the participant shall remain exercisable for a period of twelve (12) calendar months from the date of retirement, but not later than the end of the Option Period, and thereafter any such Option shall expire; and (ii) each non-exercisable Option then held by the participant shall expire immediately.</td>
<td></td>
</tr>
<tr>
<td>Change of Control Definition</td>
<td>Change of Control shall mean: (i) a sale of all or substantially all of the assets of the Corporation; (ii) a sale, directly or indirectly, resulting in more than 50% of the voting securities of the Corporation being held, directly or indirectly, by another person; or (iii) a merger or consolidation of the Corporation into another person resulting in a new entity which does not then constitute a majority of the Directors of the resulting entity.</td>
</tr>
</tbody>
</table>
| Change of Control | If a Change of Control occurs, unless otherwise determined by the Board, each Option, which is not converted into or substituted by an Alternative Award (as defined below) of a successor entity, shall become exercisable immediately prior to the consummation of the transaction constituting a Change of Control. An alternative award must, in the opinion of the Board: (i) be based on shares that are traded on an established Canadian or U.S. securities market; (ii) provide the participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Options, including, but not limited to, an identical or better exercise or vesting schedule and identical or better timing and methods of payment; and (iii) have substantially equivalent economic value to such Options (determined at the time of the Change of Control) (an “Alternative Award”). If Alternative Awards are available and a participant is terminated without cause or submits a resignation for good reason within twenty-four (24) calendar months after a Change of Control: (i) each exercisable Alternative Award then held by such participant shall remain exercisable for a period of twenty-four (24) calendar months from the date of termination or resignation, but not later than the end of the Option Period, and thereafter any such Alternative Award shall expire; and (ii) each non-exercisable Alternative Award then held by the participant shall become exercisable upon such termination or resignation and shall remain exercisable for a period of twenty-four (24) calendar months from the date of such termination or resignation, but not later than the end of the Option Period, and thereafter any such Alternative Award shall expire. The Board nonetheless may, in its sole discretion, accelerate the exercisability or vesting of all or any portion of the outstanding Options which are not then exercisable immediately prior to the consummation of the transaction constituting a Change of Control.
Plan Amendments

The Board or HRCC, as provided in the 2012 Stock Option Plan or pursuant to a specific delegation, may, in addition to its powers under the 2012 Stock Option Plan, amend any of the provisions of the 2012 Stock Option Plan or suspend or terminate the plan or amend the terms of any then outstanding award of an Option, provided, however, that the Corporation shall obtain Shareholder approval for any:

(a) amendment to the maximum number of Shares issuable under the plan;
(b) increase to the number of Shares that may be issued to insiders or to any one participant under the plan, in both cases subject to certain adjustments in the case of reorganization of the share capital;
(c) amendment which would allow non-employee Directors of the Corporation or of an affiliated entity to be eligible for awards of Options under the plan;
(d) amendment which would permit any Option granted under the plan to be transferable or assignable other than by will or pursuant to succession laws (estate settlements);
(e) addition of a cashless exercise feature, payable in cash or Shares, which does not provide for a full deduction of the number of underlying Shares from the plan reserve;
(f) addition of provisions which result in participants receiving Shares while no cash consideration is received by the Corporation;
(g) reduction in the exercise price of an Option after the Option has been granted to a participant or any cancellation of an Option and the substitution of that Option by a new Option with a reduced exercise price granted to the same participant, subject to certain adjustments in the case of reorganization of the share capital;
(h) extension to the term of an Option beyond the original expiry date, except in a case of a Blackout Period;
(i) addition in the plan of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to participants; and
(j) amendment to the amendment provision of the plan other than amendments of a “housekeeping” or clerical nature.

The Board or the HRCC, as provided in the 2012 Stock Option Plan or pursuant to a specific delegation, may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, make all other amendments to the plan or awards of Options under the 2012 Stock Option Plan that are not contemplated above, including, without limitation, the following:

(a) amendments of a “housekeeping” or clerical nature as well as any amendment clarifying any provision of the 2012 Stock Option Plan;
(b) changes to the vesting provisions of an Option or of the 2012 Stock Option Plan;
(c) changes to the termination provisions of an Option or the plan which does not entail an extension beyond the original expiry date; and
(d) in the event that the Shares are subdivided, consolidated, converted or reclassified by the Corporation, or that any other action of a similar nature affecting such Shares is taken by the Corporation, the adjustment of: (i) the Options held by each participant; and (ii) the number of Shares reserved for issuance under the plan in the same manner.

Financial Assistance

No financial assistance is provided by the Corporation to participants under the 2012 Stock Option Plan.

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

As at December 31, 2019, there were 1,983,102 Options outstanding under the 2012 Stock Option Plan representing 7.06% of the Shares outstanding and 725,205 options remaining for issuance, representing 2.6% of the Shares outstanding. The following table highlights the maximum dilution over the past five (5) calendar years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Reserve Approved</th>
<th>Options Issued and Outstanding</th>
<th>Options Exercised</th>
<th>Options Remaining Available for Issuance</th>
<th>Maximum Dilution Possible</th>
<th>Actual Dilution</th>
<th>Burn Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,290,612</td>
<td>522,950</td>
<td>87,250</td>
<td>680,412</td>
<td>4.29%</td>
<td>1.86%</td>
<td>0.91%</td>
</tr>
<tr>
<td>2016</td>
<td>1,290,612</td>
<td>630,950</td>
<td>11,375</td>
<td>561,037</td>
<td>4.25%</td>
<td>2.25%</td>
<td>0.95%</td>
</tr>
<tr>
<td>2017</td>
<td>2,806,932</td>
<td>1,024,550</td>
<td>Nil</td>
<td>1,683,757</td>
<td>9.65%</td>
<td>3.65%</td>
<td>2.66%</td>
</tr>
<tr>
<td>2018</td>
<td>2,806,932</td>
<td>1,347,052</td>
<td>Nil</td>
<td>1,361,255</td>
<td>9.65%</td>
<td>4.80%</td>
<td>3.03%</td>
</tr>
<tr>
<td>2019</td>
<td>2,806,932</td>
<td>1,983,102</td>
<td>Nil</td>
<td>725,205</td>
<td>9.65%</td>
<td>7.06%</td>
<td>3.34%</td>
</tr>
</tbody>
</table>

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

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

(3) The burn rate is calculated by dividing the number of Options granted during the year by the Weighted Average Number of Shares outstanding for the applicable fiscal year.

RESTRICTED SHARE UNIT AND PERFORMANCE SHARE UNIT PLAN

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

<table>
<thead>
<tr>
<th>RSU&amp;PSU Plan Features</th>
<th>Restricted Share Units (&quot;RSU&quot;)</th>
<th>Performance Share Units (&quot;PSU&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>A RSU award allows the participant to obtain the number of underlying Shares of the Corporation subject to achievement of a time-based employment vesting condition, determined by the Board, i.e., the participant must be employed by the Corporation for a specific period of time.</td>
<td>A PSU award allows the participant to obtain the number of underlying Shares subject to achievement of performance-based vesting conditions that must be met over a specific predetermined performance period.</td>
</tr>
<tr>
<td>Performance Measure</td>
<td>None.</td>
<td>Established by the Board.</td>
</tr>
<tr>
<td>Vesting / Term</td>
<td>Maximum thirty-six (36) months from the grant date.</td>
<td></td>
</tr>
<tr>
<td>Amount and Price</td>
<td>The Board determines the incentive amount, expressed either as a fixed dollar amount or a fixed number of units. If a fixed dollar amount is granted, to determine the number of underlying share units to be awarded to a participant, the fixed dollar amount is divided by the volume weighted average trading price of the Shares on the TSX for the twenty (20) trading days immediately preceding the date of grant by the Board, then the exercise price is determined as the volume weighted average trading price of the Shares on the TSX for the five (5) trading days preceding the sixth full trading day immediately following the date of grant by the Board and the end of a Blackout Period as provided for in the Corporation’s insider trading policy.</td>
<td></td>
</tr>
<tr>
<td>Funding</td>
<td>The RSU&amp;PSU Plan provides the Board with discretion to fund the grant, with underlying Shares being purchased on the open market or to have the grant unfunded, with notional restricted share units credited to each participant’s account. The 2019 grant was fully funded and as such is non-dilutive as Shares underlying awards were purchased on the open market.</td>
<td></td>
</tr>
</tbody>
</table>
2017 SHARE APPRECIATION RIGHTS PLAN

The SARs Plan was adopted and implemented in 2017 to provide eligible participants with incentive compensation, based on the appreciation in value of the Corporation’s Shares, thereby providing additional incentive for their efforts in promoting continued performance and associated growth in value for the Shareholders and to align the interests of the eligible participants with those of the Shareholders. The Board has discretion to determine which employees of the Corporation will participate in the SARs Plan and the incentive amount granted under the SARs Plan.

**SARs Plan Features**

| Description | A SAR award shall confer an eligible participant to receive a payment in cash having a value equal to the excess of a) the Fair Market Value of the Shares on the date of the Vesting Date, less b) the volume weighted average trading price of the shares on the TSX for the twenty (20) trading days preceding the date of grant, multiplied by the number of shares with respect to which the Share Appreciation Rights shall be exercised. |
| Performance Measure | None |

**Vesting / Term**

At the discretion of the Board, but shall be no later than the day preceding the tenth (10th) anniversary of the grant date.

**Amount and Price**

The Board determines the number of SARs to be granted to any participant. The Fair Market Value of the SARs are determined by the volume weighted average trading price of the Shares on the TSX for the twenty (20) trading days preceding the approval of the award.

**Resignation, Termination Without Cause**

The participant ceases to be eligible for participation under the SARs Plan and all vested and unvested SARs are cancelled.

**Retirement, Long-Term Disability and Death**

Retirement: for any participant who has reached the age of sixty (60) and retires (i) each exercisable SAR held by participant shall remain exercisable for a period of thirty-six (36) calendar months from the date of Retirement, but not later than the Expiry Date, thereafter any SARs shall expire; (ii) each non-exercisable SAR then held by the participant shall become exercisable as if the participant had not ceased to be employed and shall remain exercisable up to the earlier of thirty-six (36) calendar months from the date of retirement or the end of the Expiry Period and thereafter any such SAR shall expire. For any participant who has not reached the age of sixty (60) and retires (i) each exercisable SAR held by participant shall remain exercisable for a period of twelve (12) calendar months from the date of Retirement, but not later than the Expiry Date, thereafter any SARs shall expire; (ii) each non-exercisable SAR then held by the participant shall become exercisable as if the participant had not ceased to be employed and shall remain exercisable up to the earlier of twelve (12) calendar months from the date of retirement or the end of the Expiry Period and thereafter any such SAR shall expire. For any participant who ceases to be employed by the Corporation prior to the Expiry Date by reason of Long-Term Disability or death (i) each exercisable SAR then held by the participant (or administrator or liquidator in case of death) shall remain exercisable for a period of twelve (12) months from date of the Long-Term Disability or death, but no later than the end of the Expiry Period, thereafter any such SAR shall expire; (ii) each non-exercisable SAR then held by the participant (or administrator or liquidator) shall become exercisable on the date it would have been exercisable if the participant had not ceased to be employed by the Corporation by reason of Long-Term Disability or death and shall remain exercisable up to the earlier of twelve (12) calendar months from the date of the Long-Term Disability or death or the end of the Expiry Period, thereafter any such SAR shall expire.

**Change of Control**

Unless converted into or substitute by an alternative award, each SAR shall vest upon the occurrence of a change of control as defined in the SARs Plan. If such alternative award is available and a participant is terminated without cause or resigns for good reason, as defined in the SARs Plan, within twenty-four (24) months after such change of control, each alternative award held by the participant shall vest.

**BENEFITS, PERQUISITES AND PENSION**

**Benefits**

Benefit and pension plans provide elements of financial and health security to the Named Executive Officers. Except for Mr. Eckert and Mr. Smith, the Named Executive Officers participate in the same flexible benefits program as other employees of the Corporation receiving additional dollar credits to obtain enhanced or maximum coverage if required. The flexible benefits program includes medical and dental coverage, life and disability insurance and a health spending account. Both Mr. Eckert and Mr. Smith (until his termination date of September 11, 2019), were reimbursed for the annual cost of premiums with respect to a U.S. health care plan (“U.S. Health Plan”) that covers both the Executive and their spouse at the level of coverage maintained at their employment start date. Further, the Corporation will provide other medical and dental benefits currently provided to other Named Executive Officers to the extent not covered by the U.S. Health Plan.

**Perquisites**

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

**Pension**

The Named Executive Officers and other executive officers who joined the Corporation before January 1, 2006 participate in the Corporation’s Defined Benefit Pension Plans with supplemental pension benefits. Except for Mr. Eckert, Mr. Smith and Mr. Ireland (who do not participate in any pension plan), the Named Executive Officers and other executive officers who joined the Corporation on or after January 1, 2006 participate in the Corporation’s Defined Contribution Plan. The value of the benefits under the pension plans, as well as the other relevant provisions thereof, is taken into account when determining the total compensation of the Named Executive Officers. A description of the plans is found below.
DEFINED BENEFIT PLANS

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

PENSION BENEFIT TABLE

The following table provides for Ms. King, the only Named Executive Officer participating in the Defined Benefit Pension Plan, the number of years of credited service as at December 31, 2019, the annual lifetime benefits payable based on the years of credited service as at December 31, 2019 and, projected at age 65, the accrued obligation at the start of the fiscal year 2019 and as at December 31, 2019 and the difference between these last two amounts being split between compensatory and non-compensatory changes.

<table>
<thead>
<tr>
<th>Named Executive Officers</th>
<th>Number of years of credited service (#)</th>
<th>Annual benefits payable (1)</th>
<th>Opening Present Value of Defined Benefit Obligation ($)</th>
<th>Compensatory Change (2)</th>
<th>Non-compensatory change (3)</th>
<th>Closing Present Value of Defined Benefit Obligation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>At year end (2)</td>
<td>At age 65 ($)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sherilyn King</td>
<td>2019 23.6 -</td>
<td>147,100</td>
<td>1,163,500</td>
<td>81,100</td>
<td>290,700</td>
<td>1,535,300</td>
</tr>
<tr>
<td></td>
<td>2018 22.6 -</td>
<td>132,100</td>
<td>1,124,500</td>
<td>117,800</td>
<td>-78,800</td>
<td>1,163,500</td>
</tr>
<tr>
<td></td>
<td>2017 21.6 -</td>
<td>120,300</td>
<td>795,700</td>
<td>204,500</td>
<td>124,300</td>
<td>1,124,500</td>
</tr>
</tbody>
</table>

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

(2) Disclosure in such column represents the annual pension benefits payable to Named Executive Officers eligible for an immediate retirement at the end of the year based on their credited service at year-end. Under the Defined Benefit Pension Plan arrangements, Named Executive Officers must be aged 55 and older to be entitled to an immediate retirement. Ms. King has not yet reached that age and is therefore not eligible to an immediate pension at December 31, 2019. As such, no amount has been disclosed. For information purposes, the accrued annual pension amount payable at age 65 based on years of credited service and average pensionable earnings at December 31, 2019 for Ms. King, who is not eligible for an immediate pension, was $89,100.

(3) The compensatory change reflects the value of the projected pension benefits earned during fiscal year 2019 at a discount rate of 3.90% plus the change in the accrued obligation attributable to the impact of the differences between actual earnings (salary and bonus) for fiscal year 2019, and those assumed in the previous year’s calculations, less employee contributions.

All assumptions underlying the figures in the above table are the same as those used for financial statement purposes. Pensionable earnings as at December 31, 2019 are expected to increase up to retirement age at an annual rate of 1.40% plus productivity, merit and promotional scale. The discount rate used to calculate the defined obligation was 3.10% as of December 31, 2019, 3.80% as of December 31, 2018 and 3.50% as of December 31, 2017. The discount rate used to calculate the following year service cost was 3.80% as of December 31, 2018, 3.50% as of December 31, 2017 and 4.00% as of December 31, 2016. Those key assumptions and methods used to determine estimated amounts may not be identical to those used by other issuers and as a result, the figures may not be comparable with those of other companies.

DEFINED CONTRIBUTION PLAN

Ms. Cooper and Mr. Sciannamblo as Named Executive Officers, and other executive officers who joined the Corporation after January 1, 2006, participate in the Corporation’s Defined Contribution Pension Plan (the “Defined Contribution Pension Plan”). Effective July 1, 2013, the Corporation’s default contribution for all management employees was set at 2% of pensionable earnings and the employees could receive additional contributions from the Corporation, up to a maximum of 3%, if they also contribute to the Defined Contribution Pension Plan. Each participant has the responsibility to allocate the Corporation’s contributions made in his or her registered account among the investment options offered under the Defined Contribution Pension Plan. Namesake contributions are not allowed from that date to the end of the calendar year. The Defined Contribution Notional Account vests only upon reaching age 55 and is credited annually at the rate of return of a Canadian Index Bond Fund. The Defined Contribution Notional Account accumulates until termination, retirement or death, at which point it is paid in cash to the employee or beneficiary. The Defined Contribution Notional Account is not payable when termination, retirement or death occurs prior to age 55. Earnings include salary and short-term incentive awards, up to the target, whether paid in cash or Shares.

The following table shows amounts from the Defined Contribution Pension Plan for each applicable Named Executive Officer subject to their pension arrangement:

<table>
<thead>
<tr>
<th>Name</th>
<th>Year</th>
<th>Accumulated Value at Start of Year ($)</th>
<th>Compensatory Change (1) ($)</th>
<th>Accumulated Value at End of Year (2) ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treena Cooper</td>
<td>2019</td>
<td>77,779</td>
<td>17,019</td>
<td>94,798</td>
</tr>
<tr>
<td>Franco Sciannamblo</td>
<td>2019</td>
<td>69,966</td>
<td>21,825</td>
<td>91,794</td>
</tr>
</tbody>
</table>

(1) Represents the Corporation’s contributions paid to the Defined Contribution Pension Plan on behalf of the Named Executive Officer for the year ended December 31, 2019. The amounts include contributions paid by the Corporation to the Defined Contribution Notional Account on behalf of Mr. Sciannamblo of $4,809.

(2) Represents the accumulated value of the total contributions by the Corporation to the Named Executive Officer’s account at the end of 2019, excluding interest earned on the Corporation’s contributions.

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The following graphs and tables compare the total cumulative return on $100 invested on the first day of the five-year period in Shares with the cumulative total return on the S&P/TSX Composite Total Return Index (assuming in both cases reinvestment of dividends and trust distributions (as applicable) as of the date of payment of same) and the Named Executive Officers’ total compensation, as described in more detail below.

Performance Graph A includes the total compensation of the Named Executive Officers in 2019, namely the President and Chief Executive Officer, the Senior Vice-President and Chief Financial Officer, the Senior Vice-President, Organizational Effectiveness, the Vice-President, Secretary and General Counsel and the new Vice-President, Sales and Customer Service. Further, the Performance Graph A reflects the LTIP grant award received in 2017 by David A. Eckert, the President and Chief Executive Officer, as well as the signing bonus received by Stephen Smith, the Senior Vice-President, Profitable Growth. It should be noted that since the President and Chief Executive Officer is not entitled to further LTIP grant awards under the terms of his three-year employment agreement, Graph A shows a sharp decrease in total compensation in 2018.

Performance Graph B annualizes the one-time LTIP grant award received in 2017 by the President and Chief Executive Officer over the three-year term of his employment agreement and includes the signing bonus received in 2017 by the Senior Vice-President, Profitable Growth.

Both Performance Graph A and B include the 2019 annual STIP payout of 200% to applicable Named Executive Officers, which reflects the achievement on the Adjusted EBITDA less CAPEX well above target. Both Performance Graphs A and B reflect the annual awards granted under the LTIP to other Named Executive Officers, which remained similar to prior years.

In 2015, the total compensation of the Named Executive Officers decreased slightly in line with the decrease in the cumulative total return of an investment in the Shares of the Corporation from 2014 to 2015. The Corporate Scorecard Payout Factor under the annual STIP was determined at 82% to reflect the over-achievement on the Adjusted EBITDA target and two (2) out of the three (3) operational KPIs, and the STIP paid out from 82% to 100% of the target for the Named Executive Officers considering individual performance and accomplishments. The annual awards granted under the LTIP to the Named Executive Officers were at the same grant levels as in 2013 and 2014, as no changes were made to the base salaries and long-term incentive targets.

In 2016, the total compensation of the Named Executive Officers increased while the cumulative total return of an investment in the Shares of the Corporation decreased between 2014 and 2016. The Corporate Scorecard Payout Factor under the annual STIP was determined at 81% to reflect the achievement on the Adjusted EBITDA target and two (2) out of the three (3) operational KPIs, with a payout for Named Executive Officers at 81% of the target once individual performance and accomplishments were considered.

In 2017, the total compensation of the Named Executive Officers increased sharply due to the LTIP grant award received by the new President and Chief Executive Officer, while the cumulative total return of an investment in the Shares of the Corporation decreased between 2014 and 2017. The Corporate Scorecard Payout Factor under the annual STIP was determined at 65% to reflect the achievement on the Adjusted EBITDA target and only one (1) out of the three (3) operational KPIs, with a payout for Named Executive Officers at 65% of the target once individual performance and accomplishments were considered.

In 2018, the total compensation of the Named Executive Officers decreased significantly compared to 2017 which included the LTIP grant award received by the President and Chief Executive Officer in 2017, while the cumulative total return of an investment in the Shares of the Corporation decreased between 2014 and 2018. The Corporate Scorecard Payout Factor under the annual STIP was determined at 200% to reflect the achievement on the Adjusted EBITDA less CAPEX well above target.
In 2019, the total compensation of the Named Executive Officers decreased compared to 2018 which included the LTIP grant award received by the President and Chief Executive Officer, while the cumulative total return of an investment in the Shares of the Corporation increased from the year prior. The Corporate Scorecard Payout Factor under the annual STIP was determined at 200% to reflect the achievement on the Adjusted EBITDA less CAPEX well above target.

**SUMMARY COMPENSATION TABLE**

The following table provides a summary of the compensation earned in respect of the 2019, 2018 and 2017 fiscal years by each of the Named Executive Officers for services rendered in all capacities to the Corporation. The Share-based and Option-based awards made to Mr. Eckert in 2017 represent a LTIP grant award for that year. Pursuant to his three-year employment agreement, Mr. Eckert is not entitled to receive any additional LTIP award for that period.

For further details on the philosophy underpinning Mr. Eckert’s employment arrangement and the one-time LTIP grant award, see “Executive Compensation – Discussion and Analysis – Employment Agreements, Terminations and Change of Control Benefits – Employment Agreement of the New President and Chief Executive Officer”.

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Base Salary(1)</th>
<th>Share-based awards(2)</th>
<th>Option-based awards(3)</th>
<th>Annual Incentive plans(4)</th>
<th>Long-term Incentive plans</th>
<th>Pension value(5)</th>
<th>All other compensation(6)</th>
<th>Total compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>David A. Eckert</strong></td>
<td>2019 875,000</td>
<td>-</td>
<td>-</td>
<td>1,750,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,825,051</td>
</tr>
<tr>
<td>President and Chief Executive Officer</td>
<td>2018 875,000</td>
<td>-</td>
<td>1,750,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>237,427</td>
<td>2,862,427</td>
</tr>
<tr>
<td>Franco Scianamblo</td>
<td>2019 275,000</td>
<td>-</td>
<td>4,477,588</td>
<td>510,420</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,042,674</td>
</tr>
<tr>
<td>Senior Vice-President and Chief Financial Officer</td>
<td>2017 239,000</td>
<td>2,125,007</td>
<td>-</td>
<td>275,000</td>
<td>21,825</td>
<td>-</td>
<td>15,580</td>
<td>778,075</td>
</tr>
<tr>
<td>Treena Cooper</td>
<td>2018 184,429</td>
<td>25,500</td>
<td>25,500</td>
<td>194,800</td>
<td>-</td>
<td>-</td>
<td>17,019</td>
<td>497,235</td>
</tr>
<tr>
<td>Vice-President, Secretary and General Counsel</td>
<td>2017 170,000</td>
<td>45,000</td>
<td>-</td>
<td>27,625</td>
<td>-</td>
<td>-</td>
<td>16,551</td>
<td>253,163</td>
</tr>
<tr>
<td>John Ireland</td>
<td>2019 395,000</td>
<td>-</td>
<td>335,750</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167,551</td>
<td>1,293,302</td>
</tr>
<tr>
<td>Senior Vice-President of Organizational Effectiveness</td>
<td>2018 197,463</td>
<td>35,307</td>
<td>81,900</td>
<td>237,000</td>
<td>-</td>
<td>-</td>
<td>632,770</td>
<td>1,309,177</td>
</tr>
<tr>
<td>Sherilyn King</td>
<td>2017 175,620</td>
<td>21,601</td>
<td>50,401</td>
<td>216,005</td>
<td>117,800</td>
<td>-</td>
<td>585,832</td>
<td>780,000</td>
</tr>
<tr>
<td>Vice-President, Sales and Customer Service</td>
<td>2018 395,000</td>
<td>45,000</td>
<td>-</td>
<td>43,218</td>
<td>-</td>
<td>-</td>
<td>440,832</td>
<td>836,607</td>
</tr>
<tr>
<td>Stephen K. Smith</td>
<td>2017 395,000</td>
<td>-</td>
<td>335,750</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167,551</td>
<td>1,309,177</td>
</tr>
<tr>
<td>Senior Vice-President, Profitable Growth</td>
<td>2018 395,000</td>
<td>335,750</td>
<td>417,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167,551</td>
<td>1,309,177</td>
</tr>
</tbody>
</table>

**NEO Summary Compensation Value**

<table>
<thead>
<tr>
<th>Name</th>
<th>Summary Compensation Value</th>
<th>Accounting Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franco Scianamblo</td>
<td>$206,250</td>
<td>$293,658</td>
</tr>
<tr>
<td>Treena Cooper</td>
<td>$84,000</td>
<td>$119,598</td>
</tr>
<tr>
<td>John Ireland</td>
<td>$335,750</td>
<td>$478,042</td>
</tr>
<tr>
<td>Sherilyn King</td>
<td>$81,900</td>
<td>$116,608</td>
</tr>
<tr>
<td>Stephen K. Smith</td>
<td>$335,750</td>
<td>$478,042</td>
</tr>
</tbody>
</table>

The difference between the grant date fair value for accounting purposes and the grant date fair value for compensation purposes as disclosed in the SCT is due to the use of different assumptions and estimates.

(1) The amount shown in the Summary Compensation table represents the actual base salary earned in 2019, taking into account Ms. King received a salary increase to $205,000 when she was promoted to Vice-President, Sales and Customer Service on September 11, 2019 and Mr. Smith left the Corporation on September 11, 2019.

(2) The dollar value disclosed in this column for the year 2019 represents the incentive amount at target for Mr. Cooper and King awarded in the form of RSUs. The grant date fair value of the 2019 RSUs awarded as disclosed in such column is based on the Share price on the grant date and is the same as the accounting fair value.

(3) The dollar value disclosed in this column represents the grant date fair value calculated as at the applicable grant date using the binomial option-pricing model for 2017 and the black-scholes option-pricing model for 2018 and 2019 based on the following factors, key assumptions and plan provisions:

<table>
<thead>
<tr>
<th>Year</th>
<th>Option-based awards (fair value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
</tr>
</tbody>
</table>

(4) Annual short-term incentive plan amounts are paid in cash in the year following the fiscal year in respect of which they are earned. For 2019, the corporate payout factor amounted to 200% with the individual performance multiplier being 200%.

(5) Dollar values disclosed in such column correspond to the dollar values in the "Compensatory change" column in the Defined Benefit Plan and Defined Contribution Plan tables. The amount disclosed in 2019 for Mr. Scianamblo also includes the Corporation’s contributions in his Defined Contribution Notional Accounts. See “Executive Compensation – Discussion and Analysis – Benefits, Perquisites and Pension” for details.

(6) No perquisites are included for the Named Executive Officers other than Messrs. Eckert, Smith and Ireland given that they do not in aggregate, exceed the lesser of $50,000 or 10% of the salary for each of these Named Executive Officers. These perquisites include a company car or car allowance, financial planners, annual medical examinations, home security services and additional dollar credits under the Corporation’s group benefits program. Mr. Eckert is also eligible for reimbursement of all travel expenses between his residence in the U.S. and Canada and living expenses while in Canada; reimbursement of individual U.S.A. health plan coverage and tax equalization and gross up. The amount disclosed for Mr. Eckert in 2019 includes $35,659.81 for reimbursement of all travel expenses between his residence in the U.S. and Canada and living expenses while in Canada; reimbursement of individual U.S.A. health plan coverage and tax equalization and gross up.

The amount disclosed for Mr. Ireland in 2019 includes a housing allowance of $58,300 and reimbursement of duplicate taxation incurred in the Commonwealth of Pennsylvania in the amount of $41,250 USD (using the 2019 Bank of Canada average annual exchange rate of 1.3275, the amount in Canadian is $73,451) for reimbursement for U.S. medical coverage (life, AD&D, disability, medical and dental), and $77,664.49 in tax equalization and gross up. Further, pursuant to the terms of Mr. Eckert’s employment agreement, he was eligible to receive $5,000 USD (using the 2019 Bank of Canada average annual exchange rate of 1.2375, the amount in Canadian was $6,638) to contribute to a health flex-spending account and $5,000 USD (using the 2019 Bank of Canada average annual exchange rate of 1.3275, the amount in Canadian was $6,638) to subsidize home office expenses.

The amount disclosed for Mr. Ireland in 2019 includes a housing allowance of $58,300 and reimbursement of duplicate taxation incurred in the Commonwealth of Pennsylvania in the amount of $41,250 USD (using the 2019 Bank of Canada average annual exchange rate of 1.2375, the amount in Canadian is $54,759), an annual travel allowance to his place of residence in the USA of $15,000, a company car allocation of $19,016 and related expenses of $2,374 and medical coverage of $18,100.
INCENTIVE PLAN AWARDS

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table indicates for each of the Named Executive Officers all awards outstanding as at December 31, 2019. The Share-based and Option-based awards made to Mr. Eckert in 2017 represents an LTIP grant award. Pursuant to his three-year employment agreement, Mr. Eckert is not entitled to receive additional LTIP awards during that period. For further details on the philosophy underpinning Mr. Eckert’s employment arrangement and the one-time LTIP grant award, see “Executive Compensation – Discussion and Analysis – Employment Agreements, Terminations and Change of Control Benefits - Employment Agreement of the New President and Chief Executive Officer”.

<table>
<thead>
<tr>
<th>OPTION-BASED AWARDS(1)</th>
<th>SHARE-BASED AWARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>(#)</td>
</tr>
<tr>
<td>------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>David A. Eckert</td>
<td>1,403,750</td>
</tr>
<tr>
<td>Franco Sciannamblo</td>
<td>34,414</td>
</tr>
<tr>
<td></td>
<td>13,207</td>
</tr>
<tr>
<td></td>
<td>95,654</td>
</tr>
<tr>
<td>Treena Cooper</td>
<td>9,084</td>
</tr>
<tr>
<td></td>
<td>6,662</td>
</tr>
<tr>
<td></td>
<td>38,957</td>
</tr>
<tr>
<td>John Ireland</td>
<td>132,953</td>
</tr>
<tr>
<td>Sherilyn King</td>
<td>17,956</td>
</tr>
<tr>
<td></td>
<td>155,714</td>
</tr>
<tr>
<td>Stephen K. Smith</td>
<td>126,513</td>
</tr>
<tr>
<td></td>
<td>155,714</td>
</tr>
</tbody>
</table>

(1) The Options were granted to the Named Executive Officers under the 2012 Stock Option Plan and the dollar value shown represents the in the money amounts for each grant of Options to the Named Executive Officer whose grant price is below the closing price of the Shares on the TSX on December 31, 2019, which was $9.06, granted to the Named Executive Officers. The market value of the Options granted to Ms. Cooper and Mr. Sciannamblo in August 2018 is nil as the Option exercise price was at $10.4723, above the closing price of the Shares on the TSX on December 31, 2019, which was $9.06.

(2) The share-based awards shown for all Named Executive Officers represent PSUs or RSUs granted to the Named Executive Officers under the RSU&PSU Plan. See “Executive Compensation – Discussion and Analysis – Long-Term Incentive Programs – Restricted Share Unit and Performance Share Unit Plan” for a description of the 2017, 2018 and 2019 LTIP. The market or payout value of both PSUs and RSUs is determined by multiplying the number of PSUs and RSUs granted by the closing price of the Shares on the TSX on December 31, 2019, which was $9.06.

(3) The share-based awards shown for Ms. Cooper, Ms. King and Mr. Sciannamblo represent the vested, but not paid or distributed RSUs. The market or payout value of the RSUs was determined by the closing price of the Shares on the TSX on December 31, 2019, which was $9.06. For Ms. Cooper the dollar value represents 2,890 vested RSUs, or 2/3, of the RSUs granted in 2018. For Mr. Sciannamblo, the dollar value represents 3,591 RSUs, or 2/3, of the RSUs granted in 2019. For Ms. King, the dollar value represents 1,873 vested RSUs, or 2/3, of the RSUs granted in 2018 and 1,987 RSUs, or 1/3, of the RSUs granted in 2019. For Mr. Sciannamblo, the dollar value represents 3,591 RSUs, or 2/3, of the RSUs granted in 2018.

VALUE VESTED OR EARNED DURING THE YEAR ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-based Awards – Value Vested During the Year</th>
<th>Share-based Awards – Value Vested During the Year (1)</th>
<th>Non-equity Incentive Plan Compensation – Value Earned During the Year (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>David A. Eckert</td>
<td>-</td>
<td>233,113</td>
<td>1,750,000</td>
</tr>
<tr>
<td>Franco Sciannamblo</td>
<td>-</td>
<td>-</td>
<td>275,000</td>
</tr>
<tr>
<td>Treena Cooper</td>
<td>-</td>
<td>76,004</td>
<td>160,000</td>
</tr>
<tr>
<td>John Ireland</td>
<td>-</td>
<td>-</td>
<td>395,000</td>
</tr>
<tr>
<td>Sherilyn King</td>
<td>-</td>
<td>91,207</td>
<td>237,000</td>
</tr>
<tr>
<td>Stephen K. Smith</td>
<td>-</td>
<td>-</td>
<td>305,900</td>
</tr>
</tbody>
</table>

(1) The value shown for Ms. Cooper, Ms. King and Mr. Sciannamblo represents the value of their vested RSUs and PSUs of the 2017 vested grant (see “Executive Compensation – Discussion and Analysis – Long-Term Incentive Programs – 2017 LTIP” for details).

(2) The amounts disclosed for Named Executive Officers are the same as those disclosed in the Summary Compensation Table under the heading “Annual Incentive Plans” for 2019.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at December 31, 2019, the equity compensation plans pursuant to which equity securities of the Corporation may be issued:

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights</th>
<th>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</th>
<th>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities Reflected in the First Column)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity compensation plans approved by security holders (1)</td>
<td>1,983,102</td>
<td>$7.11</td>
<td>725,205</td>
</tr>
</tbody>
</table>

(1) Represents Shares issuable upon the exercise of Options granted in 2013, 2014, 2015 and 2016 under the 2012 Stock Option Plan. For a description of the 2012 Stock Option Plan, see “Executive Compensation – Discussion and Analysis – Total Compensation Components – 2012 Stock Option Plan”. There are no equity compensation plans that were not approved by the Shareholders.
EMPLOYMENT AGREEMENTS, TERMINATIONS AND CHANGE OF CONTROL BENEFITS

EMPLOYMENT AGREEMENT, NON-COMPETE / NON-SOLICITATION AND SEPARATION TERMS

David A. Eckert, President and Chief Executive Officer, Treena Cooper, Vice President, Secretary and General Counsel, John Ireland, Senior Vice-President of Organizational Effectiveness and Franco Sciannamblo, Senior Vice-President and Chief Financial Officer have employment agreements with the Corporation. Each of the Named Executive Officers are bound by certain standard restrictive covenants in favour of the Corporation, including non-disclosure, non-solicitation and non-competition provisions for a period of two (2) years following termination of employment. Sherilyn King, Vice-President, Sales and Customer Care does not currently have an employment agreement with the Corporation.

The following table indicates estimated incremental payments triggered pursuant to a termination of employment or a change of control in accordance with the applicable provisions of outstanding employment agreements or change of control provisions under the Severance Agreements for each of the applicable Named Executive Officers as at December 31, 2019. In the event of a termination for cause or resignation other than for good reason, the Named Executive Officers are not entitled to incremental payments.

<table>
<thead>
<tr>
<th>Base Salary</th>
<th>Short-term Incentive</th>
<th>Long-term Incentive</th>
<th>Benefits, Pension and Perquisites</th>
<th>Total</th>
<th>Equity-Based Value Payable upon a Change of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>David A. Eckert</td>
<td>437,500</td>
<td>437,500</td>
<td>2,951,049</td>
<td>3,826,049</td>
<td>2,951,049</td>
</tr>
<tr>
<td>Franco Sciannamblo</td>
<td>275,009</td>
<td>137,504</td>
<td>104,171</td>
<td>516,671</td>
<td>669,211</td>
</tr>
<tr>
<td>Treena Cooper</td>
<td>200,012</td>
<td>80,005</td>
<td>41,757</td>
<td>321,757</td>
<td>321,933</td>
</tr>
<tr>
<td>John Ireland</td>
<td>395,012</td>
<td>197,506</td>
<td>-</td>
<td>592,506</td>
<td>691,152</td>
</tr>
<tr>
<td>Sherilyn King</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>277,579</td>
</tr>
</tbody>
</table>

(1) The severance value disclosed above for Ms. Cooper and Messrs. Eckert, Sciannamblo and Ireland is payable upon termination without cause or for good reason as defined in their employment agreements with the Corporation. The severance value payable upon a change of control is triggered upon a termination without cause or resignation for good reason within twelve (12) months following the change of control. Mr. Smith was terminated on September 11, 2019. Details surrounding his Severance Agreement may be found in “Employment Agreements, Termination and Change of Control – Separation”. Ms. King does not have an employment agreement with the Corporation.

(2) The dollar amounts represent the RSUs that would vest in accordance with the RSU/PSU Plan upon termination as of December 31, 2019. All PSUs granted in 2017 would be cancelled. The market or payout value of the RSUs was determined by the closing price of the Shares on the TSX on December 31, 2019, which was $9.06. For Ms. Cooper the dollar value represents 2/3rds or 3,164 RSUs granted in 2017 and 1/3rd or 1,445 RSUs granted in 2018. For Ms. King, the dollar value represents 2/3rds or 3,796 RSUs granted in 2017 and 1/3rd or 1,795 RSUs granted in 2018. For Mr. Sciannamblo, the dollar value represents 2/3rds or 9,703 RSUs granted in 2017 and 1/3rd or 1,795 RSUs granted in 2018. Under the terms of Mr. Eckert’s Employment Agreement, all of his long-term incentive would immediately vest if he were terminated as of December 31, 2019. The payout value was determined by the closing price of the Shares on the TSX on December 31, 2019, which was $9.06.

(3) For Ms. Cooper and Messrs. Eckert, Ireland and Sciannamblo no additional compensatory amounts are payable under their respective employment agreements.

(4) The value disclosed for all Named Executive Officers in this column includes Options, Restricted, and Performance Share Units assuming no alternative awards are granted according to the 2012 Share Option Plan and RSU/PSU Plan following a change of control.

EMPLOYMENT AGREEMENT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

On September 15, 2017, the Corporation announced the appointment of David A. Eckert as the new President and Chief Executive Officer. The Board selected Mr. Eckert based on his unique and specific experience and track-record within the industry, his immediate availability and positive input from key shareholders who had prior business experience with him. Mr. Eckert’s role as President and Chief Executive Officer is for a fixed term of three (3) years, with the key objectives of creating operational rationalization, reducing debt and growing shareholder value.

On July 29, 2019 the Corporation amended the terms of Mr. Eckert’s employment agreement; (i) the specific mandate delineated by the Board; (ii) the fixed-term nature of the employment agreement; (iii) the Corporation’s current compensation philosophy; and (iv) the Board’s focus on creating shareholder value in a timely manner. Mr. Eckert’s employment agreement contains the following features:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Base Salary</th>
<th>Resignation for Good Reason or Termination Without Cause</th>
<th>Resignation without Good Reason or Termination for Cause</th>
<th>Expiry of Term</th>
<th>Change of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$875,000 CAD, payable in USD converted at a fixed exchange rate of 0.82 USD per $1CAD.</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to Mr. Eckert’s base salary for 50% of the remaining number of months to the term, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>Upon the expiry of the term, Mr. Eckert will be entitled to a lump sum payment for earned but unpaid base salary, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>If Mr. Eckert resigns for good reason or is terminated without cause within a period of twelve (12) months following a change in control, he will be entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to his base salary for 50% of the remaining number of months to the term, unpaid eligible expenses and accrued but unused vacation days. Should the number of remaining months be less than twelve (12), for the purposes of this calculation, the remaining months will be deemed to be twelve (12).</td>
</tr>
<tr>
<td>Feature</td>
<td>Base</td>
<td>Resignation for Good Reason or Termination Without Cause</td>
<td>Resignation without Good Reason or Termination for Cause</td>
<td>Expiry of Term</td>
<td>Change of Control</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>----------------</td>
<td>-------------------</td>
</tr>
<tr>
<td><strong>Short-term Cash Incentive (STIP)</strong></td>
<td>Target STIP set at 100% of base salary and maximum payment fixed at 200% of base salary.</td>
<td>Entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement periods preceding the date of termination, plus an amount equal to his STIP bonus for six (6) of the remaining number of months to the term.</td>
<td>Entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement periods preceding the date of termination.</td>
<td>Entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement periods preceding the expiration of the term plus an amount equal to his STIP bonus for the fourth period of performance measurement pro-rated for the number of months worked in 2020.</td>
<td>If Mr. Eckert resigns for good reason or is terminated without cause within a period of twelve (12) months following a change in control, he will be entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement periods preceding the date of termination, plus an amount equal to his STIP bonus for 50% of the remaining number of months to the term. Should the number of remaining months be less than twelve (12), for the purposes of this calculation, the remaining months will be deemed to be twelve (12).</td>
</tr>
<tr>
<td><strong>Long-term Incentive (LTIP)</strong></td>
<td>In 2017, a grant of 701,875 Options and 701,875 Stock Appreciation Rights (SARs) at an exercise price of $7.97 vesting and exercisable on September 15, 2020 (expiration of the term). Mr. Eckert also received at the time a grant of 156,839 RSUs. Mr. Eckert is not eligible during the term for any further LTIP awards.</td>
<td>One-third of the LTIP shall vest as of the date of termination if termination occurs prior to the first anniversary of the grant date. Two-thirds of the LTIP shall vest as of the date of termination if termination occurs on or after the first anniversary grant date but prior to 18 months after the grant date. All of the LTIP award shall vest as of the date of termination if the termination occurs on or after 18 months from the grant date.</td>
<td>All of the LTIP shall immediately expire and terminate as of the date of termination if the resignation occurs prior to the first anniversary of the grant date. One-third of the LTIP shall vest as of the date of termination if the resignation occurs on or after the first anniversary of the grant date but prior to the second anniversary of the grant date. Two-thirds of the LTIP shall vest as of the date of termination if the resignation occurs on or after the second anniversary of the grant date but prior to the third anniversary of the grant date.</td>
<td>All LTIP shall vest and exercise.</td>
<td>In accordance with the Plan text, all unvested LTIP shall vest immediately to the extent no alternative awards are made following the change in control.</td>
</tr>
<tr>
<td><strong>Pension and Other Benefits</strong></td>
<td>Participation in all group insurance and perquisite plans as other executives of the Corporation, in addition to U.S. health plan coverage. Mr. Eckert is not entitled to participate in the Corporation’s Pension Plan. Mr. Eckert receives taxation gross up and income tax equalization.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
</tr>
</tbody>
</table>

As part of his employment agreement, should the Corporation implement a regular dividend policy Mr. Eckert would be entitled to a special cash award in respect of such periods that dividends are paid. The payment would be equal to the dividend paid, multiplied by the number of SARs awarded, times two (2). Further, Mr. Eckert is bound by certain standard restrictive covenants in favour of the Corporation, including non-disclosure, non-solicitation and non-compete provisions for a period of two (2) years following termination of employment. Mr. Eckert is not bound by the Corporation’s Share Ownership Guidelines. Notwithstanding the foregoing, the Corporation shall deduct 17.75% from the gross proceeds of any payment to be made to Mr. Eckert in respect of the SARs to purchase shares on the open market on behalf of Mr. Eckert, which shares shall be held in trust by the Corporation for a period of twelve (12) months following the end of Mr. Eckert’s employment.
On July 19, 2018 the Corporation announced the appointment of Franco Sciannamblo as the Senior Vice-President and Chief Financial Officer. Mr. Sciannamblo’s employment agreement was amended on May 27, 2019, whereby his base salary was increased from $275,000 to $340,000 and his Target LTIP was increased from 75% to 85% of base salary, both effective January 1, 2020. Mr. Sciannamblo’s employment agreement contains the following features:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Base</th>
<th>Resignation for Good Reason or Termination Without Cause</th>
<th>Resignation without Good Reason or Termination for Cause</th>
<th>Change of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$340,000</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to Mr. Sciannamblo’s base salary for a period of twelve (12) months, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>If Mr. Sciannamblo resigns for good reason or is terminated without cause within a period of twelve (12) month following a change in control, he will be entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to Mr. Sciannamblo’s base salary for a period of twelve (12) months, unpaid eligible expenses and accrued but unused vacation days.</td>
</tr>
<tr>
<td>Short-term Cash Incentive (STIP)</td>
<td>Target STIP set at 50% of base salary and maximum payment fixed at 100% of base salary.</td>
<td>Entitled to a lump sum payment of any due and unpaid STIP bonus for the completed performance measurement periods preceding the performance measurement period during which the termination of Mr. Sciannamblo’s employment occurs and his STIP bonus calculated at target pro-rated for the number of months worked in the period of performance measurement during which the termination of his employment occurs.</td>
<td>Entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement periods preceding the date of termination.</td>
<td>If Mr. Sciannamblo resigns for good reason or is terminated without cause within a period of twelve (12) month following a change in control, he will be entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement period(s) preceding the performance measurement period during which the termination of Mr. Sciannamblo’s employment occurs plus his STIP bonus calculated at target pro-rated for the number of months worked in the period of performance measurement during which the termination of his employment occurs.</td>
</tr>
<tr>
<td>Long-term Incentive (LTIP)</td>
<td>Participation in all of the Corporation’s executive LTIP composed of Options, RSUs, PSUs, and SARs. Target LTIP set at 85% of base salary.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
</tr>
<tr>
<td>Pension and Other Benefits</td>
<td>Participation in all group insurance and perquisite plans as other executives of the Corporation, along with participation in the Corporation’s Defined Contribution Pension Plan.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
</tr>
</tbody>
</table>
EMPLOYMENT AGREEMENT OF THE VICE-PRESIDENT, SECRETARY AND GENERAL COUNSEL

On July 19, 2018 the Corporation announced the appointment of Treena Cooper as Vice-President, Secretary and General Counsel. The Corporation entered into an employment agreement with Ms. Cooper on May 28, 2019 which contains the following features:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Base</th>
<th>Resignation for Good Reason or Termination Without Cause</th>
<th>Resignation without Good Reason or Termination for Cause</th>
<th>Change of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$230,000</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to Ms. Cooper’s base salary for a period of twelve (12) months, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>If Ms. Cooper resigns for good reason or is terminated without cause within a period of twelve (12) months following a change in control, she will be entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to Ms. Cooper’s base salary for a period of twelve (12) months, unpaid eligible expenses and accrued but unused vacation days.</td>
</tr>
<tr>
<td>Short-term Cash Incentive (STIP)</td>
<td>Target STIP set at 40% of base salary and maximum payment fixed at 80% of base salary.</td>
<td>Entitled to a lump sum payment of any due and unpaid STIP bonus for the completed performance measurement periods preceding the performance measurement period during which the termination of Ms. Cooper’s employment occurs and her STIP bonus calculated at target pro-rated for the number of months worked in the period of performance measurement during which the termination of her employment occurs.</td>
<td>Entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement periods preceding the date of termination.</td>
<td>If Ms. Cooper resigns for good reason or is terminated without cause within a period of twelve (12) months following a change in control, she will be entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement period(s) preceding the performance measurement period during which the termination of Ms. Cooper’s employment occurs plus her STIP bonus calculated at target pro-rated for the number of months worked in the period of performance measurement during which the termination of her employment occurs.</td>
</tr>
<tr>
<td>Long-term Incentive (LTIP)</td>
<td>Participation in all of the Corporation’s executive LTIP composed of Options, RSUs, PSUs, and SARs. Target LTIP set at 60% of base salary.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
</tr>
<tr>
<td>Pension and Other Benefits</td>
<td>Participation in all group insurance and perquisite plans as other executives of the Corporation, along with participation in the Corporation’s Defined Contribution Pension Plan.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
</tr>
</tbody>
</table>
EMPLOYMENT AGREEMENT OF THE SENIOR VICE-PRESIDENT, ORGANIZATIONAL EFFECTIVENESS

On November 15, 2017 the Corporation announced the appointment of John Ireland as the Senior Vice-President, Organizational Effectiveness. Mr. Ireland’s employment agreement is for a fixed term of four (4) years and contains the following features:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Base</th>
<th>Resignation for Good Reason or Termination Without Cause</th>
<th>Resignation without Good Reason or Termination for Cause</th>
<th>Change of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$395,000.</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to Mr. Ireland’s base salary for a period of twelve (12) months, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>Entitled to a lump sum payment for earned but unpaid base salary, unpaid eligible expenses and accrued but unused vacation days.</td>
<td>If Mr. Ireland resigns for good reason or is terminated without cause within a period of twelve (12) months following a change in control, he will be entitled to a lump sum payment for earned but unpaid base salary plus an amount equal to Mr. Ireland’s base salary for a period of twelve (12) months, unpaid eligible expenses and accrued but unused vacation days.</td>
</tr>
<tr>
<td>Short-term Cash Incentive(STIP)</td>
<td>Target STIP set at 50% of base salary and maximum payment fixed at 100% of base salary.</td>
<td>Entitled to a lump sum payment of any due and unpaid STIP bonus for the completed performance measurement periods preceding the performance measurement period during which the termination of Mr. Ireland’s employment occurs and his STIP bonus calculated at target pro-rated for the number of months worked in the period of performance measurement during which the termination of his employment occurs.</td>
<td>Entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement periods preceding the date of termination.</td>
<td>If Mr. Ireland resigns for good reason or is terminated without cause within a period of twelve (12) months following a change in control, he will be entitled to a lump sum payment for any due and unpaid STIP bonus for the completed performance measurement period(s) preceding the performance measurement period during which the termination of Mr. Ireland’s employment occurs plus his STIP bonus calculated at target pro-rated for the number of months worked in the period of performance measurement during which the termination of his employment occurs.</td>
</tr>
<tr>
<td>Long-term Incentive (LTIP)</td>
<td>Participation in all of the Corporation’s executive LTIP composed of Options, RSUs, PSUs, and SARs. Target LTIP set at 85% of base salary.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
<td>In accordance with the terms of the RSU, PSU, Options, and SARs Plan text. For further detail see “Executive Compensation – Discussion and Analysis – Summary of the Stock Option Plan, RSU&amp;PSU Plan and the SARs Plan”.</td>
</tr>
<tr>
<td>Pension and Other Benefits</td>
<td>Participation in all group insurance and perquisite plans as other executives of the Corporation. Mr. Ireland does not participate in the Corporation’s Pension Plan. Mr. Ireland receives a housing allowance of $5,000 per month and reimbursement of duplicate taxation he may incur in the Commonwealth of Pennsylvania.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
<td>Forfeited.</td>
</tr>
</tbody>
</table>

TERMINATION

STEPHEN SMITH

Effective September 11, 2019, the Corporation entered into a separation agreement with Stephen Smith pursuant to which the employment of Mr. Smith was terminated (in this section, the “Separation Date”).

The Corporation agreed to pay Mr. Smith a termination payment of $120,000 to be paid in equal installments of $20,000 over six quarters, beginning in the fourth quarter of 2019 and ending in the first quarter of 2021. Subject to the approval of the Corporation’s Board, Mr. Smith received a 2019 STIP, prorated from January 1, 2019 to Mr. Smith’s Separation Date.

All outstanding equity at the Separation Date was treated in accordance with the 2012 Stock Option Plan. The 126,513 Options granted in 2018 and the 155,714 Options granted in 2019 shall expire on June 30, 2020.

In return, Mr. Smith agreed to certain non-compete, non-solicitation and assignment of intellectual property rights agreement covenants for a period of two (2) years.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

The Directors are covered under a Directors and officers’ liability insurance policy. The policy covers the Directors and officers of the Corporation and the Directors and officers of all of its subsidiaries. The insurance contract contains a deductibility provision of $1 million per claim. For fiscal year 2019, the Corporation paid premiums of $214,250 in respect of Directors’ and officers’ liability insurance.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

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

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

APPOINTMENT OF AUDITOR

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

AUDIT FEES

During the 2019 and 2018 fiscal years, the Corporation retained its independent auditor, Deloitte, to provide services in the categories and for the approximate amounts that follow:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td></td>
<td>($)</td>
<td>($)</td>
</tr>
<tr>
<td>Audit fees</td>
<td>668,000</td>
<td>1,260,000</td>
</tr>
<tr>
<td>Audit-related fees</td>
<td>35,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Tax fees</td>
<td>100,000</td>
<td>302,000</td>
</tr>
<tr>
<td>Total</td>
<td>803,000</td>
<td>1,632,000</td>
</tr>
</tbody>
</table>

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

*Tax fees.* These fees consist of two (2) categories: (i) tax compliance and preparation fees; and (ii) tax advice and planning fees and other special purpose mandates approved by the Audit Committee.

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

CORPORATE GOVERNANCE PRACTICES

A statement of the Corporation’s Corporate Governance Practices is set out in Schedule “A”.

GENERAL

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

SHAREHOLDER PROPOSALS FOR THE 2021 ANNUAL GENERAL MEETING

The Corporation will include proposals from Shareholders that are received by the Corporation within the prescribed time period and that comply with applicable laws in the management proxy circular for the Corporation’s 2019 annual general meeting. Please send your proposals to the Secretary of the Corporation at 1751 Rue Richardson, Suite 2.300, Montréal, Québec H3K 1G6 by no later than December 21, 2020.
ADDITIONAL INFORMATION

The Corporation is required under applicable Canadian securities laws to file various documents, including an annual information form and annual and quarterly financial statements. Financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analyses for its most recently completed financial year. Copies of these documents and additional information relating to the Corporation are available on SEDAR at www.sedar.com or may be obtained from the Secretary of the Corporation, upon request at 1751 Rue Richardson, Suite 2.300, Montréal, Québec H3K 1G6.

APPROVAL OF DIRECTORS

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


By order of the Directors of Yellow Pages Limited

(signed) Susan Kudzman
Susan Kudzman
Chair of the Board
ROLE OF THE BOARD

The mandate of the Board is to oversee the conduct of the Corporation’s business and to supervise Management. The Board establishes the overall policies for the Corporation, monitors and evaluates the Corporation’s strategic direction and retains plenary power for those functions not specifically delegated by it to its committees or to Management. The Board is the ultimate leadership body which gives direction to the Corporation’s business. As part of its stewardship responsibility, the Board advises Management on significant business issues. The Board discharges its responsibilities either directly or through its four (4) committees. See “Risk Oversight” below.

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

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

BOARD STRUCTURE AND OPERATIONS

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

The Board meets at least five (5) times per year and may meet more often if required. Meetings of the Board may be convened at the request of any member of the Board. To the extent feasible, Board meetings are scheduled sufficiently in advance in order to maximize Director participation. Directors are expected to provide sufficient time to devote to the affairs of the Corporation and make themselves available for such meetings and strive for perfect attendance at Board meetings. Directors are expected to attend in person all meetings (other than conference call meetings) of the Board and Committees on which they serve. Additionally, Directors are required to prepare thoroughly for each Board and Committee meeting by reviewing the relevant materials, understanding and remaining up-to-date in connection with the Corporation’s operations and the major trends in the business sector in which the Corporation operates and continually expanding on such knowledge.

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

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

The independent Directors meet in camera at every Board and Committee meeting without any member of Management present to ensure free and open discussion amongst themselves. In 2019, there were 13 such Board meetings.

POSITION DESCRIPTION

CHAIR OF THE BOARD AND CHAIRS OF THE BOARD COMMITTEES

The Chair of the Board is appointed by resolution of the Board among the Board members each year for a one-year term (except when a vacancy is being filled) and takes effect immediately following the annual general meeting of Shareholders. Susan Kudzman, an independent Director, has been serving as Chair of the Board since May 11, 2018. It is the Corporation’s current policy that the position of Board Chair be separate from that of the President and Chief Executive Officer.

The responsibilities of the Chair of the Board are set out in a position description which provides that the Chair of the Board, in addition to being an independent Director, is expected to provide leadership to the Board and to set the tone for the Board and the Directors to foster effective, ethical and responsible decision-making by them. Among other things, the Chair of the Board presides at meetings of the Board and generally oversees Board direction and administration, ensuring that the Board works as a cohesive team, builds a strong governance culture and carries out its duties. The Chair acts as liaison between the Board and Management, provides advice and counsel to the President and Chief Executive Officer, Committee Chairs and fellow Directors. The Chair of the Board works with the President and Chief Executive Officer and senior Management to monitor progress on strategic planning and implementation.
The Board has also developed written position descriptions for the Chairs of each standing Board Committee. See “Committees of the Board – Corporate Governance and Nominating Committee”, “Committees of the Board – Human Resources and Compensation Committee” and “Committees of the Board – Audit Committee” below.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

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

INDEPENDENCE OF THE BOARD

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

TERM LIMITS AND RETIREMENT

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

CHANGE IN DIRECTOR OCCUPATION

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

MAJORITY VOTING POLICY

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

RECRUITMENT OF DIRECTORS

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

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

In accordance with the Diversity Policy, the Corporate Governance and Nominating Committee also sets measurable objectives for achieving diversity and recommends them to the Board for adoption. In particular, through the adoption of the Policy, the Board committed to having women represent at least 30% of its independent members by 2019 and to have women represent at least 30% of the Corporation’s senior management team (comprised of the Corporation’s executive officers) by 2019. In early 2019, the Corporation achieved this goal. In November 2019, the Corporate Governance and Nominating Committee recommended the Board, and the Board did so, amend the Diversity Policy to extend the Corporation’s commitment to have women represent at least 30% of independent Board members and executive officers (until 2021). At this time, the Diversity Policy does not include targets for Aboriginal peoples, persons with disabilities or members of visible minorities as directors or executive officers. No targets have been set for these other ‘designated groups’ (as defined in the CBBCA) as a result of the Corporation’s circumstances and its focus on implementing its turnaround strategy. For
similar reasons, the board does not specifically consider members of these other designated groups in the identification or nomination of directors or executive officers. The following disclosure is derived from information provided by the directors and executive officers. Such information was collected on a voluntary basis, and where a particular individual chose not to respond, the Corporation did not make assumptions or otherwise assign data to that individual.

As at March 23, 2020, 2, or 28.5% of the Board of Directors are women and 2, or 40% of the Corporation’s executive officers are women. Currently, there are no Aboriginal peoples, persons with disabilities or members of visible minorities serving on the Board of Directors or senior Management team.

<table>
<thead>
<tr>
<th>Diversity Policy Targets</th>
<th>Percentage of Women by 2021</th>
<th>Percentage of Women as of March 23, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors of the Board</td>
<td>30%</td>
<td>28.5%</td>
</tr>
<tr>
<td>Senior Management</td>
<td>30%</td>
<td>40%</td>
</tr>
</tbody>
</table>

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

CODE OF ETHICS

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

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

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

The Code of Ethics is available on the Corporation’s website at https://corporate.yp.ca/en/digital-media-company/governance/code-of-ethics. It may also be obtained upon request from the Secretary of the Corporation at its head office: 1751 Rue Richardson, Suite 2.300, Montréal, Québec H3K 1G6.

EXECUTIVE SUCCESSION PLANNING

The Board meets with members of the executive Management team and key staff members through their participation in meetings and presentations to the Board and, less informally through social events typically held during the year. The Board also has a practice of inviting high-potential executives to quarterly Board dinners, which allows advancing the succession planning in a less formal way. This exposure allows Board members to become familiar and interact with members of Management who are potential future leaders of the Corporation. However, although the Board remains focused on attracting and retaining the best possible talent and monitors talent in the organization and considers succession planning on an ongoing, informal basis, the organization’s ongoing turnaround efforts mean that Board’s focus has been in working with management to appropriately downsize the organization, including a reduction in management headcount.

COMMITTEES OF THE BOARD

The Board has four (4) standing Committees: the Corporate Governance and Nominating Committee, the HRCC the Audit Committee and the Ad Hoc Committee. A fifth Committee, the Special Committee, was created on June 10, 2019 for the purposes of reviewing and advising on potential M&A transactions. The Special Committee was subsequently dissolved on September 5, 2019. Save for the Ad Hoc Committee, the Committees consist only of independent Directors within the meaning of National Instrument 52-110 – Audit Committees of the CSA.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

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

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

The HRCC is responsible for assisting the Board in discharging its responsibilities related to the hiring, assessment, compensation and succession planning of executive and other human resources.

In addition, the HRCC is responsible for overseeing risks associated with the Corporation’s compensation policies and practices, as further described under the section “Executive Compensation – Discussion and Analysis – Determining Compensation – Compensation Decision Process and Risk Management”.

AUDIT COMMITTEE

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

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

AD HOC COMMITTEE

The Ad Hoc Committee was created on May 11, 2018 and is responsible for reviewing, considering and making recommendations to the Board with respect to any and all matters related to the streamlining of the Corporation’s portfolio of leased office space and such other matters as determined by the Board from time to time. The number of members of the Ad Hoc Committee was set at three (3) members. David Eckert, Rob Hall and Susan Kudzman serve on the Committee.

SPECIAL COMMITTEE

The number of members of the Special Committee was set at three (3) members. Craig Forman, Susan Kudzman (Chair) and Kalpana Raina served on such Committee. The Special Committee was created on June 10, 2019 and dissolved on September 5, 2019. The Special Committee was responsible for reviewing, considering and making recommendations to the Board with respect to any and all matters related to potential M&A transactions.

RISK OVERSIGHT

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

<table>
<thead>
<tr>
<th>Board of Directors Committees</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall responsibility for risk oversight and strategic business risks</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>Monitors financial risks, namely through the Financial Risk Policy and the Statement of Investment Policies and Procedures, and with the assistance of the internal auditor through internal audits</td>
<td>Human Resources and Compensation Committee</td>
</tr>
<tr>
<td>Oversees governance and supports risk management by establishing policies such as the Code of Ethics</td>
<td>Corporate Governance and Nominating Committee</td>
</tr>
</tbody>
</table>

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

The Board works with Management to develop the Corporation’s strategic direction which is currently focused on the near-term turnaround of the Company. Management and the Board discuss the main risks facing the Corporation’s business, strategic issues, competitive developments and corporate opportunities. Management presents strategic issues to the Board throughout the year and the President and Chief Executive Officer updates the Board on the execution of the Corporation’s initiatives at every regularly-scheduled Board meeting. The Board also raises various issues and topics for discussion as part of the overall process.
APPENDIX A

CHARTER OF THE BOARD OF DIRECTORS (THE “CHARTER”) OF YELLOW PAGES LIMITED (THE “CORPORATION”)

AUTHORITY

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

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

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

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

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

STRUCTURE

1. Directors are elected annually by the shareholders of the Corporation and together with those appointed to fill vacancies or appointed as additional Directors throughout the year, collectively constitute the Board of Directors of the Corporation.

2. The Board is composed of a majority of individuals who qualify as independent Directors (as defined under applicable securities laws). The composition of the Board, including the qualification of its members, shall otherwise comply with the constituting documents of the Corporation as well as other applicable legislation, rules and regulations.

3. The Chairperson of the Board shall be an independent Director (as defined under applicable securities laws) and be appointed by resolution of the Board having considered the recommendation of the Corporate Governance and Nominating Committee, from among the members of the Board to hold office from the time of his/her appointment until the next annual general meeting of shareholders or until his/her successor is so appointed. The Secretary of the Corporation (or his nominee) will act as the Secretary of the Board.

4. The Board shall meet at least once each quarter and may meet more often if required. Meetings of the Board may be convened at the request of any member of the Board. In addition, a special meeting of the Board shall be held, at least annually, to review the Corporation’s strategic plan. All Board meetings can be held by telephone or by any other means which enables all participants to communicate with each other simultaneously.

5. The independent Directors should hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance.

6. The provisions of the Articles and By-laws of the Corporation that regulate meetings and proceedings shall govern Board meetings.

7. At each regularly scheduled meeting, the Board shall meet privately and in separate in camera sessions with any other internal personnel or outside advisors, as needed or appropriate.

8. The Board may invite from time to time such persons as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Board.

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

10. The minutes of the Board meetings shall accurately record the significant discussions of and decisions made by the Board and shall be distributed to the Board members, with copies to the Chief Executive Officer of the Corporation (“CEO”), the Chief Financial Officer of the Corporation and the external auditors.

RESPONSIBILITIES OF THE BOARD

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

1. Providing independent effective leadership to supervise the management of the Corporation’s business and affairs to grow value responsibly in a profitable and sustainable manner. The Board shall institute procedures to ensure that the Board and the Board Committees function independently of management.

2. Reviewing and approving, at the beginning of each fiscal year, the business plan, capital budget and financial goals of the Corporation, policies and processes generated by management relating to the authorization of major investments and significant allocation of capital, as well as engaging in meaningful review of longer term strategic plans prepared and elaborated by management and, throughout the year, monitoring the achievement of the objectives set and, if advisable, approving any material amendments to, or variances from, these plans.

3. Reviewing and approving, if applicable, recommendations of any special committee of Directors established by the Board.

4. Reviewing and approving all securities continuous disclosure filings such as the Annual Report (including the audited financial statements of the Corporation), Proxy Circular, and Annual Information Form.

5. Ensuring that it is properly informed, on a timely basis, of all important issues (including environmental, cash management and business development issues), emerging trends and other developments involving the Corporation and its business environment.
6. In accordance with the Schedule of Authority of the Corporation, approve all major corporate decisions as well as any transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures.

7. Identifying, with management, the principal risks and opportunities related to the Corporation’s business as well as ensuring that systems are put in place and evaluated on a regular basis to manage these risks and exploit these opportunities in a timely fashion.

8. Satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Corporation.

9. Reviewing periodically the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to Directors in a timely manner.

10. Receiving reports from the Corporate Governance and Nominating Committee regarding breaches of the Code of Ethics of the Corporation and reviewing investigations and any resolutions of complaints received under the Code of Ethics of the Corporation.

11. Considering what competencies and skills the Board as a whole should possess, assessing what competencies and skills each existing Director possesses and considering the appropriate size of the Board. These specific responsibilities may be delegated by the Board to the Corporate Governance and Nominating Committee.

12. Choosing the CEO and otherwise ensuring proper succession planning, including appointing, training and monitoring of the Chairperson and senior executives.

13. Reviewing, considering and approving, if applicable, recommendations of any of its Committees, including the Human Resources and Compensation Committee’s assessment of the performance of the CEO and senior executives.

14. Adopting and reviewing at least annually, including with reference to the guidance set out in National Policy 51-201 – Disclosure Standards, the Corporation’s overall policy with respect to disclosure and communication, including measures for receiving feedback from the Corporation’s stakeholders, and management’s compliance with such policy.

15. Monitoring investor relations programs and communications with analysts, the media and the public.

16. Developing the Corporation’s approach to corporate governance, including adopting and enforcing good corporate governance principles and practices.

17. Ensuring the integrity of the Corporation’s internal controls over financial reporting, management information systems, disclosure controls and procedures and financial disclosure.

18. With the help of the Corporate Governance and Nominating Committee, approving the list of Board nominees for election by shareholders and overseeing the development and implementation of the Director orientation program and continuing education program.

19. Establishing Board Committees and defining their mandates to assist the Board in carrying out its duties and responsibilities.

20. Adopting measures including any of those referred to herein, for receiving feedback from and communicating with shareholders and other stakeholders and providing for appropriate disclosure of the measures as may be required by law or regulation.

21. Reviewing this Charter annually and recommending and implementing changes as appropriate. The Board shall ensure that processes are in place to annually evaluate the performance of the Board, the Committees and individual Directors with a view to the effectiveness, contribution and independence of the Board and its members.

22. Reviewing annually the Charters for each Committee of the Board, together with the position descriptions of each of the Chairperson, the CEO and the chairs of each Board Committee, to ensure the compliance with any applicable rules or regulations and approving any modifications to such items as considered advisable.

COMMUNICATION WITH THE BOARD

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

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

RESPONSIBILITIES OF DIRECTORS

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

1. Experience, competencies and background in order to make a significant contribution to the Board and its Committees and a clear understanding of their role and duties as Directors of a publicly held issuer.

2. Act honestly and in good faith and demonstrate high integrity, ethical and fiduciary standards, in particular those set forth in the CBCA and the Code of Ethics of the Corporation.

3. Act independently of management including being willing to take a stand, even if it is contrary to prevailing opinion.

4. Ability to express their point of view in an objective, logical and persuasive manner and to propose new ideas in line with the strategies and objectives of the Corporation.

5. Ability and willingness to work as a team with all Board and Committees members in an effective and productive manner.

6. Provide independent judgment and wise and thoughtful advice on a wide range of issues.

7. Provide sufficient time to devote to the affairs of the Corporation and make all reasonable efforts to attend all Board meetings and any meetings of Committees of which he or she is a member, and where attendance is not possible, make reasonable efforts to inform themselves of significant matters dealt with at such meetings.

8. Prepare thoroughly for each Board and Committee meeting by reviewing the materials provided and request, as appropriate, clarification or additional information in order to fully participate in Board deliberations, make informed business judgments and exercise effective oversight.
9. Understand the Corporation’s current corporate governance policies and practices, this Charter, Board policies and the Charters of Committees of the Board on which he or she serves, within a reasonable time of joining the Board.

10. Understand the Corporation’s operations and the major trends in the business sector in which the Corporation operates, within a reasonable time of joining the Board and continually expand this knowledge.

11. A high level of financial literacy, including the ability to read financial statements and use financial ratios and other indices to evaluate the Corporation’s performance.

12. Maintain agreed upon level of equity investment in the Corporation to ensure proper alignment with its long-term interests.

RESPONSIBILITIES OF THE CHAIRPERSON OF THE BOARD

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

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

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

RESPONSIBILITIES OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

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

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

SECTION 190 OF THE CBCA

Right to dissent

190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
(c) amalgamate otherwise than under section 184;
(d) be continued under section 188;
(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
(f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder’s name and address;
(b) the number and class of shares in respect of which the shareholder dissents; and
(c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under
subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9), in which
case the shareholder’s rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the
corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement
showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12)
has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty
days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the
shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period
of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or
in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the
court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and
be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should
be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed
by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved
by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting
shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under
subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights
as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked
subordinate to the rights of creditors of the corporation but in priority to its shareholders.
Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.
SCHEDULE “B”: ADOPTION OF SPECIAL RESOLUTION TO REDUCE STATED CAPITAL ACCOUNT

Form of Resolution

“BE IT RESOLVED THAT:

1. Pursuant to section 38(1) of the Canada Business Corporations Act, the stated capital account of the common shares of the Corporation be reduced to $1,000,000, with the Corporation’s contributed surplus being increased by an amount equal to the amount of such stated capital reduction;

2. Any director or officer of the Corporation is authorized and directed to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to the foregoing resolution; and

3. Notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized to and empowered not to proceed with such reduction of stated capital, without any further approval of or notice to the Corporation’s shareholders, at any time if it is considered necessary or desirable by the Directors.
SCHEDULE “C” ADOPTION OF CONTINUANCE RESOLUTION

Form of Resolution

“BE IT RESOLVED THAT:

(a) the Corporation:

(i) apply to the Director (the “Director”) under the Canada Business Corporations Act (the “CBCA”) for a Letter of Satisfaction pursuant to Section 188(1) of the CBCA;

(ii) apply to the Registrar of Companies of British Columbia to continue as a British Columbia company pursuant to Section 302 of the British Columbia Business Corporations Act (the “BCBCA”) in accordance with the Continuation Application attached to the Management Proxy Circular and Proxy Circular (the “Proxy Circular”) prepared in connection with the Meeting at which this resolution was passed, and such Continuation Application is hereby approved; and

(iii) deliver a copy of the Certificate of Continuation to the Director and request that the Director issue a Certificate of Discontinuance under Section 188(7) of the CBCA;

(b) subject to the issuance of such Certificate of Continuation and without affecting the validity of the Corporation and the existence of the Corporation by or under its existing Articles and By-laws and any act done thereunder, effective upon issuance of the Certificate of Continuation, the Corporation adopt the Notice of Articles set forth in the Continuation Application and the Articles attached to the Proxy Circular, in substitution for the Corporation’s existing Articles and By-laws, and such Notice of Articles and Articles are hereby approved and adopted;

(c) notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized, at their discretion, to determine, at any time, to proceed or not to proceed with the continuance and to abandon this resolution at any time prior to the implementation of the continuance without further approval of the shareholders and in such case, this resolution approving the continuance shall be deemed to have been rescinded; and

(d) any one director or any one officer of the Corporation hereby authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, and to deliver and file or to cause to be delivered and filed, the Continuation Application and such other documents and instruments, and to do or to cause to be done, such other acts and things as in the opinion of such director or officer of the Corporation may be necessary or desirable in order to carry out the intent of this resolution.
ARTICLES

OF

YELLOW PAGES LIMITED / PAGES JAUNES LIMITÉE

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT
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YELLOW PAGES LIMITED / PAGES JAUNES LIMITÉE

(the “Company”)

PART 1
INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(1) “appropriate person”, has the meaning assigned in the Securities Transfer Act;

(2) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;

(3) “Business Corporations Act” means the Business Corporations Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(4) “Interpretation Act” means the Interpretation Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(5) “legal personal representative” means the personal or other legal representative of a shareholder;

(6) “protected purchaser” has the meaning assigned in the Securities Transfer Act;

(7) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;

(8) “seal” means the seal of the Company, if any;

(9) “Securities Act” means the Securities Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(10) “securities legislation” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes;
“Canadian securities legislation” means the securities legislation in any province or territory of Canada and includes the Securities Act; and “U.S. securities legislation” means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;

(11) “Securities Transfer Act” means the Securities Transfer Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the Business Corporations Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business Corporations Act will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the Business Corporations Act, the Business Corporations Act will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the Business Corporations Act, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.
2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder’s right to obtain a share certificate may be sent to the shareholder by mail at the shareholder’s registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder’s right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

(1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;

(2) provides the Company with an indemnity bond sufficient in the Company’s judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and

(3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.
2.8 **Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder’s name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 **Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 **Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

**PART 3**

**ISSUE OF SHARES**

3.1 **Directors Authorized**

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 **Commissions and Discounts**

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 **Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.
3.4  **Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

   (a) past services performed for the Company;

   (b) property;

   (c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5  **Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

**PART 4**

SHARE REGISTERS

4.1  **Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2  **Closing Register**

The Company must not at any time close its central securities register.

**PART 5**

SHARE TRANSFERS

5.1  **Registering Transfers**

The Company must register a transfer of a share of the Company if either:
the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

(b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the Business Corporations Act and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder’s right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

(c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor’s right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or

(2) all the preconditions for a transfer of a share under the Securities Transfer Act have been met and the Company is required under the Securities Transfer Act to register the transfer.

5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company’s share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

5.4 Transferor Remains Shareholder

Except to the extent that the Business Corporations Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.
5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.6 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.7 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

PART 6
TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder’s name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder’s interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.
6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of the Securities Transfer Act has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder’s name and the name of another person in joint tenancy.

PART 7
ACQUISITION OF COMPANY’S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the Business Corporations Act, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

PART 8
BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:
borrow money in the manner and amount, on the security, from the sources and on
the terms and conditions that the directors consider appropriate;

issue bonds, debentures and other debt obligations either outright or as security for
any liability or obligation of the Company or any other person and at such discounts
or premiums and on such other terms as the directors consider appropriate;

guarantee the repayment of money by any other person or the performance of any
obligation of any other person; and

mortgage, charge, whether by way of specific or floating charge, grant a security
interest in, or give other security on, the whole or any part of the present and future
assets and undertaking of the Company.

PART 9
ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Articles 9.2 and 9.3 and the Business Corporations Act, the Company may:

(1) by ordinary resolution:

(a) create one or more classes or series of shares or, if none of the shares of a class
or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the
Company is authorized to issue out of any class or series of shares or establish
a maximum number of shares that the Company is authorized to issue out of
any class or series of shares for which no maximum is established;

(c) if the Company is authorized to issue shares of a class of shares with par value:

   (A) decrease the par value of those shares; or

   (B) if none of the shares of that class of shares are allotted or issued,
   increase the par value of those shares;

(d) change all or any of its unissued, or fully paid issued, shares with par value
into shares without par value or any of its unissued shares without par value
into shares with par value;

(e) alter the identifying name of any of its shares; or

(f) otherwise alter its shares or authorized share structure when required or
permitted to do so by the Business Corporations Act,

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.
by directors’ resolution or ordinary resolution, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2 Special Rights or Restrictions

Subject to the Business Corporations Act, the Company may by ordinary resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 No Interference with Class or Series Rights without Consent

A right or special right attached to issued shares must not be prejudiced or interfered with under the Business Corporations Act, the Notice of Articles or these Articles unless the holder of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

9.4 Change of Name

The Company may by directors’ resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

9.5 Other Alterations

If the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10
MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.
10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company’s annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders, to be held at such time and at such place, either in or outside British Columbia, as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;
(2) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;
(2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.
10.6  Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7  Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8  Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

1. state the general nature of the special business; and
2. if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
   
   a. at the Company’s records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
   
   b. during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9  Notice of Dissent Rights

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

1. if and for so long as the Company is a public company, 21 days;
2. otherwise, 10 days.
10.10 Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

10.11 Advance Notice Provisions

(1) Nomination of Directors

Subject only to the Business Corporations Act and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.11 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

(a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the Business Corporations Act or a valid requisition of shareholders made in accordance with the provisions of the Business Corporations Act; or

(c) by any person entitled to vote at such meeting (a "Nominating Shareholder"), who:

(A) is, at the close of business on the date of giving notice provided for in this Article 10.11 and on the record date for notice of such meeting, either entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and

(B) has given timely notice in proper written form as set forth in this Article 10.11.

(2) Exclusive Means

For the avoidance of doubt, this Article 10.11 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.
(3) **Timely Notice**

In order for a nomination made by a Nominating Shareholder to be timely notice (a “Timely Notice”), the Nominating Shareholder’s notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

(a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 50th day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the “Notice Date”) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 30th day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Article 10.11(3)(a) or 10.11(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

(4) **Proper Form of Notice**

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary must comply with all the provisions of this Article 10.11 and disclose or include, as applicable:

(a) to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “Proposed Nominee”):

   (A) the name, age, business and residential address of the Proposed Nominee;

   (B) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;

   (C) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
(D) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;

(E) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Business Corporations Act or applicable securities legislation; and

(F) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the Business Corporations Act; and

(b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:

(A) their name, business and residential address;

(B) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(C) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person’s economic interest in a security of the Company or the person’s economic exposure to the Company;

(D) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;

(E) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person
acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;

(F) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;

(G) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and

(H) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act or as required by applicable securities legislation.

Reference to “Nominating Shareholder” in this Article 10.11(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) Currency of Nominee Information

All information to be provided in a Timely Notice pursuant to this Article 10.11 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) Delivery of Information

Notwithstanding Part 22 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.11 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

(7) Defective Nomination Determination
The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.11, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) Waiver

The board may, in its sole discretion, waive any requirement in this Article 10.11.

(9) Definitions

For the purposes of this Article 10.11, “public announcement” means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

PART 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of or voting at the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

(h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Business Corporations Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any; or

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the Business Corporations Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration
of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.
11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing
so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrument appointing a representative must be received:

   (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

   (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(2) if a representative is appointed under this Article 12.5:

   (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
the representative, if present at the meeting, is to be counted for the purpose
of forming a quorum and is deemed to be a shareholder present in person at
the meeting.

Evidence of the appointment of any such representative may be sent to the Company by
written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Electronic Voting

Any vote at a meeting of shareholders may be held entirely or partially by means of
telephonic, electronic or other communications facilities, if the directors determine to make
them available, whether or not persons entitled to attend participate in the meeting by means
of communications facilities.

12.7 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder,
although a person who is not a shareholder may be appointed as a proxy holder if:

(1) the person appointing the proxy holder is a corporation or a representative of a
corporation appointed under Article 12.5;

(2) the Company has at the time of the meeting for which the proxy holder is to be
appointed only one shareholder entitled to vote at the meeting;

(3) the shareholders present in person or by proxy at and entitled to vote at the meeting
for which the proxy holder is to be appointed, by a resolution on which the proxy
holder is not entitled to vote but in respect of which the proxy holder is to be counted
in the quorum, permit the proxy holder to attend and vote at the meeting; or

(4) the Company is a public company.

12.8 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.9 to 12.17 apply only
insofar as they are not inconsistent with any Canadian securities legislation applicable to the
Company, any U.S. securities legislation applicable to the Company or any rules of an
exchange on which securities of the Company are listed.

12.9 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a
subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy,
appoint one or more proxy holders to attend and act at the meeting in the manner, to the
extent and with the powers conferred by the proxy.
12.10 **Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.11 **Deposit of Proxy**

A proxy for a meeting of shareholders must:

1. be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

2. unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.12 **Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

1. at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

2. at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.13 **Form of Proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

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[name of company]

(the “Company”)
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The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.
Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

______________________________

Signed [month, day, year]

______________________________

[Signature of shareholder]

______________________________

[Name of shareholder – printed]

12.14 Revocation of Proxy

Subject to Article 12.15, every proxy may be revoked by an instrument in writing that is received:

(1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.15 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.14 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.16 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.
12.17 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13
DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Business Corporations Act. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company’s first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:
   (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
   (b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:
   (a) the number of directors set by directors’ resolution or ordinary resolution (whether or not previous notice of the resolution was given); and
   (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors’ Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.
13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company’s business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) when his or her successor is elected or appointed; and

(4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.
14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors’ Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Business Corporations Act, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

1. one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
2. in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

1. the term of office of the director expires;
2. the director dies;
3. the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
4. the director is removed from office pursuant to Articles 14.10 or 14.11.
14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15
POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the Business Corporations Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16
INTERESTS OF DIRECTORS AND OFFICERS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the
director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors’ resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual’s duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Business Corporations Act.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the Business Corporations Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.
16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Business Corporations Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 17
PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Subject to the Shareholders’ Agreement between the Company and all of its shareholders as amended, modified, restated, replaced or supplemented from time to time, questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

(a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:
in person;

(2) by telephone; or

(3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or, unless
the director otherwise requires by notice in writing to the Company, to his or her alternate
director, and all meetings of the directors so held are deemed not to be improperly called or
constituted by reason of notice not having been given to such director or alternate director.

Attendance of a director or alternate director at a meeting of the directors is a waiver of notice
of the meeting, unless that director or alternate director attends the meeting for the express
purpose of objecting to the transaction of any business on the grounds that the meeting is not
lawfully called.

17.10  Quorum

The quorum necessary for the transaction of the business of the directors may be set by the
directors and, if not so set, is deemed to be set at two directors or, if the number of directors
is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11  Validity of Acts Where Appointment Defective

Subject to the Business Corporations Act, an act of a director or officer is not invalid merely
because of an irregularity in the election or appointment or a defect in the qualification of
that director or officer.

17.12  Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a
meeting:

(1)  in all cases, if each of the directors entitled to vote on the resolution consents to it in
writing; or

(2)  in the case of a resolution to approve a contract or transaction in respect of which a
director has disclosed that he or she has or may have a disclosable interest, if each of
the other directors who have not made such a disclosure consents in writing to the
resolution.

A consent in writing under this Article 17.12 may be by any written instrument, fax, e-mail
or any other method of transmitting legibly recorded messages in which the consent of the
director is evidenced, whether or not the signature of the director is included in the record.
A consent in writing may be in two or more counterparts which together are deemed to
constitute one consent in writing. A resolution of the directors or of any committee of the
directors passed in accordance with this Article 17.12 is effective on the date stated in the
consent in writing or on the latest date stated on any counterpart and is deemed to be a
proceeding at a meeting of the directors or of the committee of the directors and to be as valid
and effective as if it had been passed at a meeting of the directors or of the committee of the
directors that satisfies all the requirements of the Business Corporations Act and all the
requirements of these Articles relating to meetings of the directors or of a committee of the
directors.
18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and during the intervals between meetings of the board of directors all of the directors’ powers are delegated to the executive committee, except:

(1) the power to fill vacancies in the board of directors;
(2) the power to remove a director;
(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
(4) such other powers, if any, as may be set out in the resolution or any subsequent directors’ resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
(2) delegate to a committee appointed under paragraph (1) any of the directors’ powers, except:
   (a) the power to fill vacancies in the board of directors;
   (b) the power to remove a director;
   (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
   (d) the power to appoint or remove officers appointed by the directors; and
(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors’ resolution.

18.3 Obligations of Committees

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and
(2) report every act or thing done in exercise of those powers at such times as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

18.5 Committee Meetings

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 19
OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;
delegate to the officer any of the powers exercisable by the directors on such terms
and conditions and with such restrictions as the directors think fit; and
revoke, withdraw, alter or vary all or any of the functions, duties and powers of the
officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the Business
Corporations Act. One person may hold more than one position as an officer of the Company.
Any person appointed as the chair of the board or as a managing director must be a director.
Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the
remuneration (whether by way of salary, fee, commission, participation in profits or
otherwise) that the directors think fit and are subject to termination at the pleasure of the
directors, and an officer may in addition to such remuneration be entitled to receive, after he
or she ceases to hold such office or leaves the employment of the Company, a pension or
gratuity.

PART 20
INDEMNIFICATION

20.1 Definitions

In this Part 20:

(1) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an
amount paid in settlement of, an eligible proceeding;

(2) “eligible proceeding” means a legal proceeding or investigative action, whether
current, threatened, pending or completed, in which a director, former director or
alternate director of the Company (an “eligible party”) or any of the heirs and legal
personal representatives of the eligible party, by reason of the eligible party being or
having been a director or alternate director of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or
expenses related to, the proceeding;

(3) “expenses” has the meaning set out in the Business Corporations Act.

20.2 Mandatory Indemnification of Directors

Subject to the Business Corporations Act, the Company must indemnify a director, former
director or alternate director of the Company and his or her heirs and legal personal
representatives against all eligible penalties to which such person is or may be liable, and the
Company must, after the final disposition of an eligible proceeding, pay the expenses
actually and reasonably incurred by such person in respect of that proceeding. Each director
and alternate director is deemed to have contracted with the Company on the terms of the
indemnity contained in this Article 20.2.

20.3 Permitted Indemnification

Subject to any restrictions in the Business Corporations Act, the Company may indemnify any
person.

20.4 Non-Compliance with Business Corporations Act

The failure of a director, alternate director or officer of the Company to comply with the
Business Corporations Act or these Articles or, if applicable, any former Companies Act or
former Articles, does not invalidate any indemnity to which he or she is entitled under this
Part 20.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or
her heirs or legal personal representatives) who:

(1) is or was a director, alternate director, officer, employee or agent of the Company;

(2) is or was a director, alternate director, officer, employee or agent of a corporation at
a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer,
employee or agent of a corporation or of a partnership, trust, joint venture or other
unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director,
alternate director or officer of a partnership, trust, joint venture or other
unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer,
employee or agent or person who holds or held such equivalent position.

PART 21
DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares
with special rights as to dividends.
21.2 Declaration of Dividends

Subject to the Business Corporations Act, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.
21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

21.14 Unclaimed Dividends

Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the Company, or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

PART 22
ACCOUNTING RECORDS AND AUDITOR

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Business Corporations Act.
22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

PART 23
NOTICES

23.1 Method of Giving Notice

Unless the Business Corporations Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder’s registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder’s registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
physical delivery to the intended recipient.

23.2 Deemed Receipt

A notice, statement, report or other record that is:

(1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

   (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

   (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph 23.5(1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.
23.6 Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 24
SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company’s seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

1. any two directors;
2. any officer, together with any director;
3. if the Company only has one director, that director; or
4. any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company’s seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.
24.4 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Company by any director or officer. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

PART 25
FORUM FOR ADJUDICATION OF CERTAIN DISPUTES

Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate Courts therefrom, shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the Business Corporations Act or these Articles (as either may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but this paragraph (iv) does not include claims related to the business carried on by the Company or such affiliates. If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a Court other than a Court located within the Province of British Columbia (a "Foreign Action") in the name of any securityholder, such securityholder shall be deemed to have consented to (i) the personal jurisdiction of the provincial and federal Courts located within the Province of British Columbia in connection with any action or proceeding brought in any such Court to enforce the preceding sentence and (ii) having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder.

PART 26
SPECIAL RIGHTS AND RESTRICTIONS – COMMON SHARES

The Common Shares without par value in the authorized share structure of the Company (“Common Shares”) have attached to them the special rights and restrictions set out in this Part 26.

26.1 Voting

The holders of the Common Shares shall be entitled to one vote for each Common Share held at all meetings of shareholders of the Company, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series.

26.2 Dividends

The holders of the Common Shares shall be entitled to receive, subject to the rights, privileges, restrictions and conditions attached to any other classes of shares ranking in
priority to the Common Shares with respect to dividends, any dividend declared by the Company in respect of the Common Shares.

26.3 Liquidation, etc.

The holders of the Common Shares shall be entitled to receive, subject to the rights, privileges, restrictions and conditions attached to any other classes of shares ranking in priority to the Common Shares upon liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of assets among the shareholders for the purpose of winding up the affairs of the Company, the remaining property and assets of the Company available for distribution, after payment of liabilities, upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of assets among the shareholders for the purpose of winding up the affairs of the Company.

PART 27
SPECIAL RIGHTS AND RESTRICTIONS – FIRST PREFERRED SHARES

The Cumulative Redeemable First Preferred Shares without par value in the authorized share structure of the Company (“First Preferred Shares”) have attached to them the special rights and restrictions set out in this Part 27.

27.1 Directors’ Right to Issue in One or More Series

The First Preferred Shares may at any time and from time to time be issued in one or more series. Prior to the issue of First Preferred Shares of any series, the directors of the Company shall, subject to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, these Articles and the provisions of the Business Corporations Act, by resolution alter the Notice of Articles of the Company and these Articles, as applicable, to fix the number of First Preferred Shares in such series and determine the designation of, and the rights, restrictions, privileges and conditions attached to, the First Preferred Shares of such series including, without limitation:

(1) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;

(2) whether any dividends are cumulative, partly cumulative or non-cumulative;

(3) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;

(4) if redeemable or purchasable (whether at the option of the Company or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;

(5) the voting rights, if any;
(6) any conversion, exchange or reclassification rights; and

(7) any other terms not inconsistent with these provisions.

27.2 Ranking of First Preferred Shares of Each Series

The First Preferred Shares of each series shall with respect to the payment of dividends and the distribution of assets of the Company in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company for the purpose of winding up its affairs, rank (a) on a parity with the First Preferred Shares of every other series and (b) senior to the Common Shares and the shares of any other class ranking junior to the First Preferred Shares. The First Preferred Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Common Shares and the shares of any other class ranking junior to the Preferred Shares as may be fixed in accordance with Article 27.1 above.

27.3 Voting Rights

Except as hereinafter specifically provided, as required by the *Business Corporations Act*, by law or as may be required by an order of the court of competent jurisdiction or in accordance with any voting rights which may be attached to any series of First Preferred Shares, the holders of First Preferred Shares shall not be entitled as such to receive notice of, or attend, any meeting of shareholders of the Company and shall not be entitled to vote at any meeting; provided however that the holders of the First Preferred Shares shall be entitled for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of the Company’s undertaking other than in the ordinary course of business of the Company.

27.4 Amendment with Approval of Holders of First Preferred Shares

The rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class may be added to, removed or changed only with the approval of the holders of First Preferred Shares given in accordance with the requirements of the *Business Corporations Act* and the minimum requirements provided for in Article 27.5.

27.5 Approval of Holders of First Preferred Shares

The approval of the holders of the First Preferred Shares as a class to any matters referred to in these provisions may be given as specified below:

(1) **Approval:** Any approval required to be given by the holders of First Preferred Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all the holders of the then outstanding First Preferred Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preferred Shares who voted in respect of that resolution at a meeting of the holders of First Preferred Shares called and held for such purpose in accordance with these Articles.
(2) **Votes:** On every poll taken at any meeting in respect of which only the holders of First Preferred Shares of more than one series are entitled to vote, each holder of First Preferred Shares shall be entitled to one vote in respect of each First Preferred Share held.

Subject to the foregoing, the formalities to be observed with respect to quorum, proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the *Business Corporations Act* and these Articles with respect to meetings of shareholders.

### 27.6 Shares Issued in Series with Identical Rights

Where First Preferred Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of First Preferred Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of First Preferred Shares had been issued simultaneously and all such series of First Preferred Shares may be designated as one series.

### 27.7 Limitations

Subject to the provisions of the *Business Corporations Act*, the holders of First Preferred Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to alter the Notice of Articles of the Company or these Articles to:

1. increase or decrease any maximum number of authorized First Preferred Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the First Preferred Shares or any series thereof;

2. effect an exchange, reclassification or cancellation of all or part of the First Preferred Shares or any series thereof; or

3. create a new class or series of shares equal or superior to the First Preferred Shares or any series thereof.

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<th>Signature and full name of a Director</th>
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Name: ________________________________
WHEREAS:

A. The Board of Directors of Yellow Pages Limited (the “Corporation”) approved on March 23, 2020 an amendment to the stock option plan of the Corporation (the “2012 Stock Option Plan”) as described in the management proxy circular of the Corporation dated March 23, 2020 (the “Circular”) in order to permit Shares in respect of options surrendered for a cash payment to be added back to the Share reserve.

BE IT RESOLVED THAT:

1. The amendments to the 2012 Stock Option Plan to provide for a cashless exercise feature, payable in cash, without a full deduction of the underlying Shares from the plan reserve, be and hereby are approved and

2. Any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation to execute and deliver all documents that such director or officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.