YELLOW PAGES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2016

March 23, 2017

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EXPLANATORY NOTES

The information in this Annual Information Form is stated as at December 31, 2016, unless otherwise indicated.

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

Forward-Looking Information

This Annual Information Form contains certain assertions about the objectives, strategies, financial condition, results of operations and businesses of YP. These statements may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Yellow Pages, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Annual Information Form, such statements may be identified by such words as "aim", "anticipate", "believe", "could", "estimate", "expect", "goal", "intend", "objective", "may", "plan", "predict", "seek", "should", "strive", "target", "will", "would" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as at the date of this Annual Information Form. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future results or performance, and will not necessarily be accurate indications of whether or not such results or performance will be achieved. A number of factors could cause actual results or performance to differ materially from the results or performance discussed in the forward-looking statements and could have a material adverse effect on the Corporation, its business, results from operations and financial condition, including, but not limited to, the factors discussed in the section entitled "Risks and Uncertainties", which are:

- Substantial competition could reduce the market share of the Corporation;
- A prolonged economic downturn in principal markets of the Corporation;
- A higher than anticipated rate of decline in print revenue resulting from changes in preferences and consumer habits;
- The inability of the Corporation to attract, retain and upsell customers;
- The inability of the Corporation to successfully enhance and expand its offering of digital and new media products;
- The inability of the Corporation to supply the relationships and technologies required to appropriately service the needs of its national customers;
- A higher than anticipated proportion of revenues coming from the Corporation's digital products with lower margin, such as services and resale;
- The Corporation's business depends on the usage of its online and mobile properties and failure to protect traffic across the Corporation's digital properties could impair its ability to grow revenues and expand its business;
- The inability of the Corporation to develop information and technology systems ("ISIT") and platforms required to execute the Corporation's Return to Growth Plan;

- The inability of the Corporation to execute on or delays in the execution of its Return to Growth Plan could impair its ability to grow revenues and expand its business;
- The Corporation might be required to record additional impairment charges;
- The Corporation's inability to realize cost savings;
- Failure by the Corporation to adequately protect and maintain its brands and trademarks, as well as third party infringement of such;
- Work stoppages and other labour disturbances;
- The Corporation's inability to attract and retain key personnel;
- Challenge by tax authorities of the Corporation's position on certain income tax matters;
- The loss of key relationships or changes in the level of service provided by mapping applications and search engines;
- The failure of the Corporation's computers and communications systems;
- Declines in, or changes to, the real estate industry
- The inability of the Corporation to generate sufficient funds from operations, debt financings, equity financings or refinancing transactions;
- The Corporation's amount of debt and compliance with the covenants applicable under its debt instruments;
- Incremental contributions by the Corporation to its pension plans;
- The Corporation's inability to realize some of the existing benefits under its commercial arrangements with the Telco Partners due to the potential erosion of their market position;
- The failure to increase prices;
- Changes in regulations;
- The imposition of new environmental laws or the new interpretation of environmental laws;
- The Corporation's failure to promote and reinforce consumer trust in its brands, or negative publicity regarding the Corporation;
- Turnover among MACs (as defined herein); and
- Adverse outcomes in lawsuits or investigations.

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

Non-IFRS Measures

The Corporation's management's discussion and analysis ("MD&A") and financial statements, available on SEDAR at www.sedar.com and on the Corporation's website at corporate.yp.ca, have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This Annual Information Form makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Corporation's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Corporation's financial information reported under IFRS. The Corporation uses non-IFRS measures to provide investors with supplemental measures of the Corporation's operating performance. The Corporation believes non-IFRS measures are important supplemental measures of operating performance because they eliminate items that have less bearing on the Corporation's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Corporation also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Corporation's ability to meet its future debt service, capital expenditure and working capital requirements. Because other companies may calculate these non-IFRS measures differently than the Corporation does, these metrics are not comparable to similarly titled measures reported by other companies. Refer to the Corporation's MD&A for the year ended December 31, 2016, available on SEDAR at www.sedar.com and on the Corporation's website at corporate.yp.ca, for definitions.

Market and Industry Data

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

CORPORATE STRUCTURE

Name, Address and Incorporation

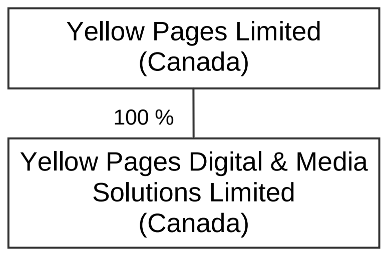
The Corporation was incorporated under the *Canada Business Corporations Act* ("CBCA") on October 25, 2012 under the name 8254320 Canada Inc. On December 20, 2012, the Corporation completed a plan of arrangement under the CBCA with, among other entities, Yellow Media Inc. (which changed its name as part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

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

Yellow Pages Limited is the parent company of Yellow Pages Digital & Media Solutions Limited. The principal and head office of Yellow Pages Limited is located at 16 Place du Commerce, Nuns' Island, Verdun, Québec, Canada, H3E 2A5.

Intercorporate Relationships

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



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

GENERAL DEVELOPMENT OF THE BUSINESS

History of Yellow Pages Limited

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

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

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

In 2010, the Corporation launched Mediative. Via its Mediative division, Yellow Pages offers dedicated marketing and performance media services to national clients Canada-wide. Operating an extensive publisher network and one of the country's largest pools of high-intent consumer data, Mediative provides national brands and enterprises with innovative marketing solutions that reach, engage and convert potential customers. Management estimates that the size of its network reaches over 5 billion impressions per year and reaches approximately 50% of the audience in Canada.

In December 2014, the Corporation completed the acquisitions of Bookenda Limited ("Bookenda") and the business of Candia Digital Group Inc. ("dine.TO"), to accelerate the development of new media properties and transactional functionalities for users and merchants. With a strong presence in the restaurant industry within the Greater Montreal Area, Bookenda's digital properties offer an online transaction platform for users and merchants to easily interact and manage bookings. dine.TO owns and operates local digital restaurant guides for the Greater Toronto Area, providing users with an extensive database of local restaurant listings, reviews, deals, playlists and events, as well as real-time online ordering capabilities.

In July 2015, Yellow Pages acquired all the shares of the ComFree/DuProprio network ("CFDP"), growing the Corporation into a leading digital real estate marketplace. The acquisition extended Yellow Pages' reach of Canadian home buyers and sellers and provided the Corporation with the platforms and technologies required to better monetize consumer audiences within this vertical. Operating under the DuProprio and ComFree banners in Québec and the rest of Canada, respectively, CFDP offers homeowners a proven, professional and cost effective service to market and sell their properties. Currently, CFDP is the fourth most-visited network of real estate digital properties in Canada and Québec's leading real estate site.

In March 2016, the Corporation acquired the consolidated net assets of Oriole Media Corp. (doing business as JUICE Mobile ("JUICE")), a premium advertising technology company whose proprietary programmatic platforms facilitate the automatic buying and selling of mobile advertising between brands and publishers. Since its inception in 2010, JUICE has successfully leveraged its mobile programmatic advertising platforms, Nectar and Swarm, to build valuable relationships with an extensive network of brands and publishers.

BUSINESS OF THE CORPORATION

The Corporation is one of Canada's leading digital media and marketing solutions company, providing local businesses, national brands and consumers with the necessary tools to interact and transact within today's digital economy. Yellow Pages offers small-and-medium sized businesses ("SMEs") across Canada full-serve access to one of the country's most comprehensive suites of digital and traditional marketing solutions, notably online and mobile priority placement on the Corporation's owned and operated media, content management, search engine solutions, website fulfillment, social media campaign management and syndication, digital display advertising, video production and print advertising. The Corporation's in-house network of close to 1,000 employee sales professionals are committed to providing effective digital marketing campaigns for local businesses across Canada, while assisting the Corporation's customer base of 241,500 SMEs.

Yellow Pages marketing solutions extend beyond SMEs to also focus on the advertising needs of national brands and publishers. Via JUICE and its Mediative division, the Corporation is positioned as a desktop and mobile national advertising agency. JUICE's proprietary Programmatic Direct and Real-Time Bidding platforms facilitate the automatic buying and selling of mobile advertising between brands and publishers. Leveraging these proprietary programmatic technologies as well as a database of high-intent consumer data, a publisher network and strong relationships established with a number of large national advertisers, Yellow Pages' national digital advertising programs allow brands and publishers to maximize revenue and reach across both desktop and mobile platforms.

The Corporation strives to actively strengthen its market positioning by introducing digital solutions that address the targeted needs of SMEs and consumers within key verticals.

For example, CFDP has established Yellow Pages as a leader in the Canadian consumer-to-consumer real estate marketplace, by providing homeowners with trusted media as well as expertise to sell their homes in a proven and cost-effective manner. Approximately 20% of all real estate listings and sales in Québec are represented through CFDP, and various initiatives are currently underway to grow adoption of the platform in Ontario.

Through Bookenda, the Corporation is enhancing its value proposition to local restaurant owners. Bookenda's reservation management system offers restaurants a comprehensive solution allowing them to effectively manage reservations and orders, grow market visibility and boost customer loyalty, all at a competitive cost.

Yellow Pages owned and operated media, which include desktop, mobile and print properties, continue to serve as effective marketplaces for Canadian local merchants, brands and consumers. To help Canadians discover everything their neighbourhood has to offer, the Corporation's network of media properties is becoming increasingly specialized across a number of high value search verticals including services, real estate, dining and retail. A description of the Corporation's existing media properties is found below:

- YP – Available both online at YP.ca and as a mobile application, YP allows users to discover and transact within their local neighbourhoods through comprehensive merchant profiles, relevant editorial content, reviews and booking functionalities;
- Canada411 ("C411") – One of Canada's most frequented and trusted online and mobile destinations for personal and local business information;
- RedFlagDeals.com – Canada's leading provider of online and mobile promotions, deals, coupons and shopping tools;
- CFDP – Offers homeowners a proven and cost effective service to market and sell their homes;
- YP Dine – Mobile application that allows users to discover, search for and book local restaurants based on time of day, mood, purpose and expert suggestions, in addition to offering online food ordering and delivery functionalities;
- YP Grocery – Mobile application that allows users to create grocery lists while the app sources flyers for available savings and coupons;
- YP NextHome – Provides Canadians with valuable information to help them make the right buying, selling, and/or renting decision. Digital properties operating under the YP NextHome umbrella include YP NextHome Rent and YP NextHome New Construction;
- Bookenda.com – Digital property offering a leading online transaction platform for users and merchants to easily interact and manage bookings;
- dine.TO – Provides users in the Greater Toronto Area with an extensive database of online local restaurant listings, reviews, deals, playlists and events, as well as real-time online ordering capabilities;
- YP Shopwise – Mobile application offering geo-localized deals and flyers, as well as access to product catalogues from local and national retailers Canada-wide; and
- 411.ca – Digital directory service to help users find and connect with people and local businesses.

On the print side, Yellow Pages published 330 distinct print telephone directories in 2016. The Corporation is the official directory publisher for Bell, Telus, Bell Aliant, MTS Allstream, and a number of other incumbent telephone companies that have a leading market share in their respective markets.

The Return to Growth Plan

The Corporation introduced the Return to Growth Plan (the "Plan") in early 2014. The Plan set out three main objectives to promote Yellow Pages' growth into a leading Canadian digital company: i) enhance its value proposition to local merchants and national brands as it relates to effective digital marketing , ii) grow consumer awareness and usage of its network of digital media properties, and iii) strengthen the Company's digital brand perception among Canadians.

In 2016, the Plan involved enhanced focus on two pillars of transformation:

- Extending the Brand Promise –Yellow Pages launched a range of multimedia campaigns in 2016 to enhance the digital brand relevancy and perception of Yellow Pages media and marketing solutions across Canada and raise adoption of the Corporation's digital media properties, as well as to boost the level of investment of current and prospective customers in the Corporation's marketing solutions. The Corporation also launched a campaign comprised of digital mobile and online advertising to promote the Corporation's NetSync product, a product allowing merchants to create their online business listing. Yellow Pages also launched a digital advertising campaign for consumers to increase awareness and adoption of the Corporation's dining application.

- Enhancing its Customer Value Proposition – Achieving growth in the customer count is critical to allowing the Corporation to return to revenue and profitability growth. Over the course of 2016, the Corporation focused on promoting lead generation and optimizing conversion rates to groom customer acquisition and stabilize the customer count. In conjunction, various initiatives and tools were implemented throughout the year, including the introduction of a dialer across YP call centers to automate the qualification and assignment of incoming customer leads. The dialer also acts as a leads management system, enabling the sales force to target leads by segment, launch meaningful campaigns at the optimal times of the year and ultimately contribute to overall improvement in the conversion rate.

Since the introduction of the Plan, the Corporation has achieved sustained progress, namely, the onset of a certain level of stabilization of the customer base and consolidated revenues, as well as growth in customer acquisition as the Corporation transitions to a digital-first company. In addition, the Corporation has substantially deleveraged its balance sheet. Key highlights on the implementation and execution of the Plan in 2016 include:

- Customer Count – As at December 31, 2016, the YP's customer count totalled 241,500, as compared to 245,000 customers as at December 31, 2015. This represents a net customer count decline of 3,500 year-over-year, a significant improvement from 11,000 net customers lost during the same period last year. Growth in the customer count remains a critical component in allowing Yellow Pages to return to revenue and profitability growth. For the twelve-month period ended December 31, 2016, YP acquired 41,100 new customers, exceeding the acquisition of 30,800 new customers during the same period last year, and presenting a 33% increase year-over-year. For the twelve-month period ended December 31, 2016, customer renewal among the YP's customers reached 82%;

- Digital Visits (excluding CFDP) – Total digital visits were 464.7 million in 2016, as compared to 464 million in 2015. Total digital visits measures the number of visits made across the YP, YP Shopwise, RedFlagDeals, C411, Bookenda and dine.TO online and mobile properties, as well as visits made across the properties of the Corporation's syndication partners;

- Digital Revenues – Consolidated digital revenues grew 14.3% year-over-year to reach $555.8 million in 2016, representing 67.9% of consolidated revenues. For the fourth quarter ended December 31, 2016, digital revenues grew 10.8% year-over-year to $143.1 million, representing 70.6% of consolidated revenues;

- Adjusted EBITDA[1] – Adjusted EBITDA totalled $235.2 million or 28.8% of revenues in 2016, relative to $260.7 million or 31.4% of revenues in 2015. Adjusted EBITDA for the fourth quarter ended December 31, 2016, totaled $57.4 million or 28.3% of revenues, as compared to $64.4 million or 30.9% of revenues for the same period last year; and

[1] The Corporation defines Adjusted EBITDA as revenues less operating costs, as shown in Yellow Pages Limited's consolidated income statements. The Corporation uses Adjusted EBITDA to evaluate the performance of its business as it reflects its ongoing profitability. The Corporation believes that certain investors and analysts use Adjusted EBITDA to measure a company's ability to service debt and to meet other payment obligations or as a common measurement to value companies in the media and marketing solutions industry. The Corporation believes that certain investors and analysts also use Adjusted EBITDA to evaluate the performance of the Corporation's business. Adjusted EBITDA is also one component in the determination of short-term incentive compensation for all management employees.

- Debt Repayment – The Corporation made principal mandatory redemption payments of $97.1 million in 2016 on its 9.25% senior secured notes, bringing the total repayment to $490.3 million since inception of the senior secured notes on December 20, 2012. As at December 31, 2016, Yellow Pages had $384.9 million of net debt, compared to $430.6 million as at December 31, 2015.

As the Corporation continues to focus on the execution of the Plan and in the context of a marked acceleration of unfavourable changes in the product mix, the initiation of a review of the Corporation's business strategy with the purpose of supporting the continued long-term success of a digital-first business was announced on November 1, 2016. The areas of focus include marketing offers, the customer journey, sales and cost structure, operational platforms, and subsequent effects on long-term revenue, Adjusted EBITDA growth and capital allocation policy. The Corporation anticipates communicating the outcome of this exercise and the accompanying strategy in May 2017.

Strong Media Brand

The Corporation devotes significant resources to the protection of its trademarks and takes a proactive approach to protecting the exclusivity of its brands.

The Corporation owns more than 255 trademarks in connection with its business including Yellow Pages™, Pages Jaunes™, Walking Fingers & Design™, Canada411™, YellowPages.ca™, PagesJaunes.ca™, YP.ca™, PJ.ca™, ShopWise™, RedFlagDeals.com™, YP Dine™, ComFree™ and DuProprio**™**. In addition, YP has entered into trademark license agreements with Bell Canada ("Bell"), Telus Communications Inc. ("Telus"), Bell Canada Inc. (as successor to Bell Aliant Regional Communications LP) ("Bell Aliant") and MTS Allstream Inc. ("MTS Allstream"), giving Yellow Pages the exclusive right to use their trademarks in connection with the publication of print and digital directories. See "Business of the Corporation – Relationships with Telecommunication Companies".

Employees

The Corporation employs approximately 2,900 employees, 2,400 at YP, across its offices in Canada and the United States, and holds one of the largest teams of sales advisors, digital fulfillment professionals and campaign managers in Canada. YP's employees include a sales force of approximately 1,000 media account consultants ("MACs") and sales support staff, responsible for serving the its customers across Canada. The sales force is composed of both face-to-face and telephone-based MACs, and is broken down into various customer segments to allow for a more dedicated relationship with each customer.

Certain MACs, as well as certain office employees in Alberta, Manitoba, Ontario, British Columbia and Québec, together representing approximately 40% of the Corporation's workforce, are unionized. Yellow Pages' office employees based in the United States are not unionized. The following table provides a summary of the labour unions representing YP's employees that are unionized and the status of collective agreements in place:

Labour Union	**Bargaining Unit**	**Location**	**Expiry Date**	**Number of Employees**
Canadian Office and Professional Employees' Union	COPE Local 131	MAC based in Ontario, other than those based in the city of Thunder Bay	June 30, 2016 (Currently under negotiation)	199
UNIFOR	UNIFOR Local 39-4	MAC based in the city of Thunder Bay	June 30, 2016 (Currently under negotiation)	3
Syndicat des employées et employés professionnels(les) et de bureau	SEPB Local 574 (S)	MAC employees based in Québec	December 31, 2017	245
International Brotherhood of Electrical Workers	IBEW Local 2228 (S)	MAC based in Alberta	December 31, 2017 (Currently unsigned)	85
Canadian Office and Professional Employees Union	COPE Local 378	MAC based in British Columbia	December 31, 2017 (Currently unsigned)	130
International Brotherhood of Electrical Workers	IBEW Local 2228 (C)	Office employees based in Alberta	December 31, 2017	3
UNIFOR	UNIFOR Local 7	MAC and office employees based in Manitoba	December 31, 2017	14
UNIFOR	UNIFOR Local 6006	Office employees based in Ontario	December 31, 2017	94
International Brotherhood of Electrical Workers	IBEW Local 213	Certain employees of YP Next Home in British Columbia	December 31, 2018	3
Syndicat des employées et employés professionnels(les) et de bureau	SEPB Local 574 (C)	Office employees based in Québec	March 31, 2019	184

The Corporation considers its relations with its employees to be good and the Corporation strives to maintain a positive relationship with the unions. The Corporation is currently renegotiating the collective bargaining agreement with COPE Local 131 and Unifor Local 7 and Local 39-4.

Selling, Production and Components

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

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

With the exception of certain search engine marketing ("SEM"), search engine optimization ("SEO") and content syndication products which are managed through third-party providers, the Corporation manages internally most of the production and components of all of its product offerings, including the production and hosting of Websites, High Definition ("HD") Videos and Facebook profiles, the process of compiling the print and digital directories together with listing information updates, sales contract and commission processing, advertisement design and creation, page layouts, and the transfer of completed pages to the digital directories and to Yellow Pages' printing suppliers for the print directories. YP contracts with a third party supplier for the printing and binding of all its directories published in Canada. The principal raw material used in manufacturing a print directory is paper, the cost of which represents less than 2% of the Corporation's directories revenues. The Corporation contracts with third party vendors to distribute its directories within the geographic area covered by the directory.

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

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

The Corporation recognizes revenue on a monthly basis over the estimated life of the advertising, not exceeding twelve months, commencing with the delivery or display date, respectively. The amount billed to CMRs is deferred and recognized over the twelve month period.

Relationships with Telecommunication Companies

Yellow Pages has entered into publishing agreements and is the official and exclusive publisher of telephone directories of Bell, Telus, Bell Aliant and MTS Allstream. The Corporation has entered into royalty-free, 30-year licenses which grant it the right to use the Bell (up to 2032), Telus (up to 2031), Bell Aliant (up to 2037) and MTS Allstream (up to 2036) trademarks in connection with the publication of print and digital telephone directories in any format (subject to certain exceptions). Pursuant to such agreements, Bell, Telus, Bell Aliant and MTS Allstream have agreed not to compete with the Corporation in the creation, publication, distribution or marketing of telephone directories (subject to certain exceptions) for a period of 30 years from the execution of their respective publication and trademark license agreements. Furthermore, the Corporation has entered into Billing and Collection agreements with Bell (up to 2017), Telus (up to 2031), Bell Aliant (up to 2037) and MTS Allstream (up to 2017), whereby each performs billing and collection services on behalf of the Corporation, including billing and collecting directory advertising fees from certain Yellow Pages customers who are also customers of the Telco Partners.

Competition

The Corporation faces competition within the online, mobile and print-based local search market and within the advertising solutions market. Additionally the Corporation now competes with a broad array of other cloud-based management and booking solution providers and advertising agencies.

The Corporation faces digital competition on the consumer and digital search advertising side from search engines such as google.ca, bing.ca and yahoo.ca. The Corporation also competes with properties that provide classified, directory, and/or business listing information such as Apple Maps (given their significant iOS embedded application offering within Apple mobile products), the Google Network (specifically the Google My Business), OpenTable, TripAdvisor, Yelp, Kijiji and Craigslist, real estate brokerage sites such as CREA, Remax and Centris, as well as social networking organizations such as Facebook, Twitter, LinkedIn, and Instagram.

Within print local-based search media, the Corporation publishes 330 directories and faces competition from community newspapers and regionally focused independent publishers. In Québec, Les Annuaires G.B. publishes approximately 30 community-based directories. In Ontario, Gold book, a subsidiary of Metroland Media Group, a wholly-owned subsidiary of Torstar Corporation, publishes approximately 40 directories. In Alberta, British Columbia and Ontario, ACTIONpages, an independent U.S. publisher, publishes approximately 12 printed directories in Canada.

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

On the national and/or global advertising side, the Corporation competes with several agencies that provide major brands media and marketing services, such as Cossette, OMD, UM Canada, MindShare and MacLaren M2. Additionally, the Corporation now competes with real time bidding and programmatic advertising solutions, such as AcuityAds, the Rubicon Project, Criteo SA, YuMe and Rocket Fuel.

Regulatory Matters

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

Ratings

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

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

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

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

Financial instruments that are rated in the “B” category by DBRS are, in DBRS’ opinion, of highly speculative credit quality. Further, DBRS adds that there is a high level of uncertainty as to the capacity of the issuer to meet financial obligations. Financial instruments that are rated in the “BB” category by DBRS are, in DBRS’ opinion, speculative and non-investment grade and the capacity for the payment of financial obligations is uncertain and vulnerable to future events.

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

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

Facilities

The Corporation’s headquarters are located in leased premises at 16 Place du Commerce, Nuns’ Island, Verdun (Québec). The Corporation also maintains offices in most of the provinces of Canada as well as two facilities in the United States. The main offices of the Corporation are located in Montreal (Québec), Lévis (Québec), Toronto (Ontario), Burnaby (British Columbia), Calgary (Alberta), Winnipeg (Manitoba), and Indianapolis (Indiana).

Corporate Social Responsibility and Environment

This year, Yellow Pages launched the fourth edition of *Shop The Neighbourhood*, its annual national initiative to help raise awareness among Canadians about the importance of supporting small businesses and shopping locally. Taking place for the first time as a year-round campaign through a dedicated website, www.shoptheneighbourhood.yp.ca, and through coverage on different media platforms from across Canada, Shop The Neighbourhood encouraged consumers to make their purchases at small local businesses, as they are known to play a huge role in the social and economic environment of Canadian communities. It also equipped small businesses with key tools and information to help them grow their business and better position themselves in the current digital space. On November 26, 2016, Yellow Pages employees, along with participating local business associations, mobilized themselves in select neighbourhoods across Canada to celebrate and raise awareness for the local shopping cause.

- In addition to the Shop The Neighbourhood campaign, the Corporation made donations or conducted a variety of philanthropic and community involvement activities, many contributing to local neighbourhood and community vitality and health, for organizations from all over Canada including: United Way, Alzheimer's research at the Jewish General Hospital (Festin de Babette), Fondation Centre de cancérologie Charles-Bruneau (Tour CIBC Charles-Bruneau), Moisson Montreal, Fondation Le Chaînon, BC Children's Hospital, Young Associates of Opéra de Montréal, Red Cross (Fort McMurray wildfires), One Walk to Conquer Cancer, Montreal Heart Institute Foundation, Second Hand, Montreal Museum of Fine Arts, BC Technology for Learning Society, and more.

Yellow Pages also continued to support its print directory opt-out program, enabling Canadians to remove their address from the Yellow Pages print directory distribution list by calling 1 800 268-5637.

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

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

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

Corporate Governance

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

Legal Proceedings and Regulatory Actions

The Corporation is involved from time-to-time in various non-material, ordinary course legal proceedings and regulatory actions. Management believes that none of the litigation and regulatory actions in which the Corporation is currently involved, or has been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to its consolidated financial condition or results of operations.

CAPITAL STRUCTURE

Description of Common Shares

Yellow Pages is authorized to issue an unlimited number of common shares. As at March 23, 2017, there were 28,075,306 common shares of the Corporation issued and outstanding.

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

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

Stock Option Plan

The Corporation currently has an employee stock option plan (the “Stock Option Plan”). The Stock Option Plan is intended to attract and retain the services of selected employees (the “Participants”) of Yellow Pages who are in a position to make a material contribution to the successful operation of the business and to more closely align the interests of management with those of the shareholders of Yellow Pages Limited. A maximum of 1,290,612 stock options may be granted under the Stock Option Plan. As at March 23, 2017, 630,950 options were issued and outstanding.

Description of Preferred Shares

Yellow Pages is authorized to issue an unlimited number of cumulative redeemable first preferred shares, issuable in series with such rights, privileges, restrictions and conditions as may be determined by the Board of Directors of the Corporation prior to the issuance thereof. As at March 23, 2017, there were no preferred shares of Yellow Pages issued and outstanding. The preferred shares of each series will rank on a parity with the preferred shares of every other series and will be entitled to preference over the common shares and any other shares ranking junior to the preferred shares with respect to the payment of any dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation and may also be given such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined at the time of creation of such series. Holders of preferred shares, except as otherwise provided in the terms specific to a series of preferred shares or as required by law, will not be entitled to vote at meetings of holders of common shares.

Description of Senior Secured Notes

On December 20, 2012, the Corporation, through its subsidiary YP, issued $800 million of 9.25% senior secured notes maturing November 30, 2018 (the “Senior Secured Notes”). Interest on the Senior Secured Notes is payable in cash quarterly in arrears in equal instalments at 9.25% per annum on the last day of February, May, August and November of each year to the holders of record at the close of business as of February 15, May 15, August 15 and November 15 immediately preceding the related interest payment date. Below is a summary of certain provisions of the Senior Secured Notes.

The Senior Secured Notes are unconditionally guaranteed on a senior secured basis by the Corporation and all of its Restricted Subsidiaries (defined in the indenture governing the Senior Secured Notes as any subsidiary of the Corporation other than a subsidiary that is designated by the Board of Directors as being an unrestricted subsidiary) and are secured by a first priority lien, subject to certain permitted liens, in the collateral, which consists of all of the property of the Corporation and the Restricted Subsidiaries, whether owned on the Effective Date or thereafter acquired, other than certain excluded property.

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

The Corporation repaid a total principal amount of $97.1 million of its Senior Secured Notes in 2016 and a total principal amount of $490.3 million since their issuance on December 20, 2012. As at March 23, 2017, the Corporation was in compliance with all covenants under the indenture governing the Senior Secured Notes.

Mandatory Redemption

Pursuant to the indenture governing the Senior Secured Notes, the Corporation is required to use an amount equal to 75% of its consolidated Excess Cash Flow for the immediately preceding six-month period ending March 31 or September 30, as applicable, to redeem on a semi-annual basis on the last day of May and November of each year the Senior Secured Notes, at a redemption price equal to 100% of the principal amount thereof from holders on a pro rata basis, subject to the Corporation maintaining a minimum cash balance, including availability on the Asset-Based Loan, of $75 million immediately following the mandatory redemption payment, subject to certain conditions. The $75 million minimum cash balance amount may be reduced to a lesser amount in certain cases as provided in the indenture governing the Senior Secured Notes. Excess Cash Flow, as defined in the indenture governing the Senior Secured Notes, means the aggregate cash flow from operating activities adjusted for, among other things, payments relating to interest, taxes, long-term employee compensation plans, certain pension plan contribution payments and the acquisition of property and equipment and intangible assets. For purposes of determining the consolidated Excess Cash Flow, deductions for capital expenditures and information systems/information technology expenses are each subject to an annual deduction limit of $50 million. Under other circumstances, the Corporation may also have to make additional repayments on the Senior Secured Notes (refer to the indenture governing the Senior Secured Notes).

Optional Redemption

The Corporation may redeem all or part of the Senior Secured Notes at its option, upon not less than 30 and not more than 60 days' prior notice, at a redemption price equal to:

- in the case of a redemption occurring prior to May 31, 2017, 105% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date; or
- in the case of a redemption occurring after May 31, 2017, 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date.

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

Description of Exchangeable Debentures

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

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

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

As at March 23, 2017, the Corporation was in compliance with all covenants under the indenture governing the Exchangeable Debentures.

Exchange Option

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

Optional Redemption

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

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

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

Asset-Based Loan

In August 2013, the Corporation, through YP, entered into a five-year $50 million asset-based loan ("ABL") expiring in August 2018. The ABL is used for general corporate purposes. Through the ABL, the Corporation has access to the funds in the form of prime rate loans, Banker's acceptance ("BA") equivalent loans or letters of credit. The ABL has a first priority lien over the receivables of the Corporation and is subject to an availability reserve of $5 million if the Corporation's trailing twelve-month fixed charge coverage ratio is below 1.1 times. As at December 31, 2016, the Corporation had $7.4 million of letters of credit issued and outstanding under the ABL. As such, $42.6 million of the ABL was available. Interest is calculated based either on the BA Rate or the Prime Rate plus an applicable margin.

The loan agreement governing the ABL contains restrictive covenants, including restrictions on the incurrence of additional indebtedness, the payment of dividends and other payments, investments in unrestricted subsidiaries, the creation of liens, sale and leaseback transactions, mergers, consolidations and sales of assets, and certain transactions with affiliates and its business activities.

As at March 23, 2017, the Corporation was in compliance with all covenants under the loan agreement governing the ABL.

Description of Warrants

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

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

	Share Price									
Years to Expiry	**$5**	**$10**	**$15**	**$20**	**$25**	**$30**	**$35**	**$40**	**$45**	**$50**
	Redemption Price ($)									
10	0.51	2.35	5.13	8.51	12.29	16.35	20.60	25.00	29.51	34.11
9	0.40	2.03	4.64	7.89	11.57	15.56	19.77	24.14	28.63	33.21
8	0.30	1.72	4.12	7.22	10.80	14.72	18.88	23.21	27.67	32.24
7	0.21	1.39	3.58	6.51	9.97	13.80	17.91	22.20	26.65	31.20
6	0.13	1.08	3.02	5.75	9.07	12.81	16.85	21.11	25.53	30.08
5	0.07	0.77	2.42	4.93	8.08	11.71	15.69	19.92	24.33	28.87
4	0.03	0.49	1.81	4.03	6.98	10.49	14.40	18.60	23.01	27.56
3	0.01	0.24	1.19	3.05	5.75	9.11	12.95	17.13	21.56	26.15
2	0.00	0.07	0.60	1.98	4.32	7.48	11.27	15.47	19.96	24.63
1	-	0.00	0.12	0.81	2.55	5.44	9.22	13.58	18.25	23.09
0	-	-	-	-	-	1.84	6.84	11.84	16.84	21.84

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

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

(ii) if the Change of Control Price exceeds $50 per Common Share, subject to adjustment as provided for under the indenture governing the warrants, the Share Price shall be deemed to be $50 and the amount by which the actual Share Price exceeds $50 shall be added to such amounts shown in the $50 column for purposes of determining the applicable Redemption Price; and

(iii) if the Change of Control Price is less than $5 per Common Share, subject to adjustment as provided for under the indenture governing the warrants, the Redemption Price amount will be zero.

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

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

DIVIDENDS AND DISTRIBUTIONS

The Corporation has not declared or paid dividends on its common shares for any of the financial years ended December 31, 2016, 2015, and 2014. The Corporation does not expect that dividends will be declared on the common shares of Yellow Pages in the foreseeable future. Any future determination to pay dividends on the common shares will be at the discretion of the Board of Directors and will depend on, among other things, the Corporation's results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant.

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

MARKET FOR SECURITIES

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

Trading Price and Value

The following tables show the monthly range of high and low prices per Yellow Pages common share, and warrant, and YP Exchangeable Debenture at the close of market (TSX), as well as total monthly volumes and average daily volumes of common shares, warrants and Exchangeable Debentures traded on the TSX from January 1, 2016 to December 31, 2016.

Common Shares (Y)

2016 Month	Price per Common Share ($) Monthly High	Price per Common Share ($) Monthly Low	Common Shares Total Monthly Volume	Common Shares Average Daily Volume
January	15.96	14.19	1,347,129	67,356
February	19.15	15.00	2,118,611	105,931
March	20.82	18.77	2,832,703	128,759
April	21.33	20.36	1,490,372	70,970
May	20.88	18.15	2,245,230	106,916
June	19.83	17.44	2,106,864	95,767
July	19.87	18.19	759,300	37,965
August	19.14	18.05	440,609	20,028
September	20.94	18.55	1,392,200	66,295
October	22.12	20.10	969,516	48,476
November	22.24	17.76	1,480,821	67,310
December	18.75	17.23	830,282	41,514

Warrants (Y.WT)

2016 Month	Price per Warrant ($) Monthly High	Price per Warrant ($) Monthly Low	Warrants Total Monthly Volume	Warrants Average Daily Volume
January	3.08	2.47	32,888	1,644
February	4.15	2.61	68,602	3,430
March	4.70	3.72	128,875	5,858
April	4.92	4.37	71,972	3,427
May	4.60	3.37	46,505	2,215
June	3.92	3.31	33,398	1,518
July	3.77	3.45	24,346	1,217
August	3.85	3.05	38,375	1,744
September	4.00	3.46	77,707	3,700
October	4.18	3.52	45,325	2,266
November	4.11	2.54	83,343	3,788
December	2.71	2.40	63,467	3,173

Exchangeable Debentures (YPG.DB)

2016 Month	Price per Exchangeable Debenture ($) Monthly High	Price per Exchangeable Debenture ($) Monthly Low	Exchangeable Debentures Total Monthly Volume	Exchangeable Debentures Average Daily Volume
January	106.00	96.05	314,107	15,705
February	109.01	98.51	208,248	10,412
March	115.00	108.51	1,850,144	84,097
April	116.04	110.00	189,934	9,044
May	115.10	105.00	3,209,637	152,840
June	110.04	106.03	2,132,771	96,944
July	110.50	107.50	957,494	47,875
August	110.75	108.75	498,031	22,638
September	116.00	107.78	1,685,678	80,270
October	120.00	113.00	3,277,634	163,882
November	119.75	109.01	2,675,959	121,635
December	113.00	110.00	134,777	6,739

RISKS AND UNCERTAINTIES

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

Substantial competition could reduce the market share of the Corporation

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

The Corporation may be forced to reduce its prices or offer and perform other services in order to remain competitive. The Corporation's failure to compete effectively with its current or future competitors could have a number of impacts such as a reduction in its advertiser base, lower rates and increased costs. This could have a material adverse effect on the Corporation, its business, results of operations and financial condition.

A prolonged economic downturn in principal markets of the Corporation

The Corporation derives revenues principally from the sale of advertising across Canada. A prolonged economic downturn or recession affecting the Corporation's markets, or any deterioration in general economic conditions, could have a material adverse effect on the Corporation's business. The adverse effects of an economic downturn or recession on the Corporation could be compounded by the fact that the majority of the Corporation's customers are SMEs. Such businesses have fewer financial resources and higher rates of failure than larger businesses, and may be more vulnerable to prolonged economic downturns. Therefore, these SMEs may be more likely to reduce or discontinue advertising with the Corporation, which could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

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

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

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

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

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

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

The Corporation expects to derive a greater portion of its total revenue from its digital and other new media products.

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

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

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

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

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

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

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

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

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

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

The inability of the Corporation to develop information and technology systems and platforms required to execute the Corporation's Return to Growth Plan

The achievement of the Corporation's Return to Growth Plan requires the development of its digital media, mobile and online businesses. The customer preference for digital media, mobile and online products will likely accelerate as younger, more technologically savvy advertisers make up a greater portion of the Corporation's potential customer base. Moreover, the rapid technological evolution in the advertising industry is driving changes in user behaviour as users seek more control over the way in which they consume content. In order to succeed, the Corporation will need to invest significant resources in order to, among other things:

- accelerate the evolution of its existing products and services;
- develop in a timely manner compelling new digital media, mobile and online products and services that engage users across various platforms;
- attract and retain talent for critical positions;
- continue to transform its organization and operating model to grow its digital media, mobile and online businesses;

- continue to develop and upgrade its technologies and supporting processes to distinguish its products and services offering from those of its competitors; and

- sell advertising in significant markets and be a compelling choice for advertisers on mobile and online.

The Corporation cannot assure that it will be successful in achieving these and other necessary objectives or that the Return to Growth Plan will be successful. Failure to adapt to new technology or delivery methods, or the choice of one technological innovation over another, may have an adverse impact on the Corporation's ability to compete effectively with its competitors or to achieve its Return to Growth Plan, which could have a material adverse effect on the Corporation, its business, results of operations and financial condition.

The inability of the Corporation to execute on or delays in the execution of its Return to Growth Plan could impair its ability to grow revenues and expand its business

In early 2014, the Corporation introduced the Return to Growth Plan, which was a five year strategic plan to return to growth in customer count, revenues and profitability. The Corporation's inability to execute on or delays in the execution of the Plan could impair its ability to grow revenue and expand its business, which might have a material adverse effect on the Corporation, its business, results from operations and financial condition.

The Corporation might be required to record additional impairment charges

The Corporation may be subject to impairment losses that would reduce its reported assets and earnings. Economic, legal, regulatory, competitive, contractual and other factors may affect the value of identifiable intangible assets. If any of these factors impair the value of these assets, accounting rules would require the Corporation to reduce their carrying value and recognize an impairment charge, which would reduce the value of the Corporation's reported assets and earnings of the Corporation in the year the impairment charge is recognized.

The Corporation's inability to realize cost savings

The Return to Growth Plan is designed to improve operational efficiencies and generate cost savings across the organization. The Corporation will continue to realize efficiencies by decommissioning and replacing legacy systems and ISIT datacenters, while optimizing various customer service and digital fulfillment processes. The Corporation may not be able to complete these projects on time, on budget and/or successfully, placing the realization of anticipated cost savings at risk. Delays and/or disruptions in these projects may have an adverse effect on our business, results from operations and financial condition.

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

The Corporation has a Billing and Collection Services Agreement with Bell Canada (up to 2017), with Telus (up to 2031), with MTS Allstream (up to 2036) and with Bell Canada Inc. (as successor to Bell Aliant Regional Communications LP) (up to 2037). Through these agreements, billing is included as a separate line item on the telephone bills of Bell, Telus, MTS Allstream and Bell Canada Inc. customers who use our services. Bell Canada, Telus, MTS Allstream and Bell Canada Inc. (the Telco Partners) contract with third parties to conduct monthly billing of customers who use them as their local telephone service providers. In addition, the Telco Partners provide collection services for the Corporation with those customers who are also their customers. Additionally, the Corporation has entered into publishing agreements with each Telco Partner. If the Corporation fails to perform its obligations under these agreements and the agreements are consequently terminated by such Telco Partner, other agreements with such Telco Partners may also be terminated, including the Bell Canada Trademark License

Agreement, the Telus Trademark License Agreement, the MTS Allstream. Branding and Trademark Agreement and the Bell Canada Inc. Branding and Trademark Agreement, as well as non-competition covenants the Corporation benefit from with such Telco Partners.

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

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

Customers who do not use the Telco Partners as their local telephone provider as well as all new customers are billed directly by the Corporation.

Failure by the Corporation to adequately protect and maintain its brands and trademarks, as well as third party infringement of said brands and trademarks

The Corporation relies heavily on its existing brands and trademarks for a significant portion of its revenues. Failure to adequately maintain the strength and integrity of these brands and trademarks, or to develop new brands and trademarks, could adversely affect the results from operations and the financial condition of the Corporation.

It is possible that third parties could infringe upon, misappropriate or challenge the validity of the Corporation's trademarks or its other intellectual property rights. This could have a material adverse effect on the business of the Corporation, its financial condition and its operating results. The actions that the Corporation takes to protect its trademarks and other proprietary rights may not be adequate. Litigation may be necessary to enforce or protect the Corporation's intellectual property rights, its trade secrets or to determine the validity and scope of the proprietary rights of others. The Corporation cannot ensure that it will be able to prevent infringement of its intellectual property rights or the misappropriation of the Corporation's proprietary information.

Any such infringement or misappropriation could harm any competitive advantage the Corporation currently derives, or may derive, from its proprietary rights. Third parties may assert infringement claims against the Corporation. Any such claims and any resulting litigation could subject the Corporation to significant liability for damages. An adverse judgment arising from any litigation of this type could require the Corporation to design around a third party's patent or to license alternative technology from another party. In addition, litigation may be time-consuming and expensive to defend against and could result in the diversion of the Corporation's time and resources. Any claims from third parties may also result in limitations on the Corporation's ability to use the intellectual property subject to these claims.

Work stoppages and other labour disturbances

Certain non-management employees of the Corporation are unionized. Current union agreements range between one to five years in duration and are subject to expiration at various dates in the future. If the Corporation is unable to renew these agreements as they come up for renegotiation from time to time, it could result in work stoppages and other labour disturbances which could have a material adverse effect on the business of the Corporation. Additionally, if a greater percentage of the Corporation's workforce becomes unionized, this could have a material adverse effect on its business, results from operations and financial condition.

The Corporation manages labour relations risk by ensuring that collective agreements' expiration dates are strategically positioned to minimize potential disruptions on both a regional (geographic) or on a functional (sales and clerical) basis. Also, every negotiation process to renew a collective agreement includes a cross-functional team in which all business units are represented. This team has the responsibility to develop and ultimately implement an effective contingency plan that would allow the Corporation to continue its day to day operation with minimal disruptions in the event of a labour dispute.

The Corporation's inability to attract and retain key personnel

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

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

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

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

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

The failure of the Corporation's computers and communications systems

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

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

Declines in, or changes to, the real estate industry

The CFDP business and its financial performance are affected by the health of, and changes to, the real estate industry. Home-buying patterns are sensitive to economic conditions and tend to decline or grow more slowly during economic downturns. A decrease in real estate activities could lead to reductions in the purchase of package offerings by home sellers. CFDP is subject to rules and regulations in the real estate industry, which may change from time to time in a way that may restrict or complicate CFDP's ability to deliver its products and harm CFDP's business and operating results. Declines or disruptions in the real estate market could reduce demand for CFDP's products and could harm its business and operating results. This could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

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

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

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

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

The Corporation’s amount of debt and compliance with the covenants applicable under its debt instruments

The Corporation’s amount of debt could have material adverse effects on the Corporation, its business, results from operations and financial condition. For example, it could:

- increase the Corporation’s vulnerability to adverse economic and industry conditions;
- require the Corporation to dedicate a substantial portion of its cash flows from operations to make payments on its debt, thereby reducing funds available for operations, future business opportunities or other purposes;
- limit the Corporation’s flexibility in planning for, or reacting to, changes in its business and its industry;
- place the Corporation at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Corporation’s ability to obtain additional financing, if needed, for working capital, capital expenditures, acquisitions, debt service requirements or other purposes.

In addition, the indenture governing the Senior Secured Notes, the indenture governing the Exchangeable Debentures and the ABL contain a number of financial and other restrictive covenants, including restrictions on the incurrence of additional indebtedness, the payment of dividends and other payment restrictions, investments, the creation of liens, sale and leaseback transactions, mergers, consolidations and sales of assets and certain transactions with affiliates and its business activities. A failure to comply with such obligations could result in a default which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness under the indenture governing the Senior Secured Notes, the indenture governing the Exchangeable Debentures or the ABL, as the case may be, were to be accelerated, there can be no assurance that the Corporation would have sufficient liquidity or access to capital to repay in full that indebtedness.

Incremental contributions by the Corporation to its pension plans

The Corporation is currently and may be required to make incremental contributions to its pension plans in the future depending on various factors including future returns on pension plan assets, long-term interest rates and changes in pension regulations, which may have a materially negative effect on the Corporation's liquidity and results from operations. The Corporation is currently making incremental contributions to its pension plans to reduce actuarial solvency deficits.

The funding requirements of the Corporation's pension plans, resulting from valuations of its pension plan assets and liabilities, depend on a number of factors, including actual returns on pension plan assets, long-term interest rates, plan demographic and pension regulations. Changes in these factors could cause actual future contributions to significantly differ from the Corporation's current estimates and could require the Corporation to make incremental contributions to its pension plans in the future and, therefore, could have a materially negative effect on the Corporation's liquidity, business, results from operations and financial condition.

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

The failure to increase prices

From time to time, the Corporation increases prices of its products and services. There can be no assurance that the Corporation will continue to be able to increase prices in the future. The failure to increase prices may have an adverse effect on the Corporation, its results from operations and financial condition.

Changes in regulations

The Corporation's business operations are not currently regulated by any regulatory authority. However, the Corporation provides services to telephone companies which operate in a highly regulated industry. The Corporation may be adversely affected if it, or the directories publishing business in general, becomes subject to regulation.

In addition, as the local search industry develops, the provision of digital services and the commercial use of internet and internet-related applications may become subject to greater regulation. Regulation of the internet and internet-related services is still developing. If the Corporation's regulatory environment becomes more restrictive, including via increased internet regulation, the Corporation's profitability could decrease, which in turn could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

The imposition of new environmental laws or the new interpretation of environmental laws

The Corporation is subject to laws and regulations relating to environmental protection. The imposition of new environmental laws, including in relation to waste disposal, or new interpretations of existing laws and regulations or enforcement by governmental agencies, could result in increased unforeseen expenditures, which in turn could have a material adverse effect on the Corporation, its business, results from operations and financial condition.

The Corporation's failure to promote and reinforce consumer trust in its brands, or negative publicity regarding the Corporation

To increase usage of its products and expand its visibility to potential advertising customers, the Corporation intends to continue to pursue a strategy of promoting its brands. To date, the Corporation has made significant investments in establishing and positioning its brands, and it expects to continue to make investments and devote resources to marketing and advertising campaigns. The Corporation may not be able to successfully increase consumer awareness of its brands and/or such advertising may not prove to be cost-effective. There can be no assurance that consumer awareness levels will lead to a measurable increase in advertising customers, traffic to the Corporation's websites, overall revenue, margins or profitability.

Negative publicity could also damage the value of the Corporation's brands. The Corporation could be the target of negative publicity as a result of various factors, including poor performance, disruptions to the operations of the Corporation's websites or security breaches or misuse of personal and financial data provided by consumers. If any of these events were to occur, advertising customers and consumers could lose confidence in the Corporation's brands, traffic to the Corporation's websites could decline and use of the Corporation's print directories could decline, any of which could have a material adverse effect on the Corporation's business, financial condition and results from operations.

Turnover among MACs

The loss of a significant number of experienced MACs would likely result in fewer sales and could materially adversely affect the Corporation's business. The turnover rate of the Corporation's MACs is higher than for its employees generally. A majority of the attrition of the Corporation's MACs occurs with employees with less than two years' experience. The Corporation expends substantial resources and management time on identifying and training its MACs. The ability to attract and retain qualified sales personnel depends on numerous factors outside of the Corporation's control, including conditions in the local employment markets in which it operates. A substantial decrease in the number of MACs could have a material adverse effect on the Corporation, its business, financial condition and results from operations.

Adverse outcomes in lawsuits or investigations

From time to time, the Corporation is party to litigation and regulatory and other proceedings with governmental authorities and administrative agencies. Adverse outcomes in lawsuits or investigations could result in significant monetary damages or injunctive relief that could adversely affect the Corporation's operating results or financial condition as well as its ability to conduct its businesses as they are presently being conducted.

TRANSFER AGENT AND REGISTRAR

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

DIRECTORS AND OFFICERS OF YELLOW PAGES

Directors

The following table sets out, for each of the current directors of Yellow Pages, the person's name, province or state, and country of residence, membership to various board committees as applicable, principal occupation, period of service as a director of Yellow Pages or its predecessor entities and number of common shares, deferred share units ("DSUs"), restricted share units ("RSUs") or performance share units ("PSUs") of Yellow Pages beneficially owned, or controlled or directed, directly or indirectly, by him or her as at March 23, 2017. The term of office for each of the directors will expire at the time of the next annual meeting of shareholders of Yellow Pages or at such time as his or her successor is otherwise elected.

Name and Province or State of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned	Number of DSUs Beneficially Owned	Number of RSUs Beneficially Owned	Number of PSUs Beneficially Owned
Julien Billot Québec, Canada	President and Chief Executive Officer, Yellow Pages Limited	January 2014	40,717	14,196	39,702	99,256
Robert F. MacLellan[(1)] Ontario, Canada	Corporate Director	December 2012	40,000	56,195	Nil	Nil
Craig Forman[(2)] California, USA	President and Chief Executive Officer, McClatchy Company	January 2012	4,000	23,583	Nil	Nil
Susan Kudzman [(4)] Québec, Canada	Executive Vice President, Chief Risk Officer and Corporate Affairs, Laurentian Bank of Canada	October 2014	Nil	33,676	Nil	Nil
David A. Lazzarato[(3)] Ontario, Canada	Corporate Director	December 2012	Nil	23,583	Nil	Nil
David G. Leith[(2)] Ontario, Canada	Corporate Director	February 2012	Nil	24,795	Nil	Nil
Donald H. Morrison[(4)] Ontario, Canada	Corporate Director	March 2013	Nil	23,583	Nil	Nil
Martin Nisenholtz[(4)] Massachusetts, USA	Professor, Boston University	May 2006	250	24,236	Nil	Nil

Name and Province or State of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned	Number of DSUs Beneficially Owned	Number of RSUs Beneficially Owned	Number of PSUs Beneficially Owned
Kalpana Raina[(3)] New York, USA	Managing Partner, 252 Solutions, LLC	December 2012	Nil	23,583	Nil	Nil
Michael G. Sifton[(3)] Ontario, Canada	Chief Executive Officer, DATA Communications Management Corp.	December 2012	Nil	23,583	Nil	Nil

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

Biographies

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

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

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

Craig Forman is President and Chief Executive Officer of McClatchy Company, a Sacramento, California-based news and information company since January 2017. Mr. Forman was Executive Chairman of the Board of the mobile advertising technology company Appia, Inc. from August 2011 until its acquisition in March 2015 by Digital Turbine Inc., on whose Board Mr. Forman served until January 2017. He also served as Executive Chairman of WHERE, Inc., a location-based media company which was acquired by eBay, from 2010 to 2011. Previously, from 2006 to 2009, Mr. Forman served as Executive Vice President and President, Access and Audience and Chief Product Officer at EarthLink, Inc., an Atlanta-based Internet services provider. Mr. Forman is a technology executive with over 20 years of experience in the internet, media and communications industries. He has served as a senior executive at Yahoo! Inc., Time Warner Inc. and Dow Jones & Co. Mr. Forman serves as a Director on the Boards of several private companies. Mr. Forman has an undergraduate degree in Public and International Affairs from the Woodrow Wilson School of Public and International Affairs of Princeton University and a Master's degree in law from Yale Law School. Mr. Forman has completed the Directors' Consortium executive education program at Stanford University, and the Program Making Corporate Boards More Effective at Harvard Business School. Mr. Forman is a member of the Corporate Governance and Nominating Committee.

Susan Kudzman has been Executive Vice President, Chief Risk Officer and Corporate Affairs of Laurentian Bank since October 2015. Between March 2014 and October 2015 she served as Senior Vice President, Human Resources from March 2014 to October 2015. Ms. Kudzman was formerly a partner at Mercer (Canada) Limited where she directed the risk management practice from 2011 to 2014. Before that time,Ms. Kudzman was Executive Vice President and Chief Risk Officer at Caisse de dépôt et placement du Québec where she was responsible for risk management, depositor services, performance calculation and analysis and strategic planning. Ms. Kudzman currently serves on the Board of Directors, the Human Resources Committee and the Risk and Governance Committee of Transat A.T. Inc., an international tour operator and airline. She is a member of the Board of Directors and Chair of the Human Resources Committee of the Montreal Heart Institute Foundation. Ms. Kudzman holds a Bachelor's degree in Actuarial Science and the titles of Fellow of the Canadian Institute of Actuaries (FCIA), Fellow of the Society of Actuaries (FSA) and Certified Enterprise Risk Analyst (CERA). Ms. Kudzman is the Chair of the Human Resources and Compensation Committee.

David A. Lazzarato is a media/broadcast industry consultant who assists companies in the areas of strategy development, mergers and acquisitions and financing. Mr. Lazzarato was Senior Vice President, Finance at Bell Canada in 2010 and 2011. Prior to that, Mr. Lazzarato was Chief Executive Officer of Craig Wireless Systems Ltd. in 2008. Prior to joining Craig Wireless Systems Ltd., Mr. Lazzarato served as Executive Vice President and Chief Financial Officer of Alliance Atlantis Communications Inc. and Chairman of Motion Picture Distribution from 2005 to 2007. From 1999 to 2004, Mr. Lazzarato served as Executive Vice President and Chief Financial Officer of Allstream Inc. (formerly, AT&T Canada Inc.) and was Chief Corporate Officer of MTS Allstream Inc. in 2004. Mr. Lazzarato is past Chair of the McMaster University Board of Governors and Chair of the Council of Chairs of Ontario Universities. Mr. Lazzarato serves on the Board of Directors of Amaya Inc. and is Chairman of the Audit Committee. Mr. Lazzarato earned a Bachelor of Commerce degree from McMaster University and is a Chartered Accountant, having received the FCA designation from the Ontario Institute of Chartered Accountants in 2006. Mr. Lazzarato received the ICD.D certification from the Institute of Corporate Directors in 2008 and has also completed the Senior Executive Program at the Massachusetts Institute of Technology. Mr. Lazzarato is the Chair of the Audit Committee.

David G. Leith served as Chair of Manitoba Telecom Services Inc. and certain of its subsidiaries until its acquisition by BCE on March 17, 2017. Prior to this, Mr. Leith acquired over 25 years of equity, debt, government finance and mergers and acquisition experience with CIBC World Markets and its predecessors and last served until February 2009 as Deputy Chairman of CIBC World Markets and as Managing Director and Head of CIBC World Markets' Investment, Corporate and Merchant Banking activities. Mr. Leith serves on the Board of Directors of Hudson's Bay Company, is its Lead Director, and is a member of its Audit and Corporate Governance and Nomination Committees. Mr. Leith also serves as Chair of the Board of the Investment Management Corporation of Ontario (IMCO) and as Director of Sinai Health System. Mr. Leith holds a Bachelor of Arts degree from the University of Toronto and a

Master of Arts degree from Cambridge University. Mr. Leith is the Chair of the Corporate Governance and Nominating Committee.

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

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

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

Michael G. Sifton is Chief Executive Officer of DATA Communications Management Corp., a document management and marketing solutions firm. Prior to that, Mr. Sifton served as Managing Partner at Beringer Capital, an investment and advisory firm focused on the marketing services and specialty media industry since September 2009. Mr. Sifton spent his career in the media business, with over 20 years of direct experience in the Canadian newspaper industry. Prior to joining Beringer Capital, he was President and Chief Executive Officer of Sun Media, Canada's largest newspaper publisher by household penetration and reach. In 2001, Mr. Sifton led the formation of Osprey Media Group, which was later acquired by Sun Media in 2007. Prior to forming Osprey Media Group, Mr. Sifton was President of

Hollinger Canadian Newspapers G.P. and President and Chief Executive Officer of family-owned Armadale Communications. Mr. Sifton is a former Chairman of The Canadian Press and a former Director of the Canadian Newspaper Association and the Newspaper Audience Databank. Mr. Sifton also served as Chairman of the Board of Governors of St. Andrew's College in Aurora, Ontario. Mr. Sifton holds a Bachelor of Commerce (Honours) from Queen's University. Mr. Sifton is a member of the Audit Committee.

Officers

The following tables set out, for each of the current officers of the Corporation, the person's name, province or state, and country of residence, position with the Corporation and number of common shares, DSUs, RSUs or PSUs of the Corporation beneficially owned or controlled or directed, directly or indirectly, by him or her as at March 23, 2017.

Name and Province of Residence	Position and Principal Occupation	Number of Common Shares Beneficially Owned	Number of DSUs Beneficially Owned	Number of RSUs Beneficially Owned	Number of PSUs Beneficially Owned
Caroline Andrews Ontario, Canada	Vice President and Chief Publishing Officer	Nil	Nil	4,235	10,631
Yan Bélanger[(1)] Québec, Canada	Vice President, Operations	1,293	Nil	3,811	3,811
Julien Billot Québec, Canada	President and Chief Executive Officer	40,717	14,196	39,702	99,256
Paul Brousseau[(2)] Ontario, Canada	Vice President, Brand Communication and President, Juice Mobile	Nil	Nil	5,588	5,588
Nathalie d'Escrivan Québec, Canada	Vice President Marketing	Nil	Nil	2,605	2,605
Alexandre Gowett Québec, Canada	Treasurer	Nil	Nil	1,236	1,236
Antoine Hage Québec, Canada	Vice President and Chief Technology and Development Officer	Nil	Nil	3,737	3,737
Matthieu Houle Québec, Canada	Vice President, Media	3,004	Nil	8,559	8,559
Jeff Knisley British Columbia, Canada	Vice President, Sales	5,343	Nil	13,982	13,982
Marie-Josée Lapierre Québec, Canada	Assistant Secretary	1,303	Nil	3,927	3,927
Dany Paradis[(3)] Québec, Canada	Senior Vice President Operations and Chief Human Resources Officer	6,000	Nil	6,996	17,520

Name and Province of Residence	Position and Principal Occupation	Number of Common Shares Beneficially Owned	Number of DSUs Beneficially Owned	Number of RSUs Beneficially Owned	Number of PSUs Beneficially Owned
Stephen Port Québec, Canada	Vice President, Sales Strategy	57	Nil	10,828	15,723
François D. Ramsay Québec, Canada	Senior Vice President, Corporate Affairs and General Counsel	9,407	Nil	10,436	26,080
Ali Rahnema(4) Ontario, Canada	President, Mediative	Nil	Nil	Nil	Nil
Franco Sciannamblo Québec, Canada	Vice President, Corporate Controller and Chief Accounting Officer	1,554	Nil	7,701	7,701
Darby Sieben(5) Ontario, Canada	Vice President, Strategy and Partnerships	3,211	Nil	8,559	8,559
Pascal Thomas Québec, Canada	Senior Vice President and Chief Digital Officer	Nil	Nil	6,439	16,112
Dominique Vallée(6) Québec, Canada	Senior Vice President, Sales and Customer Care.	4,761	Nil	13,549	13,549

(1) Yan Bélanger was appointed Vice President, Operations on November 9, 2016.
(2) Paul Brousseau was appointed Vice President, Brand Communications and President of JUICE on February 13. 2017.
(3) Dany Paradis was appointed Senior Vice President Operations and Chief Human Resources Officer on November 9, 2016.
(4) Ali Rahnema was appointed President of Mediative on February 13, 2017.
(5) Darby Sieben was appointed Vice President, Strategy on April 1, 2016.
(6) Dominique Vallée was appointed Senior Vice President, Sales and Customer Care on November 9, 2016.

All of the officers of the Corporation have held their present positions or other executive positions with the Corporation or with related or affiliated corporations during the past five years or more, except for Caroline Andrews who, from 1997 to 2014, was Vice President and Group Publisher of TC Media; Yan Bélanger who, from 2012 to 2015 was Director, Digital Services of Yellow Pages, and from 2015 to 2016 was Director, Business Support of Yellow Pages; Paul Brousseau who, from 2011 to 2015, was Senior Director of Marketing, Sportsnet at Rogers Media, and from 2006 to 2011 was Director, Consumer Advertising, at Rogers Communications; Nathalie d'Escrivan who joined Yellow Pages as Director of Customer Value in 2015, and from 2008 to 2015 occupied various positions at Bain & Company; Alexandre Gowett who, from 2013 to 2016 held a management position in the Corporate Finance and Treasury Department, and from 2008 to 2013 held management positions in the Treasury Department at Alliance Films; Antoine Hage, who joined Yellow Pages as Director, e-commerce in 2015, and from 2012 to 2015 was CTO Loyalty and Vice President GLP at Ratuken, and from 2009 to 2011 was Chief Technology Officer and Co-Founder at wApplify; Dany Paradis who, from 2008 to 2012, was Vice President, Change Management and Supply Chain for Fibrek, from 2012 to 2013 was an independent consultant and in 2014 was Interim President of Supremex Inc; Ali Rahnema who, from 2011 to 2014 was Vice President, Digital Media of Toronto Star, and from 2014 to 2015 was Chief Operating Officer, Digital of Star Media Group; Darby Sieben who, from 2006 to 2013, occupied different management positions in the Marketing Department; Franco Sciannamblo who, from 2008 to 2012, was Vice President of Finance for Bell Business Markets and Wholesale at BCE Inc.; Matthieu Houle who, from 2000 to 2014, occupied various positions with increasing level of responsibility in marketing, business development, and operations departments of YP; and Pascal Thomas who, from 2010 to 2014, was Chief Executive Officer of Mappy, part of Solocal Group, and from 2011 to 2014, was Vice President of New Media of Solocal Group.

Ownership in the Corporation

As at December 31, 2016, the directors and officers of the Corporation, as a group, beneficially owned or exercised control or direction over, directly or indirectly, 10,852 common shares of the Corporation, which represents approximately 0.04% of the outstanding common shares of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, (a) no director or executive officer of the Corporation is, at the date of this Annual Information Form, or has been, in the ten (10) years prior to the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company, that while the director or executive officer was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, or (ii) after the director or executive officer ceased to act in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days because of an event which occurred while the director or executive officer was acting in that capacity, or (b) no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, at the date of this Annual Information Form, or has been, in the ten (10) years prior to the date of this Annual Information Form, a director or an executive officer of any company, that while that person was acting in that capacity, or in the year after that person ceased to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency legislation, was subject to any proceedings, arrangement or compromise with creditors or instituted any proceedings against the same, or had a receiver, receiver-manager or trustee appointed to hold its assets, or (c) no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, in the ten (10) years prior to the date of this Annual Information Form, became bankrupt, made a proposal under any bankruptcy or insolvency legislation, was subject to any proceedings, arrangement or compromise with creditors or instituted any proceedings against the same, or had a receiver, receiver-manager or trustee appointed to hold his or her assets, except for Messrs. Craig Forman, David G. Leith and Martin Nisenholtz who were directors of Yellow Pages for varying periods of time immediately prior to the announcement of the Corporation's recapitalization transaction on July 23, 2012 and its implementation on December 20, 2012. In addition, Mr. Nisenholtz was Director of Postmedia Network Canada Corp. at the time of the implementation on October 5, 2016 of the recapitalization transaction in accordance with a court approved Plan of Arrangement under the Canada Business Corporations Act pursuant to which the first lien senior secured notes issued by Postmedia Network Inc. were extended by approximately four years and reduced with a cash repayment at par, and the second lien senior secured notes issued by Postmedia Network Inc. were exchanged for voting shares and variable voting shares of Postmedia Network Canada Corp.; or (d) no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interests

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

AUDIT COMMITTEE INFORMATION

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

Audit Committee Charter

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

Composition of the Audit Committee

As at the date hereof, the Audit Committee is composed of David A. Lazzarato (Chairman), Kalpana Raina, and Michael G. Sifton.

Relevant Education and Experience

Each member of the committee is considered “independent” and “financially literate” as such terms are defined in NI 52-110. In particular, each member of the Audit Committee has (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements, (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience in the preparation, audit, analysis or evaluation of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements (or experience in actively supervising individuals engaged in same), and (iv) an understanding of the internal controls and procedures necessary for financial reporting. The Board therefore believes that the Audit Committee has the knowledge and background required to oversee the financial reporting and disclosure controls and procedures, accounting systems and internal controls over financial reporting of the Corporation. The table below sets out the Audit Committee members’ experience.

Committee Member	Financial Literacy	Relevant Education, Professional Background and Experience
David A. Lazzarato, FCA, ICD.D	Yes	Mr. Lazzarato has acquired extensive accounting, corporate finance and mergers and acquisition experience through his roles as Senior Vice President, Finance of Bell Canada, Chief Executive Officer of Craig Wireless Systems Ltd., Chief Financial Officer of Alliance Atlantis Communications Inc., Chief Corporate Officer of MTS Allstream Inc., Executive Vice President and Chief Financial Officer of Allstream (formerly, AT&T Canada), Senior Vice President and Chief Financial Officer of BCE Mobile Communications Inc., Vice President and Comptroller of BCE Inc. and Senior Vice President, Finance and Administration of CAE Electronics Ltd. Mr. Lazzarato is a Fellow Chartered Accountant, holds a Bachelor of Commerce Degree and completed the Director’s Education Program of the Institute of Corporate Directors which has a module on monitoring financial strategy, risks and disclosure.
Kalpana Raina	Yes	During the 18 years she served at the Bank of New York, a global financial services institution, Ms. Raina had broad exposure to accounting, corporate finance and credit risk issues, specifically in her role as Executive Vice President and as manager of its offices in France, Spain, Italy, Belgium and Germany. Ms. Raina is also a Director and a member of the Audit Committee of Information Services Group, Inc. and John Wileys & Sons, Inc., and previously served as Director and member of the Audit Committee of RealNetworks, Inc.

Michael G. Sifton	Yes	Over the course of over 30 years as President and Chief Executive Officer of Sun Media Corporation, President, Chief Executive Officer and Director of Osprey Media Group, President of Hollinger Canadian Newspaper G.P., President and Chief Executive Officer of Armadale Communications Limited, President and Chief Executive Officer of Praxis Technologies Inc. and now Chief Executive Officer of DATA Communications Management Corp., Mr. Sifton acquired significant experience in accounting and corporate finance issues. Mr. Sifton also holds a Bachelor of Commerce Degree (Honours).

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

Audit Committee Oversight

At no time since the commencement of the financial year ended December 31, 2016 has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors of the Corporation.

Principal Auditor

During the years ended December 31, 2014, 2015 and 2016, the Corporation retained Deloitte LLP ("Deloitte") as its principal auditors.

Approval Policies

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

External Auditor Service Fees

A summary of the fees paid to Deloitte to provide services in the categories and for the approximate amounts for the years ended December 31, 2016 and 2015 is included below:

Category of Fees	**2016 ($)**	**2015 ($)**
Audit fees	1,031,000	902,000
Audit-related fees	80,000	90,000
Tax fees	261,000	282,000
All other fees	80,000	10,000
TOTAL	1,452,000	1,284,000

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

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

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

All Other Fees. These fees consist of consulting services.

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

INTEREST OF EXPERTS

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of business, Yellow Pages has entered into the following material contracts during the year ended December 31, 2016 or before such year but which are still in effect:

- the warrant indenture dated as of December 20, 2012 entered into between the Corporation and CIBC Mellon Trust Company, providing for the issuance of 2,995,506 warrants, which are exercisable at $28.16 per warrant at any time on or prior to December 20, 2022 (see "Capital Structure – Description of Warrants");
- the trust indenture dated as of December 20, 2012 entered into between YP, the Corporation, YP NextHome, YPG (USA) Holdings Inc., Yellow Pages Digital & Media Solutions, LLC, BNY Trust Company of Canada, and Bank of New York Mellon, providing for the issue of Exchangeable Debentures (see "Capital Structure – Description of Exchangeable Debentures");
- the trust indenture dated as of December 20, 2012 entered into between YP, the Corporation, YP NextHome, YPG (USA) Holdings, Inc., Yellow Pages Digital & Media Solutions, LLC, BNY Trust Company of Canada, Bank of New York Mellon and each of the Guarantors, providing for the issue of Senior Secured Notes (see "Capital Structure – Description of Senior Secured Notes"); and

- the exchange agreement dated as of December 20, 2012 entered into between the Corporation, YP and BNY Trust Company of Canada, providing for, among other things, the issuance by the Corporation of common shares of the Corporation upon the exchange of Exchangeable Debentures in accordance with the terms and conditions of the indenture governing the Exchangeable Debentures.

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

ADDITIONAL INFORMATION

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

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Yellow Pages' securities and securities authorized for issuance under equity compensation plans is contained in the Corporation's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Corporation's consolidated financial statements and MD&A for the year ended December 31, 2016.

Yellow Pages will, upon request to the Secretary of the Corporation, 16 Place du Commerce, Nuns' Island, Verdun, Québec, H3E 2A5, provide a copy of the annual and quarterly management's discussion and analysis and financial statements of the Corporation to any shareholder of the Corporation.

SCHEDULE A

CHARTER of the AUDIT COMMITTEE (the "Committee")

of the BOARD OF DIRECTORS of YELLOW PAGES LIMITED

AUTHORITY

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

The Committee shall have unrestricted access to the Corporation's personnel, documents and external auditors and will be provided with the resources necessary to carry out its responsibilities. In carrying out its mandate, the Committee's review of the various activities of the Corporation shall include such investigation, analysis and approval of such activities as it may consider necessary. The Committee may engage outside advisors at the expense of the Corporation in order to assist the Committee in the performance of its duties and set and pay the compensation for such advisors.

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

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

STRUCTURE

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

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

3. No member of the Committee may serve on the Audit Committee of more than three public companies, including the Corporation, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

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

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

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

7. The Chairperson of the Committee has the following responsibilities

   7.1 presiding at meetings of the Committee;

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

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

   7.4 acting as liaison between the Committee and the Board.

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

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

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

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

12. A quorum at meetings of the Committee shall consist of two members. All decisions and recommendations made by the Committee shall be made by a majority vote of the members present at the meeting. Each member, including the Chairperson, shall only be entitled to one vote. The Chairperson or the Chairman of the Board shall not have a casting vote.

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

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

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

RESPONSIBILITIES

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

Annual Financial Information

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

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

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

    3.1 the auditor's engagement letter;

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

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

    3.4 the form of the audit report.

Interim Financial Statements

In conjunction with regular Board meetings:

1. Review the Corporation’s quarterly consolidated financial statements and accompanying notes and related MD&A and press release and recommend their approval to the Board before they are publicly disclosed, after discussing and making inquiries to management and the external auditors on the preparation of such statements. The Committee shall seek confirmation from management that such

financial statements or financial information, together with the other financial information included in the Corporations' interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation as of the relevant date and for the relevant periods.

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

External Auditors

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

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

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

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

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

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

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

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

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

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

   8.3 confirm with any independent external auditor retained to provide audit services for any fiscal year that the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has not performed audit services for the

Corporation for more than seven years in total, or if so has not thereafter resumed or assumed either such role until a further five years have elapsed.

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

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

Other Public Financial Information

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

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

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

Management Information Systems and Internal Controls

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

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

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

4. Review, as required, the effect of regulatory and accounting pronouncements and any other transactions which could alter, impact or otherwise materially affect the Corporation’s financial or corporate structure, including off-balance sheet items.

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

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

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

Internal Auditor

1. Review and approve the appointment of the internal auditor and protect and promote his/her status of independence.

2. Oversee the general functions, responsibilities and performance of the internal auditor.

3. Review and approve the budget, compensation and resources for the internal auditor.

4. Review reports prepared by the internal auditor and the internal audit plan.

5. Review and discuss with management any relevant significant recommendations that the internal auditor may have presented in its reports to the Committee and receive follow-up reports on action taken with respect to the recommendations.

6. The Committee has the authority to communicate directly with the internal auditor.

Compliance Reporting

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

   1.1 debt covenants;

   1.2 all required withholding, deductions and remittances;

   1.3 corporate business conduct standards;

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

   1.5 laws and regulations covering the operation of the Corporation.

Pension Matters

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

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

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

4. Annually review the Pension Plan’s funding objectives and provide comments and/or make recommendations to the Company Board.

5. Review actuarial valuations prepared by the actuary in relation to the Pension Plan and Fund and provide comments and/or make recommendations to the Company Board.

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

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

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

9. Review the governance structure of the Pension Plan and Fund from time to time and provide comments and/or make recommendations to the Company Board.

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

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

12. Report to the Company Board at least quarterly on the administration of the Pension Plan and Fund and the activities of the Pension Committee and the Committee relating to the Pension Plan and Fund.

Other Responsibilities

1. Review the adequacy of insurance coverage.

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

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

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

5. Review any material related party transactions.

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

Reporting

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

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

Approved by the Board of the Corporation on December 20, 2012.

Last revision: November 10, 2016.