YELLOW PAGES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2015

March 24, 2016

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EXPLANATORY NOTES

The information in this Annual Information Form is stated as at December 31, 2015, 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 (previously “Wall2Wall Media Inc.”). 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”.

- Substantial competition could reduce the market share of the Corporation;
- A higher than anticipated rate of decline in print revenue resulting from changes in preferences and consumer habits;
- The inability of the Corporation to successfully enhance and expand its offering of digital and new media products;
- 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 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;
- Failure by either the Corporation or the Telco Partners (defined herein) to fulfill the obligations set forth in the agreements between the Corporation and the Telco Partners;
- 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;
- The Corporation’s inability to realize costs savings;
- Challenge by tax authorities of the Corporation’s position on certain income tax matters;
- The loss of key relationships or changes in the level or service provided by internet portals, search engines and individual websites;
- The failure of the Corporation’s computers and communications systems;

- The inability of the Corporation to develop information and technology systems and platforms required to execute the Corporation's Return to Growth Plan;
- The Corporation might be required to record additional impairment charges;
- The inability of the Corporation to attract, retain and upsell customers;
- 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;
- A prolonged economic downturn in principal markets of the Corporation;
- Changes in regulations;
- The imposition of new environmental laws or the new interpretation of environmental laws;
- The Corporation's inability to enforce the non-competition agreements with the Telco Partners;
- The Corporation's failure to promote and reinforce consumer trust in its brands, or negative publicity regarding the Corporation;
- Turnover among MACs (defined herein);
- The inability or unwillingness of CMRs (defined herein) to carry on business with the Corporation;
- Adverse outcomes in lawsuits or investigations; and
- Declines in, or changes to, the real estate industry.

Additional risks and uncertainties not currently known to management or that are currently deemed to be immaterial may also have a material adverse effect on the Corporation's business, financial position or financial performance. Although the forward-looking statements contained in this 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 assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities legislation.

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, 2015, 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

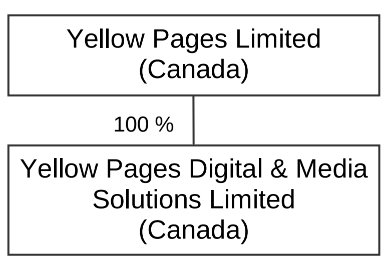
The Corporation was incorporated under the *Canada Business Corporations Act* ("CBCA") on October 25, 2012 under the name 8254320 Canada Inc. On December 20, 2012, the Corporation completed a plan of arrangement under the CBCA with, among other entities, Yellow Media Inc. (which changed its name as part 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 Yellow Pages Limited'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. The size of its network reaches over 3 billion impressions per year and reaches 25% 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"), acquiring the talent and technologies required 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, the Corporation acquired 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 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. JUICE currently services over 300 Fortune 500 customers across North America, while operating a mobile media publisher network garnering 11 billion impressions annually.

BUSINESS OF THE CORPORATION

The Corporation is a leading media and marketing solutions company in Canada, offering small-and-medium sized businesses ("SMEs") services to help them reach, interact and transact with customers. The Corporation offers SMEs access to one of the country's most comprehensive suites of digital and traditional marketing solutions, which include products such as 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. Through its extensive sales force, the Corporation offers marketing solutions to approximately 245,000 local businesses across Canada. This large and primarily face-to-face sales force is broken down into various channels, each offering customers a specialized level of service based on size and spend.

Through its Mediative division and the recent acquisition of JUICE Mobile, the Corporation offers dedicated desktop and mobile advertising services to national clients across North America. Operating proprietary programmatic direct and real-time bidding platforms, an extensive publisher network and one of the country’s largest pools of high-intent consumer data, Mediative and JUICE Mobile combined provide national brands and enterprises with innovative marketing solutions that reach, engage and convert potential customers.

In addition, through CFDP and YP NextHome, the Corporation services the real estate industry by providing digital advertising solutions that help home owners, new construction leaders, landlords and property management firms connect with prospective buyers, sellers and renters. CFDP positions Yellow Pages as a leader in the Canadian consumer-to-consumer digital real estate marketplace, empowering consumers by providing them with trusted media and solutions to sell their homes in a proven and cost-effective manner.

Yellow Pages owns and operates one of Canada’s largest and richest databases of local merchant information. This content reaches audiences via a number of desktop, mobile and print properties, which continue to serve as effective advertising platforms to SMEs and national retailers. To help Canadians discover everything their neighbourhood has to offer, the Corporation’s network of media properties is becoming increasingly specialized across the high value search verticals of 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 their local neighbourhoods through comprehensive merchant profiles and relevant editorial content;

- YP Shopwise – Mobile application offering geo-localized deals and flyers, as well as access to product catalogues from local and national retailers Canada-wide;

- RedFlagDeals.com – Canada’s leading provider of online and mobile promotions, deals, coupons and shopping tools;

- CFDP – Offers homeowners a proven, professional 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;

- 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 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;

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

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

On the print side, the Corporation published 330 distinct print telephone directories in 2015. 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 Return to Growth Plan was introduced in early 2014 to grow the Corporation into a leading digital company. The Return to Growth Plan sets out to accomplish these objectives by i) strengthening the Corporation’s brand perception among Canadians, ii) growing adoption and usage of its network of digital media properties, and iii) enhancing its value proposition to local and national merchants as it relates to effective digital marketing.

Successful completion of the Return to Growth Plan aims to enhance Yellow Pages’ competitive positioning in the Canadian market, improve its relationship with Canadian SMEs and consumers, and provide the Corporation with a strengthened platform onto which it can develop new businesses and enter new markets.

Proper execution of the Return to Growth Plan is promoted through enhanced focus on the following pillars of transformation:

- Extending the Brand Promise – The Return to Growth Plan includes investments by the Corporation to strengthen its brand image with a focus on changing legacy perceptions and boosting awareness of its digital media platforms and solutions. Yellow Pages held a number of media campaigns in 2015 to advertise its suite of mobile applications. With a focus on the YP and YP Shopwise mobile applications, these multimedia campaigns were rolled out in Vancouver, Calgary, Toronto and Montreal to showcase the applications’ unique ability to quickly and easily connect Canadians with local merchants. In addition, to further support local shopping and the growth of local economies, the Corporation hosted its third annual *Shop The Neighbourhood*™ event on November 28, 2015. To celebrate small businesses and encourage Canadians to shop locally, *Shop The Neighbourhood* was held during a weekend when many Canadians shop at U.S. retailers to take advantage of Black Friday and Cyber Monday deals. In 2015, Shop The Neighbourhood attracted significant support from local media and celebrities. Over 12,500 local SMEs participated in the event, in close to 400 local communities across the country, who uploaded 6,300 deals exclusive to the Corporation’s digital properties for event day. For the first time, *Shop The Neighbourhood* also piloted Beacon technologies, allowing merchants in pilot neighbourhoods in both Montreal and Toronto, to push deal-related notifications to YP Shopwise users while they shopped on location.

  Strengthening its Media Assets – Under the Return to Growth Plan, investments have been made across the Corporation’s owned and operated digital properties to attract and grow audiences, and improved content such as articles, recommendations, merchant playlists, and deals/product databases continued to be added onto the YP desktop and mobile properties to help users best fulfill their shopping needs. In 2015, Yellow Pages introduced new mobile applications to better address the verticalized needs of Canadian consumers. Supported by the acquisitions of Bookenda and dine.TO in December 2014, YP Dine was launched nationally in June 2015 to act as Canadians’ trusted dining application. YP Dine allows users to search from an extensive database of Canadian restaurants, filter their selections based on time of day, mood, activity, and expert reviews, and leverage Bookenda’s technologies to book a table directly from their mobile phones. Recognizing the application’s unique user proposition, YP Dine was selected by Apple as one of 2015's best new mobile applications. The acquisition of CFDP on July 1, 2015 enabled the Corporation to become a leading digital real estate marketplace in Canada. Operating under the DuProprio and ComFree banners in Québec and the rest of Canada, respectively, CFDP operates online and mobile properties that connect home buyers with home sellers without intermediation from traditional real estate brokers. CFDP is currently the fourth most visited digital network of real estate properties in Canada and Québec's leading real estate site, holding a 17% share of the province's listings market. In conjunction, the acquisition extends Yellow Pages' reach of Canadian home buyers and sellers, while also providing them with the platforms and technologies required to buy and sell their homes in a proven, cost effective manner.

- 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 2015, the Corporation deployed a new customer relationship management platform to optimize lead assignment, conversion rates, and reduce the churn and increase the productivity of Yellow Pages' sales representatives. The Corporation's sales representatives are now equipped with technologies and customer-facing tools that improve the way they sell and consult, utilizing proprietary market intelligence to build value-enhancing digital marketing programs for clients. The launch of the Presence solution in April 2015 also encouraged new customer acquisition, helping SMEs syndicate their business listings across the web at entry-level pricing. New processes and technologies were introduced across the Corporation's sales, customer service and fulfillment teams to improve the quality of the services offered to merchants. In conjunction, new self-serve features were made available to customers within the Corporation's business-to-business 360º Business Centre (http://businesscentre.yp.ca/), offering merchants the ability to update their business profile and track the performance of their marketing campaigns in real time.

- Gaining Efficiencies – The Return to Growth Plan is also designed to improve operational efficiencies and to generate costs savings across the Corporation. In 2015, the Corporation reduced print manufacturing and distribution costs by eliminating systematic door-to-door distribution of the print directory, rather making directories available through public street boxes and retailer racks. Additionally, the Corporation continued to decommission and replace legacy print publishing systems and information and technology ("IT") datacentres, while optimizing various customer service and digital fulfilment processes. Yellow Pages also finalized a comprehensive organizational review (the "Corporate Realignment") during the second half of 2015, building a leaner, more agile and collaborative organization. The Corporate Realignment follows suit to the progress Yellow Pages has made in the execution of its Return to Growth Plan, specifically from interdependencies built between Yellow Pages' information technology, strategy and marketing functions and the decommissioning of legacy systems, platforms and processes.

Since the launch of the Return to Growth Plan, the Corporation has achieved numerous corporate milestones, which include:

- Customer Count – As at December 31, 2015, the Corporation's customer count totalled 245,000, as compared to 256,000 customers for the same period the previous year. Growth in the customer count remains a critical component in allowing Yellow Pages to return to revenue and profitability growth. The acquisition of new customers continued to accelerate during the fourth quarter of 2015. For the twelve-month period ended December 31, 2015, YP acquired 30,800 new customers. This compares favourably to the acquisition of 22,100 customers in 2014 and surpassed Yellow Pages' 2015 customer acquisition target of 30,000 customers. For the twelve-month period ended December 31, 2015, customer renewal among YP's customers reached 85%;

- Digital Visits – Total digital visits made across the YP, RedFlagDeals, YP Dine, Bookenda, dine.TO, YP Shopwise and C411 desktop and mobile properties, as well as visits made across the properties of the Corporation's syndication partners, grew 9.4% year-over-year to reach 464 million in 2015, up from 424.1 million in 2014;

- Digital Revenues – Consolidated digital revenues grew 9.8% year-over-year to reach $486.3 million in 2015. For the fourth quarter ended December 31, 2015, digital revenues grew 10.5% year-over-year to $129.2 million, representing 62% of consolidated revenues;

- Adjusted EBITDA[1] – Adjusted EBITDA totalled $260.7 million or 31.4% of revenues in 2015, relative to $316 million or 36% of revenues in 2014. Fuelled by digital revenue growth and lower employee related expenses, Adjusted EBITDA for the fourth quarter ended December 31, 2015, reached $64.5 million or 30.9% of revenues, as compared to $64.8 million or 30.1% of revenues for the same period last year; and

- Debt Repayment – The Corporation repaid $100.3 million of its 9.25% senior secured notes in 2015, and $393.3 million since their issuance on December 20, 2012. As at December 31, 2015, the Corporation had net debt of $430.6 million.

For additional details regarding the Return to Growth Plan, please refer to the Corporation's MD&A and financial statements, available on SEDAR at www.sedar.com and in the Investors section of the Corporation's website at corporate.yp.ca.

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 250 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 3,000 employees 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. The Corporation's employees include a sales force of approximately 1,100 media account consultants ("MACs") and sales support staff, responsible for serving the Corporation's 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.

As part of its Corporate Realignment, the Corporation reduced its workforce by approximately 300 employees during the third and fourth quarters of 2015, affecting roles that have been integrated within other functions or that are no longer aligned with Yellow Pages' digital reality.

Certain MACs, as well as certain office employees in Alberta, Manitoba, Ontario, British Columbia and Québec, together representing approximately 36% of YP's workforce, are unionized. YP's office employees based in the United States are not unionized. The following table provides a summary of the

[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.

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
Syndicat des employées et employés professionnels(les) et de bureau	SEPB Local 574 (S)	MAC employees based in Québec	December 31, 2015 (Currently under negotiation)	218
International Brotherhood of Electrical Workers	IBEW Local 2228 (S)	MAC based in Alberta	December 31, 2015 (Currently under negotiation)	87
International Brotherhood of Electrical Workers	IBEW Local 2228 (C)	Office employees based in Alberta	December 31, 2015 (Currently under negotiation)	3
Canadian Office and Professional Employees Union	COPE Local 378	MAC based in British Columbia	December 31, 2015 (Currently under negotiation)	138
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	193
UNIFOR	UNIFOR Local 39-4	MAC based in the city of Thunder Bay	June 30, 2016	3
UNIFOR	UNIFOR Local 7	MAC and office employees based in Manitoba	September 30, 2016	32
UNIFOR	UNIFOR Local 6006	Office employees based in Ontario	December 31, 2017	166
International Brotherhood of Electrical Workers	IBEW Local 213	Certain employees of YP Next Home in British Columbia	December 31, 2018	5
Syndicat des employées et employés professionnels(les) et de bureau	SEPB Local 574 (C)	Office employees based in Québec	March 31, 2019	201

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 SEPB Local 574 (S), IBEW Local 2228 (S), IBEW Local 2228 (C) and COPE Local 378.

Selling, Production and Components

Existing or potential Canadian business customers of the Corporation 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 print and/or digital product mix 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. YP print directories are printed and distributed annually by third party distributors 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 YP's 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 YP's directories revenues. YP 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, "Telco Partners") and other independent telephone companies, a portion of YP'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, after November 1, 2014, new to using YP's services, are billed directly by YP 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 YP upon directory publication after which they bill their clients.

YP 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

YP has entered into publishing agreements and is the official and exclusive publisher of telephone directories of Bell, Telus, Bell Aliant and MTS Allstream. YP 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 YP 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, YP 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 2036), whereby each performs billing and collection services on behalf of YP, including billing and collecting directory advertising fees from certain YP customers who are also customers of the Telco Partners.

Competition

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

The Corporation faces digital competition 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), OpenTable, TripAdvisor, Zomato, Yelp!, Kijiji and Craigslist, deal/coupon providers such as Groupon and Checkout51, real estate brokerage sites such as CREA, Remax and Centris as well as social networking organizations such as Facebook, Twitter, and Foursquare.

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

On the advertising side, the Corporation competes with numerous full-service providers such as Rogers, ReachLocal Canada, Search Engine People, Bell, Telus, Web.com, GoDaddy.com and various 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.

Regulatory Matters

The Canadian Radio Television Telecommunications Commission ("CRTC") does not regulate the provision of directory advertising by, or the operations of, YP except with regards to the protection of the incumbent telephone company customer information and insofar as their respective regulatory obligations in respect of alphabetical and classified listing telephone directories affect the contractual requirements it places on the Corporation as a service provider to them. 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 “B” for the Corporation’s corporate credit rating with a stable outlook, a “BB-” for the Corporation’s credit rating for the Senior Secured Notes (as such term is defined in the section entitled “Capital Structure – Description of Senior Secured Notes”) and a “CCC+” for the Corporation’s credit rating for the 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. Debt rated “BB-” by S&P means for S&P 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 “B” for the Corporation’s issuer rating with a positive trend, a “B (high)” for the Corporation’s credit rating for the Senior Secured Notes and a “CCC (high)” for the Corporation’s credit rating for the 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 “CCC (high)” and “CCC” by DBRS are considered by DBRS to be very highly speculative with danger of defaulting on financial obligations.

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

During the past two years, the Corporation has made normal course payments to S&P and DBRS in connection with 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 are located in Montreal (Québec), Toronto (Ontario), Burnaby (British Columbia), Calgary (Alberta), Winnipeg (Manitoba), and Indianapolis (Indiana).

Corporate Social Responsibility and Environment

In addition to the *Shop the Neighbourhood* campaign (see “Business of the Corporation - The Return to Growth Plan”), the Corporation conducted a variety of philanthropic and community involvement activities, many contributing to local neighbourhood and community vitality and health:

- United Way – Yellow Pages’ employees were encouraged to participate in a United Way campaign over the holiday period. United Way supports a vast network of agencies that contribute to youth success, take care of the essentials for families, break social isolation and build caring communities. The Corporation also matched employee donations.

- Festin de Babette – Yellow Pages was a key sponsor of an exclusive Montreal-area fundraising event known as the Festin de Babette, benefitting Alzheimer's research at the Jewish General Hospital.

- The Sandbox Project – The Corporation supported an Ottawa-based initiative to help improve child and youth health in Canada.

- Holiday Toy Campaign – In December of 2015, Yellow Pages' employees raised funds to help purchase gifts and toys for underprivileged youth during the holidays.

- Employee Gardening Program – Under this program initially launched in 2013, the Corporation offers employees the opportunity to cultivate organic vegetables in small gardening plots located at the Montreal Head Office. Each season employees benefit from home grown crops and donate approximately half of the harvested produce to a local community organization.

- Tour CIBC Charles-Bruneau – In the summer of 2016, employees will participate in a 300-km cycling journey in Québec. The cycling challenge raises funds to help children with cancer via the Fondation Centre de cancérologie Charles-Bruneau.

- Moisson Montreal – Each year, employees are encouraged to donate non-perishable food that will be supplied to the local food bank. As well, a group of 45 employees volunteered their time to help sort, organize and box the donated food.

- Urban Duathlon – A team of Yellow Pages' employees joined 400 members of the business community for a bike and foot race in support of the CHU Saint-Justine Foundation.

- Juritour – The Corporation participated as the main sponsor of this initiative and a team of cyclists also helped to raise funds benefitting Fibrose Kystique Québec.

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, YP 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 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 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. Corporate governance practices are monitored and reviewed by the Corporate Governance and Nominating Committee of the Corporation.

Legal Proceedings

The Corporation is involved in various non-material, ordinary course legal proceedings, none of which are believed by management to have any material adverse effect on the financial and operating performance of the Corporation.

CAPITAL STRUCTURE

Description of Common Shares

Yellow Pages is authorized to issue an unlimited number of common shares. As at March 24, 2016, there were 28,075,294 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, provide meaningful incentive to management to lead Yellow Pages through the transition and transformation of its 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 24, 2016, 763,275 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 24, 2016, 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 $100.3 million of its Senior Secured Notes in 2015 and a total principal amount of $393.3 million since their issuance on December 20, 2012. As at March 24, 2016, 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).

The Corporation was required to make minimum annual aggregate mandatory redemption payments of $125 million for 2014 and 2015 combined. The Corporation made mandatory redemption payments of $139.6 million in 2014, thereby exceeding the $125 million minimum aggregate mandatory redemption payment. As such, the Corporation completed its minimum aggregate mandatory redemption payments and is only required to use an amount equal to 75% of its consolidated Excess Cash Flow to redeem on a semi-annual basis 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.

On October 29, 2013, the Corporation exercised its option to redeem $27 million of Senior Secured Notes at a redemption price of $1,050 per $1,000 principal amount of Senior Secured Notes and accrued and unpaid interest of $15.16 per $1,000 principal amount of Senior Secured Notes for a total cash consideration of $28.4 million.

Open Market Purchase

During the third quarter of 2013, the Corporation purchased on the open market $8 million of Senior Secured Notes for a total cash consideration of $8.3 million.

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. The indenture does not contain the obligation to maintain financial ratios. Financial ratio restrictions only apply upon incurrence of indebtedness.

As at March 24, 2016, 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.

In 2014, $0.4 million of Exchangeable Debentures were exchanged for 21,584 common shares of Yellow Pages.

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. The ratio is calculated, on a last twelve-month basis, by dividing earnings before interest, taxes, depreciation and amortization ("EBITDA") minus capital expenditures and cash taxes by the sum of cash interest expense, minimum mandatory redemption payments, distributions paid in cash, cash payments related to earnouts, cash payments related to restructuring and special charges and cash payments related to pension and post-employment benefits. For the purpose of calculating such ratio, EBITDA is determined on a consolidated basis and calculated as net income before interest expense, provision for income taxes, depreciation expense, amortization expense, and restructuring and special charges. As at December 31, 2015, the Corporation had $4.2 million of letters of credit issued and outstanding under the ABL. As such, $45.8 million of the ABL was available. Interest is calculated based either on the BA Rate or the Canadian 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 24, 2016, 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 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. As of March 24, 2016, 8 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, 2015, 2014, and 2013. 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 TSX under the symbols "Y" and "Y.WT", respectively. YP's Exchangeable Debentures are listed for trading on the TSX under the symbol "YPG.DB".

Trading Price and Value of Yellow Pages and YP

The following tables show the monthly range of high and low prices per Yellow Pages common share, warrant and 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, 2015 to December 31, 2015.

Common Shares (Y)

2015 Month	Price per Common Share ($) Monthly High	Price per Common Share ($) Monthly Low	Common Shares Total Monthly Volume	Common Shares Average Daily Volume
January	19.67	17.21	1,148,164	54,674
February	17.99	15.75	1,523,295	80,173
March	16.60	15.14	1,660,032	75,456
April	15.97	15.11	1,585,183	75,485
May	19.94	15.50	2,064,793	103,240
June	20.00	18.05	1,342,469	61,021
July	19.10	17.31	1,248,024	56,728
August	19.03	16.01	1,258,585	62,929
September	18.36	15.18	806,231	38,392
October	17.50	14.65	849,595	40,457
November	17.57	15.62	1,398,548	66,598
December	16.75	14.90	1,233,656	58,746

Warrants (Y.WT)

2015 Month	Price per Warrant ($) Monthly High	Price per Warrant ($) Monthly Low	Warrants Total Monthly Volume	Warrants Average Daily Volume
January	3.48	2.68	64,155	3,414
February	3.88	3.25	36,174	5,329
March	3.89	3.14	28,969	5,243
April	4.00	3.44	28,332	3,130
May	4.74	3.61	61,796	5,936
June	5.25	3.80	115,572	5,942
July	5.25	4.50	130,731	5,253
August	5.30	3.80	118,715	3,090
September	4.10	3.48	65,726	1,349
October	4.25	3.46	115,345	1,379
November	4.75	3.34	101,245	1,723
December	5.75	4.25	71,701	3,055

Exchangeable Debentures (YPG.DB)

2015 Month	Price per Exchangeable Debenture ($) Monthly High	Price per Exchangeable Debenture ($) Monthly Low	Exchangeable Debentures Total Monthly Volume	Exchangeable Debentures Average Daily Volume
January	112.47	100.00	510,389	26,863
February	109.73	98.00	1,988,875	104,656
March	106.00	100.00	347,207	15,782
April	105.99	101.00	10,015,186	527,098
May	113.25	102.11	10,779,610	539,001
June	114.00	111.54	383,059	17,412
July	113.00	70.00	590,144	28,102
August	110.00	102.00	234,408	12,337
September	107.00	102.00	226,770	10,799
October	105.50	102.00	683,716	35,944
November	109.00	102.10	235,894	12,415
December	105.00	100.00	319,480	16,815

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, 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.

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

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

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

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

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

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

- the Corporation may not continue to grow 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 continuing transition in the media and publishing industries towards more digital and targeted content is driving the Corporation to develop new products that leverage the demand for new media while ensuring that the Corporation's print products remain a key component of the Corporation's advertisers' media mix.

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 (websites, search engine optimization, content syndication and Facebook) solutions and resale (SEM) solutions. Revenues sourced from digital service and resale solutions that are proportionally materially higher than anticipated may have an adverse impact on the Corporation's gross and Adjusted EBITDA margins.

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 marketing campaigns of the Corporation's customers 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 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.

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 making, 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.

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

YP has a Billing and Collection Services Agreement with Bell (up to 2017), with Telus (up to 2031), with MTS Allstream (up to 2036) and with Bell Aliant (up to 2037). Through these agreements, YP's billing is included as a separate line item on the telephone bills of the customers of the Telco Partners. 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 YP with those customers who are also their customers. Additionally, YP has entered into publishing agreements with each Telco Partner. If YP 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 Aliant Branding and Trademark Agreement, as well as non-competition covenants YP benefits from with such Telco Partners.

The Corporation and its affiliates also have agreements with outside service suppliers to print and distribute their directories and publications. These agreements are for services that are integral to the business of the Corporation.

The failure of the Telco Partners or any of the other suppliers to fulfill their contractual obligations under these agreements could result in a material adverse effect on the business of the Corporation. See "Business of the Corporation – Relationships with Telecommunication Companies".

Customers who do not use the Telco Partners on their local telephone provider as well as new customers are billed directly by the Corporation. The Corporation's internal billing and collection services are cost-effective and can be grown as the Corporation's customer base expands.

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

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. Four of these agreements have expired and are being renegotiated. 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 condition.

The Corporation invests in its workforce to develop a strong digital culture. The Corporation offers training programs, tools and resources to elevate digital literacy and promote change management across all facets of the organization.

The Corporation's inability to realize costs savings

The Return to Growth Plan is designed to improve operational efficiencies and generate costs savings across the organization. In 2014, the Corporation implemented a new print directory distribution model, insourcing a portion of efforts while better aligning directory distribution with consumer usage. In 2016, the Corporation will continue to realize efficiencies by decommissioning and replacing legacy print publishing systems and information and technology datacentres, while also 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. Ultimately, delays and/or disruptions in these projects may have an adverse impact on the Corporation's profitability, cash flow generation and debt repayment.

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 or service provided by internet portals, search engines and individual websites

The Corporation has entered into agreements with several digital portals, search engines and individual websites to promote its online directories. These agreements make the Corporation's content and customer advertising more easily accessible by those portals, search engines and individual websites. These agreements 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. In return, the portals, search engines and individual websites obtain business through the Corporation from advertisers who would not otherwise transact with them. Loss of key relationships or changes in the level of service provided by these internet portals, search engines and individual websites 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 of such technology, which could in turn have a material adverse effect on the Corporation, its business, results from operations and financial condition.

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

The Corporation has in place redundant facilities as well as a disaster recovery plan designed to restore the operability of the target system, application, or computer facility infrastructure at an alternate site after an emergency.

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 additional charge, which would reduce the reported assets and earnings of the Corporation in the year the impairment charge is recognized.

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's revenues, cash flow, results from operations and financial condition.

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

Advances in communications technologies such as wireless devices and voice over internet protocol and demographic factors, such as potential shifts in younger generations away from wireline telephone communications towards wireless or other communications technologies, may further erode the market position of telephone utilities, including Telco Partners. As a result, it is possible that Telco Partners will not remain the primary local telephone service provider in any particular local service area, that the Corporation's licenses to be the exclusive publisher in those markets and to use their brand names on its directories in those markets may not be as valuable as presently anticipated, and that the Corporation may not realize some of the existing benefits under its commercial arrangements with Telco Partners.

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.

A prolonged economic downturn in principal markets of the Corporation

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

A prolonged economic downturn or recession, or any deterioration in general economic conditions, could result in:

- further declines in demand for advertising;
- decreases in advertising prices;
- increased bad debts as a result of advertising customers experiencing financial difficulty;
- the loss of advertising customers;
- charges relating to the impairment of assets; and/or
- higher operating costs;

any of which could have a material adverse effect on the Corporation, its business, 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 inability to enforce the non-competition agreements with the Telco Partners

The Corporation has entered into non-competition agreements with each Telco Partner pursuant to which Telco Partners generally agreed not to publish tangible or digital (excluding internet) media directories consisting principally of wire line listings and classified advertisements of subscribers in the markets in which it is the incumbent local exchange carrier that are directed primarily at clients in these markets. However, under applicable law, a covenant not to compete is only enforceable:

- to the extent it is necessary to protect a legitimate business interest of the party seeking enforcement;
- if it does not unreasonably restrain the party against whom enforcement is sought; and
- if it is not contrary to the public interest.

Enforceability of a non-competition covenant is determined by a court based on all of the facts and circumstances of the specific case at the time enforcement is sought. For this reason, it is not possible to predict whether, or to what extent, a court would enforce the Telco Partners' covenants not to compete against the Corporation during the terms of the non-competition agreements. If a court were to determine that the non-competition agreements were unenforceable, the Telco Partners could compete directly against the Corporation in the previously restricted markets. For instance, Telus and Bell are both providers of digital advertising services and the Corporation's business could therefore suffer from their direct competition in that market. The Corporation's inability to enforce non-competition agreements with the Telco Partners 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.

The inability or unwillingness of CMRs to carry on business with the Corporation

Approximately 4.2% of the Corporation's revenues for 2015 were derived from the sale of advertising to national or large regional chains that purchase advertising in several of the directories that the Corporation publishes. In order to sell advertising to these accounts, the Corporation contracts with CMRs which are independent third parties that act as agents for national customers and design their advertisements, arrange for the placement of those advertisements in directories and provide billing services. As a result, the Corporation's relationships with these national customers depend significantly on the performance of these third party CMRs which the Corporation does not control. In particular, the Corporation relies heavily on five of its CMRs which accounted for approximately 3.2% of the Corporation's directories revenues for 2015. Although the Corporation believes that its relationship with such CMRs is mutually beneficial and that other CMRs with whom the Corporation has existing relationships or other third parties could service the Corporation's needs if certain CMRs were unable or unwilling to provide their services to the Corporation on acceptable terms or at all, such inability or unwillingness could materially adversely affect the Corporation's business. In addition, any decline in the performance of such CMRs could harm the Corporation's ability to generate revenue from its national accounts and could materially adversely affect the Corporation, its business, results from operations and financial conditions.

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.

Declines in, or changes to, the real estate industry

On July 1, 2015, Yellow Pages acquired CFDP, growing the Corporation into a leading digital real estate marketplace. As a result of the acquisition, the Corporation has a greater presence in the real estate listing business. 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.

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 December 31, 2015. 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	Nil	14,196	33,451	90,035
Robert F. MacLellan[(1)] Ontario, Canada	Chairman, Northleaf Capital Partners Ltd.	December 2012	Nil	40,281	Nil	Nil
Craig Forman[(2)] California, USA	Corporate Director	January 2012	Nil	15,626	Nil	Nil
Susan Kudzman [(4)] Québec, Canada	Executive Vice President, Chief Risk Officer and Corporate Affairs Laurentian Bank of Canada	October 2014	Nil	13,479	Nil	Nil
David A. Lazzarato[(3)] Ontario, Canada	Corporate Director	December 2012	Nil	15,626	Nil	Nil
David G. Leith[(2)] Ontario, Canada	Corporate Director	February 2012	Nil	15,626	Nil	Nil
Judith A. McHale[(2)] New York, USA	President and Chief Executive Officer, Cane Investments, LLC	December 2012	Nil	15,626	Nil	Nil

Name and Province or State of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficiall y Owned	Number of DSUs Beneficially Owned	Number of RSUs Beneficially Owned	Number of PSUs Beneficially Owned
Donald H. Morrison[(4)] Ontario, Canada	Corporate Director	March 2013	Nil	15,626	Nil	Nil
Martin Nisenholtz[(4)] Massachusetts, USA	Professor, Boston University	May 2006	250	15,626	Nil	Nil
Kalpana Raina[(3)] New York, USA	Managing Partner, 252 Solutions, LLC	December 2012	Nil	15,626	Nil	Nil
Michael G. Sifton[(3)] Ontario, Canada	President and CEO, DATA Communications Management	December 2012	Nil	15,626	Nil	Nil

(1) Chairman 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, the publicly traded and incumbent local search business in France. Mr. Billot joined Solocal Group in 2009, overseeing its media properties, including web, mobile and print. Before 2009, Mr. Billot led a digital transformation during his tenure as Chief Executive Officer of the digital and new business group of Lagardère Active, a multimedia branch of Lagardère Group holding brands such as Elle Magazine. Mr. Billot also spent 13 years in senior management positions at France Telecom, notably as Chief Marketing Officer for Orange, the company's mobile subsidiary. Mr. Billot has also sat on the Board of Directors for leading media groups such as Sporever Group, Telekom Polska, Newsweb, Doctissimo, Le Monde Interactif, Lagardère Active, and for digital industry associations in France such as Mobile Marketing Association France, Fondation Télécom, Conseil Stratégique des TICs, and Prix des Technologies de l'Information. He currently serves on the Boards of Turf Editions and News Republic. 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 was appointed to the board of directors of Digital Turbine Inc., a media and mobile communications company, on March 9, 2015 upon completion of its stock-for-stock merger with Appia, Inc., an independent mobile application discovery and download marketplace. Prior to that, Mr. Forman had been Executive Chairman of the Board of Appia, Inc. from August 2011 to March 2015, and 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, he 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 on the board of directors of the McClatchy Company, a news and information provider and YuMe, Inc., a company providing digital video brand advertising solutions. Mr. Forman also serves as a director on the boards of several private companies. Mr. Forman has an undergraduate degree in Public and International Affairs from the Woodrow Wilson School of Public and International Affairs of Princeton University and a Master's degree in law from Yale Law School. Mr. Forman has completed the Directors' Consortium executive education program at Stanford University, and the Program Making Corporate Boards More Effective at Harvard Business School. Mr. Forman is a member of the Corporate Governance and Nominating Committee.

Susan Kudzman has been Executive Vice President, Chief Risk Officer and Corporate Affairs of Laurentian Bank since October 2015. She previously served as Senior Vice President, Human Resources from March 2014 to October 2015. Ms. Kudzman was formerly a partner at Mercer (Canada) Limited where she directed the risk management practice from 2011 to 2014. Before that time, Ms. Kudzman was Executive Vice President and Chief Risk Officer at Caisse de dépôt et placement du Québec where she was responsible for risk management, depositor services, performance calculation and analysis and strategic planning. Ms. Kudzman currently serves on the Board of Directors and the Human Resources Committee of Transat A.T. Inc., an international tour operator and airline. She is a member of the Board of Directors and the Audit Committee of AtmanCo. Inc., a company specializing in online employee assessment. 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 Chair of the McMaster University Board of Governors and Chair of the Council of Chairs of Ontario Universities. 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 is Chair of Manitoba Telecom Services Inc. and certain of its subsidiaries. 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, as the Lead Director, and is a member of its Audit and Corporate Governance and Nomination Committees. Mr. Leith also serves on the board of directors of the Ontario Infrastructure and Lands Corporation (Infrastructure Ontario) and 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.

Judith A. McHale served as the Under Secretary of State for Public Diplomacy and Public Affairs for the U.S. Department of State from 2009 to 2011. In 2006, Ms. McHale worked in partnership with the Global Environment Fund, a private equity firm, to launch the GEF/Africa Growth Fund, an investment vehicle intending to focus on supplying expansion capital to small and medium-sized enterprises that provide consumer goods and services in emerging African markets. From 2004 to 2006, Ms. McHale served as the President and Chief Executive Officer of Discovery Communications, Inc., the parent company of Discovery Channel, and served as its President and Chief Operating Officer from 1995 to 2004. Ms. McHale serves on the Board of Directors of Ralph Lauren Corp., SeaWorld Entertainment, Inc. and Hilton Worldwide Holdings Inc. She has also served on the Boards of Directors of John Hancock Financial Services Corp, Potomac Power and Electric Company, Host Hotels and Resorts, Inc. and Digital Globe, Inc. Ms. McHale is a graduate of the University of Nottingham (UK) and Fordham University Law School (New York), and has received honorary degrees from the University of Maryland, American University, University of Miami and Colby College. Ms. McHale is a member 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 a Director and a 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 is 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 Board of Directors and is a member of the Human Resources and Compensation Committee of Postmedia Network Canada Corp. Mr. Nisenholtz also serves on the Boards of Real Match, LLC and Purch Group Inc. and is the Chair of its Digital Oversight Committee. 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 was appointed President and Chief Executive Officer of DATA Communications Management in April 2015. 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 is the 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 table sets 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 December 31, 2015.

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	2,749	6,929
Julien Billot Québec, Canada	President and Chief Executive Officer	Nil	14,196	33,451	90,035
Jamie Blundell Ontario, Canada	Vice President and Chief Customer Officer	29	Nil	8,455	14,241
Paul Brousseau(1) Ontario, Canada	Vice President, Brand Communication	Nil	Nil	2,783	2,783
Douglas A. Clarke Ontario, Canada	Senior Vice President and Chief Operating Officer	53	Nil	9,882	41,155
Nathalie d’Escrivan(2) Québec, Canada	Vice President Marketing	Nil	Nil	361	361

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
Alexandre Gowett[3] Québec, Canada	Treasurer	Nil	Nil	395	395
Antoine Hage[4] Québec, Canada	Vice President and Chief Technology and Development Officer	Nil	Nil	904	904
Jacky Hill Ontario, Canada	President, YP NextHomes	17	Nil	Nil	Nil
Matthieu Houle Québec, Canada	Vice President, Media	7	Nil	9,393	7,256
Jeff Knisley British Columbia, Canada	Vice President, Sales, Diamond and Premise Sales Channels	Nil	Nil	19,846	16,352
Marie-Josée Lapierre Québec, Canada	Assistant Secretary	10	Nil	5,411	3,273
Ginette Maillé Québec, Canada	Senior Vice President and Chief Financial Officer	237	Nil	10,947	43,992
Dany Paradis Québec, Canada	Senior Vice President and Chief Human Resources Officer	1,000	Nil	4,360	10,957
Stephen Port Québec, Canada	Vice President, Sales Strategy	57	Nil	19,411	20,013
François D. Ramsay Québec, Canada	Senior Vice President, Corporate Affairs and General Counsel	601	Nil	9,122	37,896
Sophie Robillard[5] Québec, Canada	Vice President and Chief Transformation Officer	Nil	Nil	1,837	4,592
Franco Sciannamblo Québec, Canada	Vice President, Corporate Controller and Chief Accounting Officer	Nil	Nil	6,386	6,875
Darby Sieben Ontario, Canada	President, Mediative	Nil	Nil	9,111	7,256
Pascal Thomas Québec, Canada	Senior Vice President and Chief Digital Officer	Nil	Nil	3,101	7,753
Dominique Vallée Québec, Canada	Vice President, Sales, Advantage and Acquisition	121	Nil	18,605	15,585

(1) Paul Brousseau was appointed Vice President, Brand Communication on August 3, 2015.
(2) Nathalie d'Escrivan was appointed Vice President, Marketing on February 11, 2016.
(3) Alexandre Gowett was appointed Treasurer on February 11, 2016.
(4) Antoine Hage was appointed Vice President, Chief Technology Officer and Development on on February 11, 2016.
(5) Sophie Robillard was appointed Vice President and Chief Transformation Officer on June 1, 2015.

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 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; Sophie Robillard, who, from 2011 to 2015 was Partner at KPMG, and from 2009 to 2011 was Head of Corporate Planning, Project Office, IT, Marketing & Communication at La Coop fédérée; 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.; Jamie Blundell, who from January 2013 to November 2013, was Vice President Business Development at CarProof and from 2006 to 2012, was Vice President of Operations at Trader Corporation; Caroline Andrews who, from 1997 to 2014, was Vice President and Group Publisher of TC Media; Matthieu Houle who, from 2000 to 2014, occupied various positions with increasing level of responsibility in marketing, business development, and operations departments of YP; 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; 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, 2015, the directors and officers of the Corporation, as a group, beneficially owned or exercised control or direction over, directly or indirectly, 2,382 common shares of the Corporation, which represents approximately 0.01% 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 Ginette Maillé, who was Chief Financial Officer, and 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.

Conflicts of Interests

No director or senior 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, which means that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Corporation's financial statements. The Board believes that the Audit Committee has the knowledge and background required to oversee the financial reporting and disclosure controls and procedures, accounting systems and internal controls over financial reporting of the Corporation. The table below sets out the Audit Committee members' experience.

Committee Member	Financial Literacy	Experience Acquired through Role
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 namely 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 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 as Chair of the Compensation Committee of St. Andrew's College, 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, 2015 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, 2013, 2014 and 2015, 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, 2015 and 2014 is included below:

Category of Fees	2015 ($)	2014 ($)
Audit fees	902,000	869,000
Audit-related fees	90,000	101,000
Tax fees	282,000	165,000
All other fees	10,000	65,000
TOTAL	1,284,000	1,200,000

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 generally of tax planning and advice. They include the review of tax returns, assistance with tax audits, capital structure, corporate transactions, 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 in accordance with the Rules of the Code of Ethics of Chartered Professional Accountants.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, none of the directors or executive officers 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, 2015 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 of Yellow Pages. Additional financial information is provided in the Corporation's consolidated financial statements and MD&A for the year ended December 31, 2015.

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.

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 11, 2015.