

SUPPORT AGREEMENT

This support agreement dated as of July 23, 2012, sets out the agreement among (i) Yellow Media Inc. ("**YMI**"); (ii) 8254320 Canada Inc. ("**New YMI**") (iii) each of the subsidiaries of YMI as listed in Schedule C (the "**Subsidiaries**", and together with YMI and New YMI, the "**Companies**"); and (iv) each of the other signatories hereto or to Joinder Agreements in the form attached hereto as Schedule D (subject to Section 13(a), each a "**Consenting Creditor**" and, collectively, the "**Consenting Creditors**"), each Consenting Creditor being a holder of, and/or investment advisor or manager with investment and voting discretion with respect to holdings in, one or more of the following: (i) the 5.71% Medium Term Notes, Series 2, due April 21, 2014 issued by YMI, (ii) the 5.85% Medium Term Notes, Series 3, due November 18, 2019 issued by YMI, (iii) the 5.25% Medium Term Notes, Series 4, due February 15, 2016 issued by YMI, (iv) the 6.25% Medium Term Notes, Series 5, due February 15, 2036 issued by YMI, (v) the 7.30% Medium Term Notes, Series 7, due February 2, 2015 issued by YMI, (vi) the 6.85% Medium Term Notes, Series 8, due December 3, 2013 issued by YMI, (vii) the 6.50% Medium Term Notes, Series 9, due July 10, 2013 issued by YMI, and (viii) the 7.75% Medium Term Notes, Series 10, due March 2, 2020 issued by YMI (collectively, the "**Notes**"; all holders of the Notes are collectively referred to as the "**Noteholders**"), regarding a recapitalization of the Companies as set out in the plan of arrangement (as may be amended, modified, supplemented or restated, the "**Plan**") under the *Canada Business Corporations Act* (the "**CBCA**") attached hereto as Schedule A and the related transactions contemplated by the Plan involving, among others, YMI and certain of the Companies (the "**Recapitalization**"). This agreement and the schedules to this agreement (other than the Specified Schedules) are collectively referred to herein as the "**Support Agreement**".

Capitalized terms used and not otherwise defined herein or in Schedule B shall have the meaning ascribed thereto in the Plan. The Companies and the Consenting Creditors are collectively referred to as the "**Parties**".

1. Plan

The terms of the Recapitalization are set forth in the Plan, which is incorporated herein and made a part of this Support Agreement. In the case of a conflict between the provisions contained in the text of this Support Agreement and the Plan, the provisions of the Plan shall govern, except for greater clarity, in respect of Section 13(q) of this Support Agreement which shall prevail in respect of any provision in the Plan providing for amendments of the Plan, including Section 6.3 of the Plan.

2. The Consenting Creditors' Representations and Warranties

Each Consenting Creditor hereby represents and warrants to the Companies (and acknowledges that the Companies are relying upon such representations and warranties) that:

- (a) as of the date of this Support Agreement, it is either the beneficial owner of the principal amount(s) of Notes set forth in the table of securities on the signature page of such Consenting Creditor (the "**Securities Table**") or has the investment and voting discretion over the principal amount of Notes set forth in the Securities Table (the amount of Notes set forth in the Securities Table being its "**Relevant Debt**"; provided however that "**Relevant Debt**" shall not include

securities beneficially owned by clients of the Consenting Creditor which are not managed or administered with discretionary authority by the Consenting Creditor);

- (b) as at the date of this Support Agreement, to the extent applicable: it is (i) a Credit Facility Lender for the portion of the Credit Facility Debt set forth in the Securities Table (its "**Relevant Credit Facility Debt**"), and (ii) either the beneficial owner of or has the investment and voting discretion over (A) Convertible Debentures in the principal amount(s) set forth in the Securities Table (the amount of Convertible Debentures set forth in the Securities Table being its "**Relevant Convertible Debentures**") and (B) the number of Common Shares and Preferred Shares set forth in the Securities Table (the number of Common Shares and Preferred Shares set forth in the Securities Table being its "**Relevant Shares**", and together with its Relevant Credit Facility Debt and its Relevant Convertible Debentures, its "**Other Affected Securities**"; provided however that "**Other Affected Securities**" shall not include securities beneficially owned by clients of the Consenting Creditor which are not managed or administered with discretionary authority by the Consenting Creditor);
- (c) it has the authority to vote or direct the voting of its Relevant Debt and Other Affected Securities, as applicable;
- (d) subject to Section 13(a), the Securities Table is a correct and complete statement, as of the date hereof, of all of the YMI Securities that are beneficially owned by such Consenting Creditor or over which it has investment and voting discretion (excluding, for greater certainty, the YMI Securities beneficially owned by clients of the Consenting Creditor which are not managed or administered with discretionary authority by the Consenting Creditor), and the YMI Securities are not subject to any liens, encumbrances, obligations or other restrictions that would reasonably be expected to adversely affect the Consenting Creditor's ability to perform its obligations under this Support Agreement;
- (e) it (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Support Agreement and the Recapitalization; (ii) has conducted its own analysis and due diligence and made its own decision to enter into this Support Agreement and has obtained such independent advice in this regard as it deemed appropriate; and (iii) has not relied in such analysis or decision on any Person;
- (f) this Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by the Companies, this Support Agreement constitutes the legal, valid and binding obligation of such Consenting Creditor, enforceable in accordance with its terms, subject to Laws of general application and bankruptcy, insolvency and other similar Laws affecting creditors' rights generally and general principles of equity;

- (g) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization and has all necessary power and authority to execute and deliver this Support Agreement and to perform its obligations hereunder;
- (h) the execution and delivery of this Support Agreement by it and the completion by it of the transactions contemplated herein do not and will not, to the best of the knowledge of the officers, partners and employees of such Consenting Creditor who have been working on the Recapitalization (the "**Relevant Creditor Personnel**"), after due inquiry, violate any judgment, order, notice, decree, statute, Law, ordinance, rule or regulation applicable to such Consenting Creditor or any of its properties or assets that, individually or in the aggregate, would reasonably be expected to materially adversely affect the Consenting Creditor's ability to execute and deliver this Support Agreement and to perform its obligations under this Support Agreement; and
- (i) to the best of the knowledge of the Relevant Creditor Personnel, after due inquiry, there is no proceeding, claim or investigation pending before any Governmental Entity, or threatened against such Consenting Creditor or any of its properties that would reasonably be expected to adversely affect the Consenting Creditor's ability to execute and deliver this Support Agreement and to perform its obligations under this Support Agreement.

3. Representations and Warranties of the Companies

Each of the Companies hereby represents and warrants to each Consenting Creditor (and each of the Companies acknowledges that each Consenting Creditor is relying upon such representations and warranties) that:

- (a) it (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Support Agreement and the Recapitalization; (ii) has conducted its own analysis and made its own decision to enter into this Support Agreement and has obtained such independent advice in this regard as it deemed appropriate; and (iii) has not relied in such analysis or decision on any Person other than its own independent advisors;
- (b) the YMI Board has (i) received an opinion from each of BMO Capital Markets Inc. and Canaccord Genuity Inc., the financial advisors to YMI, that as of the date of such opinions, the Recapitalization is fair, from a financial point of view, to YMI and its stakeholders; (ii) after consultation with its financial advisors and outside legal counsel, approved this Support Agreement and the Recapitalization; (iii) concluded that the Recapitalization is in the best interests of YMI, taking into account the interests of YMI's stakeholders; and (iv) resolved to recommend approval of this Support Agreement and the Recapitalization to holders of YMI Securities;

- (c) this Support Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by the Consenting Creditor, this Support Agreement constitutes the legal, valid and binding obligation of such Company, enforceable in accordance with its terms, subject to Laws of general application and bankruptcy, insolvency and other similar Laws affecting creditors' rights generally and general principles of equity;
- (d) it is duly organized (other than for New YMI), validly existing and in good standing under the Laws of its jurisdiction of incorporation or organization and has all necessary power and authority to execute and deliver this Support Agreement and, subject to the approval of the Plan by the court having jurisdiction over the Recapitalization (the "**Court**"), to consummate the transactions contemplated hereby;
- (e) except as disclosed in writing to the Advisors prior to the date hereof and subject to the terms of the Interim Order and the Final Order, the execution and delivery of this Support Agreement by it and the completion by it of the transactions contemplated herein do not and will not:
 - (i) violate or conflict with any Law applicable to it or any of its properties or assets; or
 - (ii) result (with or without notice or the passage of time) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under any provision of its partnership agreement, certificate of incorporation, articles, by-laws or other charter documents;
- (f) there is no proceeding, claim or investigation pending before any Governmental Entity, or, to the best of the knowledge after due inquiry of the Relevant Company Personnel, threatened against it or any of its properties that could adversely affect its ability to execute and deliver this Support Agreement and to perform its obligations under this Support Agreement;
- (g) other than the Interim Order, the Final Order, the filing of the articles of arrangement giving effect to the Recapitalization under the CBCA, the stock exchange listing approval in respect of the New YMI Common Shares, the Warrants, the New Subordinated Debentures and the New YMI Common Shares to be issued upon the exercise or exchange or conversion of the Warrants and New Subordinated Debentures, no authorization from, order by, consent or approval of, or registration, declaration or filing with, any Governmental Entity is necessary in connection with the consummation of (i) the Recapitalization under the CBCA, or (ii) the performance of its obligations under this Support Agreement, except for such authorization, consents, registrations and filings that would not reasonably be expected to materially adversely affect the Companies' ability to perform their obligations under this Support Agreement;

- (h) the authorized capital of YMI consists of (i) an unlimited number of Common Shares, of which 520,402,094 Common Shares are issued and outstanding as of the date of this Support Agreement, and (ii) an unlimited number of cumulative redeemable first preferred shares, issuable in series, of which 29,532,153 Preferred Shares are issued and outstanding as of the date of this Support Agreement, and YMI has no other shares authorized or issued and outstanding;
- (i) immediately prior to the effective time of the Plan, the authorized capital of New YMI will consist of an unlimited number of New YMI Common Shares and an unlimited number of preferred shares, none of which will be issued and outstanding (subject to the ability to issue a nominal number of New YMI Common Shares if necessary or desirable as part of the organization of New YMI);
- (j) there are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever obligating, or that may obligate, YMI or any of the Subsidiaries to issue, sell or transfer any securities of YMI or any of the Subsidiaries, or securities or obligations of any kind convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of YMI or any of the Subsidiaries other than (i) the Convertible Debentures, (ii) the Preferred Shares and (iii) the outstanding employee stock options;
- (k) the Companies have delivered in writing to the Advisors prior to the date hereof a complete list of the name of each director and officer of any of the Companies who is a party to or a participant in any written or oral agreement, arrangement, plan, obligation or understanding providing for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any such person following a change of control of any of the Companies;
- (l) YMI has filed with the Canadian Securities Administrators ("CSA") each report, schedule, form, statement or other document or filing required by Canadian Securities Laws to be filed since January 1, 2010 (the "**Filed CSA Documents**"), and none of such Filed CSA Documents, at the time it was filed, contained any untrue statement of a material fact or omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. The comparative consolidated financial statements (including the related notes) of YMI included in the Filed CSA Documents have been prepared in accordance with generally accepted accounting principles applicable to reporting issuers in effect from time to time in Canada applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present, in all material respects, the consolidated financial position of YMI as of the dates thereof and its

consolidated financial performance and cash flows for the periods then ended (subject, in the case of unaudited interim consolidated financial statements, to normal and recurring adjustments and provided that such unaudited interim consolidated financial statements may omit notes that are not required in the unaudited interim consolidated financial statements);

- (m) it conducts and has conducted its business in compliance, in all material respects, with all applicable Laws and has not received any written notice to the effect that, or has otherwise been advised in writing that, it is not in compliance, in any material respect, with such Laws;
- (n) the Subsidiaries set forth on Schedule C are the only direct or indirect subsidiaries (as defined under National Instrument 45-106 - *Prospectus and Registration Exemptions*) of YMI;
- (o) since December 31, 2011, other than as disclosed publicly or in the Data Room or as otherwise contemplated by this Support Agreement or the Recapitalization:
 - (i) there has not been any Material Adverse Change; and
 - (ii) there are no material change reports relating to YMI filed on a confidential basis with any securities commission which remain confidential;
- (p) the Companies have no liabilities or obligations of the type required to be recorded in the financial statements of the Companies in accordance with GAAP, other than (i) liabilities or obligations disclosed, reflected or provided for in YMI's audited consolidated financial statements as at and for the year ended December 31, 2011 and its unaudited consolidated interim financial statements as at and for the three months ended March 31, 2012, (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practice and attributable to the period since March 31, 2012, but taking into account liabilities and obligations incurred in connection with the transactions contemplated by this Support Agreement and the Recapitalization; and
- (q) no representation or warranty of the Companies contained in this Support Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein not misleading.

4. Consenting Creditors' Covenants and Consents

- (a) Each Consenting Creditor consents and agrees to the terms and conditions of, and the transactions contemplated by, this Support Agreement and the Recapitalization.

- (b) Each Consenting Creditor agrees that between the date of delivery of this Support Agreement and the Expiry Date, it shall not, directly or indirectly:
- (i) sell, lend, gift, assign, pledge, encumber, hypothecate (other than security or encumbrances applying to its investments generally which do not adversely affect in any manner whatsoever the ability of the Consenting Creditor to perform its obligations under this Support Agreement), or otherwise transfer (a "**Transfer**"), any of its Relevant Debt or Other Affected Securities, as applicable, or enter into any agreement, arrangement or understanding in connection therewith, except that each Consenting Creditor may transfer its Relevant Debt or Other Affected Securities, as applicable, (A) to the extent such Consenting Creditor is managing the Relevant Debt or Other Affected Securities on behalf of a fund, to another fund managed by the Consenting Creditor if the representations and warranties set forth in Section 2 hereof remain true and correct in all respects after such Transfer (it being understood that the Consenting Creditor shall remain bound by this Support Agreement in respect of such transferred securities), (B) to a Person who is already a Consenting Creditor at the time of the Transfer if the representations and warranties of such transferee Consenting Creditor in Section 2 remain true and correct after such Transfer, or (C) to a Person who contemporaneously with any such Transfer, agrees to be fully bound as a signatory Consenting Creditor hereunder in respect of the Relevant Debt or Other Affected Securities that are the subject of the Transfer, by executing and delivering a Joinder Agreement, the form of which is attached hereto as Schedule D. For greater certainty, where the transferee is not already a Consenting Creditor, such transferee shall be bound by the terms of this Support Agreement only in respect of the Relevant Debt and Other Affected Securities, as applicable, that are the subject of the Transfer, and not in respect of any other Notes or other YMI Securities of the transferee. Each Consenting Creditor hereby agrees to provide YMI and the Advisors with written notice of any Transfer as soon as practicable following the Transfer and, in the case of a Transfer pursuant to subparagraph (C) of this Section 4(b)(i), each Consenting Creditor hereby agrees to provide YMI and the Advisors with a copy of the Joinder Agreement executed by such transferee, promptly following such Transfer. Any Transfer that does not comply with this Section 4(b)(i) shall be void *ab initio*. For greater certainty, where (x) a Consenting Creditor Transfers any of its Relevant Debt or Other Affected Securities in the circumstances contemplated in (B) or (C) of this Section 4(b)(i), such Consenting Creditor will cease to be bound by this Support Agreement in respect of such Relevant Debt and Other Affected Securities and shall not be liable whatsoever in respect of any transferee, and (y) a Consenting Creditor Transfers all of its Relevant Debt and Other Affected Securities pursuant to this Section 4(b)(i), this Support Agreement shall continue to

be binding upon such Consenting Creditor with respect to any YMI Securities it subsequently acquires; and

- (ii) except as contemplated by this Support Agreement, deposit any of its Relevant Debt or Other Affected Securities, as applicable, into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Debt or Other Affected Securities, as applicable, if such trust, grant, agreement, understanding or arrangement would restrict in any manner the ability of the Consenting Creditor to comply with its obligations under this Support Agreement.
- (c) Each Consenting Creditor agrees that, until the Expiry Date, except with the prior written consent of YMI, its Relevant Creditor Personnel shall not, and shall not authorize, knowingly permit or instruct the Advisors or any trustees, investment bankers, lawyers, accountants, consultants or other agents or advisors of such Consenting Creditor, as applicable, directly or indirectly, to:
- (i) make, initiate, solicit, knowingly encourage, knowingly facilitate or seek, directly or indirectly, any inquiries relating to or the making, submission or implementation of any Third Party Transaction Proposal;
 - (ii) participate or engage in any negotiations concerning, or provide any information or data to, or have any material discussions with, any Person relating to a Third Party Transaction Proposal;
 - (iii) otherwise knowingly cooperate, assist or participate in, or knowingly facilitate or encourage, any effort or attempt to make, implement or accept any proposal or offer that constitutes, or may reasonably be expected to lead to, any Third Party Transaction Proposal; or
 - (iv) enter into a contract with any Person relating to a Third Party Transaction Proposal; or knowingly breach any information firewall of the type referred to in Section 13(a).
- (d) Each Consenting Creditor agrees that, until the Expiry Date, it shall:
- (i) vote (or cause to be voted) all of its Relevant Debt and Other Affected Securities, as applicable, in all votes and in each vote:
 - A. in favour of the approval, consent, ratification and adoption of the Recapitalization (and any actions required in furtherance thereof), by completing and depositing any proxy form or voting instruction form, as the case may be, promptly following receipt by the Consenting Creditor of the proxy form or voting

instruction form, and in any event, prior to the deadline for depositing such proxy or voting instruction form; and

- B. against any Third Party Transaction Proposal;
 - (ii) support the approval of the Plan as promptly as practicable by the Court;
 - (iii) not, directly or indirectly, support or object to any action or do anything that is intended or would reasonably be expected to impede, interfere with, frustrate, hinder, defeat, delay, postpone or discourage the consummation of the Recapitalization;
 - (iv) consent (on its own behalf) to any reasonable requests by the Companies for a forbearance until the Expiry Date of any events of default under the MTN Indenture, the Credit Agreement or the indenture for the Convertible Debentures, as applicable, that may occur prior to the Expiry Date as a result of the Plan or the compliance by the Companies with their obligations under this Support Agreement; provided, however, that such consent shall be deemed to be immediately withdrawn if any holder of any YMI Security seeks to enforce its rights under the documents governing such YMI Securities; and
 - (v) execute any and all documents and perform any and all commercially reasonable acts required by this Support Agreement to satisfy all of its obligations hereunder.
- (e) If, after the date hereof, a Consenting Creditor acquires legal and beneficial ownership of, or investment and voting discretion with respect to, additional Notes (such additional Notes, "**Additional Debt**") or Other Affected Securities or additional Other Affected Securities (such Other Affected Securities and additional Other Affected Securities, collectively, "**Additional Securities**"), (i) the Consenting Creditor shall automatically be bound by this Support Agreement in respect of such Additional Debt or Additional Securities, (ii) such Additional Debt and Additional Securities, as applicable, shall constitute Relevant Debt and Other Affected Securities, respectively, for the purposes of this Support Agreement, and (iii) the Consenting Creditor shall promptly provide YMI and the Advisors with an updated version of the Securities Table setting forth the Additional Debt and Additional Securities, as applicable; provided however that "**Additional Debt**" and "**Additional Securities**" shall not include securities beneficially owned by clients of the Consenting Creditor which are not managed or administered with discretionary authority by the Consenting Creditor.
- (f) Each Consenting Creditor agrees, subject at all times to Section 12, to this Support Agreement and the Specified Schedules, as the case may be, being filed and/or available for inspection by the public to the extent required by Law and/or stock exchange rules.

- (g) Until the Expiry Date, each Consenting Creditor shall not, and hereby agrees not to, directly or indirectly, commence or participate in any claim, derivative or otherwise, against the Companies and their respective affiliates (or any of their respective successors) or any of their respective directors or officers relating to the negotiation, execution and delivery, as applicable, of this Support Agreement and the Specified Schedules or the consummation of the Recapitalization, except for such claims related to enforcing the Consenting Creditor's rights under this Support Agreement and the other agreements entered into in connection herewith.

5. Companies' Covenants

- (a) The Companies consent and agree to the terms and conditions of, and the transactions contemplated by, this Support Agreement and the Recapitalization.
- (b) The Companies agree that, once this Support Agreement has become effective and binding on the Parties, the Companies will (i) forthwith cause to be issued a press release or other public disclosure that discloses the material provisions of the Recapitalization (subject to Section 12 hereof), and (ii) file a copy of this Support Agreement and the Specified Schedules, as the case may be, on SEDAR (subject to Section 12 hereof).
- (c) The Companies shall operate their respective businesses in the ordinary course of business, except as may be otherwise contemplated in connection with this Support Agreement and the Recapitalization.
- (d) Subject to Sections 7 and 8 hereof, the Companies will pursue the completion of the Recapitalization as soon as practicable and in good faith by way of the Plan and, in any case, shall use commercially reasonable efforts (including recommending to Credit Facility Lenders as well as holders of Notes, Convertible Debentures, Common Shares and Preferred Shares that they vote to approve the Plan and taking all reasonable actions necessary to obtain any regulatory approvals for the Recapitalization) to achieve the following timeline:
 - (i) the initiation of proceedings pursuant to the CBCA, as evidenced by filing the application seeking the Interim Order with the Court, by no later than July 24, 2012;
 - (ii) approval of the Interim Order by the Court by no later than July 26, 2012;
 - (iii) conduct the vote seeking approval by the requisite majorities at the Meetings by no later than September 7, 2012;
 - (iv) approval of the Final Order by the Court by no later than September 14, 2012; and
 - (v) implementation of the Plan by no later than September 30, 2012.

- (e) YMI shall inform and, to the extent practicable, consult with the Advisors promptly with respect to any adjournment, cancellation or postponement (or proposed adjournment, cancellation or postponement) of the Meetings.
- (f) The Companies shall provide draft copies of all motions or applications and other material documents that the Companies intend to file with the Court in connection with the Recapitalization (including the Interim Order and the Final Order), to the Advisors as soon as practicable prior to the date when the Companies intend to file such documents and to the extent the timeline for such filing is within the control of the Companies, no later than three (3) days prior to such filing.
- (g) Subject to any order of the Court and Section 8, the Companies shall (i) pursue, support and use commercially reasonable efforts to complete the Recapitalization as soon as practicable and in good faith, (ii) do all things that are reasonably necessary and appropriate in furtherance of, and to consummate and make effective, the Recapitalization, including, without limitation, using commercially reasonable efforts to satisfy the conditions precedent set forth in this Support Agreement (including, the conditions set forth in Section 9 of this Support Agreement), (iii) as soon as practicable following the date hereof, in cooperation with the Initial Consenting Creditors and the Advisors, make all such filings and seek all such consents, approvals, permits and authorizations with any Governmental Entity or third parties whose consent is required in connection with the Recapitalization and use commercially reasonable efforts to obtain any and all required regulatory and/or third party approvals for or in connection with the Recapitalization, and (iv) not take any action, directly or indirectly, that is materially inconsistent with, or is intended or would reasonably be expected to impede, interfere with, frustrate, hinder, defeat, delay, postpone or discourage the consummation of the Recapitalization, except as required by applicable Law or by any stock exchange rules, or by any Governmental Entity having jurisdiction over any of the Companies.
- (h) Each of the Companies hereby agrees to promptly notify the Advisors if, at any time before the effective time of implementation of the Plan, it becomes aware that the information circular for the Meetings, contains, at the time filed on the SEDAR database, a statement of a material fact which is inaccurate or incomplete that requires under Canadian Securities Laws an amendment or supplement to the information circular for the Meetings, and the Companies shall co-operate with the Advisors in the preparation of such amendment or supplement to the information circular as required under Canadian Securities Laws.
- (i) Except as contemplated by this Support Agreement or the Plan, the Companies shall not amend or modify any terms or conditions of any YMI Securities.
- (j) Each of the Companies shall not amalgamate, merge or consolidate with, or sell all or substantially all of its assets to, one or more other Persons, or enter into any

other transaction of similar effect under the Laws of any jurisdiction, or change the nature of its business or its corporate or capital structure, except as contemplated by this Support Agreement or the Plan or as contemplated by internal re-organizations of subsidiaries of YMI as disclosed in the Data Room.

- (k) The Companies shall provide promptly to the Advisors any calculations prepared by its financial advisors in respect of the Debtholders' Consideration or the Shareholders' Consideration.
- (l) The Companies shall keep the Advisors reasonably informed regarding any material discussion with any Person (other than the legal and financial advisors to the Companies) with respect to the Recapitalization and any Alternative Recapitalization.
- (m) Other than as contemplated by this Support Agreement or the Recapitalization and other than as disclosed in the Data Room, each of the Companies shall not (i) amend or propose to amend its certificate of incorporation, articles, by-laws or other constating documents, (ii) prepay, redeem prior to maturity, defease, repurchase or make other prepayments in respect of any indebtedness owing to holders of YMI Securities, (iii) directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness for borrowed money (except for indebtedness that is incurred in the ordinary course), (iv) create, incur or assume any lien, charge, mortgage, hypothec or security interest of any kind whatsoever in favour of any holder of the YMI Securities on, over or against any of its material assets or property (except for any lien, charge, mortgage, hypothec or security interest that is incurred in the ordinary course), (v) issue, grant or sell or agree to issue, grant or sell any securities of any of the Companies, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, securities of the Companies other than any issuance or sale or agreement to issue pursuant to the existing terms of any such outstanding securities, (vi) pledge or otherwise encumber any securities of any of the Companies except in the ordinary course, or (vii) enter into any new secured or unsecured lending or credit facilities of any kind, or increase the amount of Credit Facility Debt under the Credit Agreement or give additional security in respect of any Credit Facility Debt.
- (n) Other than as contemplated by this Support Agreement or the Recapitalization or as contemplated by internal re-organizations of subsidiaries of YMI as disclosed in the Data Room, each of the Companies shall not, outside of the ordinary course of business consistent with past practice, sell, transfer, lease, license or otherwise dispose of all or any material part of its property, assets or undertaking (including, without limitation, by way of any loan transaction) having a value of more than \$3 million at any one time or in any series of transactions (whether voluntarily or involuntarily) during the term of this Support Agreement.

- (o) None of the Companies shall alter their compensation, benefits or severance arrangements as regards existing directors or senior officers prior to the Effective Date other than (i) as required by the terms of incentive plans or employment contracts existing as of the date hereof, (ii) as required by Law, (iii) pursuant to arrangements providing for additional payments of no more than \$1 million, in the aggregate or (iv) as disclosed in writing to the Advisors prior to the date hereof.
- (p) YMI shall not, directly or indirectly, declare, make or pay any dividend or other distribution, whether by way of cash or other consideration, to or with respect to any of its issued and outstanding shares prior to the Effective Date other than in accordance with the Plan.
- (q) New YMI and Newco1 have, and any other corporations which shall be incorporated for the purposes of completing the Plan shall have, only such assets or liabilities as necessary to carry out their respective obligations under the Plan.
- (r) The securities to be issued and delivered in accordance with the Plan shall be issued and sold pursuant to exemptions from the prospectus and registration requirements of applicable Canadian Securities Laws and from the registration requirements of United States federal and state securities Laws and shall not be subject to resale restrictions pursuant thereto except for control block restrictions under Canadian Securities Laws and except for restrictions relating to securities held by Persons who are affiliates (as defined in Rule 144 under the United States Securities Act of 1933, as amended) of New YMI.
- (s) As soon as reasonably practicable, the Companies shall use commercially reasonable efforts to obtain credit ratings in respect of the New Senior Notes and the New Subordinated Debentures, as applicable, to be issued and delivered in accordance with the Plan from DBRS Limited, Standard & Poor's Ratings Services or any other nationally recognized credit rating agency.
- (t) Each of the Companies shall promptly notify the Advisors of:
 - (i) any resignation of, or leave of absence taken by, any of its directors or senior officers;
 - (ii) any claims threatened or brought against it in excess of \$5 million;
 - (iii) any event, condition or development that has resulted in the inaccuracy of any representation or warranty made by or to be complied with by any of the Companies to the extent such inaccuracy would reasonably be expected to cause any conditions set forth in Section 9 not to be satisfied or give rise to a termination right under Section 10; or
 - (iv) any event, condition or development that has resulted in the breach, in any material respect, of any covenant or agreement contained in this

Support Agreement made by or to be complied with by any of the Companies.

- (u) YMI will use its commercially reasonable efforts to obtain Toronto Stock Exchange listing, subject to customary post-closing conditions, for the New YMI Common Shares, the Warrants, the New Subordinated Debentures and the New YMI Common Shares to be issued upon exercise, conversion or exchange of the Warrants and the New Subordinated Debentures, failing which YMI will use its commercially reasonable efforts to obtain TSX Venture Exchange listing for all of the foregoing.
- (v) Except as otherwise agreed by the Companies and the Initial Consenting Creditors in writing, the Companies agree that the Recapitalization and any Alternative Recapitalization and any other transaction related or incidental thereto, shall not have the effect, directly or indirectly, of providing any or all of the Credit Facility Lenders with consideration or value (whether financial or otherwise) greater than the consideration or value (whether financial or otherwise) to be received by the Noteholders pursuant to the Recapitalization or any such Alternative Recapitalization.
- (w) The Parties shall cooperate with each other concerning the transactions contemplated in this Support Agreement and the Recapitalization. The Companies and their advisors shall, to the extent practicable, provide the Advisors with an opportunity to review and comment on all material documents relating to the implementation of the Recapitalization.

6. Governance

The Parties agree to be bound by, and act in accordance with, the terms of the Governance Memorandum attached as Schedule E.

7. Change in Nature of the Plan or Recapitalization

- (a) The Companies shall be entitled to implement the Recapitalization under the CBCA or under such other legislation as the Companies may deem appropriate to achieve the desired result ("**Alternative Recapitalization**"). The Alternative Recapitalization shall be proposed for the purpose of implementing the Recapitalization except that the Companies shall be entitled, with the consent of the Initial Consenting Creditors, to make such amendments as the Companies may deem appropriate to achieve the desired result. In the event of an Alternative Recapitalization, the Companies agree to use their commercially reasonable efforts (including recommending to all relevant stakeholders entitled to vote on the Alternative Recapitalization that they vote to approve the Alternative Recapitalization and taking all reasonable actions necessary to obtain any regulatory and other approvals for the Alternative Recapitalization) to achieve implementation of the Alternative Recapitalization by no later than the Outside Date, if necessary. The Consenting Creditors shall support and vote in

favour of the Alternative Recapitalization in the same manner and to the same extent that they have agreed in this Support Agreement to support the Recapitalization under the Plan.

- (b) In the event of any Alternative Recapitalization, all terms, covenants, representations and warranties of the Companies shall be and shall be deemed to have been made in the context of the Alternative Recapitalization and the conditions to the Recapitalization in this Support Agreement shall be and shall be deemed to be conditions in respect of the Alternative Recapitalization.

8. New Transactions

- (a) On and after the date hereof, the Companies shall not, directly or indirectly through any Representative: (i) solicit, initiate, knowingly facilitate or encourage any inquiries or proposals regarding any transaction that is a Third Party Transaction or is otherwise an alternative to the Recapitalization (a "**New Transaction**"); (ii) engage or participate in any discussions or negotiations with any Person (other than the Consenting Creditors and the Advisors) regarding any New Transaction; (iii) accept, approve, endorse or recommend or propose publicly to accept, approve, endorse or recommend any New Transaction; (v) withdraw the YMI Board's recommendation of the Support Agreement or the Recapitalization or change, modify or qualify such recommendation in any manner adverse to the Consenting Creditors; or (v) enter into, or publicly propose to enter into, any agreement in respect of any New Transaction; provided, however, that notwithstanding anything to the contrary in this Section 8, it is understood that the Companies may determine to enter into an agreement with respect to a New Transaction or withdraw, modify or qualify the YMI Board's approval or recommendation of this Support Agreement and the Recapitalization if:
 - (i) each of the Companies is in compliance, in all material respects, with all terms and conditions of this Section 8;
 - (ii) such New Transaction is based on a written proposal received from an arm's length third party after the date hereof (and is not substantially similar to any proposal YMI or its Representatives have discussed with such third party prior to the date hereof) that none of the Companies has, directly or indirectly through any Representative, solicited, initiated, knowingly facilitated or knowingly encouraged; and
 - (iii) the YMI Board has determined, after receiving advice from its financial advisors and outside legal counsel, that the failure to accept such New Transaction would be a breach of its fiduciary duties (it being understood that if the Initial Consenting Creditors so require, YMI shall seek directions from the Court in respect of the foregoing).

If each of the conditions precedent in subsection (i), (ii) and (iii) of this Section 8(a) has been satisfied, the Companies may terminate this Support Agreement pursuant to Section 10(c)(ii).

- (b) The Companies shall promptly (and in any event within 24 hours following receipt by any of the Companies) notify the Advisors, at first orally and thereafter in writing, of any *bona fide* proposal in respect of a New Transaction, in each case received after the date of this Support Agreement; and the Companies shall promptly provide to the Advisors a full and complete description of the material terms and conditions of such proposed New Transaction. The Companies shall not, and shall cause their Representatives not to, participate in any material discussions with any Person that has delivered a *bona fide* proposal in respect of a New Transaction that the Companies are contemplating pursuing, without providing reasonable notice to the Advisors. The Companies shall promptly keep the Advisors informed of any material change to the material terms of such proposed New Transaction.

9. Conditions

Notwithstanding anything to the contrary contained in this Support Agreement and without limitation to any other rights of the Consenting Creditors hereunder, the Recapitalization and the obligations of the Consenting Creditors under this Support Agreement shall be specifically and expressly subject to each and all of the following conditions prior to or at the time on which the Recapitalization is implemented on the Effective Date, each of which may only be waived by the Initial Consenting Creditors, in their sole discretion, and each of which conditions does not give to the Consenting Creditors the right to terminate this Support Agreement except as specifically provided under Section 10:

- (a) the Interim Order and following the Meetings, the Final Order shall have been obtained;
- (b) there shall not be any amendment, modification, supplement or restatement of the Plan, the New Senior Note Indenture Description, the New Subordinated Debenture Indenture Description and the Warrant Indenture, except for any Authorized Amendments or in accordance with Section 13(q);
- (c) each of the Companies shall be in compliance in all material respects with all of, and shall not be in default in the performance or observance of any of, its material terms, covenants and agreements set forth in this Support Agreement;
- (d) (i) the process for determining the composition of the New Board shall be proceeding in accordance with the Governance Memorandum attached as Schedule E, (ii) the composition of the New Board determined in accordance with such process shall have been announced by YMI prior to the Meetings, and (iii) the Plan shall have been amended accordingly;

- (e) all securities of New YMI in connection with the Recapitalization, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance thereof shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Laws and from the registration requirements of United States federal and state securities Laws and shall not be subject to resale restrictions pursuant thereto except for control block restrictions under Canadian Securities Laws and except for restrictions relating to securities held by Persons who are affiliates (as defined in Rule 144 under the United States Securities Act of 1933, as amended) of New YMI;
- (f) the New YMI Common Shares, the Warrants, the New Subordinated Debentures and the New YMI Common Shares to be issued upon exercise, conversion or exchange of the Warrants and the New Subordinated Debentures shall have been approved for listing by the Toronto Stock Exchange or the TSX Venture Exchange, subject to customary post-closing conditions;
- (g) all material filings under applicable Canadian Securities Laws that are required for the implementation of the Recapitalization shall have been made;
- (h) there shall not have occurred, after the date hereof, a Material Adverse Change; and
- (i) there shall not be in effect any ruling by any Governmental Entity or court of competent jurisdiction, enjoining the consummation of a material portion of this Support Agreement or the Plan;

it being understood however that notwithstanding anything to the contrary in this Support Agreement if any of the foregoing is not complied with and such non-compliance does not materially adversely affect the absolute or relative (in relation to other holders of the YMI Securities) value of the Debtholders' Consideration or would reasonably be expected to result in a Material Adverse Change, then the Consenting Creditors shall not be entitled to raise such non-compliance as a basis for not complying with their obligations under this Support Agreement.

10. Termination

- (a) This Support Agreement may be terminated by the Initial Consenting Creditors (determined in accordance with Section 13(q)), in their sole discretion, by providing written notice to the Companies, only upon the occurrence of any of the following events:
 - (i) failure by any of the Companies to comply with, or default by any of the Companies in the performance or observance of, any term, covenant or agreement set forth in this Support Agreement if such failure or default would reasonably be expected to materially adversely affect the absolute or relative (in relation to other holders of the YMI Securities) value of the Debtholders' Consideration or would reasonably be expected to result in

a Material Adverse Change and, which, if capable of being cured, is not cured within ten (10) Business Days after the receipt of written notice of such failure or default (it being understood that the failure to comply with the deadlines set forth in this Support Agreement other than in respect of the Outside Date shall not give the right to the Initial Consenting Creditors to terminate this Support Agreement);

- (ii) if any representation or warranty of any of the Companies set forth in this Support Agreement shall prove untrue in any respect as of the date when made or as of the Effective Date (except for representations and warranties addressing matters as of a particular date, in which case if such representation and warranty shall prove untrue in any respect as of such date) and the failure of such representation or warranty to be so true, would reasonably be expected to materially adversely affect the absolute or relative (in relation to other holders of the YMI Securities) value of the Debtholders' Consideration or would reasonably be expected to result in a Material Adverse Change;
- (iii) the issuance by any Governmental Entity or court of competent jurisdiction, of any ruling enjoining the consummation of a material portion of this Support Agreement or the Plan;
- (iv) the Plan, the New Senior Note Indenture Description, the New Subordinated Debenture Indenture Description or the Warrant Indenture is amended, modified, supplemented or restated, except for any Authorized Amendments or in accordance with Section 13(q);
- (v) if any of the Companies makes any payment or gives any consideration to any holder of a YMI Security in its capacity as a holder of such YMI Securities (it being understood that no payment or consideration made (x) in the ordinary course of business, (y) pursuant to the terms of the documents governing the YMI Securities as of the date hereof, or (z) in connection with the implementation of the Plan and as contemplated therein shall give the right to the Initial Consenting Creditors to terminate this Support Agreement);
- (vi) if the New Senior Note Indenture is not in form and substance the same as the New Senior Note Indenture Description, including with respect to : (u) repurchase and redemption terms, (v) covenants, (w) events of default, (x) amendments, supplements and waivers, (y) definitions and (z) all other terms described in sufficient detail in such New Senior Note Indenture Description that they may be copied without material modification into the New Senior Note Indenture;
- (vii) if the New Subordinated Debenture Indenture is not in form and substance the same as the New Subordinated Debenture Indenture

Description, including with respect to : (u) repurchase and redemption terms, (v) covenants, (w) events of default, (x) amendments, supplements and waivers, (y) definitions and (z) all other terms described in sufficient detail in such New Subordinated Debenture Indenture Description that they may be copied without material modification into the New Subordinated Debenture Indenture;

- (viii) if the draft final order submitted or presented to the Court by YMI and New YMI at or prior to the hearing for the Final Order is not in the form and substance of the draft final order attached as Schedule J hereto (subject to any conforming changes required if the Step Confirmation Notice is issued and such other changes as may be agreed to by the Companies and the Advisors at or prior to the hearing for the Final Order); and
 - (ix) if the Effective Date has not occurred on or before the Outside Date.
- (b) This Support Agreement may be terminated by the Initial Consenting Creditors (determined in accordance with Section 13(q)), in their sole discretion, by providing written notice to the Companies if (i) the Companies fail to deliver a draft of the New Senior Note Indenture and of the New Subordinated Debenture Indenture to the Advisors before August 14, 2012 or (ii) do not collaborate in good faith with the Advisors to finalize the New Senior Note Indenture and the New Subordinated Debenture Indenture before the date of the Meetings.
- (c) This Support Agreement may be terminated by the Companies, in their sole discretion, by providing written notice to Consenting Creditors, only upon the occurrence of any of the following events:
- (i) the issuance by any Governmental Entity or court of competent jurisdiction, of any ruling enjoining the consummation of a material portion of this Support Agreement or the Plan;
 - (ii) the Companies determine to enter into a definitive agreement with respect to, or approve or recommend a New Transaction, in each case, in compliance with the provisions of Section 8; and
 - (iii) if the Effective Date has not occurred on or before the Outside Date.
- (d) This Support Agreement may be terminated by the Companies as to a breaching Consenting Creditor (the "**Breaching Creditor**") only, in the exercise of their sole discretion upon the occurrence of any of the following events:
- (i) failure by the Breaching Creditor to comply in all material respects with, or default by the Breaching Creditor in the performance or observance of, any material term, condition, covenant or agreement set forth in this

Support Agreement which is not cured within ten (10) Business Days after the receipt of written notice of such failure or default; or

- (ii) if any representation, warranty or other statement of the Breaching Creditor made or deemed to be made in this Support Agreement shall prove untrue in any material respect as of the date when made,

and the Breaching Creditor shall thereupon no longer be a Consenting Creditor.

- (e) This Support Agreement may be terminated at any time by mutual written consent of the Companies and the Initial Consenting Creditors.
- (f) This Support Agreement shall terminate automatically without any further required action or notice on the Effective Date (immediately following the effective time of the Plan).
- (g) Upon termination of this Support Agreement pursuant to Sections 10(a), 10(b), 10(c), 10(e) or 10(f) hereof, this Support Agreement shall be of no further force and effect and each Party hereto shall be automatically and simultaneously released from its commitments, undertakings, and agreements under or related to this Support Agreement, except for the rights, agreements, commitments and obligations under Sections 12, 13 and this Section 10, all of which shall survive the termination, and each Party shall be responsible and shall remain liable for any breach of this Support Agreement by such Party occurring prior to the termination of this Support Agreement. No termination fee is payable under this Support Agreement.
- (h) Upon termination of this Support Agreement by the Companies with respect to a Breaching Creditor under Section 10(d), this Support Agreement shall be of no further force or effect with respect to such Breaching Creditor, and all rights, obligations, commitments, undertakings, and agreements under or related to this Support Agreement of or in respect of such Breaching Creditor shall be of no further force or effect, except for the rights and obligations under Sections 12, 13 and this Section 10, all of which shall survive such termination, and each Breaching Creditor shall be responsible and shall remain liable for any breach of this Support Agreement by such Breaching Creditor occurring prior to the termination of this Support Agreement.

11. Press Releases and Public Disclosure Concerning Transaction

- (a) To the extent practicable, the Companies shall provide the Advisors with an opportunity to review and comment any press release and other public disclosure concerning the transactions contemplated herein.
- (b) Subject to Section 12 hereof, no information with respect to the principal amount of Relevant Debt or Other Affected Securities held or managed by any individual Consenting Creditor or the identity of any individual Consenting Creditor shall

be disclosed by any of the Companies or any of their respective Representatives in any press release or other public disclosure concerning the transactions contemplated herein.

- (c) No press release or other public disclosure concerning the transactions contemplated herein shall be made by any Consenting Creditor without the prior consent of YMI (such consent not to be unreasonably withheld) except as, and only to the extent that, the disclosure is required (as determined by the Consenting Creditor) by applicable Law or by any stock exchange rules on which its securities or those of any of its affiliates are traded, by any other regulatory authority having jurisdiction over the Consenting Creditor, or by any court of competent jurisdiction; provided, however, that the Consenting Creditor shall provide YMI with a copy of such disclosure in advance of any release and an opportunity to consult with the Consenting Creditor as to the contents, and to provide comments thereon.

12. Confidentiality

The Companies agree, on their own behalf and on behalf of their Representatives, to maintain the confidentiality of the identity and holdings of the Consenting Creditors; provided, however, that such information may be disclosed: (i) to the extent required by applicable Law, (ii) to the Companies' respective directors, trustees, executives, officers, auditors, and employees and financial and legal advisors or other agents (collectively referred to herein as the "**Representatives**" and individually as a "**Representative**") and provided further that each such Representative is informed of, and agrees to abide by, this confidentiality provision; and (iii) to Persons in response to, and to the extent required by, (A) any subpoena, or other legal process, including by the Court or applicable rules, regulations or procedures of the Court, or (B) any Governmental Entity. If the Companies or their Representatives are required to disclose the identity or the specific holdings of a Consenting Creditor in the manner set out in the preceding sentence, YMI shall provide the relevant Consenting Creditor with prompt written notice of any such request or requirement, so that the relevant Consenting Creditor may seek a protective order or other appropriate remedy or waiver of compliance with the provisions of this Support Agreement. Notwithstanding the foregoing provisions in this Section 12: (i) the Companies may disclose the existence of and nature of support evidenced by this Support Agreement (other than the identity and specific holdings of, any Consenting Creditor) in any public disclosure or filing, including press releases, filings required by Canadian Securities Laws and Court materials produced by any of the Companies in connection with the Support Agreement or the Recapitalization; (ii) the Companies may file and/or make this Support Agreement and the Specified Schedules, as the case may be, available for inspection as required by Law but shall redact the identity and specific holdings of each Consenting Creditor to the extent permitted by applicable Law; (iii) the Companies may disclose the holdings of a Consenting Creditor in any action to enforce this Support Agreement or in an action for damages as a result of any breaches hereof; and (iv) the Companies may disclose, to the extent consented to in writing by a Consenting Creditor prior to such disclosure, such Consenting Creditor's specific holdings. Except as set forth in Section 5(b) hereof, nothing in this Support Agreement shall obligate the Companies to make any public disclosure of this Support Agreement or the Recapitalization.

13. Miscellaneous

- (a) Notwithstanding anything in this Support Agreement to the contrary, this Support Agreement applies only to each Consenting Creditor's Relevant Debt, Additional Debt, Other Affected Securities and Additional Securities and, without limiting the generality of the foregoing, shall not apply to:
 - (i) any securities, loans or other obligations (including the Notes and other YMI Securities) that may be held, acquired or sold by, or any activities, services or businesses conducted or provided by, any group or business unit within or affiliate of any Consenting Creditor that has not been involved in the Recapitalization discussions or is on the other side of an ethical wall or other information barrier with respect to the Relevant Creditor Personnel; or
 - (ii) any securities, loans or other obligations that may be beneficially owned by non-affiliated clients of the Consenting Creditor.
- (b) Subject to Section 4 hereof with respect to Consenting Creditors' Relevant Debt and Other Affected Securities, nothing in this Support Agreement is intended to preclude any of the Consenting Creditors from engaging in any securities transactions.
- (c) This Support Agreement shall in no way be construed to preclude any Consenting Creditor from acquiring Additional Debt and/or Additional Securities; provided any such Additional Debt or Additional Securities so acquired shall be subject to this Support Agreement as provided for in Section 4(e) hereof.
- (d) At any time, a holder of YMI Securities may agree to become a Party to this Support Agreement by executing and delivering to YMI, with a copy to the Advisors, a Joinder Agreement substantially in the form of Schedule D.
- (e) The Plan and the other Schedules attached to this Support Agreement form an integral part of this Support Agreement for all purposes of it.
- (f) The headings in this Support Agreement have been inserted for convenient reference only and shall not affect the meaning or interpretation of this Support Agreement.
- (g) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.
- (h) In this Support Agreement, wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

- (i) Unless otherwise specifically indicated, all sums of money referred to in this Support Agreement are expressed in Canadian currency.
- (j) This Support Agreement (including the Plan and the other Schedules attached to this Support Agreement), together with any confidentiality agreement entered into or binding upon the Consenting Creditor, constitute the entire agreement and supersede all prior agreements, understandings, negotiations, correspondence and discussions, whether oral and written, among the Parties with respect to the subject matter hereof.
- (k) Any date, time or period referred to in this Support Agreement shall be of the essence. The mere lapse of time in the performance of the terms of this Support Agreement by any Party will have the effect of putting such Party in default in accordance with Articles 1594 to 1600 of the *Civil Code of Québec*, except to the extent to which the Parties agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.
- (l) All representations, warranties and covenants in this Support Agreement on the part of each of the Parties shall survive until the Expiry Date.
- (m) Except as otherwise provided in this Support Agreement and any engagement letters entered into by the Companies and the Advisors, as such engagement letters may be amended, modified or supplemented from time to time, each of the Parties shall bear its own expenses incurred in connection with this Support Agreement and the transactions contemplated hereby.
- (n) The agreements, representations and obligations of the Consenting Creditors under this Support Agreement are, in all respects, joint (within the meaning of the *Civil Code of Québec*).
- (o) The agreements, representations and obligations of the Companies under this Support Agreement are, in all respects, solidary (within the meaning of the *Civil Code of Québec*).
- (p) Any Person signing this Support Agreement in a representative capacity (i) represents and warrants that he/she is authorized to sign this Support Agreement on behalf of the Party he/she represents, and (ii) acknowledges that the other Parties hereto have relied upon such representation and warranty.
- (q) Except for any Authorized Amendments (which shall require no approval), (i) any amendment, modification, supplement or restatement to this Support Agreement, the Plan, the New Senior Note Indenture Description, the New Subordinated Debenture Indenture Description or the Warrant Indenture and (ii) any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Creditors under this Support Agreement shall be subject to the approval of Initial Consenting Creditors representing at least a majority of the aggregate principal amount of Relevant Debt held by all Initial Consenting

Creditors at the time the determination is made by Initial Consenting Creditors. For purposes of this Section 13(q), the Companies shall be entitled to rely on written confirmation from the Advisors that the Initial Consenting Creditors representing the required aggregate principal amount of Relevant Debt held by the Initial Consenting Creditors have agreed, waived, consented to or approved a particular matter. The Advisors shall be entitled to rely on (x) a communication in any form acceptable to the Advisors, in their sole discretion, from any Initial Consenting Creditor for the purpose of determining whether such Initial Consenting Creditor has agreed, waived, consented to or approved a particular matter and, (y) the information with respect to any Initial Consenting Creditor's Relevant Debt and Other Affected Securities as set out in such Initial Consenting Creditor's Securities Table (as updated by such Initial Consenting Creditor from time to time in accordance with this Support Agreement), without further enquiry or independent verification.

- (r) In connection with any amendment, modification, supplement or restatement to this Support Agreement, (A) any Consenting Creditor may object in writing to such amendment, modification, supplement or restatement (as approved in accordance with Section 13(q)) if it materially adversely affects the absolute or relative (in relation to other holders of YMI Securities) value of the Debtholders' Consideration by providing written notice to the Companies (with a copy to the Advisors), and (B) any such Consenting Creditor that has so objected in writing may terminate its obligations under this Support Agreement upon three (3) Business Day notice to the Companies (with a copy to the Advisors).
- (s) All notices and other communications which may be or are required to be given pursuant to any provision of this Support Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by email or facsimile transmission, in each case addressed to the particular Party or at such other address of which any Party may, from time to time, advise the other Party by notice in writing:

- (i) If to YMI or the Companies, at:

Yellow Media Inc.
16 Place du Commerce, Nuns' Island
Verdun, Québec,
H3E 2A5

Attention: Senior Vice President, General Counsel and Secretary
Email: francois.ramsay@yppg.com
Facsimile: 514-934-4076

With a required copy by email or fax (which shall not be deemed notice) to:

Stikeman Elliott LLP
Attention: Jean Marc Huot
Email: jmhuot@stikeman.com
Facsimile: 514-397-3435

- (ii) If to the Consenting Creditors at:

The address set forth for each Consenting Creditor at the address shown for it beside its signature.

With a required copy by email or fax (which shall not be deemed notice) to:

Bennett Jones LLP
Attention: S. Richard Orzy and Kevin J. Zych
Email: orzyr@bennettjones.com / zychk@bennettjones.com
Facsimile: 416-863-1716

or at such other address, facsimile or email as such party may advise in writing. The date of receipt of any such notice shall be deemed to be the date of delivery or transmission thereof.

- (t) If any term or other provision of this Support Agreement is invalid, illegal or unenforceable by a court of competent jurisdiction from which no appeal exists or is taken, all other conditions and provisions of this Support Agreement shall continue in full force and effect. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Support Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the terms of this Support Agreement remain as originally contemplated to the fullest extent possible.
- (u) The provisions of this Support Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns, provided that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Support Agreement without the prior written consent of the other Parties hereto, except that each Consenting Creditor is permitted to assign, delegate or otherwise transfer any of its rights, interests or obligations under this Support Agreement as set forth in Section 4(b)(i).
- (v) This Support Agreement is governed by, and shall be interpreted and enforced in accordance with, the Laws of the Province of Québec and the federal Laws of Canada applicable therein, without regard to principles of conflicts of Law. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of Québec in any action or proceeding arising out of or relating to this Support

Agreement and waives objection to the venue of any proceedings in any such court or that such court provides an inconvenient forum.


- (w) Each Party shall deliver to the others such further documents and shall execute and deliver to the others such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Support Agreement, to accomplish the purpose of this Support Agreement or to assure to the other Party the benefits of this Support Agreement, the whole at the Companies' costs.
- (x) Each Party recognizes and acknowledges that this Support Agreement is an integral part of the Recapitalization, and accordingly acknowledges and agrees that a breach by any Party of this Support Agreement will cause the non-breaching Parties to sustain injury for which they would not have an adequate remedy for monetary damages. Therefore, the Parties agree that in the event of any such breach, each non-breaching Party shall be entitled to the remedy of specific performance of this Support Agreement and provisional, interlocutory and permanent injunctive relief in addition to any other remedy to which it may be entitled.
- (y) No condition in this Support Agreement shall be enforceable by a Party if any failure to satisfy such condition results from an action, error or omissions by or within the control of such Party.
- (z) Unless expressly stated herein, this Support Agreement shall be solely for the benefit of the Parties, and shall not benefit or create any right, stipulation for the benefit of, delegation open for acceptance by, or cause of action in favour of, any Person, other than the Parties and their respective successors and permitted assigns.
- (aa) This Support Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.
- (bb) The Parties confirm that it is their wish that this Support Agreement, as well as any other documents relating to this Support Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

[signature page follows]

This Support Agreement has been agreed and accepted on the date first written above.

YELLOW MEDIA INC.

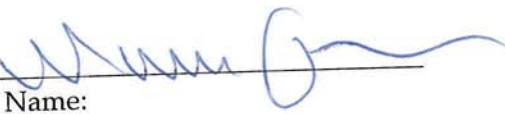
8254320 CANADA INC.

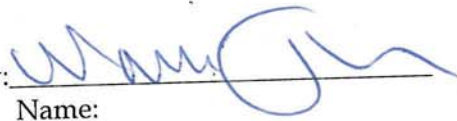
By: 
Name:
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Name:
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CANPAGES INC.


YELLOW PAGES GROUP CORP.


By: 
Name:
Title:

By: 
Name:
Title:

WALL2WALL MEDIA INC.

7737351 CANADA INC.


By: 
Name:
Title:

By: 
Name:
Title:

MEDIATIVE G.P. INC.


MEDIATIVE PERFORMANCE L.P.


By: 
Name:
Title:

By: 
Name:
Title:


YPG (USA) HOLDINGS, INC.

YELLOW PAGES GROUP, LLC

By: 
Name:
Title:

By: 
Name:
Title:


SNAP GUIDES INC.

By: 
Name:
Title:

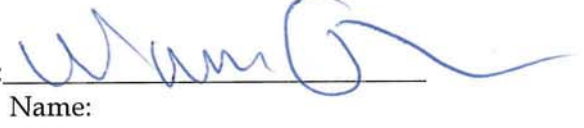
CLEAR SKY MEDIA INC.

By: 
Name:
Title:

UPTREND MEDIA INC.

By: 
Name:
Title:

613413 SASKATCHEWAN LTD.

By: 
Name:
Title:

STRICTLY CONFIDENTIAL

DATED AS OF July 23, 2012

Holder:

By: [Redacted]
Name: [Redacted]
Title: [Redacted]

Email: [Redacted]

Notice address: [Redacted]

STRICTLY CONFIDENTIAL

RELEVANT DEBT AND OTHER AFFECTED SECURITIES AS OF [Redacted], 2012

		Principal Face Amount of Notes or Convertible Debentures / Portion of Credit Facility Debt / Number of Shares	Name of CDS Participant Who Holds the Security	CDS Number for Participant Who Holds the Security
Notes	5.71% MTN, Series 2, due April 21, 2014 CUSIP: CA98552ZAA62	[Redacted]	[Redacted]	[Redacted]
	5.85% MTN, Series 3, due November 18, 2019 CUSIP: CA98552ZAB46	[Redacted]	[Redacted]	[Redacted]
	5.25% MTN, Series 4, due February 15, 2016 CUSIP: CA98552ZAC29	[Redacted]	[Redacted]	[Redacted]
	6.25% MTN, Series 5, due February 15, 2036 CUSIP: CA98552ZAD02	[Redacted]	[Redacted]	[Redacted]
	7.30% MTN, Series 7, due February 2, 2015 CUSIP: CA98552ZAE84	[Redacted]	[Redacted]	[Redacted]
	6.85% MTN, Series 8, due December 3, 2013 CUSIP: CA98552ZAF59	[Redacted]	[Redacted]	[Redacted]
	6.50% MTN, Series 9, due July 10, 2013 CUSIP: 98552ZAG33	[Redacted]	[Redacted]	[Redacted]
	7.75% MTN, Series 10, due March 2, 2020 CUSIP: CA98552ZAH16	[Redacted]	[Redacted]	[Redacted]
Convertible Debentures CUSIP: CA985521AA10				
Preferred Shares	Series 1 CUSIP: CA9855212028	[Redacted]	[Redacted]	[Redacted]
	Series 2 CUSIP: CA9855213018	[Redacted]	[Redacted]	[Redacted]
	Series 3 CUSIP: CA9855214008	[Redacted]	[Redacted]	[Redacted]
	Series 5 CUSIP: CA9855216086	[Redacted]	[Redacted]	[Redacted]
	Series 7	[Redacted]	[Redacted]	[Redacted]
Common Shares CUSIP: CA9855211038		[Redacted]	[Redacted]	[Redacted]
Credit Facility Debt		[Redacted]		

SCHEDULE A
PLAN OF ARRANGEMENT

(see attached)

PLAN OF ARRANGEMENT

UNDER SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Plan of Arrangement, unless otherwise stated or unless the context otherwise requires:

- (a) "**Advisors**" means Bennett Jones LLP, in its capacity as legal advisor to the Initial Consenting Creditors, and Moelis & Company, in its capacity as financial advisor to the Initial Consenting Creditors;
- (b) "**Affected Unsecured Debt**" means, as at the relevant time, collectively, (i) the Credit Facility Debt and (ii) the MTN Notes;
- (c) "**Arrangement**" means the arrangement under Section 192 of the CBCA, on the terms and subject to the conditions set forth in this Plan of Arrangement subject to any amendments or variations made thereto in accordance with this Plan of Arrangement or made at the direction of the Court;
- (d) "**Arrangement Agreement**" means the Arrangement Agreement dated July 23, 2012, among YMI, New YMI and YPG, as may be amended, restated, varied, modified or supplemented from time to time;
- (e) "**Business Day**" means a day, other than a Saturday or a Sunday, on which commercial banks are generally open for business in Montréal, Québec and Toronto, Ontario;
- (f) "**Canpages**" means Canpages Inc., a CBCA corporation;
- (g) "**CBCA**" means the *Canada Business Corporations Act*, R. S. C. 1985, c. C-44, as now in effect and as it may be amended from time to time prior to the Effective Date;
- (h) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
- (i) "**Certificate**" means the certificate giving effect to the Arrangement, which shall be issued by the Director pursuant to section 192(7) of the CBCA upon receipt of the articles of arrangement in accordance with section 262 of the CBCA;
- (j) "**Common Shares**" means the common shares in the capital of YMI;
- (k) "**Companies Released Parties**" means, collectively, YMI, New YMI, the Credit Facility Guarantors, the MTN Guarantors and their respective Subsidiaries and

affiliates and their respective present and former shareholders, officers, directors, trustees, employees, auditors, financial advisors, legal counsel and agents;

- (l) "**Convertible Debenture Indenture**" means the trust indenture dated July 8, 2010, among YMI, Yellow Pages Income Fund, YPG Trust and YPG LP and the Convertible Debenture Trustee in respect of the Convertible Debentures, as supplemented by the first supplemental trust indenture dated November 1, 2010 between YMI and the Convertible Debenture Trustee;
- (m) "**Convertible Debenture Trustee**" means BNY Trust Company of Canada, or any successor thereof;
- (n) "**Convertible Debentureholders**" means the legal and/or beneficial holders of the Convertible Debentures as at the relevant time;
- (o) "**Convertible Debentures**" means the 6.25% convertible unsecured subordinated debentures of YMI due October 1, 2017 issued pursuant to the Convertible Debenture Indenture;
- (p) "**Court**" means the Superior Court of Québec, Commercial Division;
- (q) "**Credit Agreement**" means the second amended and restated credit agreement, dated September 28, 2011, among, *inter alia*, YMI, as borrower, the Credit Facility Agent and the Credit Facility Lenders;
- (r) "**Credit Facility Agent**" means the Bank of Nova Scotia, as administrative agent, pursuant to the Credit Agreement, or any successor thereof;
- (s) "**Credit Facility Debt**" means all amounts owing to the Credit Facility Lenders on account of principal pursuant to and under the Credit Agreement as at the relevant time;
- (t) "**Credit Facility Guarantors**" means, collectively, YPG, YPG USA, YPG LLC, Canpages, W2W;
- (u) "**Credit Facility Lenders**" means the "Lenders" (as defined under the Credit Agreement) as at the relevant time;
- (v) "**Director**" means the Director appointed under Section 260 of the CBCA;
- (w) "**Distribution Record Date**" means the close of business on the day that is three Business Days before the Effective Date;
- (x) "**Effective Date**" means the date shown on the Certificate, such date to be the date this Plan of Arrangement is implemented;
- (y) "**Entitlements**" means all legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of

any Person (i) with respect to or arising out of, or in connection with, the Credit Agreement, the Revolving Facility, the Non-Revolver Facility, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares, the Preferred Shares, the Existing Common Shares, the Common Shares and any other equity interest in YMI, as applicable (including any guarantees granted in respect of, or pursuant to, the foregoing) and (ii) to acquire or receive any of the foregoing;

- (z) "**Existing Common Shares**" means the Common Shares issued and outstanding as at the relevant time, including, for greater clarity, any Common Shares issued to the Convertible Debentureholders upon exchange or conversion of the Convertible Debentures pursuant to this Plan of Arrangement or otherwise;
- (aa) "**Existing Debtholders**" means, collectively, the Credit Facility Lenders and the MTN Holders;
- (bb) "**Existing Preferred Shares**" means, collectively, (i) the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of YMI, (ii) the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of YMI, (iii) the Cumulative Rate Reset First Preferred Shares, Series 3 of YMI, (iv) the Cumulative Floating Rate First Preferred Shares, Series 4 of YMI, (v) the Cumulative Rate Reset First Preferred Shares, Series 5 of YMI, (vi) the Cumulative Floating Rate First Preferred Shares, Series 6 of YMI and (vii) the Cumulative Exchangeable First Preferred Shares, Series 7 of YMI; in each case issued and outstanding as at the relevant time;
- (cc) "**Existing Shareholders**" means, collectively, the holders of Existing Common Shares (including, for greater clarity, Convertible Debentureholders upon exchange of their Convertible Debentures into Common Shares pursuant to this Plan of Arrangement) and the holders of Existing Preferred Shares;
- (dd) "**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date, providing, among other things, that the Arrangement is fair and reasonable to all affected parties and that the releases in favour of the Companies Released Parties and the Securityholders' Released Parties be given in accordance with this Plan of Arrangement;
- (ee) "**Governance Memorandum**" means the governance memorandum attached to the Support Agreement;
- (ff) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of

the above, or (iv) stock exchange (including the TSX), automated quotation system, self-regulatory authority or securities regulatory authority;

- (gg) "**Initial Consenting Creditors**" means the MTN Holders who executed and became parties to the Support Agreement on July 23, 2012;
- (hh) "**Interim Order**" means the interim order of the Court dated ●, 2012 pursuant to Section 192 of the CBCA, as the same may be amended from time to time by the Court;
- (ii) "**Law**" or "**Laws**" means (i) all constitutions, treaties, laws, statutes, codes, ordinances, principles of common law, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international, (ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees, directions, sanctions and awards of any Governmental Entity, and (iii) all policies, practices and guidelines of any Governmental Entity which, although not actually having the force of law, are considered by such Governmental Entity as requiring compliance as if having the force of law or which establish the interpretative position of the Law by such Governmental Entity, in each case binding on or affecting the Party or Person referred to in the context in which such word is used;
- (jj) "**Meetings**" means, collectively, (i) the meeting (the "**Debtholders' Meeting**") of the Credit Facility Lenders, the MTN Holders and those Convertible Debentureholders that have exercised the election to opt-out of the Shareholders' Meeting and attend and vote at the Debtholders' Meeting and (ii) the meeting (the "**Shareholders' Meeting**") of the Existing Shareholders (other than those Convertible Debentureholders that have exercised the election to opt-out of the Shareholders' Meeting and attend and vote at the Debtholders' Meeting), in each case in accordance with the provisions of the Interim Order, and includes any adjournment, postponement or other rescheduling of such meetings;
- (kk) "**MTN Guarantors**" means, collectively, Canpages, YPG, YPG LLC, YPG USA and W2W;
- (ll) "**MTN Holders**" means the legal and/or beneficial holders of the MTN Notes, as at the relevant time;
- (mm) "**MTN Indenture**" means the trust indenture, dated April 21, 2004, among YPG Holdings Inc., the MTN Trustee, Yellow Pages Income Fund, YPG LP and YPG, in respect of the MTN Notes, as supplemented by the first supplemental trust indenture dated November 1, 2010 among YMI, YPG and the MTN Trustee;
- (nn) "**MTN Notes**" means, collectively, (i) the 5.71% Medium Term Notes, Series 2, due April 21, 2014 issued by YMI, (ii) the 5.85% Medium Term Notes, Series 3, due November 18, 2019 issued by YMI, (iii) the 5.25% Medium Term Notes, Series 4, due February 15, 2016 issued by YMI, (iv) the 6.25% Medium Term Notes, Series 5, due February 15, 2036 issued by YMI, (v) the 7.30% Medium Term Notes, Series 7, due February 2, 2015 issued by YMI, (vi) the 6.85%

Medium Term Notes, Series 8, due December 3, 2013 issued by YMI, (vii) the 6.50% Medium Term Notes, Series 9, due July 10, 2013 issued by YMI, and (viii) the 7.75% Medium Term Notes, Series 10, due March 2, 2020 issued by YMI;

- (oo) "**MTN Trustee**" means CIBC Mellon Trust Company, or any successor thereof;
- (pp) "**New Employee Incentive Plan**" means the new employee incentive plan, the principal terms of which will be described in a supplement to this Plan of Arrangement;
- (qq) "**New Senior Note Indenture**" means the indenture in respect of the New Senior Notes among YMI, New YMI and the New Senior Note Trustee, to be dated as of the Effective Date, implementing the description of the New Senior Note Indenture attached to the Support Agreement;
- (rr) "**New Senior Note Trustee**" means BNY Trust Company of Canada, or any successor thereof;
- (ss) "**New Senior Notes**" means the 9% Senior Secured Notes due November 30, 2018 in the principal amount of \$750 million issued by YMI (or, alternatively, if the steps set forth in Section 4.3 are implemented, by New YMI), such notes to be governed by the New Senior Note Indenture;
- (tt) "**New Senior Security Agreements**" means all guarantees and security agreements contemplated under the New Senior Note Indenture;
- (uu) "**New Subordinated Debenture Indenture**" means the indenture in respect of the New Subordinated Debentures among YMI, New YMI and the New Subordinated Debenture Trustee, to be dated as of the Effective Date, implementing the description of the New Subordinated Debenture Indenture attached to the Support Agreement;
- (vv) "**New Subordinated Debenture Trustee**" means BNY Trust Company of Canada, or any successor thereof;
- (ww) "**New Subordinated Debentures**" means the exchangeable subordinated debentures due November 30, 2022 in the principal amount of \$100 million issued by YMI (or, alternatively, if the steps set forth in Section 4.3 are implemented, convertible subordinated debentures due November 30, 2022 in the principal amount of \$100 million issued by New YMI), such debentures to be governed by the New Subordinated Debenture Indenture;
- (xx) "**New Subordinated Guarantees Agreements**" means all guarantees agreements contemplated under the New Subordinated Debenture Indenture;
- (yy) "**New YMI**" means 8254320 Canada Inc., a CBCA corporation;

- (zz) "**New YMI Common Shares**" means the common shares in the capital of New YMI;
- (aaa) "**Newco1**" means 8254338 Canada Inc., a CBCA corporation;
- (bbb) "**Non-Revolver Facility**" means the \$130 million non-revolving tranche under the Credit Agreement maturing on February 18, 2013;
- (ccc) "**Obligations**" means all obligations, liabilities and indebtedness of the YMI Companies under the Credit Agreement, the Revolver Facility, the Non-Revolver Facility, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares and the Existing Common Shares as at the Effective Date, including the obligations, liabilities and indebtedness of the YMI Companies as guarantors under the Credit Agreement, the Revolver Facility, the Non-Revolver Facility, the MTN Notes and the MTN Indenture;
- (ddd) "**Order**" means any order of the Court relating to the Recapitalization, including the Interim Order and the Final Order;
- (eee) "**Person**" means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;
- (fff) "**Plan of Arrangement**" means this plan of arrangement pursuant to Section 192 of the CBCA, as amended, restated, varied, modified or supplemented (including by the Step Confirmation Notice, if any) from time to time, in accordance with the terms herein;
- (ggg) "**Preferred Shares**" means the cumulative redeemable first preferred shares in the capital of YMI;
- (hhh) "**Recapitalization**" means the recapitalization of the YMI Companies as set out in this Plan of Arrangement and the transactions contemplated herein;
- (iii) "**Revolver Facility**" means the \$250 million revolving tranche under the Credit Agreement maturing on February 18, 2013;
- (jjj) "**Securityholders' Released Parties**" means, collectively, the Credit Facility Lenders, the Credit Facility Agent, the MTN Holders, the MTN Trustee, the Convertible Debentureholders, the Convertible Debenture Trustee, the Existing Shareholders, and their respective Subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, auditors, financial advisors, legal counsel and agents;

- (kkk) "**Step Confirmation Notice**" means the notice, if any, provided by YMI prior to the date of the hearing for the Final Order, such notice to contain nothing other than a statement specifying that the steps and transactions set forth in Section 4.3 are to be implemented by the YMI Companies in lieu of the steps and transactions set forth in Section 4.2;
- (lll) "**Subsidiaries**" means "subsidiaries" as defined in National Instrument 45-106 - *Prospectus and Registration Exemptions*;
- (mmm) "**Support Agreement**" means the support agreement and all schedules attached thereto among, *inter alia*, YMI and certain MTN Holders (whether as original signatories or by way of joinder agreements), pursuant to which, *inter alia*, such MTN Holders have agreed to support and vote in favour of the Recapitalization, subject to the terms and conditions specified therein;
- (nnn) "**TSX**" means The Toronto Stock Exchange;
- (ooo) "**W2W**" means Wall2Wall Media Inc., a CBCA corporation;
- (ppp) "**Warrant Indenture**" means the warrant indenture in respect of the Warrants among New YMI and the warrant indenture trustee, to be dated as of the Effective Date, substantially in the form and substance attached to the Support Agreement;
- (qqq) "**Warrants**" means the warrants to purchase one New YMI Common Share per warrant at an exercise price equal to \$31.67 with a term of 10 years issued by New YMI, such warrants to be governed by the Warrant Indenture;
- (rrr) "**YMI**" means Yellow Media Inc., a CBCA corporation;
- (sss) "**YMI First Ranking Preferred Shares**" means the new voting preferred shares in the capital of YMI to be created by amendment to the articles of YMI and entitling its holder to one vote per preferred share and a first-ranking liquidation preference for an amount per share equal to the consideration received by YMI for such share at the time of its issuance;
- (ttt) "**YMI Companies**" means YMI, New YMI and their direct and indirect Subsidiaries;
- (uuu) "**YPG**" means Yellow Pages Group Corp., a CBCA corporation;
- (vvv) "**YPG Notes**" means, at any relevant time, all outstanding interest bearing promissory notes issued by YPG in favour of YMI;
- (www) "**YPG LLC**" means Yellow Pages Group, LLC, a Delaware company; and
- (xxx) "**YPG USA**" means YPG (USA) Holdings, Inc., a Delaware company.

1.2 Other Defined Terms.

In addition to the defined terms in Section 1.1, each of the following capitalized terms shall have the meaning ascribed thereto in the corresponding sections:

<u>Term</u>	<u>Section</u>
Claims	6.4
Convertible Debenture Trustee Fees	3.1(b)
Credit Facility Agent Fees	2.3
Debtholders' Consideration	2.2
Debtholders' Meeting.....	1.1(jj)
GAAP	1.4
Interest Payments	2.1(a)
MTN Trustee Fees	2.3
RSUs	4.2(d)
Shareholders' Consideration.....	3.2(b)
Shareholders' Meeting	1.1(jj)

1.3 Currency.

Unless otherwise specified, all references to dollars or to \$ are expressed in Canadian currency.

1.4 Accounting Terms.

All accounting terms not otherwise defined herein shall have the meaning ascribed to them in accordance with Canadian generally accepted accounting principles ("GAAP") including those prescribed by the Canadian Institute of Chartered Accountants.

1.5 Articles of Reference.

The terms "hereof", "hereunder", "herein" and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, clause or paragraph of this Plan of Arrangement and include any agreements supplemental hereto. In this Plan of Arrangement, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of this Plan of Arrangement.

1.6 Interpretation Not Affected by Headings.

The division of this Plan of Arrangement into articles, sections, subsections, clauses and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.7 Date for Any Action.

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.8 Time.

All times expressed herein are local time in Montreal, Quebec, Canada unless otherwise stipulated.

1.9 Number, etc.

In this Plan of Arrangement, where the context requires, (i) a word importing the singular number shall include the plural and vice versa; (ii) a word or words importing gender shall include all genders and (iii) the words "including" and "includes" mean "including (or includes) without limitation".

1.10 Statutory References.

Except as provided herein, any reference in this Plan of Arrangement to a statute includes all rules, regulations and policies made pursuant to such statute in force from time to time and, unless otherwise specified, the provisions of any statute, regulation, rule or policy which amends, supplements, replaces or supersedes any such statute, regulation, rule or policy.

1.11 Successors and Assigns.

This Plan of Arrangement shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in this Plan of Arrangement.

1.12 Governing Law.

This Plan of Arrangement shall be governed by and construed in accordance with the Laws of Quebec and the federal Laws of Canada applicable therein. All questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement shall be subject to the exclusive jurisdiction of the Court.

ARTICLE 2 TREATMENT OF EXISTING DEBTHOLDERS

2.1 Payment of Interest under the Credit Agreement and the MTN Notes.

- (a) On the Effective Date, in accordance with the steps and sequences set forth in this Plan of Arrangement, YMI shall pay, in cash, the following (collectively, the "Interest Payments"):

- (i) in respect of the Credit Agreement, any accrued and unpaid interest as at (but not including) the Effective Date under the Credit Agreement to the Credit Facility Lenders; and
 - (ii) in respect of the MTN Notes and the MTN Indenture, any accrued and unpaid interest as at (but not including) the Effective Date under the MTN Notes and the MTN Indenture to the MTN Holders (based on the interest payment provided for each series of MTN Notes to the holders of such series).
- (b) Other than pursuant to Sections 2.1(a) and 2.2(a), no payment of any kind, including of interest, default interest, excess interest, compound interest, special interest, additional amounts, fees, expenses, costs, charges, make-whole payments, penalties or any such other similar amounts, whether imposed in connection with a payment failure or a prepayment or otherwise, shall be payable to the Existing Debtholders.

2.2 Treatment of Existing Debtholders.

- (a) On the Effective Date, in accordance with the steps and sequence set forth in this Plan of Arrangement, each Existing Debtholder shall receive, in exchange for its Affected Unsecured Debt, its share, *pro rata* to the principal amount of its Affected Unsecured Debt, of the following (the "**Debtholders' Consideration**"):
- (i) the New Senior Notes;
 - (ii) the New Subordinated Debentures;
 - (iii) 21,295,090 New YMI Common Shares.; and
 - (iv) \$250 million in cash.
- (b) Each Existing Debtholder shall and shall be deemed to irrevocably and finally exchange all of its right, title and interest in and to its Affected Unsecured Debt for its *pro rata* share (based on its principal amount of Affected Unsecured Debt) of the Debtholders' Consideration. The *pro rata* share of the Debtholders' Consideration paid, delivered and issued to the Existing Debtholders (along with the payment of accrued and unpaid interest pursuant to Section 2.1(a)) shall be, and shall be deemed to be, received by the Existing Debtholders in full and final consideration for the exchange of the Affected Unsecured Debt.

2.3 Payment of Credit Facility Agent and MTN Trustee Fees

On the Effective Date, in accordance with the steps and sequences set forth in this Plan of Arrangement, YMI shall pay, in cash, the following:

- (a) the reasonable fees and expenses, as incurred as at (but not including) the Effective Date, of the Credit Facility Agent (as consented by the YMI Companies,

acting reasonably), strictly in its capacity as administrative agent under the Credit Agreement, subject to Section 12.5(a) of the Credit Agreement and any applicable contractual arrangement (the "**Credit Facility Agent Fees**"); and

- (b) the reasonable fees and expenses, as incurred as at (but not including) the Effective Date, of the MTN Trustee (as consented by the YMI Companies, acting reasonably), strictly in its capacity as trustee under the MTN Indenture, subject to Section 7.1(e) of the MTN Indenture and any applicable contractual arrangement (the "**MTN Trustee Fees**").

2.4 Extinguishment of Affected Unsecured Debt, etc.

Pursuant to the Arrangement and in accordance with the steps and sequences set forth in this Plan of Arrangement and immediately following the exchange of the Affected Unsecured Debt pursuant to Section 2.2, the Credit Agreement, the Revolving Facility, the Non-Revolver Facility, the MTN Notes, the MTN Indenture (except solely, in the case of the Credit Agreement and the MTN Indenture, to the extent necessary to effect distributions to the Credit Facility Lenders or beneficial holders of the MTN Notes, respectively, pursuant to Section 4.7) and all Obligations and Entitlements related thereto shall be irrevocably and finally settled, terminated, extinguished, cancelled and eliminated, as applicable, the whole without the need of any further payment or otherwise.

ARTICLE 3 TREATMENT OF EXISTING SHAREHOLDERS

3.1 Exchange and Extinguishment of Convertible Debentures.

- (a) On the Effective Date, in accordance with the steps and sequences set forth in this Plan of Arrangement, each Convertible Debentureholder shall and shall be deemed to irrevocably and finally exchange all of its right, title and interest in and to the Convertible Debentures for Common Shares on the basis of 12.5 Common Shares for each \$100 in principal amount of Convertible Debentures (fractional shares being disregarded). Upon such exchange, and in accordance with the steps and sequences set forth in this Plan of Arrangement, each holder of such Existing Common Shares for which the Convertible Debentures shall have been exchanged shall be entitled to its *pro rata* share of the Shareholders' Consideration as provided in Section 3.2. Pursuant to the Arrangement and in accordance with the steps and sequences set forth in this Plan of Arrangement and immediately following the exchange of the Convertible Debentures pursuant to this Section 3.1(a), the Convertible Debentures and the Convertible Debenture Indenture (except solely, in the case of the Convertible Debenture Indenture, to the extent necessary to effect distributions pursuant to Section 4.7) and all Obligations and Entitlements related to the Convertible Debentures and the Convertible Debenture Indenture shall be irrevocably and finally settled, terminated, extinguished, cancelled and eliminated, as applicable, the whole without the need of any further payment or otherwise.

- (b) On the Effective Date, in accordance with the steps and sequences set forth in this Plan of Arrangement, YMI shall pay, in cash, the reasonable fees and expenses, as incurred as at (but not including) the Effective Date, of the Convertible Debenture Trustee (as consented by the YMI Companies, acting reasonably), strictly in its capacity as trustee under the Convertible Debenture Indenture, subject to Section 10.2 of the Convertible Debenture Indenture and any applicable contractual arrangement (the "**Convertible Debenture Trustee Fees**").
- (c) Other than pursuant to Sections 3.1(a), 3.1(b) and 3.2(b), no payment of any kind, including of interest, default interest, excess interest, compound interest, special interest, additional amounts, fees, expenses, costs, charges, make-whole payments, penalties or any such other similar amounts, whether imposed in connection with a payment failure or a prepayment or otherwise, shall be payable to the Convertible Debentureholders or in respect of the Convertible Debentures. For greater certainty, any claim in respect of accrued interest on Convertible Debentures converted into Common Shares in accordance with the terms of the Convertible Debenture Indenture prior to the Effective Date shall also be finally, settled, terminated, extinguished, cancelled and eliminated, as applicable, without the need of any further payment or otherwise.

3.2 Treatment of Existing Shareholders.

- (a) For purposes of calculating the *pro rata* share of each Existing Shareholder under this Section 3.2:
 - (i) the Existing Preferred Shares shall be treated as if they had been converted into Existing Common Shares (whether or not specifically convertible) on the following basis (any resulting fractional shares being disregarded): (x) each Existing Preferred Share other than the Cumulative Exchangeable First Preferred Shares, Series 7 shall be considered to be the equivalent of 12.5 Existing Common Shares, and (y) each Cumulative Exchangeable First Preferred Shares, Series 7 shall be considered to be the equivalent of 3.75 Existing Common Shares; and
 - (ii) for greater clarity, the Existing Common Shares shall include Common Shares issued or issuable in exchange for the Convertible Debentures (whether pursuant to the terms of the Convertible Debenture Indenture or this Plan of Arrangement).
- (b) On the Effective Date, in accordance with the steps and sequence set forth in this Plan of Arrangement, each Existing Shareholder shall receive its *pro rata* share of 4,517,140 New YMI Common Shares and 2,581,223 Warrants (collectively, the "**Shareholders' Consideration**").
- (c) Each Existing Shareholder shall and shall be deemed to irrevocably and finally exchange, if applicable in accordance with the steps and sequences set forth in Section 4.2 of this Plan of Arrangement, all of its right, title and interest in and to

the Existing Preferred Shares and the Existing Common Shares for its *pro rata* share of the Shareholders' Consideration. The *pro rata* share of the Shareholders' Consideration delivered and issued to the Existing Shareholders shall be, and shall be deemed to be, received by the Existing Shareholders in full and final consideration for the Existing Preferred Shares and the Existing Common Shares.

3.3 Cancellation of Existing Preferred Shares and Existing Common Shares and etc.

Pursuant to the Arrangement and in accordance with the steps and sequences set forth in this Plan of Arrangement, and upon the exchange of the Existing Preferred Shares and the Existing Common Shares pursuant to Step 4.2(k) or, alternatively, if the steps set forth in Section 4.3 are implemented, upon the liquidation pursuant to Step 4.3(l), the Existing Preferred Shares and the Existing Common Shares and all Obligations and Entitlements related thereto shall be irrevocably and finally cancelled and eliminated, as applicable, the whole without the need of any further payment or otherwise.

3.4 Share Capital of New YMI upon Implementation of this Plan of Arrangement.

After giving effect to this Plan of Arrangement, the issued and outstanding share capital of New YMI shall consist only of 25,812,230 New YMI Common Shares and 2,581,223 Warrants. All New YMI Common Shares issued and outstanding as a result of the application of this Plan of Arrangement shall be deemed issued and outstanding as fully-paid and non-assessable. The amount added to the stated capital of the New YMI Common Shares issued in accordance with this Plan of Arrangement shall be equal to the fair market value of the consideration received by New YMI for the issuance of such New YMI Common Shares.

ARTICLE 4 MEANS FOR IMPLEMENTATION OF THE ARRANGEMENT

4.1 Preliminary Steps Prior to the Arrangement.

The Arrangement described in Section 4.2 is subject to the prior satisfaction or performance of the following preliminary steps prior to the Effective Date as condition precedent to the implementation of this Plan of Arrangement:

- (a) YMI transfers to Newco1 the YPG Notes (with the exception of certain selected YPG Notes, as determined by YMI) in consideration for 100 common shares in the capital of Newco1;
- (b) YMI transfers all of the shares it holds in the capital of Newco1 to YPG in consideration for one common share in the capital of YPG;
- (c) the stated capital of the common shares of Newco1 is reduced to \$1 without any payment; and
- (d) Newco1 is liquidated into YPG and shall be dissolved as soon as practicable thereafter by the filing of articles of dissolution.

4.2 Steps of the Arrangement.

On the Effective Date, the following shall be deemed to occur as the steps of the Arrangement, in the following order and sequence, without any further act or formality:

- (a) the articles of YMI are amended to (i) create the YMI First Ranking Preferred Shares and (ii) amend the name of YMI to "YPG Financing Inc.";
- (b) the articles of New YMI are amended to (i) fix the minimum number of directors to three and (ii) amend the name of New YMI to "Yellow Media Ltd.";
- (c) Canpages is dissolved;
- (d) the holders of restricted share units ("**RSUs**") under the Restricted Share Unit Plan of YMI surrender their RSUs in consideration for the payment in cash of the volume weighted average price of the underlying Existing Common Shares for the five trading days immediately preceding the day before the Effective Date. YPG, as administrator of the Restricted Share Unit Plan, instructs the trustee to donate the Existing Common Shares it holds in connection with the Restricted Share Unit Plan to YMI for cancellation for no consideration. The outstanding options issued under the Management Stock Options Plan of YMI and the 2010 Stock Option Plan of YMI are cancelled for no consideration;
- (e) the Management Stock Options Plan of YMI, the 2010 Stock Option Plan of YMI, the Restricted Share Unit Plan of YMI and the Deferred Share Unit Plan of YMI and all rights under such plans are terminated and cancelled;
- (f) as described in Section 3.1, the Convertible Debentures of each Convertible Debentureholder are exchanged for Common Shares on the basis of 12.5 Common Shares for each \$100 of principal amount of Convertible Debentures exchanged and the Convertible Debentures and the Convertible Debenture Indenture, including the covenants thereof, (except solely, in the case of the Convertible Debenture Indenture, to the extent necessary to effect distributions pursuant to Section 4.7) and all Obligations and Entitlements related to the Convertible Debentures and the Convertible Debenture Indenture, are irrevocably and finally terminated, extinguished, cancelled and eliminated, as applicable, the whole without the need of any further payment or otherwise;
- (g) as described in Sections 2.1, 2.3 and 3.1(b), YMI pays the Interest Payments, the Credit Facility Agent Fees, the MTN Trustee Fees and the Convertible Debenture Trustee Fees;
- (h) as described in Section 2.2, the Credit Facility Debt and the MTN Notes are exchanged by YMI in consideration for the *pro rata* share of the Debtholders' Consideration; it being understood, for greater certainty, that (x) the New Senior Notes are issued by YMI, (y) the New Subordinated Debentures consist of exchangeable subordinated debentures issued by YMI and (z) the New YMI Common Shares are issued by New YMI for the benefit and on behalf of YMI;

- (i) in consideration for 21,295,090 New YMI Common Shares issued and delivered to the Existing Debtholders by New YMI for the benefit and on behalf of YMI, YMI issues to New YMI 1,000 YMI First Ranking Preferred Shares to New YMI and a demand promissory note with an aggregate fair market value equal to such New YMI Common Shares issued to the Existing Debtholders;
- (j) the Credit Agreement, the Revolving Facility, the Non-Revolver Facility, the MTN Notes and the MTN Indenture, including the covenants thereof, (except solely, in the case of the Credit Agreement and the MTN Indenture, to the extent necessary to effect distributions to the Credit Facility Lenders or beneficial holders of the MTN Notes, respectively, pursuant to Section 4.7) and all Obligations and Entitlements related thereto, are irrevocably and finally terminated, extinguished, cancelled and eliminated, as applicable, the whole without the need of any further payment or otherwise;
- (k) as described in Section 3.2:
 - (i) the Existing Preferred Shares are exchanged and cancelled by YMI for the *pro rata* share of the Shareholders' Consideration;
 - (ii) the Existing Common Shares (including for greater certainty the Existing Common Shares issued pursuant to Step 4.2(f) above) are exchanged and cancelled by YMI for the *pro rata* share of the Shareholders' Consideration; and
 - (iii) the Existing Preferred Shares and the Existing Common Shares, and all Obligations and Entitlements related thereto, are irrevocably and finally, cancelled and eliminated, as applicable;
- (l) in consideration for 4,517,140 New YMI Common Shares and 2,581,223 Warrants issued and delivered to the Existing Shareholders by New YMI for the benefit and on behalf of YMI, YMI has an obligation payable to New YMI in an amount equal to the aggregate of the fair market value of such New YMI Common Shares and Warrants issued to the Existing Shareholders;
- (m) all Entitlements related to the Preferred Shares and the Common Shares, if any, are cancelled and eliminated;
- (n) the board of directors of New YMI is replaced in accordance with Section 6.2; and
- (o) the New Employee Incentive Plan is adopted.

4.3 Alternative Steps of the Arrangement.

Notwithstanding Section 4.2, YMI and New YMI may, at their sole discretion, determine to implement the steps and transactions set forth in this Section 4.3 in lieu of the steps and transactions set forth in Section 4.2 by providing notice to the Advisors and filing of the Step

Confirmation Notice on SEDAR at www.sedar.com prior to the date of the hearing for the Final Order.

In such case, in lieu of the steps and transactions set forth in Section 4.2, on the Effective Date, the following shall be deemed to occur as the steps of the Arrangement, in the following order and sequence, without any further act or formality:

- (a) the articles of YMI are amended to (i) create the YMI First Ranking Preferred Shares and (ii) amend the name of YMI to "YPG Financing Inc.";
- (b) the articles of New YMI are amended to (i) fix the minimum number of directors to three and (ii) amend the name of New YMI to "Yellow Media Ltd.";
- (c) Canpages is dissolved;
- (d) YPG, YPG USA, YPG LLC and W2W agree to provide the guarantees (and security, as applicable) under the New Senior Security Agreements and the New Subordinated Guarantees Agreements in consideration for, as described in Step 4.3(k) below, the cancellation and extinguishment of the Obligations of the applicable YMI Companies, as guarantors;
- (e) YMI transfers all of its assets to New YMI (other than cash) in consideration for the issuance by New YMI of the New Senior Notes, the New Subordinated Debentures, 25,812,230 New YMI Common Shares and 2,581,223 Warrants to YMI and the assumption by New YMI of all of YMI's liabilities other than in connection with the Credit Agreement, the Revolving Facility, the Non-Revolver Facility, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares, the Existing Common Shares, the Interests and Trustee/Agent Payments, the Convertible Debenture Trustee Fees and the plans described under Step 4.3(g) below;
- (f) the holders of RSUs under the Restricted Share Unit Plan of YMI surrender their RSUs in consideration for the payment in cash of the volume weighted average price of the underlying Existing Common Shares for the five trading days immediately preceding the day before the Effective Date. YPG, as administrator of the Restricted Share Unit Plan, instructs the trustee to donate the Existing Common Shares it holds in connection with the Restricted Share Unit Plan to YMI for cancellation for no consideration. The outstanding options issued under the Management Stock Options Plan of YMI and the 2010 Stock Option Plan of YMI are cancelled for no consideration;
- (g) the Management Stock Options Plan of YMI, the 2010 Stock Option Plan of YMI, the Restricted Share Unit Plan of YMI and the Deferred Share Unit Plan of YMI and all rights under such plans are terminated and cancelled;
- (h) as described in Section 3.1, the Convertible Debentures of each Convertible Debentureholder are exchanged for Common Shares on the basis of 12.5

Common Shares for each \$100 of principal amount of Convertible Debentures exchanged and the Convertible Debentures and the Convertible Debenture Indenture, including the covenants thereof, (except solely, in the case of the Convertible Debenture Indenture, to the extent necessary to effect distributions pursuant to Section 4.7) and all Obligations and Entitlements related to the Convertible Debentures and the Convertible Debenture Indenture, are irrevocably and finally terminated, extinguished, cancelled and eliminated, as applicable, the whole without the need of any further payment or otherwise;

- (i) as described in Sections 2.1, 2.3 and 3.1(b), YMI pays the Interest Payments, the Credit Facility Agent Fees, the MTN Trustee Fees and the Convertible Debenture Trustee Fees;
- (j) as described in Section 2.2, the Credit Facility Debt and the MTN Notes are exchanged by YMI in consideration for the *pro rata* share of the Debtholders' Consideration;
- (k) the Credit Agreement, the Revolving Facility, the Non-Revolving Facility, the MTN Notes and the MTN Indenture, including the covenants thereof, (except solely, in the case of the Credit Agreement and the MTN Indenture, to the extent necessary to effect distributions to the Credit Facility Lenders or beneficial holders of the MTN Notes, respectively, pursuant to Section 4.7) and all Obligations and Entitlements related thereto, are irrevocably and finally terminated, extinguished, cancelled and eliminated, as applicable, the whole without the need of any further payment or otherwise;
- (l) YMI (i) is liquidated and wound-up, (ii) distributes, as described in Section 3.2, 4,517,140 New YMI Common Shares and 2,581,223 Warrants to the Existing Shareholders and (iii) is dissolved;
- (m) all Entitlements related to the Preferred Shares and the Common Shares, if any, are cancelled and eliminated;
- (n) the board of directors of New YMI is replaced in accordance with Section 6.2; and
- (o) the New Employee Incentive Plan is adopted.

4.4 Other Steps and Formality.

The YMI Companies may, by way of supplement to this Plan of Arrangement and in accordance with Section 6.3, (i) modify the order of certain steps and transactions set out in Section 4.2 or Section 4.3 or (ii) undertake such other steps or transactions necessary or desirable in connection with this Plan of Arrangement in such manner and on such date and time as determined by the YMI Companies.

All steps and transactions to be implemented pursuant to this Plan of Arrangement shall be effective without any requirement of further action, formality, consent or approval by or

from any Person, including the shareholders, directors, officers, managers or partners of any of the YMI Companies.

4.5 Fractional Interests.

- (a) No fractional New YMI Common Shares or fractional Warrants shall be issued or otherwise allocated under this Plan of Arrangement. Any legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional New YMI Common Shares or Warrants pursuant to this Plan of Arrangement shall be rounded down to the nearest whole New YMI Common Share or Warrant.
- (b) The New Senior Notes and the New Subordinated Debentures will be issued only in fully registered form, without coupons, in minimum denominations of \$1 and any integral multiple of \$1 in excess thereof.

4.6 Calculations.

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determinations made by YMI or New YMI for the purposes of the Recapitalization, including, without limitation, the allocation of the Debtholders' Consideration and the Shareholders' Consideration, shall be conclusive, final and binding upon the Credit Facility Lenders, the Credit Facility Agent, the MTN Holders, the MTN Trustee, the Convertible Debentureholders, the Convertible Debenture Trustee, the Existing Shareholders and the YMI Companies.

4.7 Delivery and Allocation Procedures.

- (a) The delivery of certificates representing the New YMI Common Shares and the Warrants, as applicable, to which the Credit Facility Lenders, the MTN Holders, the Convertible Debentureholders and the Existing Shareholders as at the Distribution Record Date are entitled under this Plan of Arrangement shall be made to CDS for the benefit of such Persons who are the beneficial holders, by no later than the Business Day following the Effective Date.
- (b) In respect of the MTN Notes, the Convertible Debentures, the Existing Preferred Shares and the Existing Common Shares held by CDS, through its nominee CDS & Co, the delivery, as applicable, of the Interest Payments and the interests in the Debtholders' Consideration and the Shareholders' Consideration will be made through the facilities of CDS to CDS participants, who, in turn, will make the delivery of interests in the Debtholders' Consideration and the Shareholders' Consideration, as applicable, to the beneficial holders entitled thereto pursuant to this Plan of Arrangement as at the Distribution Record Date pursuant to standing instructions and customary practices. The YMI Companies shall have no liability or obligation in respect of all deliveries of interest from CDS, or its nominee, to CDS participants or from CDS participants to beneficial holders.

- (c) The delivery of interests in the Debtholders' Consideration to the Credit Facility Lenders will be made (i) to the Credit Facility Agent in accordance with the provisions of the Credit Agreement or (ii) through the facilities of CDS.

ARTICLE 5
CONDITIONS PRECEDENT TO PLAN IMPLEMENTATION

5.1 Conditions Precedent.

The implementation of this Plan of Arrangement shall be conditional upon the fulfillment, satisfaction or waiver, if applicable, by YMI and New YMI of the following conditions precedent:

- (a) the Arrangement Agreement shall have been entered into and become effective;
- (b) the Support Agreement shall not have been terminated by the Initial Consenting Creditors pursuant to, and in accordance with, Section 10(a) of the Support Agreement;
- (c) no applicable Law shall have been passed and become effective, which makes the consummation of this Plan of Arrangement illegal or otherwise prohibited;
- (d) the Final Order shall have been obtained, and the implementation of the Final Order or compliance therewith by any of the YMI Companies shall not have been stayed or enjoined as a result of an appeal or otherwise;
- (e) the New Senior Note Indenture, the New Senior Security Agreements, the New Subordinated Debenture Indenture, the New Subordinated Guarantees Agreements and the Warrant Indenture shall have been entered into;
- (f) all required governmental, regulatory and judicial consents, and any other required third party consents, shall have been obtained, except for such third party consents which if not obtained would not individually or in the aggregate have a material adverse effect on the YMI Companies;
- (g) the New YMI Common Shares, the New Subordinated Debentures, the Warrants and the New YMI Common Shares to be issued upon exercise, conversion or exchange of the Warrants and the New Subordinated Debentures shall have been approved for listing on the TSX or the TSX Venture Exchange, subject to customary post-closing conditions;
- (h) the YMI Companies shall have taken all necessary corporate actions and proceedings in connection with the Recapitalization and this Plan of Arrangement; and
- (i) the Director shall have issued the Certificate.

It being understood that each of the conditions set forth in this Section 5.1, except for the conditions set forth in Sections 5.1(b), 5.1(c), 5.1(d), 5.1(e) and 5.1(i), may be waived in whole or in part by YMI and New YMI, or the other relevant parties to the documents and transactions referred to therein without any notice to the Existing Debtholders and the Existing Shareholders. The failure to satisfy or waive any condition that may not be waived prior to the Effective Date in accordance with the foregoing may be asserted by any Person regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by the YMI Companies). The failure of YMI and New YMI to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

ARTICLE 6 MISCELLANEOUS

6.1 YMI Matters.

The Shareholders' Meeting shall be deemed to satisfy the requirements under Sections 133(1) and 155(1) of the CBCA in connection with the holding of YMI's annual meeting of shareholders, and the placing of YMI's annual financial statements (which are available on SEDAR at www.sedar.com), before its shareholders in respect of the financial year ended December 31, 2011.

6.2 New YMI Matters.

New YMI shall hold its first meeting of shareholders within six months following New YMI's accounting year end. Deloitte & Touche LLP shall be the auditors of New YMI.

On the Effective Date, the initial directors of New YMI shall be removed if they have not resigned and shall be replaced by the individuals, selected in accordance with the Governance Memorandum, to be named in a plan supplement to be posted on YMI's website at www.ypg.com and announced by way of press release concurrently with such posting on or prior to the date on which this Plan of Arrangement will be submitted to the vote of the holders of securities, failing which the members of the board of directors of New YMI, selected in accordance with the Governance Memorandum, shall be appointed by the Final Order or such other order of the Court.

6.3 Amendment.

Any amendment, modification, supplement or restatement to this Plan of Arrangement may be:

- (a) proposed by YMI, at its discretion, at any time prior to or at the Meetings, with or without any prior notice or communication (other than to the Advisors and as may otherwise be required under the Interim Order), and if so proposed and accepted at such Meetings, shall become part of this Plan of Arrangement for all purposes;

- (b) made after the Meetings but before date of the hearing for the Final Order (i) at the discretion of YMI if it concerns a matter which, in the reasonable opinion of YMI, is not materially adverse to the financial or economic interests of the Credit Facility Lenders, the MTN Holders, the Convertible Debentureholders and the Existing Shareholders or (ii) with the approval of the Court at the hearing for the Final Order, in all other cases, including as to the steps and transactions to be implemented in connection with this Plan of Arrangement; and
- (c) made following the date of the hearing for the Final Order (i) at the discretion of YMI (or New YMI) if it concerns a matter which, in the reasonable opinion of YMI (or New YMI), is of an administrative nature or is required to better give effect to the implementation of this Plan of Arrangement or (ii) with the approval of the Court, in all other cases.

6.4 Release of Companies Released Parties.

Immediately upon completion of the steps set forth in this Plan of Arrangement, each of the Companies Released Parties shall be released and discharged from any and all demands, claims, liabilities, indebtedness, obligations, causes of action, debts, accounts, covenants, damages, executions and other recoveries based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date (collectively, "**Claims**") of any Person relating to, arising out of, or in connection with, the Credit Agreement, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares and the Existing Common Shares (including the Obligations relating thereto), the Recapitalization, this Plan of Arrangement and any proceedings commenced with respect to or in connection with this Plan of Arrangement and the Recapitalization; provided that nothing in this paragraph shall release or discharge any of the Companies Released Parties from or in respect of its obligations under this Plan of Arrangement, the Debtholders' Consideration, the Shareholders' Consideration, or under any Order or any of its debt obligations which shall remain outstanding and in effect after the Effective Date.

6.5 Release of Securityholders' Released Parties.

Immediately upon completion of the steps set forth in this Plan of Arrangement, each of the Securityholders' Released Parties shall be released and discharged from any and all Claims of any Person relating to, arising out of, or in connection with the Credit Agreement, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares, the Existing Common Shares, the Recapitalization, this Plan of Arrangement, and any proceedings commenced with respect to or in connection with this Plan of Arrangement and the Recapitalization; provided that nothing in this paragraph will release or discharge any of the Securityholders' Released Parties from or in respect of its obligations under this Plan of Arrangement or under any Order.

6.6 Binding Effect.

On and from the Effective Date, this Plan of Arrangement and the transactions contemplated hereby shall be final and binding upon, and be deemed to have been consented

and agreed upon by, (i) the YMI Companies, (ii) the beneficial and legal owners of the Credit Facility Debt, the MTN Notes, the Convertible Debentures, the Existing Preferred Shares and the Existing Common Shares, (iii) the holders of any Entitlements relating to the Credit Agreement, the MTN Notes, the Convertible Debentures, the Existing Preferred Shares and the Existing Common Shares, (iv) the Credit Facility Agent, the MTN Trustee and the Convertible Debenture Trustee and (v) any other Person affected by or named in this Plan of Arrangement (and their respective heirs, executors, administrators, legal representatives, successors and assigns) without any further act or formality required on the part of any Person and shall constitute (x) full and final and absolute settlement of all rights of the beneficial and legal owners of the Credit Facility Debt, the MTN Notes, the Convertible Debentures, the Existing Preferred Shares and the Existing Common Shares attaching thereto or arising therefrom and (y) an absolute release and discharge of and from all indebtedness, liability and obligation of the YMI Companies in respect of the Credit Facility Agreement, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares and the Existing Common Shares.

On and from the Effective Date, without limiting the foregoing, (i) the beneficial and legal owners of the Credit Facility Debt, the MTN Notes, the Convertible Debentures, the Existing Preferred Shares and the Existing Common Shares, (ii) the holders of any Entitlements relating to the Credit Agreement, the MTN Notes, the Convertible Debentures, the Existing Preferred Shares and the Existing Common Shares, (iii) the Credit Facility Agent, the MTN Trustee and the Convertible Debenture Trustee and (iv) any other Person affected by or named in this Plan of Arrangement will be deemed (x) to have executed and delivered to the YMI Companies all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan of Arrangement, and (y) to have waived any non-compliance or default by the YMI Companies with or of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Person and the YMI Companies with respect to the Credit Agreement, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares and the Existing Common Shares that has occurred prior to the Effective Date.

6.7 Paramountcy.

From and after the Effective Date, any conflict between this Plan of Arrangement and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, indenture, trust indenture, loan agreement, commitment letter, by-laws or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the Credit Facility Lenders, the MTN Holders, the Convertible Debentureholders, the Existing Shareholders and the YMI Companies as at the Effective Date will be deemed to be governed by the terms, conditions and provisions of this Plan of Arrangement and the Final Order, which shall take precedence and priority.

6.8 Deeming Provisions.

In this Plan of Arrangement, the deeming provisions are absolute and irrebuttable.

6.9 Different Capacities.

If any Person holds more than one type, series or class of Affected Unsecured Debt, Existing Preferred Shares or Existing Common Shares, as the case may be, such Person shall have all of the rights given to a holder of each particular type, series or class of Affected Unsecured Debt, Existing Preferred Shares or Existing Common Shares so held. Nothing done by a Person acting in its capacity as a holder of a particular type, series or class of Affected Unsecured Debt, Existing Preferred Shares or Existing Common Shares, as the case may be, affects such Person's rights as a holder of another type, series or class of Affected Unsecured Debt, Existing Preferred Shares or Existing Common Shares.

6.10 Further Assurances.

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and be deemed to occur in the order set out herein without any other additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by them in order to document or evidence any of the transactions or events set out herein.

6.11 Notices.

Any notices or communication to be made or given hereunder shall be in writing and shall reference this Plan of Arrangement and may, subject as hereinafter provided, be made or given by the Person making or giving it or by any agent of such Person authorized for that purpose by personal delivery, by prepaid mail or by facsimile addressed to the respective parties as follows:

- (i) if to YMI Companies:

Yellow Media Inc.
16 Place du Commerce, Nuns' Island,
Verdun, Québec
H3E 2A5

Attention: Senior Vice President, General Counsel and Secretary

Telephone: (514) 934-2888
Facsimile: (514) 934-4076

with a copy to:

Stikeman Elliott LLP
1155 René-Lévesque Blvd West
Suite 4000
Montréal, Québec
H3B 3V2

Attention: Jean Marc Huot

Telephone: (514) 397-3276

Facsimile: (514) 397-3435

(ii) if to a MTN Holder:

to the address for such MTN Holder as shown on the records of the MTN Trustee with a copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4

Attention: S. Richard Orzy / Kevin J. Zych

Telephone: (416) 777-5737 / (416) 777-5738

Facsimile: (416) 863-1716

or to such other address as any party may from time to time notify the others in accordance with this Section 6.11. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada or the United States, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. All such notices and communications shall be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the fifth Business Day following the date on which such notice or other communication is mailed. The unintentional failure by YMI to give a notice contemplated hereunder to any particular Credit Facility Lender, MTN Holder, Convertible Debentureholder or Existing Shareholders shall not invalidate this Plan of Arrangement or any action taken by any Person pursuant to this Plan of Arrangement.

SCHEDULE B
DEFINITIONS

Definition	Section or Page Number
"Additional Debt"	Section 4(e)
"Additional Securities"	Section 4(e)
"Alternative Recapitalization"	Section 7(a)
"Breaching Creditors"	Section 10(d)
"CBCA"	Page 1 (1 st paragraph)
"Companies"	Page 1 (1 st paragraph)
"Consenting Creditors"	Page 1 (1 st paragraph)
"Court"	Section 3(d)
"CSA"	Section 3(l)
"Debtholders' Meeting"	Schedule B ("Meetings")
"Filed CSA Document"	Section 3(l)
"New Transaction"	Section 8(a)
"New YMI"	Page 1 (1 st paragraph)
"Noteholders"	Page 1 (1 st paragraph)
"Notes"	Page 1 (1 st paragraph)
"Other Affected Securities"	Section 2(b)
"Parties"	Page 1 (2 nd paragraph)
"Plan"	Page 1 (1 st paragraph)
"Recapitalization"	Page 1 (1 st paragraph)
"Relevant Convertible Debentures"	Section 2(b)
"Relevant Credit Facility Debt"	Section 2(b)

Definition	Section or Page Number
"Relevant Creditor Personnel"	Section 2(h)
"Relevant Debt"	Section 2(a)
"Relevant Shares"	Section 2(b)
"Representatives"	Section 12
"Shareholders' Meeting"	Schedule B ("Meetings")
"Securities Table"	Section 2(a)
"Subsidiaries"	Page 1 (1 st paragraph)
"Support Agreement"	Page 1 (1 st paragraph)
"Transfer"	Section 4(b)(i)
"YMI"	Page 1 (1 st paragraph)

"**Advisors**" means Bennett Jones LLP, in its capacity as legal advisor to the Initial Consenting Creditors, and Moelis & Company, in its capacity as financial advisor to the Initial Consenting Creditors.

"**Authorized Amendments**" means any amendment, modification, supplement or restatement to the Plan, the New Senior Note Indenture Description, the New Subordinated Debenture Indenture Description or the Warrant Indenture (i) required by any CSA, the Toronto Stock Exchange or the TSX Venture Exchange that does not materially adversely affect the absolute or relative (in relation to other holders of the YMI Securities) value of the Debtholders' Consideration, (ii) consisting in the issuance of the Step Confirmation Notice, or (iii) of any immaterial or clerical nature (as determined by the Companies, with the consent of the Advisors).

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Montreal, Québec, are open for the conduct of business.

"**Canadian Securities Laws**" means all applicable securities Laws in each of the provinces and territories of Canada and the respective rules, regulations, blanket orders, and blanket rulings under such Laws, together with applicable published policies, policy statements and notices of the securities regulatory authorities in the provinces and territories of Canada.

"**Common Shares**" means the common shares in the capital of YMI.

"**Data Room**" means the electronic dataroom maintained by YMI and its Representatives through the facilities of Merrill Datasite as at 5:00 p.m. (Eastern Daylight time) on July 18, 2012.

"**Effective Date**" means the date of implementation of the Recapitalization.

"**Expiry Date**" means the date this Support Agreement is terminated in accordance with Section 10.

"**Final Order**" means the final order of the Court pursuant to section 192 of the CBCA approving the Recapitalization, submitted substantially in the form attached hereto as Schedule J, as such order may be amended by the Court at any time prior to the Effective Date.

"**GAAP**" means the generally accepted accounting principles, from time to time, approved by the Canadian Institute of Chartered Accountants.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, or (iv) stock exchange (including the Toronto Stock Exchange), automated quotation system, self-regulatory authority or securities regulatory authority.

"**Guarantee Obligations**" means all obligations, liabilities and indebtedness of the MTN Guarantors under the Notes and the MTN Indenture, as guarantors of the Obligations.

"**Initial Consenting Creditors**" means the Consenting Creditors who executed this Support Agreement on July 23, 2012, excluding, for certainty, any transferee under Section 4(b)(i) which is not an Initial Consenting Creditor.

"**Interim Order**" means the interim order of the Court pursuant to section 192 of the CBCA containing declarations and directions with respect to the Recapitalization and providing for, among other things, the calling and holding of the Meetings, substantially in the form attached hereto as Schedule I.

"**Law**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"**Material Adverse Change**" means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, is, or could reasonably be expected to be, materially adverse to the business, properties, assets (tangible or intangible), liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise), capitalization, operations or results of operations of the Companies, taken as a whole, other than a change, effect, event, occurrence or state of facts resulting from: (i) any change in generally accepted accounting principles for publicly-accountable enterprises as set out in the Canadian Institute of Chartered Accountants

Handbook-Accounting; (ii) any change in applicable Laws; (iii) any change in exchange rates or change relating to general political, economic or financial conditions in Canada or the United States; (iv) any change in the industries in which the Companies operate; (v) any natural disaster; (vi) the announcement, potential performance or pendency, as applicable, of this Support Agreement, the Recapitalization or any other related agreement contemplated thereby; (vii) any change in the market price or trading volume of any securities of YMI (provided that the underlying cause or causes of such change may be taken into account in determining whether a Material Adverse Change has occurred) or any suspension of trading in securities generally on any securities exchange on which any securities of YMI trade; (viii) the failure of the Companies in and of themselves to meet any internal or public projections, forecasts or estimates of revenues or earnings (provided that the underlying cause or causes of such failure may be taken into account in determining whether a Material Adverse Change has occurred); and (ix) any action or omission of the Companies taken upon the written request or with the express written consent of the Initial Consenting Creditors; provided, however, that such change, effect, event, occurrence or state of facts referred to in (i), (ii), (iii) and (v) above does not primarily relate to (or have the effect of primarily relating to) the Companies or disproportionately adversely affect the Companies, taken as a whole compared to other companies operating in the industry in which the Companies operate.

"**Meetings**" means, collectively, (i) the meeting (the "**Debtholders' Meeting**") of the Credit Facility Lenders, the MTN Holders and the Convertible Debentureholders that exercised the election to opt-out of the Shareholders' Meeting and attend and vote at the Debtholders' Meeting and (ii) the meeting (the "**Shareholders' Meeting**") of the Existing Shareholders (other than the Convertible Debentureholders that have exercised the election to opt-out of the Shareholders' Meeting and attend and vote at the Debtholders' Meeting), in accordance with the provisions of the Interim Order, and includes any adjournment, postponement or other rescheduling of such meetings.

"**MTN Guarantors**" means, collectively, Canpages Inc., Yellow Pages Group Corp., Yellow Pages Group, LLC, YPG (USA) Holdings, Inc. and Wall2Wall Media Inc.

"**MTN Indenture**" means the trust indenture, dated April 21, 2004, among YPG Holdings Inc., the MTN Trustee, Yellow Pages Income Fund, YPG LP and Yellow Pages Group Corp., in respect of the Notes, as supplemented by the first supplemental trust indenture dated November 1, 2010 among YMI, YPG Pages Group Co. and the MTN Trustee.

"**MTN Trustee**" means CIBC Mellon Trust Company.

"**New Board**" means the board of directors of New YMI upon completion of the Recapitalization.

"**New Senior Note Indenture Description**" means the principal terms of the indenture in respect of the New Senior Notes, attached hereto as Schedule F.

"**New Subordinated Debenture Indenture Description**" means the principal terms of the indenture in respect of the New Subordinated Debentures, attached hereto as Schedule H.

"**Obligations**" means all obligations, liabilities and indebtedness of the Companies under the Notes and the MTN Indenture as at the Effective Date.

"**Outside Date**" means October 31, 2012.

"**Person**" means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status.

"**Preferred Shares**" means, collectively, (i) the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of YMI, (ii) the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of YMI, (iii) the Cumulative Rate Reset First Preferred Shares, Series 3 of YMI, (iv) the Cumulative Rate Reset First Preferred Shares, Series 5 of YMI, and (v) the Cumulative Exchangeable First Preferred Shares, Series 7 of YMI.

"**Relevant Company Personnel**" means Marc Tellier, Ginette Maillé and François Ramsay.

"**Specified Schedules**" means, collectively, Schedule A (Plan of Arrangement), Schedule F (New Senior Note Indenture Description), Schedule G (New Subordinated Debenture Indenture Description), Schedule H (Warrant Indenture), Schedule I (Interim Order) and Schedule J (Final Order).

"**Third Party Transaction Proposal**" means any proposal or offer made by any Person with respect to the acquisition (whether by way of take-over bid, asset sale, merger, amalgamation, arrangement, or other business combination), refinancing, recapitalization and/or restructuring of the Companies, other than the Recapitalization or any Alternative Recapitalization.

"**Warrant Indenture**" means the warrant indenture in respect of the Warrants to be dated as of the Effective Date, substantially in the form attached hereto as Schedule H.

"**YMI Board**" means the board of directors of YMI.

"**YMI Securities**" means the Notes, the Credit Facility Debt, the Convertible Debentures, the Common Shares and the Preferred Shares.

SCHEDULE C
SUBSIDIARIES

Canpages Inc.
613413 Saskatchewan Ltd.
Yellow Pages Group Corp.
Clear Sky Media Inc.
7737351 Canada Inc.
Mediative G.P. Inc.
Mediative Performance L.P.
SNAP Guides Inc.
UpTrend Media Inc.
Wall2Wall Media Inc.
YPG (USA) Holdings, Inc.
Yellow Pages Group, LLC

SCHEDULE D

JOINDER AGREEMENT

This Joinder to the Support Agreement (this "**Joinder Agreement**") is made as of [•], 2012, by and among [•] (the "**Consenting Party**"), Yellow Media Inc. ("**YMI**"), 8254320 Canada Inc. ("**New YMI**"), and the Subsidiaries (as defined therein) in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to a certain Support Agreement dated as of July 23, 2012 by and among the Initial Consenting Creditors (as defined therein), YMI, New YMI and the Subsidiaries (as defined therein) (as amended, modified, supplemented or restated and in effect from time to time, the "**Support Agreement**"). All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Support Agreement;

WHEREAS, the Consenting Party desires to become a party to, and to be bound by the terms of, the Support Agreement; and

WHEREAS, pursuant to the terms of the Support Agreement, in order for the Consenting Party to become party to the Support Agreement, the Consenting Party is required to execute this Joinder Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Joinder and Assumption of Obligations

Effective as of the date of this Joinder Agreement, the Consenting Party hereby acknowledges that the Consenting Party has received and reviewed a copy of the Support Agreement, and hereby:

- (a) acknowledges and agrees to, subject to Section 1(c) below:
 - (i) join in the execution of, and become a party to, the Support Agreement as a Consenting Creditor thereunder, as indicated with its signature below;
 - (ii) subject to subsection (iii) below, be bound by all agreements of the Consenting Creditors under the Support Agreement with the same force and effect as if such Consenting Party was a signatory to the Support Agreement and was expressly named as a party therein; and
 - (iii) assume all rights and interests and perform all applicable duties and obligations of the Consenting Creditors under the Support Agreement other than those expressed therein to be solely the rights, interests, duties and obligations of the Initial Consenting Creditors;

- (b) subject to Section 1(c) below, confirms each representation and warranty of the Consenting Creditors under the Support Agreement with the same force and effect as if such Consenting Party was a signatory to the Support Agreement and was expressly named as a party therein; and
- (c) acknowledges and agrees that in respect of a Transfer pursuant to paragraph (C) of Section 4(b)(i), such Consenting Party shall be bound by the terms of the Support Agreement only in respect of the Relevant Debt or Other Affected Securities that are the subject of the Transfer and not in respect of any other YMI Securities.

2. Binding Effect

Except as specifically amended by this Joinder Agreement, all of the terms and conditions of the Support Agreement shall remain in full force and effect as in effect prior to the date hereof.

3. Miscellaneous

- (a) This Joinder Agreement may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. Delivery of an executed signature page of this Joinder Agreement by email or facsimile transmission will be effective as delivery of a manually executed counterpart hereof.
- (b) This Joinder Agreement expresses the entire understanding of the parties with respect to the transactions contemplated hereby. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.
- (c) Any determination that any provision of this Joinder Agreement or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Joinder Agreement.
- (d) This Joinder Agreement shall be governed by, construed and interpreted in accordance with the Laws of the Province of Québec and the Laws of Canada applicable therein (excluding any conflict of Laws rule or principle which might refer such construction to the Laws of another jurisdiction) and all actions or proceedings arising out of or relating to this Joinder Agreement shall be heard and determined exclusively in the courts of the Province of Québec.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

STRICTLY CONFIDENTIAL

DATED AS OF _____

Holder:

Per: _____

Name:

Title:

Email:

Notice address:

ACKNOWLEDGED AND AGREED ON _____, 2012

**YELLOW MEDIA INC., for itself and
on behalf of the Subsidiaries**

8254320 CANADA INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

STRICTLY CONFIDENTIAL

RELEVANT DEBT AND OTHER AFFECTED SECURITIES AS OF _____, 2012

		Principal Face Amount of Notes or Convertible Debentures / Portion of Credit Facility Debt / Number of Shares	Name of CDS Participant Who Holds the Security	CDS Number for Participant Who Holds the Security
Notes	5.71% MTN, Series 2, due April 21, 2014 CUSIP: CA98552ZAA62			
	5.85% MTN, Series 3, due November 18, 2019 CUSIP: CA98552ZAB46			
	5.25% MTN, Series 4, due February 15, 2016 CUSIP: CA98552ZAC29			
	6.25% MTN, Series 5, due February 15, 2036 CUSIP: CA98552ZAD02			
	7.30% MTN, Series 7, due February 2, 2015 CUSIP: CA98552ZAE84			
	6.85% MTN, Series 8, due December 3, 2013 CUSIP: CA98552ZAF59			
	6.50% MTN, Series 9, due July 10, 2013 CUSIP: 98552ZAG33			
	7.75% MTN, Series 10, due March 2, 2020 CUSIP: CA98552ZAH16			
Convertible Debentures CUSIP: CA985521AA10				
Preferred Shares	Series 1 CUSIP: CA9855212028			
	Series 2 CUSIP: CA9855213018			
	Series 3 CUSIP: CA9855214008			
	Series 5 CUSIP: CA9855216086			
	Series 7			
Common Shares CUSIP: CA9855211038				
Credit Facility Debt				

SCHEDULE E
GOVERNANCE

Principles for Selecting Board of New YMI

1. The search committee (the "**Committee**") shall initially consist of four members. The four initial members are:
 - a. Marc Tellier and Mark Reisch (the "**YMI members**");
 - b. Two individuals selected by the Initial Consenting Creditors (the "**creditor members**").

It is understood that a fifth member may be subsequently added should a support agreement that is substantially the same in form and substance to the Support Agreement entered into between the Companies and the Initial Consenting Creditors be entered into with the Credit Facility Lenders whereby holders of at least a majority of the principal Credit Facility Debt agree to support the Recapitalization. Such fifth member would be selected by the Credit Facility Lenders, would be a "creditor member" and would join the Committee's work in progress.

2. The Committee shall nominate all nine candidates for the Board of New YMI (all of whom shall otherwise meet all corporate, securities and stock exchange requirements), such candidates to be approved as part of the Plan and ultimately by the Court.
3. Russell Reynolds Associates, Inc. ("**Russell Reynolds**") has been retained by the Committee to assist in the process, the cost of which shall be borne by the Companies. Russell Reynolds shall report and be responsible to the Committee, and not the Companies.
4. It is recognized that time is of the essence in respect of making a final decision on the composition of the Board of New YMI. The target date is August 22, 2012.
5. The Board of New YMI shall consist of 9 individuals, one of whom shall be Marc Tellier. Of the remaining 8 seats, (i) a minimum of 2 shall be filled by members of the existing Board of YMI, and (ii) the Committee shall seek to fill all 8 on a consensus basis.
6. In the event of disagreement within the Committee with respect to the Committee's nominees for the Board of New YMI, (i) the YMI members on the Committee shall be entitled to direct the Committee's selection/nomination of the candidates to fill the New YMI board seats reserved for the 2 members of the existing Board of YMI , and (ii) the creditor members on the Committee, by majority vote among the creditor members (one vote per creditor member), shall be entitled to direct the Committee's selection/nomination of the candidates to fill the remaining 6 seats on the Board of New YMI. In other words, failing agreement within the Committee, the creditor members will have final say as to the identity of two-thirds of the initial board of New YMI.
7. In the event that either of the groups entitled to direct the Committee's selection as per the preceding paragraph fails to do so in the absence of agreement among the Committee as to an approved list of nine candidates by the date that is one week before the date of the Meetings to be held to vote on the Plan, direction of the Court may be sought by either the Companies, on the one hand, or the Initial Consenting Creditors, on the other hand, as to how to resolve the identity of the members of the board of New

YMI who have not been selected in accordance with the preceding paragraph and the Court's decision shall be final.

8. It is understood that the nine candidates for the Board of New YMI selected pursuant to this process will be identified by way of press release prior to the Meetings, and the Plan will be amended to include the nine candidates (such that they shall be appointed should the Court approve the Plan as amended following the vote).
9. The Chair of the Board of New YMI shall be selected by the Board of New YMI and shall be an independent director.

SCHEDULE F
NEW SENIOR NOTE INDENTURE DESCRIPTION

(see attached)

DESCRIPTION OF THE SENIOR SECURED NOTES

In this description, the term "**Issuer**" refers to Yellow Media Inc. and not to any of its Subsidiaries and the term "**Corporation**" refers to Yellow Media Ltd., a newly-incorporated corporation (incorporated under the *Canada Business Corporations Act*) that will become the parent of the Issuer on the Issue Date, and not to any of its Subsidiaries. In this description, except where otherwise indicated, all references to "dollars" and "\$" are to the lawful currency of Canada.

The Issuer will issue the 9% senior secured notes due November 30, 2018 (the "**Notes**") under an indenture dated as of the Issue Date (the "**Indenture**") among itself, the Guarantors identified herein, and BNY Trust Company of Canada, as trustee (the "**Trustee**").

Copies of the Indenture and the Security Documents may be obtained from the Issuer upon request, when available. The following description is a summary of the material terms and provisions of the Notes, the Indenture and the Security Documents. It does not restate those agreements in their entirety. We urge you to read the Indenture and the Security Documents because they, and not this description, define your rights as holders of Notes. Certain defined terms used in this description but not defined below under "Description of the Senior Secured Notes — Certain Definitions" have the meanings assigned to them in the Indenture and the Security Documents.

Upon the terms and subject to the conditions set forth in the Offering Documents, the Issuer will issue Notes in an aggregate principal amount of \$750 million. The Notes will be secured equally and rateably by the Liens on the Collateral described below under "Description of the Senior Secured Notes — Security".

The Notes will be represented by a Global Certificate that will be registered in the name of the CDS Nominee and deposited with CDS as a book-entry-only security. Purchasers of Notes will not be entitled to any registration rights. Under the CDS book-entry-only system, the CDS Nominee will be treated as the owner of the Notes for all purposes, except as required by law. The word "Notes", unless the context requires otherwise, refers to the Notes represented by the Global Certificate and also refers to book-entry-only interests in the Notes. See "Book-Entry-Only System".

The following summary of the material terms and provisions of the Notes, the Indenture and the Security Documents does not purport to be complete and is subject to the detailed provisions of, and qualified in its entirety by reference to, the provisions of the Notes, the Indenture and the Security Documents.

1. Brief Description of the Senior Secured Notes and the Note Guarantees

1.1. The Notes

The Notes will:

- be senior secured obligations of the Issuer;
- mature on November 30, 2018;
- be issued in Canadian dollars, in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof;
- rank equally in right of payment with all Indebtedness (which excludes, for greater certainty, accrued expenses and trade payables) of the Issuer that is not expressly subordinated in right of payment to the Notes, and the Notes will rank senior in right of payment to all Subordinated Indebtedness;
- be secured by a first-priority lien on the Collateral, as such term is defined below under "Description of the Senior Secured Notes — Security", subject to Permitted Liens;

- be effectively subordinated to First Priority Lien Obligations secured by Permitted Liens, to the extent of the value of the assets subject to those Permitted Liens;
- be structurally subordinated to all existing and future Indebtedness of any Unrestricted Subsidiaries; and
- be unconditionally guaranteed, jointly and severally, on a senior secured basis by the Guarantors, as such term is defined below under "Description of the Senior Secured Notes — Brief Description of the Senior Secured Notes and the Note Guarantees — Note Guarantees".

Interest on the Notes will:

- accrue at a rate of 9% per annum;
- accrue from and including the Issue Date or, if interest has already been paid, from and including the most recent date on which interest has been paid, to but excluding the applicable interest payment date;
- be payable in cash quarterly in arrears in equal installments on the last day of February, May, August and November of each year (or, if such day is not a Business Day, on the next Business Day), commencing on November 30, 2012;
- be payable to the holders of record as of February 15, May 15, August 15 or November 15 immediately preceding the related interest payment date; and
- be calculated, in the case of the first interest period following the Issue Date or any other interest period that is shorter than a full quarter interest period due to redemption or repurchase, on the basis of a 360-day year comprised of twelve 30-day months. For the purpose of the *Interest Act* (Canada), the yearly rate of interest which is equivalent to the rate payable hereunder is the rate payable hereunder multiplied by the actual number of days in the year and divided by 360.

1.2. Note Guarantees

The Notes will be guaranteed by the Corporation and all of its Restricted Subsidiaries (other than any Subsidiary that constitutes a Receivables Entity) (such entities being, collectively, the "**Guarantors**").

The Guarantors will irrevocably and unconditionally guarantee on a senior secured basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuer under the Indenture and the Notes, whether for payment of principal of, or interest on the Notes, expenses, indemnification or otherwise (the "**Note Guarantees**" and all such obligations guaranteed by the Guarantors being referred to herein as the "**Guaranteed Obligations**"). The Guarantors agree to pay, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the holders in enforcing any rights under the Note Guarantees. The Note Guarantees will be solidary (joint and several) obligations of the Guarantors.

Each Note Guarantee will be limited, after giving effect to all other contingent and fixed obligations of such Guarantor (including, without limitation, any guarantees under any First Priority Lien Obligations or any refinancing or replacement thereof permitted under the Indenture), to an amount not to exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering such Note Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Note Guarantee will be a continuing Note Guarantee and, subject to the next succeeding paragraphs, will:

- be senior secured obligations of the Guarantor issuing such Note Guarantee;
- be secured by a first-priority Lien on the portion of the Collateral owned by the applicable Guarantor, subject to Permitted Liens;
- be structurally subordinated to all existing and future Indebtedness of any Unrestricted Subsidiaries;
- be effectively subordinated to First Priority Lien Obligations secured by Permitted Liens, to the extent of the value of the assets of that Guarantor subject to those Permitted Liens;
- be senior in right of payment to any future Subordinated Indebtedness of that Guarantor, if any;
- remain in full force and effect until payment in full of all the Guaranteed Obligations;
- be binding upon the Guarantors and their successors; and
- inure to the benefit of and be enforceable by the Trustee, the holders and their successors, transferees and assigns.

As of the date of the Indenture, Mediative G.P. Inc. and Mediative Performance L.P. will not guarantee the Notes. In addition, any future Subsidiaries of the Corporation that are not Wholly-Owned Subsidiaries will not guarantee the Notes, unless such Subsidiaries are designated by the Corporation as "Restricted Subsidiaries" in accordance with the covenant described below under "Description of the Senior Secured Notes — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries". In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer or any Guarantor.

As of the date of the Indenture, all of the Corporation's Wholly-Owned Subsidiaries will be "Restricted Subsidiaries". Any future Wholly-Owned Subsidiary of the Corporation will become a "Restricted Subsidiary" as at such time that it becomes a Wholly-Owned Subsidiary of the Corporation. In addition, under the circumstances described below under "Description of the Senior Secured Notes — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries", the Corporation will be permitted to designate any Subsidiary that is not a Wholly-Owned Subsidiary as a "Restricted Subsidiary".

Mediative G.P. Inc. and Mediative Performance L.P. will be treated as "Unrestricted Subsidiaries" from and after the date of the Indenture. In the event Mediative G.P. Inc. and Mediative Performance L.P. become Wholly-Owned Subsidiaries of the Corporation, Mediative G.P. Inc. and Mediative Performance L.P. will, at such time, become Restricted Subsidiaries. Under the circumstances described below under "Description of the Senior Secured Notes — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries", the Corporation will be permitted to designate any Restricted Subsidiary that is not a Wholly-Owned Subsidiary as an "Unrestricted Subsidiary".

The effect of designating a Subsidiary as an Unrestricted Subsidiary will be that:

- (1) an Unrestricted Subsidiary will not be subject to any of the restrictive covenants in the Indenture;
- (2) a Restricted Subsidiary that is subsequently designated as an Unrestricted Subsidiary will be released from its Note Guarantee and the Security Documents and any of its properties that constitutes Collateral will be released from the respective Liens; and
- (3) the assets, income, cash flow and other financial results of an Unrestricted Subsidiary will not be consolidated with those of the Corporation and its Restricted Subsidiaries for purposes of calculating compliance with the restrictive covenants contained in the Indenture.

A Guarantor will be released from its obligations under its Note Guarantee upon the occurrence of any of the following:

- (1) subject to compliance with the covenant described below under "Description of the Senior Secured Notes — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets", in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor, by way of merger, amalgamation, arrangement, consolidation, liquidation or otherwise, or a sale or other disposition of the Capital Stock of such Guarantor such that it ceases to be a Subsidiary of the Corporation or a Restricted Subsidiary;
- (2) if such Guarantor is designated as an Unrestricted Subsidiary in accordance with the provisions of the Indenture, upon effectiveness of such designation;
- (3) upon payment in full in cash of the principal of, and interest and premium, if any, on, the Notes; or
- (4) upon the Issuer's obligations under the Indenture being discharged in accordance with the terms of the Indenture.

2. Paying Agent and Registrar for the Notes

The Trustee will initially act as paying agent and registrar. The Issuer may change the paying agent or registrar without prior notice to the holders of the Notes, provided that neither the Issuer nor any of its Affiliates may act as paying agent or registrar.

3. Collateral Agent for the Notes

Pursuant to the Security Documents, ● will serve as the Collateral Agent (the "**Collateral Agent**") for the benefit of the holders of Notes. The Collateral Agent will hold (directly or through co-agents or sub-agents), and will be entitled to enforce, all Liens on the Collateral created by the Security Documents. The Collateral Agent may resign at any time by giving not less than 30 days' notice of resignation to the Trustee and the Issuer. The Collateral Agent may be removed at any time, with or without cause, by an Act of Required Holders. Neither the Issuer nor any of its Affiliates may act as Collateral Agent.

4. Transfer and Exchange

A holder may transfer or exchange Notes in accordance with the provisions of the Indenture. The registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. The Issuer will not be required to transfer or exchange any Note selected for redemption. Also, the Issuer will not be required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

5. Additional Amounts

All payments by the Issuer in respect of the Notes or any Guarantor under a Note Guarantee, as the case may be, will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, levies, fees, withholdings or other governmental charge of whatever nature, including penalties, interest and other liabilities related thereto, imposed, levied, collected, withheld or assessed by or on behalf of any taxing jurisdiction in which the Issuer or any Guarantor (including any successor) is then incorporated or resident for tax purposes, any taxing jurisdiction from or through which any payment in respect of the Notes or under a Note Guarantee is made or any political subdivision thereof or therein (hereafter "**Taxes**"), unless such withholding or deduction is required by law. If any such withholding or deduction is required by law, the Issuer or the relevant Guarantor, as the case may be, will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the holders of Notes of such amounts as would have been received by them had no such withholding or deduction (including any deduction or withholding in respect of payments of Additional Amounts)

been required, except that no Additional Amounts will be payable with respect to a payment made to a holder of Notes for or in respect of:

- (1) Taxes imposed as a result of any of the following circumstances:
 - (a) the existence of any present or former connection between such holder or beneficial owner of Notes and the jurisdiction imposing such tax (including without limitation, by virtue of the holder or beneficial owner carrying on a business or having a place of business in such jurisdiction), other than merely holding or ownership of, or receiving payments under such Note or Note Guarantee or exercising or enforcing any rights thereunder; or
 - (b) the holder or beneficial owner of a Note not dealing at arm's length, within the meaning of the *Income Tax Act* (Canada), with the Issuer or a relevant Guarantor at the relevant time;
- (2) any estate, inheritance, gift, sales, transfer, personal property or similar tax;
- (3) any Taxes, deduction or withholding imposed by reason of the failure of the holder or beneficial owner of a Note to comply with reasonable certification, information or other reporting requirements after receiving a written advance request from the Issuer or a relevant Guarantor to so comply, if such compliance is required or imposed by a statute, treaty or regulation or administrative practice of the taxing jurisdiction as a precondition to exemption from or reduction in all or part of such Taxes, deduction or withholding, in each case except where such holder or beneficial owner is not legally able to so comply; or
- (4) any Taxes, to the extent the holder or beneficial owner of the Note would receive a credit therefor against Taxes imposed by the taxing jurisdiction in which such holder or beneficial owner is then incorporated or is resident for tax purposes.

The Issuer or relevant Guarantor will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Issuer or relevant Guarantor will make reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from the relevant taxing authority. The Issuer will furnish to the holders of Notes, within 45 days after the date the payment of any taxes so deducted or withheld is due pursuant to applicable law, either certified copies of tax receipts evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

In addition, the Issuer and the Guarantors will indemnify and hold harmless each holder and, upon written request of any holder (subject to the exclusions set forth in clauses (1) through (3) of the first paragraph of this section and provided that reasonable supporting documentation is provided, reimburse such holder for the amount of (i) any such Taxes levied or imposed as a result of payments made under or with respect to the Notes (including payments under this clause (i)), and (ii) any Taxes so levied or imposed with respect to any reimbursement under the foregoing clause (i), so that the net amount received by such holder after such reimbursement will not be less than the net amount such holder would have received if Taxes on such reimbursement had not been levied or imposed. Any payment pursuant to this paragraph will be an Additional Amount.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer or relevant Guarantor will be obligated to pay Additional Amounts with respect to such payment, the Issuer or relevant Guarantor will deliver to the Trustee an officers' certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the paying agent to pay such Additional Amounts to the holders on the payment date. Whenever in the Indenture or this information circular there is mentioned, in any context, the payment of amounts based upon the principal of, premium, if any, interest or any other amount payable under or with respect to any Note or Note

Guarantee, such mention will be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

In addition, the Issuer or relevant Guarantor will pay any stamp, issue, registration, excise, property, documentary, value added or other similar taxes and other duties (including interest and penalties) ("**Other Taxes**") with respect to (i) enforcement of or payments in respect of a Note Guarantee, (ii) the creation, issue, offering, delivery, registration, execution or enforcement of the Notes or any payment made thereunder, or (iii) any documentation with respect thereto, and the Issuer and each Guarantor will in each case indemnify the holders for any Other Taxes paid by such holders.

The foregoing obligations shall survive any termination or satisfaction and discharge of the Notes.

6. Security

The obligations of the Issuer and the Guarantors with respect to the Notes and the Note Guarantees, respectively, will be secured by a first-priority Lien, subject to Permitted Liens, in the Collateral pursuant to the Security Documents. The Collateral will consist of all of the Property of the Issuer and the Guarantors, whether owned on the Issue Date or thereafter acquired, other than Excluded Property.

All of the holders of Notes will share in the benefit of their respective security interests based upon the respective amounts of the Obligations outstanding thereunder.

The Liens securing the Notes will secure the payment and performance when due of all Obligations of the Issuer and any Guarantor under the Indenture and the Notes as provided in the Security Documents. The Collateral Agent will determine the circumstances and manner in which the Collateral will be released or disposed of, including, but not limited to, the determination of whether to release all or any portion of the Collateral from the Liens created by the Security Documents and whether to foreclose on the Collateral following a Default or Event of Default.

6.1. Intercreditor Agreement

On or prior to the incurrence of any Indebtedness pursuant to clauses (1) or (3) of the definition of Permitted Debt that is secured by a Permitted Lien on the Collateral, the Trustee, the Collateral Agent, the Issuer and the Guarantors will negotiate in good faith and enter into an intercreditor agreement (the "**Intercreditor Agreement**") with the holder of such Indebtedness. The Intercreditor Agreement will provide for, among other things, the duties of the Collateral Agent, the manner in which, and the secured creditors from whom, the Collateral Agent will take instructions, the relative rights and priorities of the secured creditors, the manner in which any proceeds of realization of Collateral are to be applied and certain other customary intercreditor matters relating thereto. The Intercreditor Agreement will also provide for various advance notice requirements and other procedural provisions typical for agreements of this type.

6.2. Enforcement of Liens

If the Collateral Agent at any time receives written notice that any event has occurred that constitutes an Event of Default under the Indenture entitling the Collateral Agent to foreclose upon, collect or otherwise enforce its Liens under the Security Documents, it will promptly deliver written notice thereof to the Trustee. Thereafter, the Collateral Agent may await direction by an Act of Required Holders and will act, or decline to act, as directed by an Act of Required Holders, in the exercise and enforcement of the Collateral Agent's interests, rights, powers and remedies in respect of the Collateral or under the Security Documents or applicable law and, following the initiation of such exercise of remedies, the Collateral Agent will act, or decline to act, with respect to the manner of such exercise of remedies as directed by an Act of Required Holders. Unless it has been directed to the contrary by an Act of Required Holders, the Collateral Agent in any event may (but is not obligated to) take or refrain from taking such action with respect to any default under any Note Document as it may deem advisable and in the best interest of the holders of Notes, subject in all cases to the terms of any Intercreditor Agreement.

6.3. Release of Liens on Collateral

In addition to (and subject to) the terms of any Intercreditor Agreement, the Security Documents and the Indenture will provide that the Liens on the Collateral will be released:

- (1) in part, with respect to any Guarantor, upon the release of its Note Guarantee in accordance with the terms of the Indenture (including by virtue of a Restricted Subsidiary being designated as an Unrestricted Subsidiary);
- (2) in whole, upon payment in full and discharge of all outstanding Obligations under the Notes that are then outstanding and due and payable at the time all of the Notes are paid in full and discharged;
- (3) as to any Collateral that is sold, transferred or otherwise disposed of by the Issuer or any Guarantor to a Person that is not (either before or after such sale, transfer or disposition) the Corporation or a Restricted Subsidiary in a transaction or other circumstance that does not violate the "Asset Sales" provisions of the Indenture and does not violate any of the other Note Documents, at the time of such sale, transfer or other disposition or to the extent of the interest sold, transferred or otherwise disposed of, provided that the Collateral Agent's Liens upon the Collateral will not be released if the sale or disposition is subject to the covenant described below under "Description of the Senior Secured Notes — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets";
- (4) as to a release of less than all or substantially all of the Collateral (including by way of any amendment to, or waiver of, the provisions of the Indenture or any Security Document), if consent to the release of all Liens on such Collateral has been given by an Act of Required Holders;
- (5) as to a release of all or substantially all of the Collateral (including by way of any amendment to, or waiver of, the provisions of the Indenture or any Security Document), if consent to the release of all Liens on such Collateral has been given by a direction in writing delivered to the Collateral Agent by or with a resolution by, or the written consent of, the holders of Notes representing at least 66 ²/₃% in aggregate principal amount of the then outstanding Notes; and
- (6) as to any Collateral that is sold, transferred or otherwise disposed of pursuant to the exercise of any rights or remedies by the Collateral Agent with respect to any Collateral securing the Notes or the Note Guarantees or the commencement or prosecution of enforcement by the holders of First Priority Lien Obligations of any of the rights or remedies under any security document securing First Priority Lien Obligations or applicable law, including, without limitation, the exercise of any rights of set-off or recoupment.

The Security Documents provide that the Liens securing Obligations under the Notes extend to the proceeds of any sale of Collateral.

6.4. Release of Liens in Respect of Notes

The Indenture and the Security Documents provide that the Liens upon the Collateral will no longer secure the Notes outstanding under the Indenture or any other Obligations under the Indenture, and the right of the holders of the Notes and such Obligations to the benefits and proceeds of the Liens on the Collateral will terminate and be discharged:

- (1) upon satisfaction and discharge of the Indenture as set forth under "Description of the Senior Secured Notes — Satisfaction and Discharge";

- (2) upon payment in full and discharge of all Notes outstanding under the Indenture and all Obligations that are then outstanding, due and payable under the Indenture at the time the Notes are paid in full and discharged;
- (3) in whole or in part, with the consent of the holders of the requisite percentage of Notes in accordance with the provisions described below under "Description of the Senior Secured Notes — Amendment, Supplement and Waiver"; or
- (4) by the Collateral Agent in connection with any enforcement of the Liens.

6.5. Order of Application

The Security Documents and the Indenture provide that if any Collateral is sold or otherwise realized upon by the Collateral Agent in connection with any foreclosure, collection or other enforcement of Liens granted to the Collateral Agent in the Security Documents, the proceeds received by the Collateral Agent from such foreclosure, collection or other enforcement will be distributed by the Collateral Agent in the following order of application:

- (1) FIRST, to the payment of all amounts payable under the Security Documents on account of the Collateral Agent's fees and any reasonable legal fees, costs and expenses or other liabilities of any kind incurred by the Collateral Agent or any co-trustee or agent of the Collateral Agent in connection with any Security Document, including amounts reasonably necessary to provide for the expenses of the Collateral Agent in maintaining and disposing of the Collateral;
- (2) SECOND, to the repayment of Applicable Indebtedness, secured by a Permitted Lien on the Collateral sold or realized upon;
- (3) THIRD, to the respective holders of the Notes, equally and rateably, for application to the payment of all outstanding Notes up to the amount sufficient to pay in full in cash all outstanding Notes (including, to the extent legally permitted, all accrued and unpaid interest thereon, if any); and
- (4) FOURTH, any surplus remaining after the payment in full in cash of the amounts described in the preceding clauses will be paid to the Issuer or the applicable Guarantor, as the case may be, its successors or assigns, or as a court of competent jurisdiction may direct.

The provisions set forth above under this caption "Description of the Senior Secured Notes — Security — Order of Application" are intended for the benefit of, and will be enforceable as a third party beneficiary by, each present and future holder of Notes, the Trustee and the Collateral Agent as holder of Liens on the Collateral.

6.6. Amendment of Security Documents

Subject to the provisions described in "Description of the Senior Secured Notes - Security - Release of Liens in Respect of Notes", no amendment or supplement to the provisions of any Security Document will be effective without the approval of the Issuer and the Collateral Agent acting as directed by an Act of Required Holders, except that:

- (1) any amendment or supplement that has the effect solely of:
 - (a) adding or maintaining Collateral, or preserving, perfecting or establishing the priority of the Liens thereon or the rights of the Collateral Agent therein;
 - (b) curing any ambiguity, omission, mistake, defect or inconsistency, or to maintain the validity of the Security Documents as a result of any change in any applicable legislation, rules or regulations, provided that such amendment or supplement does not materially adversely affect the rights under the Security Documents of any holder of Notes;

- (c) providing for the assumption of any Guarantor's obligations under the Note Documents in the case of a merger, consolidation, amalgamation or sale of all or substantially all of the assets of such Guarantor to the extent permitted by the terms of the Indenture and the other Note Documents, as applicable; or
- (d) making any change that would provide any additional rights or benefits to the holders of Notes, the Collateral Agent or the Trustee or that does not adversely affect the rights under the Indenture or any other Note Document of any holder of Notes, the Collateral Agent or the Trustee,

will, in each case, become effective when executed and delivered by the Issuer or any other Guarantor party thereto, and the Collateral Agent;

- (2) no amendment or supplement that reduces, impairs or adversely affects the right of any holder of Notes:
 - (a) to vote its outstanding Notes as to any matter described as subject to an Act of Required Holders (or amends the provisions of this clause (2) or the definition of "Act of Required Holders"),
 - (b) to share in the order of application described above under "Description of the Senior Secured Notes — Security - Order of Application" in the proceeds of enforcement of or realization on any Collateral; or
 - (c) to require that Liens securing Notes be released only as set forth in the provisions described above under "Description of the Senior Secured Notes - Security - Release of Liens on Collateral" and "Description of the Senior Secured Notes — Security — Release of Liens in Respect of Notes";

will become effective without a direction in writing delivered to the Collateral Agent by or with a resolution by, or the written consent of, the holders of Notes representing at least 66 $\frac{2}{3}$ % in aggregate principal amount of the then outstanding Notes; and

- (3) no amendment or supplement that imposes any obligation upon the Collateral Agent or the Trustee or adversely affects the rights of the Collateral Agent or the Trustee, respectively, in its individual capacity as such will become effective without the consent of the Issuer and the Collateral Agent or the Trustee, respectively.

Any amendment or supplement to the provisions of the Security Documents that releases Collateral will be effective only in accordance with the requirements set forth in the applicable Note Document referenced above under "Description of the Senior Secured Notes - Security - Release of Liens on Collateral". Any amendment or supplement that results in the Collateral Agent's Liens upon the Collateral no longer securing the Notes and the other Obligations under the Indenture may only be effected in accordance with the provisions described above under "Description of the Senior Secured Notes - Security - Release of Liens in Respect of Notes".

The Security Documents and the first two paragraphs of this section will not prohibit or otherwise restrict the Corporation or any of its Restricted Subsidiaries from making any amendments to the terms of the Intercompany Indebtedness outstanding from time to time without the approval or consent of the Collateral Agent or the holders of Notes.

6.7. Voting

In connection with any matter under the Indenture or Security Documents requiring a vote of holders of the Notes, the holders of Notes will cast their votes in accordance with the Note Documents and any Notes held by the

Corporation or any Affiliate of the Corporation will be excluded from any vote to be cast. The amount of Notes to be voted will equal the aggregate principal amount of Indebtedness represented by such Notes.

6.8. Maintenance of the Collateral

The Indenture and the Security Documents provide that the Issuer will, and will cause each Guarantor to, maintain the Collateral that is necessary for the proper conduct of their business in good repair, working order and condition, subject to wear and tear occurring in the ordinary course of business. The Issuer and the Guarantors will also be required to keep their insurable Property adequately insured at all times by financially sound and reputable insurers, and maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations.

6.9. Perfection and Non-Perfection of Security in Collateral

On the Issue Date, the Issuer and the Guarantors will be required to perfect the security interests in the Collateral in all such jurisdictions in which the Issuer or the Guarantors have material assets or have a principal place of business.

Security interests in personal property constituting Collateral will be perfected by the filing of financing statements under personal property security legislation applicable to such personal property. Liens on Collateral constituting immovable or real property will be taken by way of a fixed charge in the owned immovable or real property of the Issuer and the Guarantors only.

To the extent that the Liens in favour of the Collateral Agent in any Collateral are not perfected, the Collateral Agent's rights may only be equal to the rights of the general unsecured creditors of the Issuer and the Guarantors in the event of a bankruptcy or insolvency. Outside of bankruptcy or insolvency, Liens of certain Lien holders, such as holders of certain statutory or possessory Liens, judgment creditors, or any creditors who obtain a perfected Lien in any items of Collateral in which the Collateral Agent's Liens are unperfected or in which such unperfected Liens or the perfected Liens under applicable law have priority over the Collateral Agent's Lien, may take priority over the Collateral Agent's interest in the Collateral. Accordingly, there can be no assurance that the Property in which the Collateral Agent's Liens are unperfected will be available to satisfy the obligations under the Notes.

6.10. Further Assurances

The Indenture and the Security Documents provide that the Issuer and each of the Guarantors will do or cause to be done all acts and things that may be required, or that the Collateral Agent from time to time may reasonably request, to assure and confirm that the Collateral Agent holds, for the benefit of the holders of Notes Obligations, duly created and enforceable and perfected Liens upon the Collateral (including any properties or assets that are acquired or otherwise become Collateral after the Notes are issued), in each case, as contemplated by, and with the Lien priority required under, the Note Documents.

If the Issuer or a Guarantor acquires Property (other than Excluded Property) after the Issue Date that is not automatically subject to a perfected security interest or Lien under the Security Documents, or if a Subsidiary becomes a Guarantor, then the Issuer or the Guarantor will provide security interests in and Liens on such Property (or, in the case of a new Guarantor, on all of its Property constituting Collateral) in favour of the Collateral Agent acting on behalf of the Trustee and the holders of the Notes. Upon the reasonable request of the Collateral Agent or the Trustee at any time and from time to time, the Issuer and each of the Guarantors will promptly execute, acknowledge and deliver such Security Documents, instruments, certificates, notices and other documents, and take such other actions as will be reasonably required, or that the Collateral Agent may reasonably request, to create, perfect, protect, assure or enforce the Liens and benefits intended to be conferred, in each case as contemplated by the Indenture and the Security Documents for the benefit of the holders of Notes.

6.11. Sufficiency of the Collateral

The Fair Market Value of the Collateral is subject to fluctuations based on factors that include, among others, the demand for the Collateral, general market and economic conditions, the condition of the properties and assets of the Issuer and the Guarantors, alternative uses of such properties and assets as well as other factors. The amount to be received upon a sale of the Collateral would also be dependent on numerous factors, including, but not limited to, the actual Fair Market Value of the Collateral at such time and the timing and the manner of the sale. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time (or at all) or in an orderly manner. In addition, in the event of a bankruptcy or other insolvency, the ability of the Collateral Agent to realize upon any of the Collateral may be subject to certain bankruptcy law limitations as described below.

6.12. Canadian Bankruptcy and Insolvency Limitations

In addition to the limitations described elsewhere herein, the rights of the Collateral Agent to enforce remedies are likely to be significantly impaired by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency, and other restructuring legislation in the event the benefit of such legislation is sought with respect to the Issuer or any Guarantor. For example, both the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") contain provisions enabling an insolvent Person to obtain a stay of proceedings against its creditors and others to prepare and file a proposal or plan of arrangement for consideration by all or some of its creditors to be voted on by the various classes of its creditors affected thereby. Such a restructuring proposal, if accepted by the requisite majorities of each affected class of creditors and if approved by the relevant court, would be binding on creditors within any such class who may not otherwise be willing to accept it. Moreover, this legislation permits the insolvent debtor to retain possession and administration of its property, subject to court oversight, even though it may be in default under the applicable debt instrument.

The powers of the court under the BIA and the CCAA have been exercised broadly to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, the Issuer cannot predict whether payments under the Notes would be made following commencement of or during such proceeding, whether or when the Trustee or the Collateral Agent could exercise their rights under the Indenture and the applicable Security Documents, respectively, or whether and to what extent holders of the Notes would be compensated for any delays in payment, if any, of principal, interest and costs, including the fees and disbursements of the Collateral Agent.

6.13. Impairment of Security Interest

Neither the Issuer nor any of the Guarantors will take or omit to take any action which would materially adversely affect or impair materially the Liens in favor of the Collateral Agent and the holders of the Notes with respect to the Collateral. Neither the Issuer nor any of the Guarantors will enter into any agreement that requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or otherwise acquire or retire any Indebtedness of any Person, other than as permitted by the Indenture, the Notes and the Security Documents. The Issuer shall, and shall cause each Guarantor to, at their sole cost and expense, execute and deliver all such agreements and instruments as reasonably necessary, or as the Trustee or Collateral Agent shall reasonably request, to more fully or accurately describe the assets and property intended to be Collateral or the obligations intended to be secured by the Security Documents.

7. Repurchase of Notes

7.1. Change of Control

If a Change of Control occurs, the Issuer will be required to offer each holder of Notes to repurchase all or any part (in minimum denominations of the lesser of a holder's entire position and \$1,000 and any integral multiple of \$1.00 in excess thereof) of that holder's Notes on the terms set forth in the Indenture (the "**Change of Control Offer**"). In the Change of Control Offer, the Issuer will offer a Change of Control payment (the "**Change of Control Payment**") in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued

and unpaid interest, if any, to the date of repurchase on the Notes repurchased, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Issuer will send a notice to each holder with a copy to the Trustee describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in the notice (the "**Change of Control Payment Date**"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent, pursuant to the procedures required by the Indenture and described in such notice. The Issuer will comply with the requirements of any securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the paying agent a cash amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an officers' certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agent will promptly mail to each holder of Notes properly tendered the Change of Control Payment for such Notes as directed by the Issuer in writing, and the Trustee will promptly authenticate upon an authentication order from the Issuer and mail (or cause to be transferred by book entry) to each holder a Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any, provided that each Note will be in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of Notes to require that the Issuer repurchase or redeem Notes in the event of a takeover, recapitalization or similar transaction.

If 90% or more of the aggregate principal amount of the Notes outstanding on the date of the giving of notice of the Change of Control have been tendered to the Issuer pursuant to the Change of Control Offer, the Issuer will have the right to redeem all the remaining Notes at the same price as under the Change of Control Offer. Notice of such redemption must be given by the Issuer to the Trustee within 10 days following the expiry of the Change of Control Offer, and promptly thereafter, by the Trustee to the holders of the Notes not tendered pursuant to the Change of Control Offer.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of "Change of Control" includes a phrase relating to the direct or indirect sale, transfer or other disposition of "all or substantially all" of the properties or assets of the Corporation and its Subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, transfer or other disposition of less than all of the assets of the Corporation and its Subsidiaries, taken as a whole, to another Person or group of Persons acting jointly or in concert for purposes of such transaction may be uncertain.

Future agreements governing other Indebtedness of the Corporation and its Subsidiaries may also contain prohibitions of certain events, including events that would constitute a Change of Control and including repurchases of or other prepayments in respect of the Notes. The exercise by the holders of Notes of their right to require the Issuer to repurchase the Notes upon a Change of Control could cause a default under these other agreements, even if the Change of Control itself does not, due to the financial effect of such repurchases on the Issuer. In the event a Change of Control occurs at a time when the Issuer is prohibited from repurchasing Notes, the Issuer could seek the consent of its lenders or debtholders to the repurchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain a consent or repay those borrowings, the Issuer will remain prohibited from repurchasing Notes. In that case, the Issuer's failure to repurchase tendered Notes would constitute an Event of Default under the Indenture which could, in turn, constitute a default under the other Indebtedness. Finally, the Issuer's ability to pay cash to the holders of Notes upon a repurchase may be limited by the Corporation's then existing financial resources.

7.2. Incurrence of Subordinated Indebtedness

Upon the incurrence or issuance by the Corporation or any of its Restricted Subsidiaries of any (i) Subordinated Indebtedness or (ii) Disqualified Stock or preferred stock, in either case, providing for the payment of regularly scheduled dividends in cash that would be payable pursuant to the terms of such Disqualified Stock or preferred stock at any time while the Notes are outstanding (an "**Incurrence of Subordinated Indebtedness Event**"), the Issuer will, within 30 days after the receipt of any Subordinated Indebtedness Net Proceeds (as defined below) from such incurrence or issuance, make an offer (an "**Incurrence of Subordinated Indebtedness Offer**") to each holder of Notes to repurchase, without premium or penalty, the maximum principal amount of Notes that may be repurchased with such Subordinated Indebtedness Net Proceeds. The offer price for any Incurrence of Subordinated Indebtedness Offer will be equal to the applicable redemption price among the redemption prices set forth in the table below (expressed as percentages of the aggregate principal amount of Notes), plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date) and will be payable in cash (the "**Incurrence of Subordinated Indebtedness Offer Payment**").

<u>Year</u>	<u>Redemption Price</u>
2012.....	104.50%
2013.....	104.50%
2014.....	104.50%
2015.....	103.50%
2016.....	102.50%
2017 (prior to May 31, 2017)	102.50%
From and after May 31, 2017.....	100.00%

The Issuer will send a notice to each holder of Notes with a copy to the Trustee describing the Incurrence of Subordinated Indebtedness Offer and offering to repurchase Notes on a given date specified in the notice (the "**Incurrence of Subordinated Indebtedness Offer Payment Date**"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent, pursuant to the procedures required by the Indenture and described in such notice.

In the event that any Subordinated Indebtedness Net Proceeds remain after the completion of the Incurrence of Subordinated Indebtedness Offer, the Issuer or the applicable Restricted Subsidiary may use such remaining Subordinated Indebtedness Net Proceeds for any purpose not otherwise prohibited by the Indenture. In the event that the aggregate amount to be paid in respect of all the Notes or portion of Notes properly tendered pursuant to any Incurrence of Subordinated Indebtedness Offer exceeds the Subordinated Indebtedness Net Proceeds, selection of the Notes for repurchase will be made by the Trustee on a pro rata basis (or, in the case of Notes issued in global form as discussed under "Book-Entry-Only System", based on a method that most nearly approximates a pro rata selection as the Trustee deems fair and appropriate) unless otherwise required by law or applicable stock exchange or depository requirements. No Notes of a principal amount of \$1.00 or less will be repurchased in part. Upon completion of an Incurrence of Subordinated Indebtedness Offer, the amount of Subordinated Indebtedness Net Proceeds will be reset at zero.

The Issuer will comply with the requirements of any securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Incurrence of Subordinated Indebtedness Offer. To the extent that the provisions of any securities laws or regulations conflict with the Incurrence of Subordinated Indebtedness Offer provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Incurrence of Subordinated Indebtedness Offer provisions of the Indenture by virtue of such compliance.

On the Incurrence of Subordinated Indebtedness Offer Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Incurrence of Subordinated Indebtedness Offer;
- (2) deposit with the paying agent an amount equal to the Incurrence of Subordinated Indebtedness Offer Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an officers' certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agent will promptly mail to each holder of Notes properly tendered the Incurrence of Subordinated Indebtedness Offer Payment for such Notes as directed by the Issuer in writing, and the Trustee will promptly authenticate upon an authentication order from the Issuer and mail (or cause to be transferred by book entry) to each holder a Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any, provided that each Note will be in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof.

The provisions described above that require the Issuer to make an Incurrence of Subordinated Indebtedness Offer will be applicable whether or not any other provisions of the Indenture are applicable.

For purposes of this section, "**Subordinated Indebtedness Net Proceeds**" shall mean the aggregate cash proceeds and Cash Equivalents received by the Corporation or any of its Wholly-Owned Restricted Subsidiaries in respect of any Incurrence of Subordinated Indebtedness Event, net of all reasonable and customary out-of-pocket expenses relating to such Incurrence of Subordinated Indebtedness Event, including, without limitation, legal, accounting and investment banking fees, and underwriting, sales and agency commissions and fees, taxes paid or reasonably estimated to be payable as a result of the Incurrence of Subordinated Indebtedness Event (or the distribution of such proceeds to a Wholly-Owned Restricted Subsidiary). To the extent that any Restricted Subsidiary that is not a Wholly-Owned Subsidiary receives proceeds in respect of an Incurrence of Subordinated Indebtedness Event, the Subordinated Indebtedness Net Proceeds of such Incurrence of Subordinated Indebtedness Event shall mean that portion of such proceeds actually distributed to the Corporation or any of its Wholly-Owned Restricted Subsidiaries and otherwise as set forth hereinabove.

Notwithstanding all of the above paragraphs in this section, an Incurrence of Subordinated Indebtedness Event shall be deemed not to include, and the provisions described above that require the Issuer to make an Incurrence of Subordinated Indebtedness Offer and an Incurrence of Subordinated Indebtedness Offer Payment shall not apply to, the incurrence or issuance by the Corporation or any of its Restricted Subsidiaries of any Acquired Debt or Permitted Debt and, for greater certainty, shall be deemed not to include and not to apply to the incurrence or issuance of any Disqualified Stock or preferred stock providing for the payment of dividends while the Notes are outstanding in a form other than cash.

If 90% or more of the aggregate principal amount of the Notes outstanding on the date of the giving of notice of an Incurrence of Subordinated Indebtedness Offer have been tendered to the Issuer pursuant to the Incurrence of Subordinated Indebtedness Offer, the Issuer will have the right to redeem all the remaining Notes at the same price as under the Incurrence of Subordinated Indebtedness Offer. Notice of such redemption must be given by the Issuer to the Trustee within 10 days following the expiry of the Incurrence of Subordinated Indebtedness Offer, and promptly thereafter, by the Trustee to the holders of the Notes not tendered pursuant to the Incurrence of Subordinated Indebtedness Offer.

Future agreements governing other Indebtedness of the Corporation and its Subsidiaries may also contain prohibitions of certain events, including repurchases of or other prepayments in respect of the Notes. The exercise by the holders of Notes of their right to require the Issuer to repurchase the Notes pursuant to an Incurrence of Subordinated Indebtedness Offer could cause a default under these other agreements due to the financial effect of such repurchases on the Issuer. In the event an Incurrence of Subordinated Indebtedness Offer occurs at a time when the Issuer is prohibited from repurchasing Notes, the Issuer could seek the consent of its lenders or debtholders to the repurchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain a consent or repay those borrowings, the Issuer will remain prohibited from repurchasing Notes. In that case, the Issuer's failure to repurchase tendered Notes would constitute an Event of Default under the Indenture which could, in turn, constitute a default under the other Indebtedness. Finally, the Issuer's ability to pay cash to the holders of Notes upon a repurchase may be limited by the Corporation's then existing financial resources.

8. Redemption of Notes

8.1. Optional Redemption

Optional Redemption Prior to May 31, 2017

At any time and from time to time prior to May 31, 2017, the Issuer may redeem all or part of the Notes at its option, without premium or penalty upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 105% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption On or After May 31, 2017

At any time and from time to time on or after May 31, 2017, the Issuer may redeem all or part of the Notes at its option, without premium or penalty upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

8.2. Mandatory Redemption

Subject to (i) the maintenance by the Corporation of a balance in cash and Cash Equivalents (the "**Cash Balance**"), including any amounts available to be drawn under any Credit Facility (excluding for greater certainty any letters of credit and banker's acceptances) that is secured by a Permitted Lien pursuant to clause (2) of the definition of "Permitted Liens", of \$75 million (the "**\$75 Million Minimum Cash Balance**") as of a Mandatory Redemption Payment Date (as defined below), and (ii) any adjustments to be made to the \$75 Million Minimum

Cash Balance as described below, on the last day of May and November of each year (or if such day is not a Business Day, on the next Business Day) (each a "**Mandatory Redemption Payment Date**"), commencing on May 31, 2013, the Issuer will deposit with the Trustee an amount equal the sum of (i) 70% of the Corporation's Excess Cash Flow for the immediately preceding six-month period ended March 31 or September 30, as applicable (each a "**Mandatory Redemption Period**") plus (ii) any Designated Net Proceeds (as defined under "Description of the Senior Secured Notes - Certain Covenants - Asset Sales") (such sum referred to hereafter as a "**Mandatory Redemption Payment**"), to redeem, without premium or penalty, the maximum principal amount of Notes (plus accrued and unpaid interest, if any, on the Notes and the amount of all fees and expenses incurred in connection therewith) that may be redeemed with the applicable Mandatory Redemption Payment. The redemption price will be equal to 100% of the aggregate principal amount of Notes, plus accrued and unpaid interest, if any, to the date of redemption (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date). The Notes to be redeemed with a Mandatory Redemption Payment in respect of any Mandatory Redemption Period will be deemed to have been redeemed and fully paid, satisfied and discharged on the date the Issuer has deposited with the Trustee the applicable Mandatory Redemption Payment.

For greater certainty, if, at any time, a Mandatory Redemption Payment determined under this section would, if paid, result in the Cash Balance immediately after such payment to be less than the \$75 Million Minimum Cash Balance, such Mandatory Redemption Payment shall be reduced to an amount that would result in the Cash Balance immediately after such payment to be equal to the \$75 Million Minimum Cash Balance.

Notwithstanding the foregoing paragraphs, for purposes of the application of the \$75 Million Minimum Cash Balance with respect to any Mandatory Redemption Payment Date, in the event that (i) the Mandatory Redemption Payment determined under this section for such Mandatory Redemption Payment Date would, if paid, result in the Cash Balance immediately after such payment to be less than the \$75 Million Minimum Cash Balance and (ii) the Corporation or any of its Restricted Subsidiaries completed any acquisitions of assets or Capital Stock of another Person, made any Investments in any Unrestricted Subsidiaries, made any Restricted Payment pursuant to clauses (1) (to the extent such Restricted Payment is made in cash in exchange for Qualifying Equity Interests, but excluding any such Restricted Payment made to the Corporation or any of its Restricted Subsidiaries), (3) (to the extent such cash dividend is not paid to the Corporation or any of its Restricted Subsidiaries), (5), (8) or (13) of the second paragraph of the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments" or made any Permitted Investments described in clauses (9) or (19) of the definition thereof, in each case payable in whole or in part in cash (collectively, "**Designated Cash Payment Events**"), at any time during the six-month period commencing on the day immediately following the preceding Mandatory Redemption Payment Date and ending on such Mandatory Redemption Payment Date (or, in the case of the first Mandatory Redemption Period, the eight-month period beginning on the first day of such Mandatory Redemption Period and ending May 31, 2013), the \$75 Million Minimum Cash Balance shall be reduced by an amount equal to the portion of any cash payment made for such Designated Cash Payment Events which resulted in the Cash Balance as determined under this section to be less than the \$75 Million Minimum Cash Balance as of such Mandatory Redemption Payment Date.

8.3. Selection

In the event that less than all of the Notes are to be redeemed at any time pursuant to an optional or a mandatory redemption, selection of the Notes for redemption will be made by the Trustee on a pro rata basis (or, in the case of Notes issued in global form as discussed under "Book-Entry-Only System", based on a method that most nearly approximates a pro rata selection as the Trustee deems fair and appropriate) unless otherwise required by law or applicable stock exchange or depository requirements. No Notes of a principal amount of \$1.00 or less will be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of the Note to be redeemed. A new Note in a principal amount equal to the unredeemed portion of the Note will be issued in the name of the holder of the Note upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption so long as the Issuer has deposited with the Trustee funds in satisfaction of the applicable redemption price (including accrued and unpaid interest on the Notes to be redeemed) pursuant to the Indenture.

If any optional or mandatory redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to holders whose Notes will be subject to redemption by the Issuer.

9. Other Acquisitions of Notes

The Issuer may at any time, and from time to time, acquire Notes by means other than a redemption, whether pursuant to an offer, open market purchase, or otherwise, provided that, at the time of any such acquisition of Notes, the following conditions are satisfied:

- (1) the aggregate dollar amount of proceeds paid for all acquisitions of Notes made by the Issuer pursuant to this section during a specified Mandatory Redemption Period does not exceed the amount equal to the sum of (i) the Mandatory Redemption Payment in respect of the immediately preceding Mandatory Redemption Period (less the amount of the adjustment, if any, described in the last paragraph of the section "Description of the Senior Secured Notes — Redemption of Notes — Mandatory Redemption" in respect of the immediately preceding Mandatory Redemption Payment Date) divided by 0.70 and multiplied by 0.30, plus (ii) any Carry Forward Note Purchase Amount;
- (2) the Corporation maintains a Cash Balance equal to (or greater than) the \$75 Million Minimum Cash Balance (or the reduced amount resulting from the adjustment, if any, to the \$75 Million Minimum Cash Balance described in the last paragraph of the section "Description of the Senior Secured Notes — Redemption of Notes — Mandatory Redemption" in respect of the immediately preceding Mandatory Redemption Payment Date) immediately after making any payment for any acquisition of Notes pursuant to this section; and
- (3) any acquisition of Notes pursuant to this section does not otherwise violate the terms of the Indenture.

Any unused portion of the amount determined under clause (1) above (the "**Carry Forward Note Purchase Amount**") will be carried forward and added to the amount available for the acquisition of Notes for any future Mandatory Redemption Period.

For greater certainty, the conditions contained this section shall in no way restrict or otherwise limit the Issuer's ability to redeem or repurchase Notes as contemplated by the terms of the Indenture and described under "Description of the Senior Secured Notes - Repurchase of Notes", "Description of the Senior Secured Notes - Redemption of Notes" or "Description of the Senior Secured Notes - Certain Covenants - Asset Sales".

10. Certain Covenants

10.1. Restricted Payments

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Payment described in clauses (1) to (3) of the definition of "Restricted Payment". In addition, the Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Investment unless, at the time of and after giving effect to such Restricted Investment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Investment;
- (2) the Consolidated Total Debt to Consolidated EBITDA Ratio for the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such Restricted Investment is made would not have been greater

than 2.0 to 1.0, determined on a pro forma basis, as if such Restricted Investment had been made at the beginning of such four-quarter period; and

- (3) such Restricted Investment, together with the aggregate amount of all other Restricted Investments made by the Corporation and its Restricted Subsidiaries since the date of the Indenture (excluding any payments permitted by clauses (1) to (6), (8) and (9) of the next succeeding paragraph), is less than the sum of:
 - (a) the lesser of: (i) \$200 million; or (ii) the sum of (x) \$25 million and (y) 30% of the Corporation's Excess Cash Flow for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the Indenture to the end of the Corporation's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Investment; *plus*
 - (b) 100% of the aggregate net cash proceeds received by the Corporation or the Issuer since the date of the Indenture as a contribution to its common equity capital or from the issue or sale of Qualifying Equity Interests or from the issue or sale of convertible or exchangeable Disqualified Stock of the Corporation or the Issuer or convertible or exchangeable debt securities of the Corporation or the Issuer, in each case that have been converted into or exchanged for Qualifying Equity Interests (other than Qualifying Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Corporation); *plus*
 - (c) to the extent that any Restricted Investment that was made after the date of the Indenture is sold for cash or otherwise liquidated or repaid for cash, the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any), and (ii) the initial amount of such Restricted Investment; *plus*
 - (d) to the extent that any Unrestricted Subsidiary designated as such after the date of the Indenture is redesignated as a Restricted Subsidiary after the date of the Indenture, the lesser of (i) the Fair Market Value of the Corporation's Restricted Investment in such Restricted Subsidiary as of the date of such redesignation or (ii) such Fair Market Value as of the date on which such Restricted Subsidiary was originally designated as an Unrestricted Subsidiary after the date of the Indenture.

The preceding provisions will not prohibit:

- (1) the making of any Restricted Payment in exchange for, or out of or with the net proceeds of the substantially concurrent sale (other than to a Subsidiary of the Corporation) of, Qualifying Equity Interests or from the substantially concurrent contribution of common equity capital to the Corporation or the Issuer, provided that the amount of any such net proceeds that are utilized for any such Restricted Payment will not be considered to be net proceeds of Qualifying Equity Interests for purposes of clause (b) of the preceding paragraph;
- (2) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Issuer, the Corporation or any other Guarantor in exchange for, by conversion into or out of, or with the net cash proceeds from, a substantially concurrent incurrence of Permitted Refinancing Indebtedness;
- (3) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on a pro rata basis;
- (4) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the payment of any dividend or the consummation of any redemption by the Corporation

or any of its Restricted Subsidiaries, provided that such dividend or redemption is paid in Qualifying Equity Interests;

- (5) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition, payment or retirement for value of, or in connection with, any Equity Interests of the Corporation or any of its Restricted Subsidiaries held by any current or former officer, director, consultant or employee (or their estates or beneficiaries of their estates) of the Corporation or any of its Restricted Subsidiaries pursuant to any equity incentive or other plan, equity subscription agreement, stock option, restricted share, deferred share or other similar plan or agreement, shareholders' agreement, employment agreement or similar agreement, provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed \$5 million in any twelve-month period, provided, further, that such amount in any twelve-month period may be increased by an amount not to exceed:
 - (a) the cash proceeds from the sale of Qualifying Equity Interests to any officer, director, consultant or employee (or their estates or beneficiaries of their estates) of the Corporation or any of its Subsidiaries that occurs after the date of the Indenture to the extent the cash proceeds from the sale of Qualifying Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3) of the preceding paragraph or clause (1) of this paragraph; *plus*
 - (b) the cash proceeds of key man life insurance policies received by the Corporation or its Restricted Subsidiaries after the date of the Indenture; and
 - (c) in addition, cancellation of Indebtedness owing to the Issuer, the Corporation or any other Guarantor from any current or former officer, director, consultant or employee (or any permitted transferees thereof) of the Corporation or any of its Restricted Subsidiaries, in connection with a repurchase of Equity Interests of the Corporation or any of its Restricted Subsidiaries from such Persons will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provisions of the Indenture;
- (6) the repurchase of Equity Interests or other securities deemed to occur upon (i) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities, to the extent such Equity Interests or other securities represent a portion of the exercise price of those stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities or (ii) the withholding of a portion of Equity Interests issued to employees and other participants under an equity compensation program of the Corporation or its Subsidiaries to cover withholding tax obligations of such persons in respect of such issuance;
- (7) payments of cash, dividends, distributions, advances or other Restricted Payments by the Corporation or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities or (ii) the conversion or exchange of Capital Stock of any such Person;
- (8) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock or preferred stock of the Corporation or any of its Restricted Subsidiaries;
- (9) any Restricted Payment to the Corporation or any of its Restricted Subsidiaries;

- (10) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, upon the occurrence of a Change of Control and within 60 days after completion of the offer to repurchase Notes pursuant to the covenant described above under "Description of the Senior Secured Notes — Repurchase of Notes — Change of Control" (including the purchase of all Notes tendered), any purchase or redemption of Subordinated Indebtedness of the Corporation or any of its Restricted Subsidiaries that is required to be repurchased or redeemed pursuant to the terms thereof as a result of such Change of Control, at a purchase price not greater than 101% of the outstanding principal amount thereof (plus accrued and unpaid interest), provided that, prior to such repayment or repurchase, the Issuer shall have made the Change of Control Offer with respect to the Notes as required by the Indenture, and the Issuer shall have repurchased all Notes validly tendered for payment and not withdrawn in connection with such Change of Control Offer;
- (11) any payment to reimburse the Corporation or any of its Affiliates for actual out-of-pocket expenses (not including fees paid directly or indirectly to the Corporation or any of its Affiliates) for the provision of third party services to the Corporation and its Restricted Subsidiaries;
- (12) any payment resulting from the exercise of rights, or the performance of obligations, arising from any agreement entered into on or prior to the date of this Indenture in connection with the sale, disposition, purchase or acquisition of assets, including any indemnification, adjustment of purchase price, earn-out, put or call option or any similar rights and obligations; and
- (13) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed \$20 million since the date of the Indenture, provided that the aggregate amount of Restricted Payments permitted to be made by the Corporation at any time pursuant to this clause (13) will be decreased by any amount paid by the Corporation or any of its Restricted Subsidiaries in any twelve-month period (but not exceeding \$5 million during any such twelve-month period) pursuant to clause (5) of this paragraph.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Corporation or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of the Corporation whose resolution with respect thereto will be delivered to the Trustee.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (13) of the second paragraph above, or is entitled to be made pursuant to the first paragraph thereof, the Corporation will be entitled to classify such Restricted Payment (or portion thereof) on the date of its payment in any manner that complies with this covenant.

10.2. Incurrence of Indebtedness and Issuance of Preferred Stock

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Debt), and the Corporation will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock, provided, however, that the Corporation or any of its Restricted Subsidiaries may incur Subordinated Indebtedness or Acquired Debt or issue Disqualified Stock, and the Guarantors may incur Subordinated Indebtedness or Acquired Debt or issue preferred stock, if the Consolidated Total Debt to Consolidated EBITDA Ratio for the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such Subordinated Indebtedness or Acquired Debt is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, would not have been greater than 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the Subordinated Indebtedness or Acquired Debt had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period; provided further, that, notwithstanding

the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries", any Restricted Subsidiary that ceases to be a Wholly-Owned Subsidiary of the Corporation as a result of such Restricted Subsidiary issuing Capital Stock pursuant to the present covenant shall be deemed to remain a Restricted Subsidiary for all purposes under the Indenture.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness or the issuance of any of the following Disqualified Stock (collectively, "**Permitted Debt**"):

- (1) the incurrence by the Corporation or any of its Restricted Subsidiaries and the guarantee thereof by any of the Guarantors of Indebtedness and letters of credit (and reimbursement obligations with respect thereto) under one or more Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum remaining potential liability of the Corporation and its Restricted Subsidiaries thereunder) not to exceed, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (1), \$50 million, provided that the aggregate principal amount of Indebtedness permitted to be incurred by the Corporation at any time pursuant to this clause (1) will be decreased by the principal amount of Indebtedness then incurred by the Corporation pursuant to clauses (3) and (10) (to the extent that any Indebtedness incurred pursuant to such clause (10) is secured by a Permitted Lien pursuant to clause (3) of the definition of "Permitted Liens") of this paragraph;
- (2) the incurrence by the Corporation or any Restricted Subsidiary of the Existing Indebtedness (other than Indebtedness permitted under clauses (4), (6), (10), (16) and (17));
- (3) Indebtedness incurred by a Receivables Entity in a Qualified Receivables Transaction, provided that, after giving effect to any such incurrence, the aggregate principal amount of Indebtedness at any one time outstanding under this clause (3) does not exceed, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (3), \$50 million, provided further, that the aggregate principal amount of Indebtedness permitted to be incurred by any Receivables Entity at any time pursuant to this clause (3) will be decreased by the principal amount of additional Indebtedness then incurred by the Corporation pursuant to clauses (1) and (10) (to the extent that any Indebtedness incurred pursuant to such clause (10) is secured by a Permitted Lien pursuant to clause (3) of the definition of "Permitted Liens") of this paragraph;
- (4) letters of credit and banker's acceptances issued in the ordinary course of business (and reimbursement obligations with respect thereto) in an aggregate principal amount (with letters of credit and banker's acceptances being deemed to have a principal amount equal to the maximum remaining potential liability of the Corporation and its Restricted Subsidiaries thereunder) not to exceed, as of any date of incurrence of Indebtedness pursuant to this clause (4), when combined with any Existing Indebtedness that comprises of letters of credit and banker's acceptances (with such letters of credit and banker's acceptances being deemed to have a principal amount equal to the maximum remaining potential liability of the Corporation and its Restricted Subsidiaries thereunder) and all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), \$25 million;
- (5) the incurrence by the Issuer, the Corporation and the other Guarantors of Indebtedness represented by the Notes, the related Note Guarantees, the Senior Subordinated Exchangeable Debentures and the related Senior Subordinated Exchangeable Debenture Guarantees;
- (6) the incurrence by the Corporation or any of its Restricted Subsidiaries of Attributable Debt in connection with a sale and leaseback transaction or Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, development, construction, installation, expansion, repair or improvement of property, plant or equipment used

in the business of the Corporation or any of its Restricted Subsidiaries (in each case, whether through the direct purchase of such assets or the purchase of Equity Interests of any Person owning such assets), in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (6), not to exceed, as of any date of incurrence of Indebtedness pursuant to this clause (6), \$15 million;

- (7) the incurrence by the Corporation or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge any Indebtedness (other than Intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (5) and (7) of this paragraph;
- (8) the incurrence by the Corporation or any of its Restricted Subsidiaries of Intercompany Indebtedness between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries, provided, however, that (a) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Corporation or any of its Restricted Subsidiaries and (b) any sale or other transfer of any such Indebtedness to a Person that is not either the Corporation or any of its Restricted Subsidiaries, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Corporation or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (8);
- (9) the issuance by any of the Corporation's Restricted Subsidiaries to the Corporation or to any of its Restricted Subsidiaries of shares of preferred stock, provided, however, that:
 - (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Corporation or any of its Restricted Subsidiaries and
 - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Corporation or any of its Restricted Subsidiaries

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (9);

- (10) the incurrence by the Corporation or any of its Restricted Subsidiaries of Cash Management Obligations and Hedging Obligations in the ordinary course of business in an aggregate principal amount not exceed \$25 million at any one time outstanding;
- (11) the guarantee by the Issuer, the Corporation or any of the other Guarantors of Indebtedness of the Corporation or any of its Restricted Subsidiaries that was permitted to be incurred by another provision of this covenant, provided that if the Indebtedness being guaranteed is subordinated to the Notes, then the Guarantee must be subordinated to the same extent as the Indebtedness guaranteed;
- (12) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, unemployment or other insurance or self-insurance obligations, bankers' acceptances, performance, completion and surety bonds, completion guarantees and similar obligations in the ordinary course of business;
- (13) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days;

- (14) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness arising from agreements of the Corporation or such Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn outs or similar obligations, in each case, incurred or assumed in connection with the acquisition, sale or disposition of any business or assets, or Capital Stock of the Corporation or any of its Subsidiaries, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Capital Stock;
- (15) the incurrence of contingent liabilities arising out of endorsements of cheques and other negotiable instruments for deposit or collection in the ordinary course of business;
- (16) the incurrence of Indebtedness, consisting of guarantees of loans or other extensions of credit to or on behalf of current or former officers, directors, employees and consultants (and their spouses and estates) of the Corporation or any of its Restricted Subsidiaries for the purpose of permitting such Persons to purchase or redeem Capital Stock of the Corporation or any of its Restricted Subsidiaries or in connection with the exercise by such Persons of stock options of the Corporation or any of its Restricted Subsidiaries and the funding of the exercise price of such stock options, in an aggregate principal amount not exceed \$2 million at any one time outstanding;
- (17) Indebtedness of the Corporation or any of its Restricted Subsidiaries to credit card providers, processors or intermediaries in connection with credit card processing or financing services incurred in the ordinary course of business of the Corporation and its Restricted Subsidiaries in an aggregate principal amount not to exceed \$25 million;
- (18) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness owed to one or more Persons in respect of premium financing or similar deferred payment obligations with respect to insurance policies purchased in the ordinary course of business; and
- (19) the incurrence by the Corporation or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (19), not to exceed \$40 million.

The Issuer will not incur, and will not permit any Guarantor to incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms, provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or a Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior priority basis.

For purposes of determining compliance with this "Description of the Senior Secured Notes — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of proposed Indebtedness or Disqualified Stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (19) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Corporation will be permitted to classify all or a portion of such item of Indebtedness or Disqualified Stock on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness or Disqualified Stock, in any manner that complies with this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant, provided, in each such case, that the amount of any such accrual, accretion or payment is included in Consolidated Total Debt of the Corporation as accrued. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the

Corporation or any Restricted Subsidiary may incur pursuant to this covenant will not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and
- (3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
 - (a) the Fair Market Value of such assets at the date of determination; and
 - (b) the amount of the Indebtedness of the other Person.

10.3. Asset Sales

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale on or after the date of the Indenture unless:

- (1) the Corporation (or its Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Corporation (or its Restricted Subsidiary, as the case may be) is in the form of cash or Cash Equivalents. For purposes of this clause (2), each of the following will be deemed to be cash:
 - (a) any liabilities, as shown on the Corporation's most recent consolidated balance sheet, of the Corporation or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption or similar agreement and without recourse to the Corporation or any of its Restricted Subsidiaries;
 - (b) any securities, Notes or other obligations received by the Corporation or any such Restricted Subsidiary from such transferee that are converted by the Corporation or such Restricted Subsidiary into cash or Cash Equivalents within 30 days of receipt thereof, to the extent of the cash or Cash Equivalents received in that conversion;
 - (c) any Designated Non-Cash Consideration received by the Corporation or any Restricted Subsidiary thereof in such Asset Sale having a Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed \$20 million, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received without giving effect to subsequent changes in value;
 - (d) any assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;
 - (e) any assets that are used or useful in a Permitted Business; and

- (f) cash held in escrow as security for any indemnification, settlement or adjustment of purchase price, earn-outs or similar obligations in connection with the Asset Sale.

As described above under "Description of the Senior Secured Notes — Security — Further Assurances", any Net Proceeds received by the Corporation (or any of its Restricted Subsidiaries, as the case may be) from an Asset Sale, or Casualty or Condemnation Event directly attributable to any assets or properties of the Corporation or any of its Restricted Subsidiaries, other than Excluded Property, will automatically become Collateral securing the obligations of the Issuer and the Guarantors with respect to the Notes and the Notes Guarantees.

For purposes of the Indenture and this "Description of the Senior Secured Notes", (i) the portion up to and not exceeding \$35 million of the aggregate amount of Net Proceeds received by the Corporation (or any of its Restricted Subsidiaries, as the case may be) from Asset Sales or Casualty or Condemnation Events since the date of the Indenture will constitute "**Available Proceeds**", and (ii) the portion exceeding \$35 million of the aggregate amount of Net Proceeds received by the Corporation (or any of its Restricted Subsidiaries, as the case may be) from Asset Sales or Casualty or Condemnation Events since the date of the Indenture will constitute "**Excess Proceeds**".

The Corporation (or any of its Restricted Subsidiaries, as the case may be) will be permitted to use or invest any Available Proceeds as it deems appropriate, in its sole discretion, provided that such use or investment is not otherwise prohibited by the terms and conditions of the Indenture.

Any Excess Proceeds will be automatically designated as "Designated Net Proceeds" and applied to redeem Notes as described above under "Description of the Senior Secured Notes - Redemption of Notes - Mandatory Redemption" on the first Mandatory Redemption Payment Date to occur immediately after the receipt of such Excess Proceeds. During the period commencing on the date that is 30 days after the receipt of any Excess Proceeds and ending on the first Mandatory Redemption Payment Date to occur immediately thereafter, the Corporation (or any of its Restricted Subsidiaries, as the case may be) will deposit any such Excess Proceeds in a segregated account or accounts (each, a "**Excess Proceeds Account**") held by the Collateral Agent pursuant to arrangements reasonably satisfactory to the Collateral Agent, provided, however, that the Corporation (or any of its Restricted Subsidiaries, as the case may be), will not be required to cause any Excess Proceeds to be held in the Excess Proceeds Account except to the extent the aggregate amount of such Excess Proceeds that are not held in the Excess Proceeds Account would exceed \$10 million.

10.4. Liens

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired, except Permitted Liens.

10.5. Limitation on Sale and Leaseback Transactions

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction with respect to any fixed assets, provided, however, that this covenant will not apply to any sale and leaseback transaction if:

- (1) (i) such Restricted Subsidiary created a Lien on such property or asset securing Attributable Debt pursuant to the "Description of the Senior Secured Notes — Certain Covenants — Liens" covenant above, (ii) the net cash proceeds of such sale and leaseback transaction are at least equal to the Fair Market Value of the property or asset that is subject to such sale and leaseback transaction and (iii) the transfer of assets and application of proceeds in such sale and leaseback transaction is permitted by and in compliance with the "Description of the Senior Secured Notes — Certain Covenants — Asset Sales" covenant above;
- (2) the lease in such sale and leaseback transaction is for a period, including renewal rights, of eighteen months or less; or

- (3) such sale and leaseback transaction is entered into between the Corporation and a Restricted Subsidiary or a Restricted Subsidiary and another Restricted Subsidiary.

10.6. Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Corporation or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Corporation;
- (2) make loans or advances to the Corporation; or
- (3) sell, lease or transfer any of its properties or assets to the Corporation.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) instruments, indentures, agreements or other documents governing Existing Indebtedness, Credit Facilities or Receivables Facilities or other contractual encumbrances or restrictions, in each case, as in effect on the date of the Indenture or incurred after the date of the Indenture as permitted under the Indenture, and any amendments, restatements, modifications, renewals, supplements, extensions, refundings, replacements or refinancings of those agreements, provided that the amendments, restatements, modifications, renewals, supplements, extensions, refundings, replacements or refinancings are not, in the good faith judgment of the Board of Directors of the Corporation, materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of the Indenture or those contained in those agreements after the date of the Indenture as permitted under the Indenture;
- (2) the Indenture, the Notes, the Note Guarantees, the Senior Subordinated Exchangeable Debentures, the Senior Subordinated Exchangeable Debenture Guarantees and the Senior Subordinated Exchangeable Debenture Indenture;
- (3) applicable law, rule, regulation, order, approval, license, permit or similar restriction;
- (4) (a) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Corporation or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the properties or assets of the Person, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred; and (b) any amendment, modification, replacement or refinancing thereof, provided, however, that such encumbrances or restrictions are not, in the good faith judgment of the Board of Directors of the Corporation, materially more restrictive, taken as a whole, with respect to consensual encumbrances or restrictions set forth in clauses (1), (2) or (3) of the preceding paragraph than on such encumbrances or restrictions prior to such amendment, modification, replacement or refinancing;
- (5) customary non-assignment provisions in contracts and licenses entered into in the ordinary course of business;

- (6) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;
- (7) any restriction with respect to (a) a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Subsidiary or (b) any asset of a Restricted Subsidiary pursuant to an agreement entered into for the sale or other disposition of such asset (including in connection with sale and leaseback transactions), in each case pending the closing of such sale or disposition;
- (8) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not, in the good faith judgment of the Board of Directors of the Corporation, materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced, extended, renewed, refunded, replaced, defeased or discharged;
- (9) Indebtedness or other contractual requirements of a Receivables Entity in connection with a Qualified Receivables Transaction, provided that such restrictions apply only to such Receivables Entity;
- (10) provisions in agreements or instruments that prohibit the payment of dividends or the making of other distributions with respect to the Capital Stock of a Person other than on a pro rata basis;
- (11) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale and leaseback agreements, stock sale agreements and other similar agreements entered into with the approval of the Board of Directors of the Corporation, which limitation is applicable only to the assets that are the subject of such agreements;
- (12) restrictions on cash or other deposits or net worth imposed in leases, in agreements with customers and under other contracts entered into in the ordinary course of business;
- (13) restrictions in other Indebtedness incurred in compliance with the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock", provided that such restrictions, taken as a whole, are, in the good faith judgment of the Board of Directors of the Corporation, no more materially restrictive with respect to such encumbrances and restrictions than those contained in the existing agreements referenced in clauses (1) and (2) above;
- (14) encumbrances on property that exist at the time such property was acquired by the Corporation or any Restricted Subsidiary;
- (15) any such encumbrance or restriction consisting of customary non-assignment provisions in leases governing leasehold interests to the extent such provisions restrict the transfer of the lease or the property leased thereunder; and
- (16) restrictions contained in agreements governing Permitted Liens of the Corporation or any of its Restricted Subsidiaries or in respect of licenses otherwise permitted to be incurred under this Indenture, in each case to the extent such restrictions only restrict the transfer of the property subject to such agreement or license.

10.7. Merger, Consolidation or Sale of All or Substantially All Assets

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly: (1) merge, consolidate or amalgamate with or into another Person or (2) sell, assign, transfer or otherwise dispose of

all or substantially all of the properties or assets of the Corporation and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

- (1) either: (a) the Corporation or the Issuer is the surviving Person; or (b) the Person formed by or surviving any such merger, consolidation or amalgamation (if other than the Corporation or the Issuer) or to which such sale, assignment, transfer or other disposition has been made is organized or existing under the laws of Canada or any province or territory thereof;
- (2) the Person formed by or surviving any such merger, consolidation or amalgamation (if other than the Corporation or the Issuer) or the Person to which such sale, assignment, transfer or other disposition has been made assumes all the obligations of the Corporation or the Issuer, as the case may be, under the Notes, the Indenture and the Security Documents and pursuant to agreements reasonably satisfactory to the Trustee and the Collateral Agent;
- (3) immediately after such transaction, no Default or Event of Default exists; and
- (4) the Corporation, the Issuer or the Person formed by or surviving any such merger, consolidation or amalgamation (if other than the Corporation or the Issuer), or to which such sale, assignment, transfer, or other disposition has been made would have, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of such transaction, a Consolidated Total Debt to Consolidated EBITDA Ratio not greater than 2.0 to 1.0.

In addition, the Corporation will not, directly or indirectly, lease all or substantially all of the properties and assets of the Corporation and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to any other Person.

This "Merger, Consolidation or Sale of All or Substantially All Assets" covenant will not apply to:

- (1) any merger, consolidation or amalgamation of the Corporation or the Issuer with an Affiliate for the purpose of (a) reorganizing the Corporation or the Issuer as a different type of entity, or (b) reincorporating or reorganizing the Corporation or the Issuer in another jurisdiction, in each case in a transaction that complies with clauses (1), (2), (3) and (4) of the prior paragraph; or
- (2) any merger, consolidation or amalgamation, or any sale, assignment, transfer or other disposition of assets between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries.

10.8. Transactions with Affiliates

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, assign, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Corporation (each, an "**Affiliate Transaction**"), unless:

- (1) the Affiliate Transaction is on terms that are no less favorable to the Corporation or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Corporation or such Restricted Subsidiary with a Person that is not an Affiliate of the Corporation; and
- (2) the Corporation delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$20 million, a resolution of the Board of

Directors of the Corporation set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the members of the Board of Directors of the Corporation; and

- (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$60 million, an opinion as to the fairness to the Corporation or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (1) any consulting or employment agreement or arrangements, employee or director compensation, incentive compensation plan, stock option or stock ownership plan, employee benefit plan, severance arrangements, officer or director indemnification agreement or any similar arrangement entered into by the Corporation or any of its Restricted Subsidiaries in the ordinary course of business for the benefit of directors, officers, employees and consultants of the Corporation or any of its Restricted Subsidiaries and payments, other benefits (including, bonuses, retirement, severances, health, stock option, restricted share, stock appreciation right, phantom right, profits interest, equity incentive and other benefit plans) and transactions pursuant thereto;
- (2) transactions between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries;
- (3) transactions with a Person that is an Affiliate of the Corporation solely because the Corporation owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
- (4) payment of reasonable compensation or fees, reimbursements of expenses (pursuant to indemnity arrangements or otherwise) and indemnities provided to or on behalf of officers, directors, employees or consultants of the Corporation or any of its Restricted Subsidiaries;
- (5) any issuance of Qualifying Equity Interests or any Restricted Subsidiary to Affiliates of the Corporation, or any contribution of capital by Affiliates of the Corporation to the Corporation or any Restricted Subsidiary;
- (6) any transaction with an Affiliate where the consideration paid by the Corporation or any of its Restricted Subsidiaries is a Qualifying Equity Interest;
- (7) Permitted Investments, and Restricted Payments that are permitted under and made in compliance with the provisions of the Indenture described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments";
- (8) any transaction effected as part of a Qualified Receivables Transaction;
- (9) loans or advances to officers, directors, employees or consultants of the Corporation or any of its Restricted Subsidiaries in the ordinary course of business not to exceed \$2 million in the aggregate at any one time outstanding;
- (10) any Joint Purchasing Agreement;

- (11) any merger, consolidation, amalgamation or other transaction with an Affiliate for the purpose of reincorporating or reorganizing the Corporation or a Restricted Subsidiary in another jurisdiction as permitted by the Indenture;
- (12) purchase or sale of goods and/or services in the ordinary course of business on terms that are no less favorable to the Corporation or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Corporation or such Restricted Subsidiary with a Person that is not an Affiliate of the Corporation;
- (13) if such Affiliate Transaction is with an Affiliate in its capacity as a holder of Indebtedness of the Corporation or any Restricted Subsidiary, a transaction in which such Affiliate is treated no more favorably than the other holders of Indebtedness of the Corporation or such Restricted Subsidiary;
- (14) any capital contribution to any Affiliate otherwise permitted by the Indenture;
- (15) any payment to reimburse the Corporation or its Affiliates for actual out-of-pocket expenses (not including fees paid directly or indirectly to the Corporation or its Affiliates) for the provision of third party services to the Corporation and its Restricted Subsidiaries;
- (16) transactions with any joint venture engaged in a Permitted Business, provided that all the outstanding ownership interests of such joint venture are owned only by the Corporation, its Restricted Subsidiaries and Persons that are not Affiliates of the Corporation;
- (17) any Investment of the Corporation or any of its Restricted Subsidiaries existing on the date of the Indenture, and any extension, modification or renewal of such existing Investments, to the extent not involving any additional Investment other than as the result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investments as in effect on the date of the Indenture;
- (18) transactions pursuant to agreements or arrangements in effect on the date of the Indenture or any amendment, modification or supplement thereto or replacement thereof and any payments made or performance under any agreement as in effect on the date of the Indenture or any amendment, replacement, extension or renewal thereof (so long as such agreement as so amended, replaced, extended or renewed is not, in the good faith judgment of the Board of Directors of the Corporation, materially less favorable, to the holders of the Notes);
- (19) transactions between the Corporation or any of its Restricted Subsidiaries and any Person that is an Affiliate solely because one or more of its directors or officers is also a director or officer of the Corporation, provided that such director abstains from voting as a director of the Corporation on any such transaction involving such other Person;
- (20) repurchase of Notes or Senior Subordinated Exchangeable Debentures held by an Affiliate of the Corporation if repurchased on the same terms as offered to Persons that are not Affiliates of the Corporation; and
- (21) transactions entered into in good faith with any of the Corporation's or a Restricted Subsidiary's Affiliates which provide for shared services and/or facilities arrangements and which provide cost savings and/or other operational efficiencies to the Corporation and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Board of Directors of the Corporation, and payments related thereto.

10.9. Business Activities

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Corporation and its Restricted Subsidiaries, taken as a whole.

10.10. Additional Note Guarantees

Any Subsidiary that becomes a Restricted Subsidiary or that is designated as a Restricted Subsidiary after the date of the Indenture pursuant to the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries" will become a Guarantor of the Notes and execute a supplemental indenture and Security Documents, if applicable, effectuating such Guarantor's Note Guarantee and deliver an opinion of counsel and an officers' certificate as to the authorization, execution, delivery and enforceability of such supplemental indenture and Security Documents satisfactory to the Trustee (and, if applicable, the Collateral Agent) within 30 Business Days of the date on which it became a Restricted Subsidiary or on which it was designated as a Restricted Subsidiary, provided that any Wholly-Owned Subsidiary that constitutes a Receivables Entity or an Unrestricted Subsidiary need not become a Guarantor until such time as it ceases to be a Receivables Entity or an Unrestricted Subsidiary.

10.11. Limitation on Issuances and Sales of Equity Interests in Wholly-Owned Restricted Subsidiaries

The Corporation will not, and will not permit any of its Restricted Subsidiaries to sell, transfer, or otherwise dispose of any Equity Interests in any Wholly-Owned Restricted Subsidiary of the Corporation to any Person (other than the Corporation or a Wholly-Owned Restricted Subsidiary of the Corporation), unless:

- (1) such sale, transfer, or other disposition is of all the Equity Interests in such Wholly-Owned Restricted Subsidiary; and
- (2) the net proceeds from such sale, transfer, or other disposition are, to the extent required, applied in accordance with the covenant described above under "Description of the Senior Secured Notes — Certain Covenants – Asset Sales".

In addition, the Corporation will not permit any of its Wholly-Owned Restricted Subsidiaries to issue any of its Equity Interests (other than, if necessary, shares of its Capital Stock constituting directors' qualifying shares) to any Person other than to the Corporation or a Wholly-Owned Restricted Subsidiary of the Corporation.

10.12. Designation of Restricted and Unrestricted Subsidiaries

All of the Corporation's existing Wholly-Owned Subsidiaries will be "Restricted Subsidiaries" and any future Wholly-Owned Subsidiary of the Corporation will become a "Restricted Subsidiary" as at such time that it becomes a Wholly-Owned Subsidiary of the Corporation.

The Board of Directors of the Corporation will not be permitted to designate any existing or future Wholly-Owned Subsidiary of the Corporation as an "Unrestricted Subsidiary". However, the Board of Directors of the Corporation will be permitted to (1) designate any Unrestricted Subsidiary or any Subsidiary that is not a Wholly-Owned Subsidiary as a "Restricted Subsidiary", provided that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary in an amount equal to the outstanding Indebtedness of such Unrestricted Subsidiary or Subsidiary that is not a Wholly-Owned Subsidiary, as applicable, and such designation will only be permitted if (a) such Indebtedness is permitted under the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock", calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (b) no Default or Event of Default would be in existence following such designation, or (2) subject to the first paragraph of the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock", designate any Restricted Subsidiary that is not a

Wholly-Owned Subsidiary as an "Unrestricted Subsidiary" if, as at the time of such designation, (a) such designation would not cause a Default, and (b) after giving pro forma effect to such designation, (i) the sum, without duplication, of the EBITDA of the Corporation's Unrestricted Subsidiaries, would not be greater than 10% of the EBITDA of the Corporation and its Subsidiaries, on a consolidated basis, and (ii) the sum, without duplication, of the total assets of the Corporation's Unrestricted Subsidiaries, would not be greater than 10% of the total assets of the Corporation and its Subsidiaries, on a consolidated basis, all as shown on the most recent internal income statement and balance sheet of the Corporation; provided, however, that upon such designation the aggregate Fair Market Value of all outstanding Investments owned by the Corporation and its Restricted Subsidiaries in such Restricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments" or under one or more clauses of the definition of "Permitted Investments", as determined by the Corporation, and provided further that such designation will only be permitted if the Investment would be permitted at that time and if such Restricted Subsidiary that is not a Wholly-Owned Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Restricted Subsidiary as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a resolution of the Board of Directors of the Corporation giving effect to such designation and an officers' certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments". If, at any time, any Unrestricted Subsidiary would fail to meet the definition of an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Unrestricted Subsidiary will be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock", the Corporation will be in default of such covenant.

11. Provision of Financial Information

So long as any of the Notes are outstanding, the Issuer will provide to the Trustee, at any time prior to the date that is 15 days after the latest date on which such filings can be made pursuant to applicable Canadian securities laws and regulations, (i) all quarterly and annual consolidated financial statements of the Corporation and related management's discussion and analysis of the Corporation, and (ii) any material change reports of the Corporation that, in each case, the Corporation is required to file (through the *System for Electric Document Analysis and Retrieval* (SEDAR)) pursuant to applicable Canadian securities laws and regulations with applicable Canadian securities commissions.

In the event that the Corporation is no longer subject to the reporting requirements under applicable Canadian securities laws and regulations and is therefore not required to file (through the *System for Electric Document Analysis and Retrieval* (SEDAR)) quarterly and annual consolidated financial statements with applicable Canadian securities commissions, the Issuer will continue to furnish to the Trustee all quarterly and annual consolidated financial statements of the Corporation in the same form and within the same time periods provided in the paragraph above as if the Corporation remained subject to the reporting requirements of applicable Canadian securities laws and regulations. However, in such case, the Issuer will not be required to furnish to the Trustee the management's discussion and analysis and material change reports referred to in the paragraph above.

The Corporation and the Trustee will not be required to deliver or cause to be delivered to the holders of Notes any quarterly or annual consolidated financial statements, related management's discussion and analysis or any other documents if such documents are available on or through the *System for Electric Document Analysis and Retrieval* (SEDAR) or the Corporation's website.

The Indenture will provide that all calculations and determinations made under the Indenture will be determined on the basis of GAAP used in the preparation of the financial statements incorporated by reference and included in this information circular so as to exclude from any such calculations or determinations the effect of any change in accounting principles from those in effect on the Issue Date.

12. Events of Default and Remedies

Each of the following is an "Event of Default":

- (1) default for 30 days in the payment when due of interest on the Notes;
- (2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes, provided however that in connection with a redemption of Notes described under "Description of the Senior Secured Notes — Redemption of Notes — Mandatory Redemption" and a dispute with respect to the determination of any amounts payable thereunder, an Event of Default will not be deemed to have occurred under this clause (2) if (i) the Corporation deposits with the Trustee an amount representing the Corporation's good faith estimate of the applicable Mandatory Redemption Payment (the "**Deposit Amount**") on or prior to the applicable Mandatory Redemption Payment Date and (ii) any amount in excess of the Deposit Amount determined in a final and non-appealable judgment of a court of competent jurisdiction to be the amount of the Mandatory Redemption Payment for such applicable Mandatory Redemption Payment Date is deposited with the Trustee within 30 days of notice to the Issuer of such judgment;
- (3) failure by the Corporation or any of its Restricted Subsidiaries to comply with the provisions described under "Description of the Senior Secured Notes — Repurchase of Notes — Change of Control" or "Description of the Senior Secured Notes — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets";
- (4) failure by the Corporation or any of its Restricted Subsidiaries for 30 days after notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with the provisions described under "Description of the Senior Secured Notes — Repurchase of Notes — Incurrence of Subordinated Indebtedness" or "Description of the Senior Secured Notes — Certain Covenants — Asset Sales";
- (5) failure by the Corporation or any of its Restricted Subsidiaries for 60 days after notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with any of the other covenants in the Note Documents or the Security Documents (other than those specified in clause (1), (2), (3) or (4) above);
- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Corporation or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Corporation or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of the Indenture, if that default:
 - (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness at its Stated Maturity after the expiration of any applicable grace period provided in the instrument governing such Indebtedness (a "**Payment Default**") (and such Payment Default has not been remedied or waived); or
 - (b) results in the acceleration of such Indebtedness prior to its Stated Maturity (which acceleration is not rescinded or annulled),and, in each case, the aggregate principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$50 million or more;
- (7) failure by the Corporation or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of

\$50 million (net of any amounts covered by insurance or pursuant to which the Corporation or any of its Restricted Subsidiaries are indemnified to the extent that the third party under such agreement acknowledges its obligations thereunder), which judgments are not paid, discharged or stayed for a period of 60 days and, in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree that is not promptly stayed;

- (8) (a) any Security Document ceases to be in full force and effect (except as permitted by the terms of the Indenture or the Security Documents or other than as a result of the action or inaction of the Collateral Agent or Trustee) for a period of 60 consecutive days after the Issuer receives notice thereof or (b) any of the Security Documents ceases to give the holders a valid, perfected Lien (subject to any Permitted Liens) (except as permitted by the terms of the Indenture or the Security Documents or other than as a result of the action or inaction of the Collateral Agent or Trustee) for a period of 60 consecutive days after the Issuer receives notice thereof, in each case with respect to Collateral (excluding, for greater certainty, any Excluded Property) having a fair market value in excess of \$50 million in the aggregate at any time with respect to clauses (a) and (b) above;
- (9) any Guarantor denies or challenges the validity of its Note Guarantee or either the Corporation or any Guarantor denies or challenges the validity of any Security Documents; and
- (10) certain events of bankruptcy or insolvency described in the Indenture with respect to the Corporation or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default referred to above in clause (10) of this section that arises from certain events of bankruptcy or insolvency described in the Indenture with respect to the Corporation or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default, except in the case of a Default or Event of Default relating to the payment of principal of, premium, if any, or interest on any Note, if it determines that withholding notice is in their interest.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, interest or premium, if any, when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such holder has previously given the Trustee notice that an Event of Default is continuing;
- (2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;
- (3) such holders have offered the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of the holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of the principal of, or interest and premium, if any, on, the Notes.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

13. No Personal Liability of Directors, Officers, Employees and Securityholders

No director, officer, employee, incorporator or securityholder of the Corporation, the Issuer or any Guarantor, as such, will have any liability for any obligations of the Corporation, the Issuer or the Guarantors under the Notes, the Indenture, the Note Guarantees, the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws and regulations.

14. Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, (i) the Indenture, the Notes or the Note Guarantees may be amended or supplemented with the consent of the Issuer and the holders of at least a majority in aggregate principal amount of the Notes then outstanding (excluding any Notes held by the Corporation or any Affiliate of the Corporation but including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and (ii) any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes or the Note Guarantees may be waived with the consent of the Issuer and the holders of at least a majority in aggregate principal amount of the Notes then outstanding (excluding any Notes held by the Corporation or any Affiliate of the Corporation but including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of the Issuer and of each holder of Notes affected (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), no amendment or supplement to, or waiver of any provision of, the Indenture, the Notes or the Note Guarantees will become effective (with respect to any Notes held by a non-consenting holder) in order to:

- (1) reduce the principal amount of the Notes;
- (2) change the fixed maturity of the Notes, or change the date on which the Notes may be subject to redemption or the redemption price;
- (3) reduce the rate of, or change the time for payment of, interest, including default interest, on the Notes;
- (4) waive a Default or Event of Default in the payment of principal of, or interest and premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);
- (5) make the Notes payable in a currency other than that stated in the Notes;

- (6) make any change in the provisions of the Indenture relating to (i) waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest and premium, if any, on, the Notes or (ii) the institution of suits for the enforcement of payment with respect to any Notes;
- (7) waive a redemption payment with respect to the Notes;
- (8) release a Guarantor from its obligations under its Note Guarantee, other than in accordance with the terms of the Indenture;
- (9) release all or substantially all of the Note Guarantees, other than in accordance with the terms of the Indenture;
- (10) modify or change any provision of the Indenture affecting the ranking of the Notes or the Note Guarantees in a manner that materially adversely affects the rights of holders of the Notes; or
- (11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding paragraphs, without the consent of any holder of Notes, the Issuer, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes or the Note Guarantees:

- (1) to cure any ambiguity, omission, mistake, defect or inconsistency, or to maintain their validity as a result of any change in any applicable legislation, rules or regulations, provided that such amendment or supplement does not materially adversely affect the rights under the Indenture, the Notes or the Note Guarantees of any holder of Notes;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes and Note Guarantees in the case of a merger, consolidation or amalgamation or sale of all or substantially all of the Issuer's or a Guarantor's assets, as applicable;
- (4) to release any Guarantor from any of its obligations under its Note Guarantee or the Indenture;
- (5) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder;
- (6) to conform the text of the Indenture, the Notes or the Note Guarantees to any provision of this Description of Notes to the extent that such provision in this Description of Notes was intended to be a verbatim recitation of a provision of the Indenture, the Notes or the Note Guarantees;
- (7) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes;
- (8) to make, complete or confirm any grant of Collateral permitted or required by the Indenture or any of the Security Documents or any release of Collateral that becomes effective as set forth in the Indenture or any of the Security Documents;
- (9) to comply with the rules of any applicable securities depository;
- (10) to enter into additional or supplemental Security Documents; or
- (11) to evidence or provide for the acceptance of the appointment of a successor trustee or collateral agent, provided that the successor trustee or collateral agent is otherwise qualified and eligible to act as such under the terms of the Indenture or Security Documents, as applicable.

15. Satisfaction and Discharge

The Indenture and the Notes will be discharged (and all Liens on the Collateral securing the Notes will be released) and the Indenture will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all the Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or
 - (b) all the Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders of the Notes, cash in Canadian dollars, non-callable Canadian government securities, or a combination of any of the foregoing, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal of, or interest and premium, if any, on, such outstanding Notes on the Stated Maturity thereof or the applicable redemption date;
- (2) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the granting of Liens to secure such borrowing) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;
- (3) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at the Stated Maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an officers' certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

The Collateral will be released from the Liens securing the Notes, as provided under "Description of the Senior Secured Notes — Security — Release of Liens in Respect of Notes", upon a satisfaction and discharge in accordance with the provisions described above. Upon request, the Collateral Agent will acknowledge the release of such Liens upon presentation of an officers' certificate and an opinion of counsel, as provided in the Indenture.

16. Concerning the Trustee

BNY Trust Company of Canada will be the Trustee under the Indenture.

Except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture and no implied covenants or obligations will be read into the Indenture against the Trustee. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its

duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability, or expense.

If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions, provided, however, that if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

17. Book-Entry-Only System

The Notes will be deposited with CDS, will be registered in the name of the CDS Nominee as a book-entry-only security (the "**Security**"), and will be identified by an International Securities Identification Number (ISIN). CDS acts as securities intermediary on behalf of its Participants ("**Participants**") that use the services of CDS and act on their own behalf or on behalf of beneficial owners of securities (who are the clients or customers of the Participants). Interests in securities are represented through book-entry accounts ("**Book Accounts**") established and maintained by CDS on its records for its Participants. The Notes will be represented by a Global Certificate that will be registered in the name of the CDS Nominee and deposited with CDS on the Issue Date. Thereafter, CDS will credit the Book Accounts of those Participants with interests in the Notes in accordance with instructions received from or on behalf of the Issuer or CDS evidencing that purchaser's or Participant's ownership of or interest in Notes. A purchaser of Notes will receive only a customer confirmation from the Participant from or through whom the Notes are purchased in accordance with the practices and procedures of that Participant. Any subsequent purchase or sale of Notes will have to be made through a Participant.

As the registered holder of the Security, the CDS Nominee will be considered to be the sole owner and holder of the Notes represented by the Global Certificate for all purposes under the Indenture and the Notes. Principal of, or interest and premium, if any, on the Notes will be payable by the Issuer solely to the CDS Nominee. Neither the Issuer nor the Trustee will have any responsibility or liability for maintaining, supervising, or reviewing records of CDS or its Participants relating to payments made or to be made by CDS or by any of its Participants on account of beneficial ownership interest in the Notes. Participants must look solely to CDS, and Persons other than Participants having an interest in the Notes must look solely to Participants, for payments made by or on behalf of the Issuer to CDS in respect of the Notes.

The Trustee will maintain the Register recording the names and addresses of the holders of Notes and particulars of the Notes held by such holders. No certificates or other instruments evidencing ownership of Notes will be issued other than to the CDS Nominee unless:

- (1) the issuance of such certificates or instruments is required by applicable law;
- (2) the book-entry-only system is no longer available to the Issuer;
- (3) CDS advises the Trustee that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Notes, and the Issuer cannot locate a qualified successor;
- (4) CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities law or otherwise ceases to be eligible to be a depository and a successor depository is not appointed;
- (5) the Issuer, at its option, decides to no longer utilize the book-entry-only-system; or
- (6) after the occurrence of an Event of Default, CDS advises the Trustee that it has received written notification from Participants, acting on behalf of beneficial owners representing in the aggregate more than 50% of the aggregate principal amount of outstanding Notes, that the continuance of the book-entry-only-system is no longer in the best interests of such beneficial owners.

In each of such event, owners of beneficial interests in the Notes will become entitled to receive Notes in definitive form, and certificates or other instruments evidencing the Notes will be issued in fully registered form in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof.

18. Governing Law

The Indenture, the Notes, any Note Guarantees and the Security Documents will be governed by, and construed in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable in the Province of Québec.

19. Additional Information

Anyone who receives this information circular may obtain a copy of the Indenture and the Security Documents without charge by writing to the Secretary of the Issuer at the following address: 16 Place du Commerce, Nun's Island, Verdun, Québec, Canada, H3E 2A5.

20. Certain Definitions

Set forth below are certain defined terms used in the Indenture and this "Description of the Senior Secured Notes". Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"**Acquired Debt**" means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person; and
- (2) Indebtedness incurred by the specified Person in connection with the financing of an acquisition and secured by a Lien encumbering any asset acquired by such specified Person.

"**Act of Required Holders**" means, as to any matter at any time, a direction in writing delivered to the Collateral Agent by or with a resolution by, or the written consent of, the holders of Notes representing the Required Holders.

For purposes of this definition, (a) Notes registered in the name of, or beneficially owned by, the Corporation or any Affiliate of the Corporation shall be deemed not to be outstanding and (b) votes shall be determined in accordance with the Indenture and the Security Documents as described under "Description of the Senior Secured Notes — Security — Voting"

"**Adjusted Consolidated Cash Flow from Operations**" means, with respect to any specified Person for any period:

- (1) the aggregate of the cash flow from operations of such Person and its Restricted Subsidiaries for such period on a consolidated or combined basis, determined in accordance with GAAP, excluding, however:
 - (a) the cash flow from operations of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary is not at the date of determination permitted, directly or indirectly, by operation of the terms of its articles, charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders ("**Dividend-Constrained Subsidiaries**"); and

- (b) that portion of the cash flow from operations from any Restricted Subsidiary that is not directly or indirectly 100% owned by such person that is attributable to another party's minority ownership interest in such Restricted Subsidiary,

For greater certainty and subject to the foregoing, that portion of the cash flow from operations of any Person or Restricted Subsidiary that arises from Investments that are not Investments in Restricted Subsidiaries including Investments in Unrestricted Subsidiaries or Investments that are accounted for by the equity method or cost method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person (whether or not such dividends or distributions are classified as cash flow from operations or otherwise for the purposes of preparing a statement of cash flows in accordance with GAAP);

- (2) minus, without duplication, on a consolidated basis and, with respect to Restricted Subsidiaries, only to the extent the amounts arise from Restricted Subsidiaries that are not Dividend-Constrained Subsidiaries in the current period:
 - (a) the consolidated interest obligations (other than interest obligations relating to any Subordinated Indebtedness incurred after the date of the Indenture, excluding any Permitted Debt or Acquired Debt) of such Person and its Restricted Subsidiaries that were not paid in such period (irrespective of whether such amount was expensed or capitalized or treated otherwise for accounting purposes) and are payable in cash at a future date with respect to such period, including, without limitation, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, any Additional Amounts payable under "Description of the Senior Secured Notes - Additional Amounts" (which, for the purposes of this paragraph (a) shall be deemed to be "interest obligations"), commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates;
 - (b) all federal, provincial, state, municipal and foreign income taxes and franchise or margin taxes of such Person and its Restricted Subsidiaries that were not paid in such period and are payable in cash within the 12-month period immediately following the current period based on a reasonable method of allocation;
 - (c) 50% of the estimated cash amount payable to employees during the 6-month period immediately following the current period with respect to long-term employee compensation plans including, without limitation, restricted stock unit plans, phantom stock plans, long term incentive plans and other similar multi-year compensation arrangements;
 - (d) amounts paid to hedge future payments under stock compensation plans and awards;
 - (e) the estimate of incremental pension contributions required to be made with respect to such period based on an actuarial valuation to be completed within the 6-month period immediately following the current period; and
 - (f) at the option of the specified Person, any other reserve established during such period in accordance with GAAP for cash expenses payable within the 12-month period immediately following the current period by such Person and its Restricted Subsidiaries,

provided that, where amounts determined in paragraphs (a) to (f) of this definition arise from Restricted Subsidiaries that are not Wholly-Owned Subsidiaries, then the amounts so determined

with respect to such Restricted Subsidiaries shall be adjusted to reflect such Person's aggregate direct and indirect interest in such Restricted Subsidiaries;

- (3) plus, without duplication, amounts of the nature described in paragraphs (2)(a) to (2)(f) of this definition relating to a period or periods prior to the current period that were:
 - (a) paid in the current period;
 - (b) deducted in the calculation of the amount determined in paragraph (1) of this definition; and
 - (c) previously included in a calculation of Adjusted Consolidated Cash Flow From Operations pursuant to paragraphs (2)(a) to (2)(f) of this definition with respect to a prior period;
- (4) plus, without duplication, interest amounts paid in cash in the current period on any Subordinated Indebtedness incurred after the date of the Indenture (excluding any Permitted Debt or Acquired Debt).

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly through one or more Persons, Controls, is Controlled by, or is under common Control with, such Person.

"Applicable Indebtedness" means:

- (1) in respect of any asset that is the subject of an Asset Sale at a time when such asset constitutes Collateral, Indebtedness of the Issuer or a Guarantor that, in each case, is secured at such time by a Permitted Lien on such Collateral that is prior to the Lien on such Collateral securing the Notes or the Note Guarantees related thereto pursuant to the Security Documents, including, with respect to assets constituting First Priority Lien Obligations; or
- (2) in respect of any other asset, any First Priority Lien Obligations, and in the case of an Asset Sale by a Subsidiary that is not a Guarantor or the Issuer, Indebtedness of such Subsidiary or any other Subsidiary that is not a Guarantor or the Issuer.

"Asset Sale" means:

- (1) the sale, lease, transfer or other disposition of any properties, assets or rights by the Corporation or any of its Restricted Subsidiaries, provided that the sale, transfer or other disposition of all or substantially all of the assets of the Corporation and its Restricted Subsidiaries, taken as a whole, shall be governed by the provisions of the Indenture described above under "Description of the Senior Secured Notes — Repurchase of Notes — Change of Control" and/or the provisions described above under "Description of the Senior Secured Notes — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets" and not by the provisions of the Asset Sale covenant; or
- (2) the issuance of Equity Interests by any of the Issuer's Restricted Subsidiaries or the sale of Equity Interests in any of the Issuer's Restricted Subsidiaries (other than directors' Qualifying Equity Interests or Equity Interests required by applicable law to be held by a Person other than the Corporation or one of its Restricted Subsidiaries).

Notwithstanding the preceding, none of the following items shall be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets having a Fair Market Value in any calendar year of less than \$5 million;

- (2) a disposition of leasehold improvements or leased assets in connection with the termination of an operating lease;
- (3) a sale or issuance of Equity Interests of any Restricted Subsidiary by the Corporation or any Restricted Subsidiary to the Corporation or to any of the Corporation's Restricted Subsidiaries;
- (4) a sale, lease, transfer or other disposition of Excluded Property;
- (5) a sale, lease, transfer or other disposition of inventory, products, by-products, goods held for sale, services and accounts receivable in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets in the ordinary course of business (including the abandonment or other disposition of any assets, including intellectual property, that is no longer used or useful or no longer economically practical to maintain in the conduct of the business of the Corporation or its Restricted Subsidiaries);
- (6) a sale, lease, transfer or other disposition of assets between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries;
- (7) a sale, lease, transfer or other disposition of assets by the Corporation or a Restricted Subsidiary in connection with a corporate reorganization that is carried out as a step transaction if:
 - (a) the step transaction is completed within three Business Days;
 - (b) at the completion of the step transaction, such assets are owned by the Corporation or a Restricted Subsidiary; and
 - (c) the step transaction maintains the Lien securing the Notes or the Note Guarantees on such assets as if such assets had remained in the possession of the Corporation or the Restricted Subsidiary;
- (8) any exchange of assets (including a combination of assets and Cash Equivalents) for assets used or useful in a Permitted Business (or Equity Interests in a Person that will be a Restricted Subsidiary following such transaction) of comparable or greater market value or usefulness, which in the event of an exchange of assets with a Fair Market Value in excess of (a) \$25 million shall be evidenced by an Officer's Certificate, and (b) \$50 million shall be set forth in a resolution approved by at least a majority of the members of the Board of Directors of the Corporation;
- (9) any surrender or waiver of contracts rights pursuant to a settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (10) foreclosure or any similar action with respect to any Property of the Corporation or any of its Restricted Subsidiaries;
- (11) the sale, transfer or other disposition of Collateral or other assets in connection with the realization on Permitted Liens;
- (12) any sale and leaseback transaction permitted under the covenant "Description of the Senior Secured Notes - Certain Covenants — Limitation on Sale and Leaseback Transactions" or any other similar financing transaction with respect to Property acquired by the Corporation or any Restricted Subsidiary after the Issue Date;
- (13) a sale, lease, transfer or other disposition of cash or Cash Equivalents;
- (14) a sale, lease, transfer or other disposition of assets relating to Hedging Obligations;

- (15) the licensing or sublicensing of intellectual property or other general intangibles on customary terms in the ordinary course of business;
- (16) outsourcing initiatives in the ordinary course of business;
- (17) any lease entered into in the ordinary course of business of the Corporation or any of its Restricted Subsidiaries;
- (18) sales, transfers or other dispositions of accounts receivable and related assets to a Receivables Entity in connection with a Qualified Receivables Transaction;
- (19) transactions permitted under "Description of the Senior Secured Notes — Certain Covenants-Merger, Consolidation or Sale of All or Substantially All Assets";
- (20) a Restricted Payment that does not violate the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments" or a Permitted Investment;
- (21) the creation of a Lien to the extent that the granting of such Lien was not in violation of the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Liens";
- (22) the sale, transfer, discounting or other disposition of accounts receivable and other payment obligations in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings, and transfers of accounts receivable, other payment obligations and related assets in connection with credit insurance;
- (23) to the extent allowable under any successor provision, or any comparable provision of any applicable tax law, any exchange of like property for use in the business of the Corporation or any of its Restricted Subsidiaries; and
- (24) subject to compliance, if applicable, with the covenant described under "Description of the Senior Secured Notes — Certain Covenants — Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries", any sale or other disposition of assets of any Restricted Subsidiary that is not a Wholly-Owned Subsidiary, but only if such Restricted Subsidiary is prevented by the terms of any agreement with its co-venturers from distributing the proceeds of such sale or other disposition to the Corporation or any of its Restricted Subsidiaries.

"**Attributable Debt**" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP, provided, however, that if such sale and leaseback transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby shall be determined in accordance with the definition of "Capital Lease Obligation".

"**Board of Directors**" means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Business Day**" means any day other than a Saturday or Sunday or any other day on which the Trustee's office in Montreal, Québec, is not generally open for business, or any other day on which Canadian chartered banks are closed in Montreal, Québec.

"**Capital Lease Obligation**" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Capital Stock**" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash Equivalents**" means:

- (1) United States dollars and Canadian dollars;
- (2) securities issued or directly and fully guaranteed or insured by the Canadian or United States government or any agency or instrumentality of the Canadian or United States government (provided that the full faith and credit of Canada or the United States is pledged in support of those securities) having maturities of not more than twelve months from the date of acquisition;
- (3) time deposit accounts, certificates of deposit and Eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any bank referred to in Schedule I, Schedule II or Schedule III of the *Bank Act* (Canada) or rated at least A-1 or the equivalent thereof by S&P, at least P-1 or the equivalent thereof by Moody's, or at least R-1 or the equivalent thereof by DBRS;
- (4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper having one of the two highest ratings obtainable from Moody's or S&P or, with respect to Canadian commercial paper, having one of the two highest ratings obtainable from DBRS, and, in each case, maturing within twelve months after the date of acquisition;
- (6) securities issued by any state of the United States of America, any province of Canada or any political subdivision or any public instrumentality of any such state or province maturing within

twelve months from the date of acquisition thereof and at the time of acquisition thereof, having one of the two highest ratings obtainable from either S&P or Moody's;

- (7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition; and
- (8) local currencies held by the Corporation or any of its Restricted Subsidiaries, from time to time in the ordinary course of business and consistent with past practice.

"Cash Management Obligations" means, with respect to any Person, all obligations, whether absolute or contingent, of such Person in respect of overdrafts, returned items and other liabilities owed to any other Person that arises from treasury, depository, foreign exchange (including without limitation foreign currency Hedging Obligations) or cash management services, including without limitation in connection with any automated clearing house transfers of funds, wire transfer services, controlled disbursement accounts or similar transactions, and all obligations in connection with any credit cards or stored value cards.

"Casualty or Condemnation Event" means any taking under power of eminent domain or similar proceeding and any insured loss, in each case, relating to properties or other assets.

"CDS" means CDS Clearing and Depository Services Inc.

"CDS Nominee" means the nominee of CDS in whose name Global Certificates are registered.

"Change of Control" means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or amalgamation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Corporation and its Subsidiaries, taken as a whole, to any Person or group or Persons acting jointly or in concert for purposes of such transaction;
- (2) the consummation of any transaction or series of transactions (including, without limitation, any merger, consolidation, arrangement or amalgamation), the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares of the Corporation or the Issuer, measured by voting power rather than number of shares;
- (3) the adoption of a plan relating to the liquidation or dissolution of the Corporation (other than a plan of liquidation of the Corporation that is a liquidation for tax purposes only); and
- (4) the consummation of any transaction, the result of which is that any Person or group of Persons acting jointly or in concert for the purposes of such transaction has elected to the Board of Directors of the Corporation such number of its or their nominees as shall constitute a majority of the directors comprising the Board of Directors of the Corporation.

For purposes of this definition, (i) no Change of Control pursuant to clause (1) above shall be deemed to have occurred solely as the result of a transfer of assets among the Corporation and its Restricted Subsidiaries, (ii) any direct or indirect holding company of the Corporation shall not itself be considered a "Person" or "group" for purposes of clauses (2) and (4) above, provided that no "Person" or "group" beneficially owns, directly or indirectly, more than 50% of the voting shares of such holding company, (iii) a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement; and (iv) to the extent that one or more regulatory approvals are required for any of the transactions or circumstances described in clauses (1), (2), (3) or (4) above to become effective under applicable law and such approvals have not been received before such transactions

or circumstances have occurred, such transactions or circumstances shall be deemed to have occurred at the time such approvals have been obtained and become effective under applicable law.

"Collateral" means all Property of the Corporation and the Guarantors, whether owned on the Issue Date or thereafter acquired, other than Excluded Property.

"Collateral Agent" means ●, in its capacity as Collateral Agent under the Security Documents and the Indenture, or a duly appointed successor.

"Consolidated EBITDA" means, for any period, Consolidated Net Income plus the sum, without duplication, of the amounts for such period of the following to the extent deducted in calculating Consolidated Net Income: (a) Consolidated Interest Expense, (b) any tax expense, current and deferred, included in Consolidated Net Income, (c) depreciation expense, (d) amortization expense (other than amortization of deferred publication costs), including amortization of deferred financing fees, (e) extraordinary losses and non-recurring charges, including any impairment charges (f) non-cash financial charges, (g) losses on asset sales, (h) restructuring charges or provisions, (i) any expenses or charges incurred in connection with any issuance of debt or equity securities, (j) any fees and expenses related to any acquisition permitted under the Indenture, (k) the share of any losses from investments in associates, and (l) losses or fees payable on sales, transfers or other dispositions of assets permitted pursuant to the covenant "Description of the Senior Secured Notes — Certain Covenants — Asset Sales", less the sum, without duplication, of the amounts for such period of the following to the extent included in calculating Consolidated Net Income: (m) extraordinary gains and non-recurring gains, (n) non-cash gains, (o) gains on asset sales and (p) the share of any income from investments in associates, and plus the sum, without duplication, of any other items deducted, and less the sum, without duplication, of any other items added in order to determine income from operations before depreciation and amortization, impairment of goodwill and acquisition-related costs to the extent reflected on the consolidated income statement of the Corporation, all as determined on a consolidated basis for the Corporation and its Restricted Subsidiaries in accordance with GAAP.

"Consolidated Interest Expense" means, for any period, interest expense accrued or (without duplication) paid during such period in respect of cash interest payments (including that attributable to capital leases in accordance with GAAP but excluding that attributable to any Intercompany Indebtedness), net of interest income (in respect of cash interest receipts accrued during such period) of the Corporation and its Restricted Subsidiaries on a consolidated basis with respect to all outstanding Indebtedness of the Corporation and its Restricted Subsidiaries, including all commissions, bankers' acceptance financing and net costs under financial hedge agreements (other than currency swap agreements, currency future or option contracts and other similar agreements, in each case to the extent not covering an interest rate component), but excluding, however, amortization of deferred financing costs and any other amounts of non-cash interest, all as calculated on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" means, for any period, the consolidated profit (or loss) after taxation of the Corporation and its Restricted Subsidiaries during such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt" means, as of any date of determination, the sum, without duplication, of (a) all Indebtedness of the Corporation and its Restricted Subsidiaries, calculated on a consolidated basis in accordance with GAAP and to the extent reflected as indebtedness on the consolidated balance sheet of the Corporation in accordance with GAAP, and (b) the aggregate amount of all outstanding Disqualified Stock of the Corporation and its Restricted Subsidiaries which shall be equal to their respective fixed repurchase or redemption prices in accordance with the terms of such Disqualified Stock (provided that any conditions precedent for such repurchase or redemption have all been satisfied), all calculated on a consolidated basis in accordance with GAAP, less (c) the net amount of all Hedging Obligations (determined on a marked-to-market basis as of the last day of the applicable four-quarter reference period).

"Consolidated Total Debt to Consolidated EBITDA Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Debt as of the last day of the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date to (b) Consolidated EBITDA for the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date.

In addition, for purposes of calculating the Consolidated Total Debt to Consolidated EBITDA Ratio:

- (1) acquisitions that have been made by the Corporation or any of its Restricted Subsidiaries, including through mergers, consolidations or amalgamations, or any Person or any of its Restricted Subsidiaries acquired by the Corporation or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the date on which the event for which the calculation of the Consolidated Total Debt to Consolidated EBITDA Ratio is made (the "**Calculation Date**"), or that are to be made on the Calculation Date, shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, shall be excluded;
- (3) the Indebtedness attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Indebtedness shall not be obligations of the Corporation or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date shall be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date shall be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

"**Control**", "**Controls**" and "**Controlled**" and similar expressions mean a relationship between two Persons wherein one person (first person) is considered to control another person (second person) if:

- (1) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person (other than securities held as collateral for a bona fide debt where the holder thereof is not entitled to exercise the voting rights attached thereto),
- (2) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (3) the second person is a limited partnership and the general partner of the limited partnership is the first person.

"**Credit Facilities**" means, one or more debt facilities or commercial paper facilities, in each case, with banks or other lenders or credit providers or a trustee providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), bankers acceptances, letters of credit or issuances of senior secured notes, including any related notes, guarantees, collateral documents, instruments, documents and agreements executed in connection therewith and in each case, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

"**DBRS**" means DBRS Limited and its successors.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Depository" means CDS Clearing and Depository Services Inc. or such other Person as is designated in writing by the Issuer and acceptable to the Trustee to act as depository.

"Designated Non-Cash Consideration" means any non-cash consideration received by the Corporation or a Restricted Subsidiary in connection with an Asset Sale that is designated as Designated Non-Cash Consideration pursuant to an officers' certificate delivered to the Trustee, which officers' certificate shall set forth the Fair Market Value of such Designated Non-Cash Consideration and the basis for determining such Fair Market Value.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Corporation or any of its Subsidiaries to repurchase such Capital Stock upon the occurrence of a Change of Control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Corporation or any of its Subsidiaries may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments", provided, further, that if the Capital Stock is issued to any plan for the benefit of employees of the Corporation or its Subsidiaries or by any such plan to those employees, that Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Corporation or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Indenture shall be the maximum amount that the Corporation and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"EBITDA" means, with respect to any specified Person for any period, Net Income plus the sum, without duplication, of the amounts for such period of the following to the extent deducted in calculating Net Income: (a) Interest Expense, (b) any tax expense, current and deferred, included in Net Income, (c) depreciation expense, (d) amortization expense (other than amortization of deferred publication costs), including amortization of deferred financing fees, (e) extraordinary losses and non-recurring charges, including any impairment charges (f) non-cash financial charges, (g) losses on asset sales, (h) restructuring charges or provisions, (i) any expenses or charges incurred in connection with any issuance of debt or equity securities, (j) any fees and expenses related to any acquisition permitted under the Indenture, (k) the share of any losses from investments in associates, and (l) losses or fees payable on sales, transfers or other dispositions of assets permitted pursuant to the covenant "Description of the Senior Secured Notes — Certain Covenants — Asset Sales", less the sum, without duplication, of the amounts for such period of the following to the extent included in calculating Net Income: (m) extraordinary gains and non-recurring gains, (n) non-cash gains, (o) gains on asset sales and (p) the share of any income from investments in associates, and plus the sum, without duplication, of any other items deducted, and less the sum, without duplication, of any other items added in order to determine income from operations before depreciation and amortization, impairment of goodwill and acquisition-related costs to the extent reflected on the consolidated income statement of such specified Person, all as determined in accordance with GAAP.

"equally and rateably" means, in reference to sharing of Liens or proceeds thereof as among holders of Notes, that such Liens or proceeds shall be allocated and distributed first to the Trustee for such outstanding Notes, for the account of the holders of Notes, rateably in proportion to the principal of, and amounts then due and payable (exclusive of expenses and similar payments) with respect to interest and premium, if any, on such outstanding Notes when the allocation or distribution is made.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Excess Cash Flow" means with respect to any Person for any period, Adjusted Consolidated Cash Flow from Operations, adjusted as follows, without duplication:

- (1) minus all direct or indirect (by way of acquisition of securities of a Person or the expenditure of cash or the transfer of property or the incurrance of Indebtedness) expenditures in respect of the purchase or other acquisition of property, plant and equipment (other than the acquisition of a business) and intangible assets determined in conformity with GAAP made or committed to be made during such period by such Person and its Restricted Subsidiaries;
- (2) minus payments of principal made or committed to be made by such Person and its Restricted Subsidiaries under Capital Lease Obligations for such period and any debt issuance costs paid in such period;
- (3) minus any payments made in the current period with respect to earn-out or similar arrangements existing as of the date of the Indenture;
- (4) minus any payments made in the current period with respect to a put right in favour of the co-owners of 411.ca, Mediative G.P. and Mediative L.P. or with respect to a call right in favour of the Corporation or any of its Affiliates in connection with Mediative G.P. and Mediative L.P., in all cases as contemplated in agreements existing as of the date of the Indenture; and
- (5) minus, to the extent not included in the foregoing, amounts accrued or paid in cash in such period with respect to share-based management compensation plans, provided that such amounts were not deducted in a calculation of Excess Cash Flow with respect to a prior period.

"Excluded Property" means Property of the Corporation and any Restricted Subsidiary, whether owned on the Issue Date or thereafter acquired, to the extent that a grant of a security interest therein, or the assignment, conveyance or transfer thereof, would violate applicable law, require the leave, license, consent or approval of any Governmental Authority, constitute a breach of or default under, or result in the termination of or require the consent of the applicable counterparty or any other Person under, any contract, lease, license, indenture, instrument, agreement or other document evidencing or giving rise to, or governing or affecting, such Property, or result in the invalidation thereof or provide any party thereto with a right of termination, and any Property of the Corporation and any Restricted Subsidiary that is of a nature such that it is not possible or reasonably practicable to grant a security interest therein or perfecting a security interest thereon or such that the cost of granting a security interest therein is disproportionate to the added benefit.

"Existing Indebtedness" means all Indebtedness of the Corporation and its Subsidiaries in existence on the date of the Indenture, until such amounts are repaid.

"Fair Market Value" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Corporation (unless otherwise provided in the Indenture).

"First Priority Lien Obligations" means any Indebtedness that is secured by a Permitted Lien on any Collateral that is prior to the Lien on such Collateral securing the Notes or the Note Guarantees, either by operation of law or pursuant to any contract, lease, license, indenture, instrument, agreement or other document evidencing or giving rise to such priority, including (a) any Indebtedness incurred pursuant to clauses (1) and (3) of the definition of "Permitted Debt" and secured by a Permitted Lien pursuant to clause (2) of the definition of "Permitted Liens", (b) any Indebtedness incurred pursuant to clauses (4) and (10) of the definition of "Permitted Debt" and secured by a Permitted Lien pursuant to clauses (3) and (4) of the definition of "Permitted Liens", (c) any Indebtedness incurred pursuant to the first paragraph of the covenant "Description of the Senior Secured Notes - Certain Covenants - Incurrence of Indebtedness and Issuance of Preferred Stock" and secured by a Permitted Lien pursuant to clauses (6), (7) or (8) of the definition of "Permitted Liens" and (d) all other Obligations under the documents relating to Indebtedness described in clauses (a), (b) and (c) above.

"fiscal quarter" means, with respect to the Corporation and each of its Subsidiaries, (a) the first to third, inclusive, calendar months of such fiscal year, (b) the fourth to sixth, inclusive, calendar months of such fiscal year, (c) the seventh to nine, inclusive, calendar months of such fiscal year and (d) the tenth to twelfth, inclusive, calendar months of such fiscal year.

"GAAP" means the generally accepted accounting principles approved by the Canadian Institute of Chartered Accountants, or any successor institute, as in effect from time to time, in connection with the preparation of financial statements, including for greater certainty the International Financial Reporting Standards adopted by the International Standards Board from time to time as adopted in Canada.

"Global Certificate" means a certificate representing Notes issued on any date registered in the name of the CDS Nominee (or any replacement depository) for purposes of being held by such depository on behalf of beneficial owners of the Notes.

"Governmental Authority" means any government or any agency, bureau, board, commission, court, department, official, tribunal or other instrumentality of any government, whether federal, state, provincial, territorial or local, domestic or foreign, that has, in each case, jurisdiction over the matter in question.

"Guarantee" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"Guarantors" means the Corporation and any of its Restricted Subsidiaries that executes a Note Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices,

in each case entered into for the purpose of managing risks in the ordinary course of business and not for speculative purposes.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of the face amount of banker's acceptances;
- (4) representing Capital Lease Obligations or Attributable Debt in respect of sale and leaseback transactions;

- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than twelve months after such property is acquired or such services are completed but excluding in any event trade payables arising in the ordinary course of business and also excluding other accrued liabilities being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit, Attributable Debt and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person as shall equal the lesser of (x) the Fair Market Value of such asset as of the date of determination or (y) the amount of such Indebtedness and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, in connection with the purchase by the Corporation or any of its Restricted Subsidiaries of any business, the term "Indebtedness" will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing, provided, however, that at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter.

"Indenture" means the indenture dated as of the Issue Date among the Issuer, the Guarantors and the Trustee.

"Intercompany Indebtedness" means all Indebtedness between the Corporation and any Restricted Subsidiary or between Restricted Subsidiaries.

"Interest Expense" means, with respect to any specified Person for any period, interest expense accrued or (without duplication) paid during such period in respect of cash interest payments (including that attributable to capital leases in accordance with GAAP but excluding that attributable to any intercompany Indebtedness), net of interest income (in respect of cash interest receipts accrued during such period) of such Person with respect to all outstanding Indebtedness of such Person, including all commissions, bankers' acceptance financing and net costs under financial hedge agreements (other than currency swap agreements, currency future or option contracts and other similar agreements, in each case to the extent not covering an interest rate component), but excluding, however, amortization of deferred financing costs and any other amounts of non-cash interest, all as calculated in accordance with GAAP.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees), advances or capital contributions (excluding (i) commission, travel and similar advances to officers and employees made in the ordinary course of business and (ii) extensions of credit to customers or advances, deposits or payment to or with suppliers, lessors or utilities or for workers' compensation, in each case, that are incurred in the ordinary course of business and recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of such Person prepared in accordance with GAAP), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Corporation or any of its Restricted Subsidiaries sells, transfers or otherwise disposes of any Equity Interests of any Restricted Subsidiary such that, after giving effect to any such sale, transfer or disposition, such Person is no longer a Restricted Subsidiary, the Corporation shall be deemed to have made an Investment on the date of any such sale, transfer or disposition equal to the Fair Market Value of the Corporation's Investments in such Restricted Subsidiary that were not sold, transferred or disposed of in an amount determined as provided in the final paragraph of the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments". The acquisition by the Corporation or any of its Restricted Subsidiaries of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Corporation or such Restricted

Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments". Except as otherwise provided in the Indenture, the amount of an Investment shall be determined at the time the Investment is made and without giving effect to subsequent changes in value but giving effect (without duplication) to all subsequent reductions in the amount of such Investment as a result of (x) the repayment or disposition thereof for cash of (y) the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary (valued proportionately to the equity interest in such Unrestricted Subsidiary or such Restricted Subsidiary owning such Unrestricted Subsidiary at the time of such redesignation) at the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of such redesignation, in the case of clause (x) and (y), not to exceed the original amount, or Fair Market Value, of such Investment.

"Issue Date" means the date on which the Notes are originally issued under the Indenture.

"Joint Purchasing Agreements" means any agreement between or among the Corporation and/or its Restricted Subsidiaries, and/or any of their respective Subsidiaries, whereby the parties thereto agree to jointly purchase goods or services from third parties, provided that such agreements result in the Corporation or the applicable Restricted Subsidiary purchasing such goods or services on terms that are no worse than would have been obtained by the Corporation or applicable Restricted Subsidiary in the absence of such agreement.

"Lien" means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's property whether now owned or hereafter acquired or capital lease obligation by such Person as lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt.

"Moody's" means Moody's Investors Service and its successors.

"Net Income" means, with respect to any specified Person for any period, the profit (or loss) after taxation of such Person during such period, determined in accordance with GAAP.

"Net Proceeds" means the aggregate cash proceeds and Cash Equivalents received by the Corporation or any of its Wholly-Owned Restricted Subsidiaries in respect of any Asset Sale or Casualty or Condemnation Event (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any Designated Non-Cash Consideration or other non-cash consideration received in any Asset Sale), net of all reasonable and customary out-of-pocket expenses relating to such Asset Sale or Casualty or Condemnation Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale or Casualty or Condemnation Event, taxes paid or reasonably estimated to be payable as a result of the Asset Sale or Casualty or Condemnation Event (or the distribution of such proceeds to a Wholly-Owned Restricted Subsidiary), in each case, after taking into account, without duplication, of (1) any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness secured by a Permitted Lien on the asset or assets that were the subject of such Asset Sale or Casualty or Condemnation Event and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP, (2) any reserve or payment with respect to liabilities associated with such asset or assets and retained by the Corporation or any of its Restricted Subsidiaries after such sale or other disposition thereof, including, without limitation, severance costs, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, and (3) any cash escrows in connection with purchase price adjustments, reserves or indemnities (until released). To the extent that any Restricted Subsidiary that is not a Wholly-Owned Subsidiary receives proceeds in respect of an Asset Sale or Casualty or Condemnation Event, the Net Proceeds of such Asset Sale or Casualty or Condemnation Event shall mean that portion of such proceeds actually distributed to the Corporation or any of its Wholly-Owned Restricted Subsidiaries and otherwise as set forth hereinabove.

"Non-Recourse Debt" means Indebtedness:

- (1) as to which neither the Corporation nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;
- (2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Corporation or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and
- (3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Corporation or any of its Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary);

in each case except to the extent permitted by the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments", provided, however, that Indebtedness shall not cease to be Non-Recourse Debt solely by reason of pledge by the Corporation or any of its Restricted Subsidiaries of Equity Interests of an Unrestricted Subsidiary or of Equity Interests of a Person that is not a Subsidiary of the Corporation or of such Restricted Subsidiary if recourse is limited to such Equity Interests.

"Note Documents" means the Indenture, the Notes, the Note Guarantees and the Security Documents.

"Note Guarantee" means the Guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Permitted Business" means any business engaged in by the Corporation or any of its Restricted Subsidiaries on the date of the Indenture and any business or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which the Corporation and its Restricted Subsidiaries are engaged on the date of the Indenture.

"Permitted Investments" means:

- (1) any Investment in the Corporation or in any of its Restricted Subsidiaries;
- (2) any Investment in cash or Cash Equivalents;
- (3) any Intercompany Indebtedness;
- (4) any Investment by the Corporation or any of its Restricted Subsidiaries in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or sells, transfers or otherwise disposes of substantially all of its assets to, or is liquidated into, the Corporation or any of its Restricted Subsidiaries;
- (5) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Asset Sales", or from a sale or other disposition of assets not constituting an Asset Sale;

- (6) any acquisition of assets or Capital Stock solely in exchange for the issuance of Qualifying Equity Interests;
- (7) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Corporation or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;
- (8) Investments represented by Hedging Obligations;
- (9) loans, guarantees of loans, advances, and other extensions of credit to or on behalf of current and former officers, directors, employees, and consultants of the Corporation or of any of its Restricted Subsidiaries, in an aggregate amount not to exceed \$2 million at any one time outstanding;
- (10) the acquisition by a Receivables Entity in connection with a Qualified Receivables Transaction of Equity Interests of a trust or other Person established by such Receivables Entity to effect such Qualified Receivables Transaction; and any other Investment by the Corporation or any of its Restricted Subsidiaries in a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction;
- (11) any Investment for the redemption or the repurchase of Notes pursuant to the Indenture;
- (12) any Investment of the Corporation or any of its Restricted Subsidiaries existing on the date of the Indenture, and any extension, modification or renewal of such existing Investments, to the extent not involving any additional Investment other than as the result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investments as in effect on the date of the Indenture;
- (13) guarantees, including Guarantees of Indebtedness, otherwise permitted by the terms of the Indenture (other than guarantees to or for the benefit of Affiliates of the Corporation other than the Corporation and its Restricted Subsidiaries);
- (14) receivables owing to the Corporation or any of its Restricted Subsidiaries, prepaid expenses, and lease, utility, workers' compensation and other deposits, if created, acquired or entered into in the ordinary course of business;
- (15) payroll, business-related travel, and similar advances to cover matters that are expected at the time of such advances to be ultimately treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (16) Investments resulting from the acquisition of a Person, otherwise permitted by the Indenture, which Investments at the time of such acquisition were held by the acquired Person and were not acquired in contemplation of the acquisition of such Person;
- (17) any Investment resulting from a Lien which is permitted by clause (25) of the definition of "Permitted Liens";
- (18) reclassification of any Investment initially made in (or reclassified as) one form into another (such as from equity to loan or vice versa), provided in each case that the amount of such Investment is not increased thereby; and
- (19) other Investments in any Person (other than an Affiliate of the Corporation that is not (a) a Restricted Subsidiary, (b) a Permitted Joint Venture Partner of the Corporation or any Guarantor

or (c) a Subsidiary of the Corporation or any Guarantor) having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (19) that are at the time outstanding not to exceed \$20 million.

"Permitted Joint Venture Partner" means any Person (other than a Subsidiary of the Corporation) that is an Affiliate of the Corporation solely because the Corporation and/or its Restricted Subsidiaries own Equity Interests in such Person.

"Permitted Liens" means:

- (1) Liens securing the Notes and the related Note Guarantees;
- (2) Liens on accounts receivable (other than any account receivable resulting from Intercompany Indebtedness) of the Corporation and any of its Restricted Subsidiaries securing Indebtedness permitted by clauses (1) and (3) of the definition of "Permitted Debt";
- (3) Liens on property (excluding cash collateral) securing Indebtedness permitted by clause (10) of the of the definition of "Permitted Debt";
- (4) Liens on cash collateral (in an aggregate amount not to exceed \$25 million at any time) securing Indebtedness permitted by clauses (4), (10) and (17) of the definition of "Permitted Debt";
- (5) Liens in favor of the Corporation, the Issuer or the Guarantors;
- (6) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged or amalgamated with or into or consolidated with the Corporation or any of its Restricted Subsidiaries, provided that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary or such merger, amalgamation or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Corporation or any of its Restricted Subsidiaries;
- (7) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Corporation or any of its Restricted Subsidiaries provided that such Liens were in existence prior to, such acquisition and not incurred in contemplation of such acquisition;
- (8) Liens incurred in connection with the financing of an acquisition and securing Acquired Debt and encumbering the assets of the Person being acquired by the Corporation or any of its Restricted Subsidiaries, provided such Liens are not extended, and for greater certainty are non-recourse, to any other assets of the Corporation or any of its Restricted Subsidiaries;
- (9) Liens to secure the performance of tenders, completion guarantees, statutory obligations, regulatory obligations, surety, environmental or appeal bonds, bids, leases, government contracts, performance bonds, warranty requirements or other obligations of a like nature incurred in the ordinary course of business, including rights of offset and set-off;
- (10) Liens to secure Indebtedness (including Capital Lease Obligations) or Attributable Debt permitted by clause (6) of the definition of "Permitted Debt" covering only those assets acquired with or financed by such Indebtedness;
- (11) Liens existing on the date of the Indenture (other than Liens of the type described in clause (10) of this definition);

- (12) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (13) Liens consisting of carriers', warehousemen's, landlord's and mechanics', suppliers', materialmen's, repairmen's and similar Liens not securing Indebtedness or in favor of customs or revenue authorities or freight forwarders or handlers to secure payment of custom duties, in each case, incurred in the ordinary course of business;
- (14) Liens in favour of contractors, subcontractors, architects and materialmen on assets securing payment for services rendered in respect of such assets and arising in the ordinary course of business;
- (15) any state of facts an accurate survey would disclose, public and private roads, prescriptive easements or adverse possession claims, minor encumbrances, easements, leases, licenses, rights-of-way or other similar agreements or arrangements, development, air or water rights, sewers, electric lines, telegraph and telephone lines and other utility lines, pipelines, service lines, railroad lines, improvements and structures located on, over or under any property, drains, drainage ditches, culverts, electric power or gas generating or co-generation, storage and transmission facilities and other similar purposes, zoning or other restrictions as to the use of immovable or real property or minor defects in title, and other similar charges or encumbrances in respect of immovable or real property not interfering the use in the operation of the business of the Corporation or any Restricted Subsidiary;
- (16) Liens to secure any Permitted Refinancing Indebtedness, provided, however, that the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof);
- (17) Liens on assets of the Corporation, the Issuer or a Receivables Entity incurred in connection with a Qualified Receivables Transaction;
- (18) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (19) Liens incurred or pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits, or casualty-liability insurance or self-insurance or securing letters of credit issued in the ordinary course of business;
- (20) judgment and attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made in conformity with GAAP;
- (21) any interest or title of a lessor, licensor or sublicense under any operating lease, license or sublicense, as applicable;
- (22) Liens on the Equity Interests of an Unrestricted Subsidiary or of a Person that is not a Subsidiary of the Corporation securing Indebtedness of such Unrestricted Subsidiary or other Person if recourse to the Corporation and its Restricted Subsidiaries with respect to such Indebtedness is limited to such Equity Interests;

- (23) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Corporation or any Restricted Subsidiary thereof on deposit with or in possession of such bank;
- (24) Liens on any property in favor of a Governmental Authority to secure partial, progress, advance or other payment pursuant to any contract or statute, not yet due and payable; and
- (25) Liens incurred in the ordinary course of business of the Corporation or any of its Restricted Subsidiaries with respect to obligations that do not exceed \$20 million at any one time outstanding.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Corporation or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Corporation or any of its Restricted Subsidiaries (other than Intercompany Indebtedness), provided that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness then outstanding (including, in the case of a committed facility, the commitment with respect thereto) renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and
- (3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"Person" means any individual, partnership, corporation, company, joint venture, limited liability company, unlimited liability company, association, trust, trustee, unincorporated organization, government or agency or political subdivision thereof, or any other entity.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether immovable, real, personal, or mixed, or tangible or intangible, including Capital Stock in, and other securities of, any other Person.

"Qualified Receivables Transaction" means any transaction or series of transactions entered into by the Corporation, any of its Restricted Subsidiaries or any of their respective Subsidiaries pursuant to which the Corporation, such Restricted Subsidiaries or any of their respective Subsidiaries sells, conveys or otherwise transfers to (i) a Receivables Entity (in the case of a transfer by the Corporation, Restricted Subsidiaries or any such Subsidiary) and (ii) any other Person (in the case of a transfer by a Receivables Entity), or grants a security interest in, any accounts receivable (whether now existing or arising in the future) of the Corporation, its Restricted Subsidiaries or any of their respective Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Qualifying Equity Interests" means Equity Interests of the Corporation or the Issuer other than Disqualified Stock.

"Receivables Entity" means a Subsidiary of the Corporation or any Guarantor that engages in no activities other than in connection with the financing of accounts receivable and which is designated by the Board of Directors of the Corporation (as provided below) as a Receivables Entity. Any such designation by the Board of Directors of the Corporation shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Corporation giving effect to such designation and an officers' certificate certifying that such designation complied with the foregoing conditions, provided, however, that as of the date of the Indenture, ● shall be deemed to be so designated as a Receivables Entity.

"Receivables Facilities" means any facility that provides for Qualified Receivables Transactions.

"Required Holders" means, at any time, the holders of at least a majority in aggregate principal amount of the then outstanding Notes.

For purposes of this definition, (a) Notes registered in the name of, or beneficially owned by, the Corporation or any Affiliate of the Corporation shall be deemed not to be outstanding, and (b) votes shall be determined in accordance with the Indenture and the Security Documents as described under "Description of the Senior Secured Notes — Security — Voting.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Payment" means :

- (1) the declaration or payment of any dividend or distribution (a) on account of the Corporation's or any of its Restricted Subsidiaries' Equity Interests or (b) to the holders of the Corporation's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Qualifying Equity Interests and dividends or distributions payable to the Corporation or any of its Restricted Subsidiaries);
- (2) the purchase, redemption or other acquisition or retirement for value of any Equity Interests of the Corporation or the Issuer, to the extent that amounts payable upon such purchase, redemption or other acquisition or retirement for value is paid to any Person other than the Corporation or a Restricted Subsidiary;
- (3) any payment of principal on or with respect to, or the purchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness of the Corporation, the Issuer or any Guarantor (excluding any Intercompany Indebtedness between or among the Corporation and any of its Restricted Subsidiaries or between or among any Restricted Subsidiaries), except (a) any payments due at the Stated Maturity thereof (to the extent permitted by the applicable terms of subordination) or (b) the purchase, repurchase or other acquisition or retirement for value of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of such purchase, repurchase or other acquisition or retirement for value; or
- (4) any Restricted Investment.

"Restricted Subsidiary" means any Subsidiary of the Corporation that is not an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies (Canada) Corporation and its successors.

"Security Documents" means all security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, collateral agency agreements, control agreements or other grants or transfers for security

executed and delivered by the Corporation or any other Guarantor creating (or purporting to create) a Lien upon Collateral in favor of the Collateral Agent, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms and the provisions described above under "Description of the Senior Secured Notes — Amendment, Supplement and Waiver".

"Senior Subordinated Exchangeable Debenture Guarantee" means the Guarantee by each Guarantor of the Issuer's obligations under the Senior Subordinated Exchangeable Debenture Indenture and the Senior Subordinated Exchangeable Debentures, executed pursuant to the provisions of the Senior Subordinated Exchangeable Debenture Indenture.

"Senior Subordinated Exchangeable Debenture Indenture" means the indenture governing the Senior Subordinated Exchangeable Debentures.

"Senior Subordinated Exchangeable Debentures" means the senior subordinated exchangeable debentures due November 30, 2022 issued by the Issuer.

"Significant Subsidiary" means, (a) the Issuer (b) Yellow Pages Group Corp., (c) each Subsidiary (i) whose assets at the end of the most recently ended fiscal quarter of the Corporation is equal to or greater than 10% of the Total Assets as at the end of such fiscal quarter, or (ii) whose EBITDA for the previous four fiscal quarters is equal to or greater than 10% of the Consolidated EBITDA for the same period, in each case, as reflected in the most recent publicly released consolidated financial statements of the Corporation, or (d) any successor of any of the entities referred to in paragraphs (a), (b) or (c) above.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of the Indenture, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subordinated Indebtedness" means any Indebtedness of the Issuer or any Restricted Subsidiary (whether outstanding on the Issue Date or thereafter incurred) that is expressly subordinate or junior in right of payment to the Notes or the applicable Note Guarantee, as the case may be.

"Subsidiary" means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Corporation.

"Total Assets" means the total assets of the Corporation and its Restricted Subsidiaries, as shown on the most recent internal balance sheet of the Corporation, prepared on a consolidated basis (excluding Unrestricted Subsidiaries) in accordance with GAAP.

"Trustee" means BNY Trust Company of Canada or a duly appointed successor.

"Unrestricted Subsidiary" means Mediative G.P. Inc. and Mediative Performance L.P. and any other Subsidiary of the Corporation that is designated by the Board of Directors of the Corporation as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors of the Corporation, but only to the extent that such Subsidiary:

- (1) is not a Wholly-Owned Subsidiary of the Corporation;
- (2) has no Indebtedness other than Non-Recourse Debt;
- (3) except as permitted by the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Transactions with Affiliates", is not party to any agreement, contract, arrangement or understanding with the Corporation or any of its Restricted Subsidiaries unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Corporation or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Corporation;
- (4) except as otherwise permitted by the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments" is a Person with respect to which neither the Corporation nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and
- (5) except as otherwise permitted by the covenant described above under "Description of the Senior Secured Notes — Certain Covenants — Restricted Payments", has not guaranteed or otherwise provided credit support for any Indebtedness of the Corporation or any of its Restricted Subsidiaries, except to the extent that such guarantee or credit support would be released upon such designation.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

"Wholly-Owned Restricted Subsidiary" of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Restricted Subsidiaries of such Person.

"Wholly-Owned Subsidiary" of any specified Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

SCHEDULE G
NEW SUBORDINATED DEBENTURE INDENTURE DESCRIPTION

(see attached)

DESCRIPTION OF THE SENIOR SUBORDINATED EXCHANGEABLE DEBENTURES

In this description, the term "**Issuer**" refers to Yellow Media Inc. and not to any of its Subsidiaries and the term "**Corporation**" refers to Yellow Media Ltd., a newly-incorporated corporation (incorporated under the *Canada Business Corporations Act*) that will become the parent of the Issuer on the Issue Date, and not to any of its Subsidiaries. In this description, except where otherwise indicated, all references to "dollars" and "\$" are to the lawful currency of Canada.

The Issuer will issue \$100 million principal amount of senior subordinated exchangeable debentures due November 30, 2022 (the "**Debentures**"). The Debentures will be issued under an indenture dated as of the Issue Date (the "**Indenture**") among itself, the Guarantors identified herein, and BNY Trust Company of Canada, as trustee (the "**Debenture Trustee**").

Copies of the Indenture may be obtained from the Issuer upon request, when available. The following description is a summary of the material terms and provisions of the Debentures and the Indenture. It does not restate those agreements in their entirety. We urge you to read the Indenture because it, and not this description, defines your rights as holders of Debentures. Certain defined terms used in this description but not defined below under "Description of the Senior Subordinated Exchangeable Debentures – Certain Definitions" have the meanings assigned to them in the Indenture.

Upon the terms and subject to the conditions set forth in the Offering Documents, the Issuer will issue Debentures in an aggregate principal amount of \$100 million. As described below under "Description of the Senior Subordinated Exchangeable Debentures - PIK Election", the Issuer may issue additional Debentures from time to time after this offering in payment of interest. Such additional Debentures are referred to herein as PIK Debentures.

Any PIK Debentures subsequently issued under the Indenture will be identical to the Debentures in all respects (except that any PIK Debentures the Issuer may issue in the future will have different issuance dates) and treated as a single class for all purposes of the Indenture, including, without limitation, modifications, conversions, exchanges, redemptions and purchases. Unless the context otherwise requires, for all purposes of the Indenture and this "Description of the Senior Subordinated Exchangeable Debentures" references to the Debentures also include any PIK Debentures issued under the Indenture.

The Debentures will be represented by a Global Certificate that will be registered in the name of the CDS Nominee and deposited with CDS as a book-entry-only security. Purchasers of Debentures will not be entitled to any registration rights. Under the CDS book-entry-only system, the CDS Nominee will be treated as the owner of the Debentures for all purposes, except as required by law. The word "Debentures", unless the context requires otherwise, refers to the Debentures represented by the Global Certificate and also refers to book-entry-only interests in the Debentures. See "Book-Entry-Only System".

The following summary of the material terms and provisions of the Debentures and the Indenture does not purport to be complete and is subject to the detailed provisions of, and qualified in its entirety by reference to, the provisions of the Debentures and the Indenture.

1. Brief Description of the Senior Subordinated Exchangeable Debentures and the Debenture Guarantees

1.1. The Debentures

The Debentures will:

- be direct subordinated unsecured obligations of the Issuer;
- mature on November 30, 2022;

- be issued in Canadian dollars, in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof;
- be subordinated in right of payment to the prior payment in full of all the Senior Secured Notes;
- be effectively subordinated to all Indebtedness and other liabilities of the Issuer secured by Permitted Liens, to the extent of the value of the assets subject to those Permitted Liens;
- be structurally subordinated to all existing and future Indebtedness of any Unrestricted Subsidiary;
- be unconditionally guaranteed, on a subordinated unsecured basis, by the Guarantors, as such term is defined below under "Description of the Senior Subordinated Exchangeable Debentures — Brief Description of the Senior Subordinated Exchangeable Debentures and the Debenture Guarantees — Debenture Guarantees"; and
- be exchangeable into fully paid and non-assessable common shares of the Corporation (the "**Common Shares**"), subject to the terms and conditions of the Indenture described below under "Description of the Senior Subordinated Exchangeable Debentures - Exchange Privilege".

Interest on the Debentures will:

- accrue for the applicable semi-annual interest period at a rate of 8% per annum if it is paid in cash, or 12% per annum in the event that the Issuer makes a PIK Election (as defined below) in accordance with the Indenture and only in respect of those Debentures that are subject to such PIK Election in the case of the exercise of a PIK Election in respect of less than all of the then outstanding Debentures;
- accrue from and including the Issue Date or, if interest has already been paid, from and including the most recent date on which interest has been paid, to but excluding the applicable interest payment date;
- be payable in cash or, at the Issuer's election, in whole or in part in PIK Debentures (as defined below);
- be payable semi-annually in arrears in equal installments on the last day of May and November of each year (or, if such day is not a Business Day, on the next Business Day), commencing on November 30, 2012;
- be payable to the holders of record as of May 15 and November 15 immediately preceding the related interest payment date; and
- be calculated, in the case of the first interest period following the Issue Date or any other interest period that is shorter than a full semi-annual interest period due to redemption or repurchase, on the basis of a 360-day year comprised of twelve 30-day months. For the purpose of the *Interest Act* (Canada), the yearly rate of interest which is equivalent to the rate payable hereunder is the rate payable hereunder multiplied by the actual number of days in the year and divided by 360.

The Debentures will be direct obligations of the Issuer and will not be secured by any mortgage, pledge, hypothec or other charge and will be effectively subordinated to all Indebtedness of the Issuer secured by Permitted Liens, to the extent of the value of the assets subject to those Permitted Liens. The Indebtedness evidenced by the

Debentures (including the principal, interest, Redemption Price and premium, if any) will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of the Senior Secured Notes.

The Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization (including any reorganization pursuant to an arrangement under corporate statute) or other similar proceedings relative to the Issuer, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Issuer, whether or not involving insolvency or bankruptcy of the Issuer, then those creditors holding Senior Secured Notes will receive payment in full, and those creditors holding other Indebtedness of the Issuer secured by Permitted Liens will receive payment to the extent of the value of the assets subject to those Permitted Liens, before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures, the Redemption Price or any unpaid interest accrued thereon or any premium. The Indenture also provides that the Issuer will not make any payments of principal, interest or any other amount due under the Debentures or the Indenture at any time where there shall exist an event of default with respect to the Senior Secured Notes permitting a holder of such notes to then accelerate immediately the maturity thereof.

The Debentures will also be effectively subordinated to claims of creditors of the Issuer's Subsidiaries which are not Restricted Subsidiaries except to the extent the Issuer is a creditor of such Subsidiaries ranking at least *pari passu* with such other creditors.

1.2. Debenture Guarantees

The Debentures will be guaranteed by the Corporation and all of its Restricted Subsidiaries (other than any Subsidiary that constitutes a Receivables Entity) (such entities being, collectively, the "**Guarantors**").

The Guarantors will irrevocably and unconditionally guarantee on a subordinated unsecured basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuer under the Indenture and the Debentures, whether for payment of principal of, or interest on, the Debentures, expenses, indemnification or otherwise (the "**Debenture Guarantees**" and all such obligations guaranteed by the Guarantors being referred to herein as the "**Guaranteed Obligations**"). The Guarantors agree to pay, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Debenture Trustee or the holders in enforcing any rights under the Debenture Guarantees. The Debenture Guarantees will be solidary (joint and several) obligations of the Guarantors.

Each Debenture Guarantee will be limited, after giving effect to all other contingent and fixed obligations of such Guarantor (including, without limitation, any guarantees relating to any Indebtedness of a Guarantor or any refinancing or replacement thereof permitted under the Indenture), to an amount not to exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering such Debenture Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Debenture Guarantee will be a continuing Debenture Guarantee and, subject to the next succeeding paragraphs, will:

- be direct subordinated unsecured obligations of the Guarantor issuing such Debenture Guarantee;
- be subordinated in right of payment to the prior payment in full of the Senior Secured Note Guarantee of a Guarantor;
- be structurally subordinated to all existing and future Indebtedness of any Unrestricted Subsidiaries;

- be effectively subordinated to any Indebtedness and other liabilities of that Guarantor secured by Permitted Liens, to the extent of the value of the assets of that Guarantor subject to those Permitted Liens;
- remain in full force and effect until payment in full of all the Guaranteed Obligations;
- be binding upon the Guarantors and their successors; and
- inure to the benefit of and be enforceable by the Debenture Trustee, the holders and their successors, transferees and assigns.

As of the date of the Indenture, Mediative G.P. Inc. and Mediative Performance L.P. will not guarantee the Debentures. In addition, any future Subsidiaries of the Corporation that are not Wholly-Owned Subsidiaries will not guarantee the Debentures, unless such Subsidiaries are designated by the Corporation as "Restricted Subsidiaries" in accordance with the covenant described below under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries". In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer or any Guarantor.

As of the date of the Indenture, all of the Corporation's Wholly-Owned Subsidiaries will be "Restricted Subsidiaries". Any future Wholly-Owned Subsidiary of the Corporation will become a "Restricted Subsidiary" as at such time that it becomes a Wholly-Owned Subsidiary of the Corporation. In addition, under the circumstances described below under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries", the Corporation will be permitted to designate any Subsidiary that is not a Wholly-Owned Subsidiary as a "Restricted Subsidiary".

Mediative G.P. Inc. and Mediative Performance L.P. will be treated as "Unrestricted Subsidiaries" from and after the date of the Indenture. In the event Mediative G.P. Inc. and Mediative Performance L.P. become Wholly-Owned Subsidiaries of the Corporation, Mediative G.P. Inc. and Mediative Performance L.P. will, at such time, become Restricted Subsidiaries. Under the circumstances described below under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries", the Corporation will be permitted to designate any Restricted Subsidiary that is not a Wholly-Owned Subsidiary as an "Unrestricted Subsidiary".

The effect of designating a Subsidiary as an Unrestricted Subsidiary will be that:

- (1) an Unrestricted Subsidiary will not be subject to any of the restrictive covenants in the Indenture;
- (2) a Restricted Subsidiary that is subsequently designated as an Unrestricted Subsidiary will be released from its Debenture Guarantee; and
- (3) the assets, income, cash flow and other financial results of an Unrestricted Subsidiary will not be consolidated with those of the Corporation and its Restricted Subsidiaries for purposes of calculating compliance with the restrictive covenants contained in the Indenture.

A Guarantor will be released from its obligations under its Debenture Guarantee upon the occurrence of any of the following:

- (1) subject to compliance with the covenant described below under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets", in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor, by way of merger, amalgamation, arrangement, consolidation, liquidation or otherwise, or a sale or other disposition of the Capital Stock of such Guarantor such that it ceases to be a Subsidiary of the Corporation or a Restricted Subsidiary;

- (2) if such Guarantor is designated as an Unrestricted Subsidiary in accordance with the provisions of the Indenture, upon effectiveness of such designation;
- (3) upon payment in full in cash of the principal of, and interest and premium, if any, on, the Debentures; or
- (4) upon the Issuer's obligations under the Indenture being discharged in accordance with the terms of the Indenture.

2. Paying Agent and Registrar for the Debentures

The Debenture Trustee will initially act as paying agent and registrar. The Issuer may change the paying agent or registrar without prior notice to the holders of the Debentures, provided that neither the Issuer nor any of its Affiliates may act as paying agent or registrar.

3. Transfer and Exchange

A holder may transfer or exchange Debentures in accordance with the provisions of the Indenture. The registrar and the Debenture Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Debentures. Holders will be required to pay all taxes due on transfer. The Issuer will not be required to transfer or exchange any Debenture selected for redemption. Also, the Issuer will not be required to transfer or exchange any Debenture for a period of 15 days before a selection of Debentures to be redeemed.

4. No Additional Amounts

All amounts paid or credited by the Issuer or by any of the Guarantors under or with respect to the Debenture or any Debenture Guarantee will be made net of any withholding or deduction for or on account of any present or future tax, duty, levy, assessment or other governmental charge (hereinafter referred to collectively as, "Taxes") imposed or levied by or on behalf of any jurisdiction in which the Issuer or such Guarantor is organized, resident, or doing business for tax purposes or from or through which such the Issuer or such Guarantor (or its agents) makes any payment on the Debentures or any Debenture Guarantee or any department or political subdivision thereof (each, a "**Relevant Taxing Jurisdiction**"), and the Issuer and the Guarantors are undertaking no obligation to, and shall not make any payments of, any additional amounts to holders of Debentures in respect of any Taxes to the extent that such Taxes at any time become payable.

The summary contained under "No Additional Amounts" is of a general nature only and is not intended to be, nor should it be construed as, advice to any particular holder of Debentures, and no representations with respect to the income tax consequences to any particular holder are made. Accordingly, prospective purchasers of Debentures should consult their own tax advisers for advice with respect to the tax consequences to them of acquiring, holding, and disposing of Debentures having regard to their own particular circumstances, including the application and effect, if any, of the income and other tax laws of any country, province, territory, or local tax authority.

The Issuer or relevant Guarantor will make any required withholding or deduction and remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law.

5. Voting

In connection with any matter under the Indenture requiring a vote of holders of the Debentures, the holders of Debentures will cast their votes in accordance with the Indenture and any Debentures held by the Corporation or any Affiliate of the Corporation will be excluded from any vote to be cast. The amount of Debentures to be voted will equal the aggregate principal amount of Indebtedness represented by such Debentures.

6. PIK Election

In accordance with the provisions of the Indenture, the Issuer may elect from time to time, in respect of all or any part of the then outstanding Debentures, to satisfy its obligation to pay any interest ("**PIK Election**") on any interest payment date by delivering additional Debentures (the "**PIK Debentures**").

The Issuer shall make a PIK Election by delivering a written notice to the Debenture Trustee not less than 15 Business Days prior to the interest payment date for which the PIK Election is made, subject to complying with applicable securities laws and to obtaining any applicable regulatory approvals. In the case of a PIK Election in respect of the payment of interest on an interest payment date, the Issuer shall deliver to the Debenture Trustee PIK Debentures totalling an aggregate principal amount equal to the aggregate amount of interest that is payable by the Issuer on the Debentures on such interest payment date. The Debentures that are subject to a PIK Election shall bear interest at a rate of 12.0% per annum for the interest period in respect of which the PIK Election is made.

For greater certainty, interest shall accrue on PIK Debentures issued pursuant to the Indenture from and including the date of issuance of such PIK Debentures. Any such PIK Debentures shall be issued on the same terms as the Debentures and shall constitute part of the same series of securities as the Debentures and will vote together with all other outstanding Debentures as one class on all matters with respect to the Debentures. All references to Debentures herein shall include any PIK Debentures.

7. Exchange Privilege

The Debentures will be exchangeable at the holder's option into fully paid and non-assessable Common Shares at any time prior to 4:00 p.m. (Montreal time) on the earlier of November 30, 2022 and the Business Day immediately preceding the date specified by the Issuer for redemption of the Debentures (including, for greater certainty, pursuant to the provisions described herein under "Description of the Senior Subordinated Exchangeable Debentures — Repurchase of Debentures — Change of Control", "Description of the Senior Subordinated Exchangeable Debentures — Redemption of Debentures — Optional Redemption" and "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales"), at an exchange price per Common Share (the "**Exchange Price**") equal to \$21.95.

No adjustment to the Exchange Price will be made for interest accrued since the then most recently completed interest payment date on Debentures surrendered for exchange. In addition, holders exchanging their Debentures shall not be entitled to receive any accrued and unpaid interest in respect thereof for the period from and including the latest interest payment date up to but excluding the date of exchange. Pursuant to the Indenture, a Debenture shall be deemed to be surrendered for exchange on the date on which it is so surrendered in accordance with the provisions of the Indenture and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is actually received by the Debenture Trustee, provided that if a Debenture is surrendered for exchange on a day on which the register of Common Shares is closed, the holder of Debentures entitled to receive Common Shares shall become the holder of record of such Common Shares as at the date on which such register is next reopened. Notwithstanding the foregoing, no Debentures may be exchanged on an interest payment date or during the seven Business Days preceding the last day of May and November of each year (or, if such day is not a Business Day, the next Business Day), commencing on November 30, 2012, and if a Debenture is surrendered for exchange on an interest payment date or during the seven Business Days preceding the last day of May and November of each year (or, if such day is not a Business Day, the next Business Day), commencing on November 30, 2012, the person entitled to receive Common Shares in respect of Debentures so surrendered for exchange shall not become the holder of record of such Common Shares until the Business Day following such interest payment date.

Subject to the provisions thereof, the Indenture provides for the adjustment of the Exchange Price in certain events including: (a) the subdivision or consolidation of the outstanding Common Shares; (b) the distribution of Common Shares to shareholders by way of distribution or dividend; (c) the issuance of options, rights or warrants to shareholders entitling them to acquire Common Shares or other securities convertible or exchangeable into Common Shares at less than 95% of the then Current Market Price of the Common Shares; and (d) a distribution by the Corporation to all or substantially all the holders of outstanding Common Shares of (i) rights, options, or warrants (excluding rights, options or warrants entitling the holders thereof for a period of not more than 45 days to subscribe

for or purchase Common Shares or securities convertible or exchangeable into Common Shares), (ii) evidences of its indebtedness, or (iii) assets (excluding dividends or distributions paid in the ordinary course). The Issuer will not be required to make adjustments in the Exchange Price unless the cumulative effect of such adjustments would change the Exchange Price by at least 1%.

In the case of any reclassification of the Common Shares or a capital reorganization of the Corporation (other than a change resulting only from consolidation or subdivision) or in case of any amalgamation, consolidation, arrangement or merger of the Corporation with or into any other entity, or in the case of any sale or conveyance of the properties and assets of the Corporation as, or substantially as, an entirety to any other entity, or a liquidation, dissolution, winding-up of the Corporation or other similar transaction, the terms of the exchange privilege shall be adjusted so that each holder of Debentures shall receive after such transaction the kind and amount of securities or property of the Corporation, or such continuing, successor or purchaser entity, as the case may be, which the holder thereof would have been entitled to receive as a result of such reclassification, capital reorganization, amalgamation, consolidation, arrangement or merger, sale or conveyance or liquidation, dissolution, winding-up or other similar transaction, if on the effective date or record date thereof it had been the holder of the number of Common Shares into which the Debenture was exchangeable prior to the effective date of such event.

No fractional Common Shares will be issued on any exchange but in lieu thereof the Issuer shall satisfy fractional interest by a cash payment of an amount equal to the Current Market Price of any fractional interest.

8. Repurchase of Debentures

8.1. Change of Control

Pursuant to the Senior Secured Note Indenture, in the event of a Change of Control, the Issuer will be required to make an offer to each holder of Senior Secured Notes to repurchase all or any part of such holder's Senior Secured Notes on the terms set forth in the Senior Secured Note Indenture (the "**Senior Secured Notes Change of Control Offer**").

Pursuant to the provisions of the Indenture, following the completion of any Senior Secured Notes Change of Control Offer, the Issuer will be required to offer each holder of Debentures to repurchase all or any part (in minimum denominations of the lesser of a holder's entire position and \$1,000 and any integral multiple of \$1.00 in excess thereof) of that holder's Debentures on the terms set forth in the Indenture (the "**Change of Control Offer**"). For purposes of the Indenture and this "Description of the Senior Subordinated Exchangeable Debentures", references to the "completion of any Senior Secured Notes Change of Control Offer" will be deemed to have occurred on the earlier of (a) the date upon which all Senior Secured Notes properly tendered pursuant to a Senior Secured Notes Change of Control Offer have been accepted by the Issuer for payment and the Issuer has deposited with the paying agent the necessary cash amount to effect payment in full for all such Senior Secured Notes or (b) if no Senior Secured Notes remain outstanding upon the occurrence of a Change of Control, the date of such Change of Control.

In the Change of Control Offer, the Issuer will offer a Change of Control payment (the "**Change of Control Payment**") equal to 101% of the aggregate principal amount of Debentures repurchased, plus accrued and unpaid interest, if any, to the date of repurchase on the Debentures repurchased (subject to the rights of holders of Debentures on the relevant record date to receive interest due on the relevant interest payment date), payable in cash or, at the Issuer's election, in whole or in part, in Common Shares having an aggregate value, based on the Current Market Price as of the date on which the notice of the Change of Control Offer is given, equal to the Change of Control Payment.

Within 30 days following the completion of any Senior Secured Notes Change of Control Offer, the Issuer will send a notice to each holder of Debentures, with a copy to the Debenture Trustee, describing the transaction or transactions that constitute the Change of Control and offering to repurchase Debentures on the date specified in the notice (the "**Change of Control Payment Date**"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent, pursuant to the procedures required by the Indenture and described in such notice. In the event that the Issuer elects to pay all or any portion of the Change of Control Payment in Common Shares, such notice will state that such election is being made and will set forth the applicable Current Market Price,

as determined as of the date on which the notice of the Change of Control Offer is given, that will be used for Common Shares to be issued pursuant to such election.

The Issuer will comply with the requirements of any securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Debentures as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- accept for payment all Debentures or portions of Debentures properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent a cash amount or a number of Common Shares, or a combination thereof, equal to the Change of Control Payment in respect of all Debentures or portions of Debentures properly tendered; and
- deliver or cause to be delivered to the Debenture Trustee the Debentures properly accepted together with an officers' certificate stating the aggregate principal amount of Debentures or portions of Debentures being purchased by the Issuer.

The paying agent will promptly mail to each holder of Debentures properly tendered the Change of Control Payment for such Debentures as directed by the Issuer in writing, and the Debenture Trustee will promptly authenticate upon an authentication order from the Issuer and mail (or cause to be transferred by book entry) to each holder a Debenture equal in principal amount to any unpurchased portion of the Debentures surrendered, if any, provided that each Debenture will be in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following the completion of any Senior Secured Notes Change of Control Offer will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of Debentures to require that the Issuer repurchase or redeem Debentures in the event of a takeover, recapitalization or similar transaction.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to the Issuer pursuant to the Change of Control Offer, the Issuer will have the right to redeem all the remaining Debentures at the same price as under the Change of Control Offer. Notice of such redemption must be given by the Issuer to the Debenture Trustee within 10 days following the expiry of the Change of Control Offer, and promptly thereafter, by the Debenture Trustee to the holders of the Debentures not tendered pursuant to the Change of Control Offer.

The Issuer will not be required to make a Change of Control Offer upon the completion of any Senior Secured Notes Change of Control Offer if a third party makes a Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Debentures properly tendered and not withdrawn under the Change of Control Offer, unless and until there is a default in payment of the amount equal to the Change of Control Payment. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made, concurrently with a Senior Secured Notes Change of Control Offer and in advance of a Change of Control, conditional upon the consummation of such Change of Control, if (i) a definitive agreement is in place for the Change of Control at the time the Senior Secured Notes Change of Control Offer and the Change of Control Offer are made, and (ii) the Change of Control Offer is conditional upon the completion of the Senior Secured Notes Change of Control Offer.

The definition of "Change of Control" includes a phrase relating to the direct or indirect sale, transfer or other disposition of "all or substantially all" of the properties or assets of the Corporation and its Subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Debentures to require the Issuer to repurchase its Debentures as a result of a sale, transfer or other disposition of less than all of the assets of the Corporation and its Subsidiaries, taken as a whole, to another Person or group of Persons acting jointly or in concert for purposes of such transaction may be uncertain.

Future agreements governing other Indebtedness of the Corporation and its Subsidiaries may also contain prohibitions of certain events, including events that would constitute a Change of Control and including repurchases of or other prepayments in respect of the Debentures. The exercise by the holders of Debentures of their right to require the Issuer to repurchase the Debentures upon a Change of Control could cause a default under these other agreements, even if the Change of Control itself does not, due to the financial effect of such repurchases on the Issuer. In the event a Change of Control occurs at a time when the Issuer is prohibited from repurchasing Debentures, the Issuer could seek the consent of its lenders or debtholders to the repurchase of Debentures or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain a consent or repay those borrowings, the Issuer will remain prohibited from repurchasing Debentures. In that case, the Issuer's failure to repurchase tendered Debentures would constitute an Event of Default under the Indenture which could, in turn, constitute a default under the other Indebtedness. Finally, the Issuer's ability to pay cash to the holders of Debentures upon a repurchase may be limited by the Corporation's then existing financial resources.

9. Redemption of Debentures

9.1. Optional Redemption

Optional Redemption Prior to May 31, 2021

The Issuer may at any time and from time to time on or after the date on which all of the Senior Secured Notes have been repaid in full, but prior to May 31, 2021, redeem all or part of the Debentures at its option, without premium or penalty upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 110% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption On or After May 31, 2021

The Issuer may at any time and from time to time on or after May 31, 2021, redeem all or part of the Debentures at its option, without premium or penalty upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

9.2. Selection

In the event that less than all of the Debentures are to be redeemed at any time, selection of the Debentures for redemption will be made by the Debenture Trustee on a pro rata basis (or, in the case of Debentures issued in global form as discussed under "Book-Entry-Only System", based on a method that most nearly approximates a pro rata selection as the Debenture Trustee deems fair and appropriate) unless otherwise required by law or applicable stock exchange or depository requirements. No Debentures of a principal amount of \$1.00 or less will be redeemed in part.

If any Debenture is to be redeemed in part only, the notice of redemption that relates to that Debenture will state the portion of the principal amount of the Debenture to be redeemed. A new Debenture in a principal amount equal to the unredeemed portion of the Debenture will be issued in the name of the holder of the Debenture upon cancellation of the original Debenture. Debentures called for redemption become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on Debentures or portions thereof called

for redemption so long as the Issuer has deposited with the Debenture Trustee funds in satisfaction of the applicable redemption price (including accrued and unpaid interest on the Debentures to be redeemed) pursuant to the Indenture.

If any redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Debenture is registered at the close of business on such record date, and no additional interest will be payable to holders whose Debentures will be subject to redemption by the Issuer.

10. Other Acquisitions of Debentures

The Issuer may at any time after all of the Senior Secured Notes have been repaid in full, and from time to time thereafter, acquire Debentures by means other than a redemption, whether pursuant to an offer, open market purchase, or otherwise, so long as such acquisition does not otherwise violate the terms of the Indenture.

11. Offers for Debentures

The Indenture will contain provisions to the effect that if an offer is made for the Debentures then outstanding which is a take-over bid for Debentures within the meaning of *Regulation 62-104 respecting Take-Over Bids and Issuer Bids*, as amended, supplemented or replaced from time to time, and not less than 90% of the Debentures then outstanding (other than Debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken-up and paid for by the offeror, the offeror will be entitled to acquire the Debentures then outstanding held by the holders of Debentures who did not accept the offer on the terms offered by the offeror.

12. Certain Covenants

12.1. Restricted Payments

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Payment described in clauses (1) to (3) of the definition of "Restricted Payment". In addition, the Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Investment unless, at the time of and after giving effect to such Restricted Investment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Investment;
- (2) the Consolidated Total Debt to Consolidated EBITDA Ratio for the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such Restricted Investment is made would not have been greater than 2.0 to 1.0, determined on a pro forma basis, as if such Restricted Investment had been made at the beginning of such four-quarter period; and
- (3) such Restricted Investment, together with the aggregate amount of all other Restricted Investments made by the Corporation and its Restricted Subsidiaries since the date of the Indenture (excluding any payments permitted by clauses (1) to (6), (8) and (9) of the next succeeding paragraph), is less than the sum of:
 - (a) the lesser of: (i) \$200 million; or (ii) the sum of (x) \$25 million and (y) 30% of the Corporation's Excess Cash Flow for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the Indenture to the end of the Corporation's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Investment; *plus*

- (b) 100% of the aggregate net cash proceeds received by the Corporation or the Issuer since the date of the Indenture as a contribution to its common equity capital or from the issue or sale of Qualifying Equity Interests or from the issue or sale of convertible or exchangeable Disqualified Stock of the Corporation or the Issuer or convertible or exchangeable debt securities of the Corporation or the Issuer, in each case that have been converted into or exchanged for Qualifying Equity Interests (other than Qualifying Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Corporation); *plus*
- (c) to the extent that any Restricted Investment that was made after the date of the Indenture is sold for cash or otherwise liquidated or repaid for cash, the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any), and (ii) the initial amount of such Restricted Investment; *plus*
- (d) to the extent that any Unrestricted Subsidiary designated as such after the date of the Indenture is redesignated as a Restricted Subsidiary after the date of the Indenture, the lesser of (i) the Fair Market Value of the Corporation's Restricted Investment in such Restricted Subsidiary as of the date of such redesignation or (ii) such Fair Market Value as of the date on which such Restricted Subsidiary was originally designated as an Unrestricted Subsidiary after the date of the Indenture.

The preceding provisions will not prohibit:

- (1) the making of any Restricted Payment in exchange for, or out of or with the net proceeds of the substantially concurrent sale (other than to a Subsidiary of the Corporation) of, Qualifying Equity Interests or from the substantially concurrent contribution of common equity capital to the Corporation or the Issuer, provided that the amount of any such net proceeds that are utilized for any such Restricted Payment will not be considered to be net proceeds of Qualifying Equity Interests for purposes of clause (b) of the preceding paragraph;
- (2) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer, the Corporation or any other Guarantor in exchange for, by conversion into or out of, or with the net cash proceeds from, a substantially concurrent incurrence of Permitted Refinancing Indebtedness;
- (3) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on a pro rata basis;
- (4) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the payment of any dividend or the consummation of any redemption by the Corporation or any of its Restricted Subsidiaries, provided that such dividend or redemption is paid in Qualifying Equity Interests;
- (5) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition, payment or retirement for value of, or in connection with, any Equity Interests of the Corporation or any of its Restricted Subsidiaries held by any current or former officer, director, consultant or employee (or their estates or beneficiaries of their estates) of the Corporation or any of its Restricted Subsidiaries pursuant to any equity incentive or other plan, equity subscription agreement, stock option, restricted share, deferred share or other similar plan or agreement, shareholders' agreement, employment agreement or similar agreement, provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed \$5 million in any twelve-month period, provided, further, that such amount in any twelve-month period may be increased by an amount not to exceed:

- (a) the cash proceeds from the sale of Qualifying Equity Interests to any officer, director, consultant or employee (or their estates or beneficiaries of their estates) of the Corporation or any of its Subsidiaries that occurs after the date of the Indenture to the extent the cash proceeds from the sale of Qualifying Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3) of the preceding paragraph or clause (1) of this paragraph; plus
 - (b) the cash proceeds of key man life insurance policies received by the Corporation or its Restricted Subsidiaries after the date of the Indenture; and
 - (c) in addition, cancellation of Indebtedness owing to the Issuer, the Corporation or any other Guarantor from any current or former officer, director, consultant or employee (or any permitted transferees thereof) of the Corporation or any of its Restricted Subsidiaries, in connection with a repurchase of Equity Interests of the Corporation or any of its Restricted Subsidiaries from such Persons will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provisions of the Indenture;
- (6) the repurchase of Equity Interests or other securities deemed to occur upon (i) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities, to the extent such Equity Interests or other securities represent a portion of the exercise price of those stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities or (ii) the withholding of a portion of Equity Interests issued to employees and other participants under an equity compensation program of the Corporation or its Subsidiaries to cover withholding tax obligations of such persons in respect of such issuance;
 - (7) payments of cash, dividends, distributions, advances or other Restricted Payments by the Corporation or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities or (ii) the conversion or exchange of Capital Stock of any such Person;
 - (8) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock or preferred stock of the Corporation or any of its Restricted Subsidiaries;
 - (9) any Restricted Payment to the Corporation or any of its Restricted Subsidiaries;
 - (10) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, upon the occurrence of a Change of Control and within 60 days after completion of the offer to repurchase Debentures pursuant to the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Repurchase of Debentures — Change of Control" (including the purchase of all Debentures tendered), any purchase or redemption of Subordinated Indebtedness of the Corporation or any of its Restricted Subsidiaries that is required to be repurchased or redeemed pursuant to the terms thereof as a result of such Change of Control, at a purchase price not greater than 101% of the outstanding principal amount thereof (plus accrued and unpaid interest), provided that, prior to such repayment or repurchase, the Issuer shall have made the Change of Control Offer with respect to the Debentures as required by the Indenture, and the Issuer shall have repurchased all Debentures validly tendered for payment and not withdrawn in connection with such Change of Control Offer;
 - (11) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, after the completion of an Asset Sale Offer pursuant to the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales" (including the purchase of all Debentures tendered), any purchase or redemption of Subordinated Indebtedness of the Corporation or any of its Restricted Subsidiaries that is required

to be repurchased or redeemed pursuant to the terms thereof as a result of such Asset Sale, at a purchase price not greater than 101% of the outstanding principal amount thereof (plus accrued and unpaid interest), with any Excess Proceeds that remain after the consummation of an Asset Sale Offer, provided that, prior to such repayment or repurchase, the Issuer shall have made the Asset Sale Offer with respect to the Debentures as required by the Indenture, and the Issuer shall have repurchased all Debentures validly tendered for payment and not withdrawn in connection with such Asset Sale Offer;

- (12) any payment to reimburse the Corporation or any of its Affiliates for actual out-of-pocket expenses (not including fees paid directly or indirectly to the Corporation or any of its Affiliates) for the provision of third party services to the Corporation and its Restricted Subsidiaries;
- (13) any payment resulting from the exercise of rights, or the performance of obligations, arising from any agreement entered into on or prior to the date of this Indenture in connection with the sale, disposition, purchase or acquisition of assets, including any indemnification, adjustment of purchase price, earn-out, put or call option or any similar rights and obligations; and
- (14) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed \$20 million since the date of the Indenture, provided that the aggregate amount of Restricted Payments permitted to be made by the Corporation at any time pursuant to this clause (14) will be decreased by any amount paid by the Corporation or any of its Restricted Subsidiaries in any twelve-month period (but not exceeding \$5 million during any such twelve-month period) pursuant to clause (5) of this paragraph.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Corporation or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of the Corporation whose resolution with respect thereto will be delivered to the Debenture Trustee.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (14) of the second paragraph above, or is entitled to be made pursuant to the first paragraph thereof, the Corporation will be entitled to classify such Restricted Payment (or portion thereof) on the date of its payment in any manner that complies with this covenant.

12.2. Incurrence of Indebtedness and Issuance of Preferred Stock

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Debt), and the Corporation will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock, provided, however, that the Corporation or any of its Restricted Subsidiaries may incur Subordinated Indebtedness or Acquired Debt or issue Disqualified Stock, and the Guarantors may incur Subordinated Indebtedness or Acquired Debt or issue preferred stock, if the Consolidated Total Debt to Consolidated EBITDA Ratio for the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such Subordinated Indebtedness or Acquired Debt is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, would not have been greater than 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the Subordinated Indebtedness or Acquired Debt had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period, provided further, that, notwithstanding the covenant described under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries", any Restricted Subsidiary that ceases to be a Wholly-Owned Subsidiary of the Corporation as a result of such Restricted Subsidiary issuing Capital Stock pursuant to the present covenant shall be deemed to remain a Restricted Subsidiary for all purposes under the Indenture.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness or the issuance of any of the following Disqualified Stock (collectively, "**Permitted Debt**"):

- (1) the incurrence by the Corporation or any of its Restricted Subsidiaries and the guarantee thereof by any of the Guarantors of Indebtedness and letters of credit (and reimbursement obligations with respect thereto) under one or more Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum remaining potential liability of the Corporation and its Restricted Subsidiaries thereunder) not to exceed, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (1), \$50 million, provided that the aggregate principal amount of Indebtedness permitted to be incurred by the Corporation at any time pursuant to this clause (1) will be decreased by the principal amount of Indebtedness then incurred by the Corporation pursuant to clauses (3) and (10) (to the extent that any Indebtedness incurred pursuant to such clause (10) is secured by a Permitted Lien pursuant to clause (3) of the definition of "Permitted Liens") of this paragraph;
- (2) the incurrence by the Corporation or any Restricted Subsidiary of the Existing Indebtedness (other than Indebtedness permitted under clauses (4), (6), (10), (16) and (17));
- (3) Indebtedness incurred by a Receivables Entity in a Qualified Receivables Transaction, provided that, after giving effect to any such incurrence, the aggregate principal amount of Indebtedness at any one time outstanding under this clause (3) does not exceed, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (3), \$50 million, provided further, that the aggregate principal amount of Indebtedness permitted to be incurred by any Receivables Entity at any time pursuant to this clause (3) will be decreased by the principal amount of additional Indebtedness then incurred by the Corporation pursuant to clauses (1) and (10) (to the extent that any Indebtedness incurred pursuant to such clause (10) is secured by a Permitted Lien pursuant to clause (3) of the definition of "Permitted Liens") of this paragraph;
- (4) letters of credit and banker's acceptances issued in the ordinary course of business (and reimbursement obligations with respect thereto) in an aggregate principal amount (with letters of credit and banker's acceptances being deemed to have a principal amount equal to the maximum remaining potential liability of the Corporation and its Restricted Subsidiaries thereunder) not to exceed, as of any date of incurrence of Indebtedness pursuant to this clause (4), when combined with any Existing Indebtedness that comprises of letters of credit and banker's acceptances (with such letters of credit and banker's acceptances being deemed to have a principal amount equal to the maximum remaining potential liability of the Corporation and its Restricted Subsidiaries thereunder) and all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), \$25 million;
- (5) the incurrence by the Issuer, the Corporation and the other Guarantors of Indebtedness represented by the Senior Secured Notes, the related Senior Secured Note Guarantees, the Debentures and the related Debenture Guarantees;
- (6) the incurrence by the Corporation or any of its Restricted Subsidiaries of Attributable Debt in connection with a sale and leaseback transaction or Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, development, construction, installation, expansion, repair or improvement of property, plant or equipment used in the business of the Corporation or any of its Restricted Subsidiaries (in each case, whether through the direct purchase of such assets or the purchase of Equity Interests of any Person owning such assets), in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness

incurred pursuant to this clause (6), not to exceed, as of any date of incurrence of Indebtedness pursuant to this clause (6), \$15 million;

- (7) the incurrence by the Corporation or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge any Indebtedness (other than Intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (5) and (7) of this paragraph;
- (8) the incurrence by the Corporation or any of its Restricted Subsidiaries of Intercompany Indebtedness between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries, provided, however, that (a) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Corporation or any of its Restricted Subsidiaries and (b) any sale or other transfer of any such Indebtedness to a Person that is not either the Corporation or any of its Restricted Subsidiaries, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Corporation or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (8);
- (9) the issuance by any of the Corporation's Restricted Subsidiaries to the Corporation or to any of its Restricted Subsidiaries of shares of preferred stock, provided, however, that:
 - (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Corporation or any of its Restricted Subsidiaries; and
 - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Corporation or any of its Restricted Subsidiaries

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (9);

- (10) the incurrence by the Corporation or any of its Restricted Subsidiaries of Cash Management Obligations and Hedging Obligations in the ordinary course of business in an aggregate principal amount not exceed \$25 million at any one time outstanding;
- (11) the guarantee by the Issuer, the Corporation or any of the other Guarantors of Indebtedness of the Corporation or any of its Restricted Subsidiaries that was permitted to be incurred by another provision of this covenant, provided that if the Indebtedness being guaranteed is subordinated to the Debentures, then the Guarantee must be subordinated to the same extent as the Indebtedness guaranteed;
- (12) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, unemployment or other insurance or self-insurance obligations, bankers' acceptances, performance, completion and surety bonds, completion guarantees and similar obligations in the ordinary course of business;
- (13) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days;
- (14) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness arising from agreements of the Corporation or such Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn outs or similar obligations, in each case, incurred or assumed in

connection with the acquisition, sale or disposition of any business or assets, or Capital Stock of the Corporation or any of its Subsidiaries, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Capital Stock;

- (15) the incurrence of contingent liabilities arising out of endorsements of cheques and other negotiable instruments for deposit or collection in the ordinary course of business;
- (16) the incurrence of Indebtedness consisting of guarantees of loans or other extensions of credit to or on behalf of current or former officers, directors, employees and consultants (and their spouses and estates) of the Corporation or any of its Restricted Subsidiaries for the purpose of permitting such Persons to purchase or redeem Capital Stock of the Corporation or any of its Restricted Subsidiaries or in connection with the exercise by such Persons of stock options of the Corporation or any of its Restricted Subsidiaries and the funding of the exercise price of such stock options, in an aggregate principal amount not exceed \$2 million at any one time outstanding;
- (17) Indebtedness of the Corporation or any of its Restricted Subsidiaries to credit card providers, processors or intermediaries in connection with credit card processing or financing services incurred in the ordinary course of business of the Corporation and its Restricted Subsidiaries in an aggregate principal amount not to exceed \$25 million;
- (18) the incurrence by the Corporation or any of its Restricted Subsidiaries of Indebtedness owed to one or more Persons in respect of premium financing or similar deferred payment obligations with respect to insurance policies purchased in the ordinary course of business; and
- (19) the incurrence by the Corporation or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (19), not to exceed \$40 million.

For purposes of determining compliance with this "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of proposed Indebtedness or Disqualified Stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (19) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Corporation will be permitted to classify all or a portion of such item of Indebtedness or Disqualified Stock on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness or Disqualified Stock, in any manner that complies with this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant, provided, in each such case, that the amount of any such accrual, accretion or payment is included in Consolidated Total Debt of the Corporation as accrued. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Corporation or any Restricted Subsidiary may incur pursuant to this covenant will not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

- (3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
 - (a) the Fair Market Value of such assets at the date of determination; and
 - (b) the amount of the Indebtedness of the other Person.

12.3. Asset Sales

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale on or after the date of the Indenture unless:

- (1) the Corporation (or its Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Corporation (or its Restricted Subsidiary, as the case may be) is in the form of cash or Cash Equivalents. For purposes of this clause (2), each of the following will be deemed to be cash:
 - (a) any liabilities, as shown on the Corporation's most recent consolidated balance sheet, of the Corporation or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Debentures or any Debenture Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption or similar agreement and without recourse to the Corporation or any of its Restricted Subsidiaries;
 - (b) any securities, Senior Secured Notes, Debentures or other obligations received by the Corporation or any such Restricted Subsidiary from such transferee that are converted by the Corporation or such Restricted Subsidiary into cash or Cash Equivalents within 30 days of receipt thereof, to the extent of the cash or Cash Equivalents received in that conversion;
 - (c) any Designated Non-Cash Consideration received by the Corporation or any Restricted Subsidiary thereof in such Asset Sale having a Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed \$20 million, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received without giving effect to subsequent changes in value;
 - (d) any assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;
 - (e) any assets that are used or useful in a Permitted Business; and
 - (f) cash held in escrow as security for any indemnification, settlement or adjustment of purchase price, earn-outs or similar obligations in connection with the Asset Sale.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale or a Casualty or Condemnation Event directly attributable to any assets or properties of the Corporation or any of its Restricted Subsidiaries, the Corporation (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds (excluding any Net Proceeds used to repay Senior Secured Notes in accordance with the terms thereof) at its option:

- (1) to prepay, repay, purchase or legally defease Applicable Indebtedness to the extent required to do so by the terms of any such Applicable Indebtedness;
- (2) to redeem Debentures as described above under "Description of the Senior Subordinated Exchangeable Debentures — Redemption of Debentures";
- (3) to acquire Debentures as described above under "Description of the Senior Subordinated Exchangeable Debentures — Other Acquisitions of Debentures";
- (4) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Corporation;
- (5) to make a capital expenditure with respect to a Permitted Business;
- (6) to purchase assets that would constitute collateral securing the Senior Secured Notes or Senior Secured Note Guarantees, as applicable, or that would be subject to other Permitted Liens, or, in the case of a Casualty or Condemnation Event, to repair, restore, rebuilt or replace property subject to such Casualty or Condemnation Event; or
- (7) to acquire other assets that are used or useful in a Permitted Business.

Notwithstanding the foregoing, in the event the Corporation or any Restricted Subsidiary enters into a binding agreement committing to make an acquisition, expenditure or investment in compliance with clauses (4) to (7) of the preceding paragraph within 365 days after the receipt of any Net Proceeds from an Asset Sale, such commitment will be treated as a permitted application of the Net Proceeds from the date of the execution of such agreement until the earlier of (i) the date on which such acquisition or investment is consummated or such expenditure is made or such agreement is terminated, and (ii) the 180th day after the expiration of the aforementioned 365-day period.

Any Net Proceeds from Asset Sales or Casualty or Condemnation Events that are not applied or invested as provided in the second paragraph of this covenant will constitute "**Excess Proceeds**". Once the aggregate amount of Excess Proceeds exceeds \$35 million, the Issuer will, within 30 days thereof, make an offer (an "**Asset Sale Offer**") to all the holders of Debentures to repurchase, without premium or penalty, the maximum principal amount of Debentures that may be repurchased with such Excess Proceeds. The offer price for any Asset Sale Offer will be equal to 100% of the aggregate principal amount of Debentures, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date) and will be payable in cash (the "**Asset Sale Offer Payment**"). The Issuer will send a notice to each holder of Debentures with a copy to the Debenture Trustee describing the Asset Sale Offer and offering to repurchase Debentures on a given date specified in the notice (the "**Asset Sale Offer Payment Date**"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent, pursuant to the procedures required by the Indenture and described in such notice.

In the event that any Excess Proceeds remain after the completion of an Asset Sale Offer, the Corporation or the applicable Restricted Subsidiary may use such remaining Excess Proceeds for any purpose not otherwise prohibited by the Indenture. In the event that the aggregate amount to be paid in respect of all the Debentures or portion of Debentures properly tendered pursuant to any Asset Sale Offer exceeds the Excess Proceeds, selection of the Debentures for repurchase will be made by the Debenture Trustee on a pro rata basis (or, in the case of Debentures issued in global form as discussed under "Book-Entry-Only System", based on a method that most nearly approximates a pro rata selection as the Debenture Trustee deems fair and appropriate) unless otherwise required by law or applicable stock exchange or depositary requirements. No Debentures of a principal amount of \$1.00 or less will be repurchased in part. Upon completion of each Asset Sale Offer, the amount of Net Proceeds will be reset at zero.

The Issuer will comply with the requirements of any securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Debentures as a result of an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale Offer provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale Offer provisions of the Indenture by virtue of such compliance.

On the Asset Sale Offer Payment Date, the Issuer will, to the extent lawful:

- accept for payment all Debentures or portions of Debentures properly tendered pursuant to the Asset Sale Offer;
- deposit with the paying agent an amount equal to the Asset Sale Offer Payment in respect of all Debentures or portions of Debentures properly tendered; and
- deliver or cause to be delivered to the Debenture Trustee the Debentures properly accepted together with an officers' certificate stating the aggregate principal amount of Debentures or portions of Debentures being purchased by the Issuer.

The paying agent will promptly mail to each holder of Debentures properly tendered the Asset Sale Offer Payment for such Debentures as directed by the Issuer in writing, and the Debenture Trustee will promptly authenticate upon an authentication order from the Issuer and mail (or cause to be transferred by book entry) to each holder a Debenture equal in principal amount to any unpurchased portion of the Debentures surrendered, if any, provided that each Debenture will be in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof.

The provisions described above that require the Issuer to make an Asset Sale Offer will be applicable whether or not any other provisions of the Indenture are applicable.

Pending the final application of any Net Proceeds, the Corporation or the applicable Restricted Subsidiary, as the case may be, may temporarily reduce Indebtedness under Credit Facilities or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of an Asset Sale Offer have been tendered to the Issuer pursuant to the Asset Sale Offer, the Issuer will have the right to redeem all the remaining Debentures at the same price as under the Asset Sale Offer. Notice of such redemption must be given by the Issuer to the Debenture Trustee within 10 days following the expiry of the Asset Sale Offer, and promptly thereafter, by the Debenture Trustee to the holders of the Debentures not tendered pursuant to the Asset Sale Offer.

Future agreements governing other Indebtedness of the Corporation and its Subsidiaries may also contain prohibitions of certain events, including repurchases of or other prepayments in respect of the Debentures. The exercise by the holders of Debentures of their right to require the Issuer to repurchase the Debentures pursuant to an Asset Sale Offer could cause a default under these other agreements due to the financial effect of such repurchases on the Issuer. In the event an Asset Sale Offer occurs at a time when the Issuer is prohibited from repurchasing Debentures, the Issuer could seek the consent of its lenders or debtholders to the repurchase of Debentures or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain a consent or repay those borrowings, the Issuer will remain prohibited from repurchasing Debentures. In that case, the Issuer's failure to repurchase tendered Debentures would constitute an Event of Default under the Indenture which could, in turn, constitute a default under the other Indebtedness. Finally, the Issuer's ability to pay cash to the holders of Debentures upon a repurchase may be limited by the Corporation's then existing financial resources.

12.4. Liens

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired, except Permitted Liens.

12.5. Limitation on Sale and Leaseback Transactions

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction with respect to any fixed assets, provided, however, that this covenant will not apply to any sale and leaseback transaction if:

- (1) (i) such Restricted Subsidiary created a Lien on such property or asset securing Attributable Debt pursuant to the "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Liens" covenant above, (ii) the net cash proceeds of such sale and leaseback transaction are at least equal to the Fair Market Value of the property or asset that is subject to such sale and leaseback transaction and (iii) the transfer of assets and application of proceeds in such sale and leaseback transaction is permitted by and in compliance with the "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales" covenant above;
- (2) the lease in such sale and leaseback transaction is for a period, including renewal rights, of eighteen months or less; or
- (3) such sale and leaseback transaction is entered into between the Corporation and a Restricted Subsidiary or a Restricted Subsidiary and another Restricted Subsidiary.

12.6. Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Corporation or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Corporation;
- (2) make loans or advances to the Corporation; or
- (3) sell, lease or transfer any of its properties or assets to the Corporation.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) instruments, indentures, agreements or other documents governing Existing Indebtedness, the Senior Secured Notes, Credit Facilities or Receivables Facilities or other contractual encumbrances or restrictions, in each case, as in effect on the date of the Indenture or incurred after the date of the Indenture as permitted under the Indenture, and any amendments, restatements, modifications, renewals, supplements, extensions, refundings, replacements or refinancings of those agreements, provided that the amendments, restatements, modifications, renewals, supplements, extensions, refundings, replacements or refinancings are not, in the good faith judgment of the Board of Directors of the Corporation, materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of the Indenture or those contained in those agreements after the date of the Indenture as permitted under the Indenture;

- (2) the Senior Secured Note Indenture, the Senior Secured Notes, the Senior Secured Note Guarantees, the Indenture, the Debentures and the Debenture Guarantees;
- (3) applicable law, rule, regulation, order, approval, license, permit or similar restriction;
- (4) (a) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Corporation or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the properties or assets of the Person, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred; and (b) any amendment, modification, replacement or refinancing thereof, provided, however, that such encumbrances or restrictions are not, in the good faith judgment of the Board of Directors of the Corporation, materially more restrictive, taken as a whole, with respect to consensual encumbrances or restrictions set forth in clauses (1), (2) or (3) of the preceding paragraph than on such encumbrances or restrictions prior to such amendment, modification, replacement or refinancing;
- (5) customary non-assignment provisions in contracts and licenses entered into in the ordinary course of business;
- (6) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;
- (7) any restriction with respect to (a) a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Subsidiary or (b) any asset of a Restricted Subsidiary pursuant to an agreement entered into for the sale or other disposition of such asset (including in connection with sale and leaseback transactions), in each case pending the closing of such sale or disposition;
- (8) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not, in the good faith judgment of the Board of Directors of the Corporation, materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced, extended, renewed, refunded, replaced, defeased or discharged;
- (9) Indebtedness or other contractual requirements of a Receivables Entity in connection with a Qualified Receivables Transaction, provided that such restrictions apply only to such Receivables Entity;
- (10) provisions in agreements or instruments that prohibit the payment of dividends or the making of other distributions with respect to the Capital Stock of a Person other than on a pro rata basis;
- (11) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale and leaseback agreements, stock sale agreements and other similar agreements entered into with the approval of the Board of Directors of the Corporation, which limitation is applicable only to the assets that are the subject of such agreements;
- (12) restrictions on cash or other deposits or net worth imposed in leases, in agreements with customers and under other contracts entered into in the ordinary course of business;
- (13) restrictions in other Indebtedness incurred in compliance with the covenant described under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock", provided that such restrictions,

taken as a whole, are, in the good faith judgment of the Board of Directors of the Corporation, no more materially restrictive with respect to such encumbrances and restrictions than those contained in the existing agreements referenced in clauses (1) and (2) above;

- (14) encumbrances on property that exist at the time such property was acquired by the Corporation or any Restricted Subsidiary;
- (15) any such encumbrance or restriction consisting of customary non-assignment provisions in leases governing leasehold interests to the extent such provisions restrict the transfer of the lease or the property leased thereunder; and
- (16) restrictions contained in agreements governing Permitted Liens of the Corporation or any of its Restricted Subsidiaries or in respect of licenses otherwise permitted to be incurred under this Indenture, in each case to the extent such restrictions only restrict the transfer of the property subject to such agreement or license.

12.7. Merger, Consolidation or Sale of All or Substantially All Assets

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly: (1) merge, consolidate or amalgamate with or into another Person or (2) sell, assign, transfer or otherwise dispose of all or substantially all of the properties or assets of the Corporation and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

- (1) either: (a) the Corporation or the Issuer is the surviving Person; or (b) the Person formed by or surviving any such merger, consolidation or amalgamation (if other than the Corporation or the Issuer) or to which such sale, assignment, transfer or other disposition has been made is organized or existing under the laws of Canada or any province or territory thereof;
- (2) the Person formed by or surviving any such merger, consolidation or amalgamation (if other than the Corporation or the Issuer) or the Person to which such sale, assignment, transfer or other disposition has been made assumes all the obligations of the Corporation or the Issuer, as the case may be, under the Debentures and the Indenture and pursuant to agreements reasonably satisfactory to the Debenture Trustee;
- (3) immediately after such transaction, no Default or Event of Default exists; and
- (4) the Corporation, the Issuer or the Person formed by or surviving any such merger, consolidation or amalgamation (if other than the Corporation or the Issuer), or to which such sale, assignment, transfer, or other disposition has been made would have, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of such transaction, a Consolidated Total Debt to Consolidated EBITDA Ratio not greater than 2.0 to 1.0.

In addition, the Corporation will not, directly or indirectly, lease all or substantially all of the properties and assets of the Corporation and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to any other Person.

This "Merger, Consolidation or Sale of All or Substantially All Assets" covenant will not apply to:

- (1) any merger, consolidation or amalgamation of the Corporation or the Issuer with an Affiliate for the purpose of (a) reorganizing the Corporation or the Issuer as a different type of entity, or (b) reincorporating or reorganizing the Corporation or the Issuer in another jurisdiction, in each case in a transaction that complies with clauses (1), (2), (3) and (4) of the prior paragraph; or

- (2) any merger, consolidation or amalgamation, or any sale, assignment, transfer or other disposition of assets between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries.

12.8. Transactions with Affiliates

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, assign, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Corporation (each, an "**Affiliate Transaction**"), unless:

- (1) the Affiliate Transaction is on terms that are no less favorable to the Corporation or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Corporation or such Restricted Subsidiary with a Person that is not an Affiliate of the Corporation; and
- (2) the Corporation delivers to the Debenture Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$20 million, a resolution of the Board of Directors of the Corporation set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the members of the Board of Directors of the Corporation; and
 - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$60 million, an opinion as to the fairness to the Corporation or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (1) any consulting or employment agreement or arrangements, employee or director compensation, incentive compensation plan, stock option or stock ownership plan, employee benefit plan, severance arrangements, officer or director indemnification agreement or any similar arrangement entered into by the Corporation or any of its Restricted Subsidiaries in the ordinary course of business for the benefit of directors, officers, employees and consultants of the Corporation or any of its Restricted Subsidiaries and payments, other benefits (including, bonuses, retirement, severances, health, stock option, restricted share, stock appreciation right, phantom right, profits interest, equity incentive and other benefit plans) and transactions pursuant thereto;
- (2) transactions between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries;
- (3) transactions with a Person that is an Affiliate of the Corporation solely because the Corporation owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
- (4) payment of reasonable compensation or fees, reimbursements of expenses (pursuant to indemnity arrangements or otherwise) and indemnities provided to or on behalf of officers, directors, employees or consultants of the Corporation or any of its Restricted Subsidiaries;

- (5) any issuance of Qualifying Equity Interests or any Restricted Subsidiary to Affiliates of the Corporation, or any contribution of capital by Affiliates of the Corporation to the Corporation or any Restricted Subsidiary;
- (6) any transaction with an Affiliate where the consideration paid by the Corporation or any of its Restricted Subsidiaries is a Qualifying Equity Interest;
- (7) Permitted Investments, and Restricted Payments that are permitted under and made in compliance with the provisions of the Indenture described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments";
- (8) any transaction effected as part of a Qualified Receivables Transaction;
- (9) loans or advances to officers, directors, employees or consultants of the Corporation or any of its Restricted Subsidiaries in the ordinary course of business not to exceed \$2 million in the aggregate at any one time outstanding;
- (10) any Joint Purchasing Agreement;
- (11) any merger, consolidation, amalgamation or other transaction with an Affiliate for the purpose of reincorporating or reorganizing the Corporation or a Restricted Subsidiary in another jurisdiction as permitted by the Indenture;
- (12) purchase or sale of goods and/or services in the ordinary course of business on terms that are no less favorable to the Corporation or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Corporation or such Restricted Subsidiary with a Person that is not an Affiliate of the Corporation;
- (13) if such Affiliate Transaction is with an Affiliate in its capacity as a holder of Indebtedness of the Corporation or any Restricted Subsidiary, a transaction in which such Affiliate is treated no more favorably than the other holders of Indebtedness of the Corporation or such Restricted Subsidiary;
- (14) any capital contribution to any Affiliate otherwise permitted by the Indenture;
- (15) any payment to reimburse the Corporation or its Affiliates for actual out-of-pocket expenses (not including fees paid directly or indirectly to the Corporation or its Affiliates) for the provision of third party services to the Corporation and its Restricted Subsidiaries;
- (16) transactions with any joint venture engaged in a Permitted Business, provided that all the outstanding ownership interests of such joint venture are owned only by the Corporation, its Restricted Subsidiaries and Persons that are not Affiliates of the Corporation;
- (17) any Investment of the Corporation or any of its Restricted Subsidiaries existing on the date of the Indenture, and any extension, modification or renewal of such existing Investments, to the extent not involving any additional Investment other than as the result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investments as in effect on the date of the Indenture;
- (18) transactions pursuant to agreements or arrangements in effect on the date of the Indenture or any amendment, modification or supplement thereto or replacement thereof and any payments made or performance under any agreement as in effect on the date of the Indenture or any amendment, replacement, extension or renewal thereof (so long as such agreement as so amended, replaced, extended or renewed is not, in the good faith judgment of the Board of Directors of the Corporation, materially less favorable, to the holders of the Debentures);

- (19) transactions between the Corporation or any of its Restricted Subsidiaries and any Person that is an Affiliate solely because one or more of its directors or officers is also a director or officer of the Corporation, provided that such director abstains from voting as a director of the Corporation on any such transaction involving such other Person;
- (20) repurchase of Senior Secured Notes or Debentures held by an Affiliate of the Corporation if repurchased on the same terms as offered to Persons that are not Affiliates of the Corporation; and
- (21) transactions entered into in good faith with any of the Corporation's or a Restricted Subsidiary's Affiliates which provide for shared services and/or facilities arrangements and which provide cost savings and/or other operational efficiencies to the Corporation and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Board of Directors of the Corporation, and payments related thereto.

12.9. Business Activities

The Corporation will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Corporation and its Restricted Subsidiaries, taken as a whole.

12.10. Additional Debenture Guarantees

Any Subsidiary that becomes a Restricted Subsidiary or that is designated as a Restricted Subsidiary after the date of the Indenture pursuant to the covenant described under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries" will become a Guarantor of the Debentures and execute a supplemental indenture effectuating such Guarantor's Debenture Guarantee and deliver an opinion of counsel and an officers' certificate as to the authorization, execution, delivery and enforceability of such supplemental indenture satisfactory to the Debenture Trustee within 30 Business Days of the date on which it became a Restricted Subsidiary or on which it was designated as a Restricted Subsidiary, provided that any Wholly-Owned Subsidiary that constitutes a Receivables Entity or an Unrestricted Subsidiary need not become a Guarantor until such time as it ceases to be a Receivables Entity or an Unrestricted Subsidiary.

12.11. Limitation on Issuances and Sales of Equity Interests in Wholly-Owned Restricted Subsidiaries

The Corporation will not, and will not permit any of its Restricted Subsidiaries to sell, transfer, or otherwise dispose of any Equity Interests in any Wholly-Owned Restricted Subsidiary of the Corporation to any Person (other than the Corporation or a Wholly-Owned Restricted Subsidiary of the Corporation), unless:

- (1) such sale, transfer, or other disposition is of all the Equity Interests in such Wholly-Owned Restricted Subsidiary; and
- (2) the net proceeds from such sale, transfer, or other disposition are, to the extent required, applied in accordance with the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales".

In addition, the Corporation will not permit any of its Wholly-Owned Restricted Subsidiaries to issue any of its Equity Interests (other than, if necessary, shares of its Capital Stock constituting directors' qualifying shares) to any Person other than to the Corporation or a Wholly-Owned Restricted Subsidiary of the Corporation.

12.12. Designation of Restricted and Unrestricted Subsidiaries

All of the Corporation's existing Wholly-Owned Subsidiaries will be "Restricted Subsidiaries" and any future Wholly-Owned Subsidiary of the Corporation will become a "Restricted Subsidiary" as at such time that it becomes a Wholly-Owned Subsidiary of the Corporation.

The Board of Directors of the Corporation will not be permitted to designate any existing or future Wholly-Owned Subsidiary of the Corporation as an "Unrestricted Subsidiary". However, the Board of Directors of the Corporation will be permitted to (1) designate any Unrestricted Subsidiary or any Subsidiary that is not a Wholly-Owned Subsidiary as a "Restricted Subsidiary", provided that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary in an amount equal to the outstanding Indebtedness of such Unrestricted Subsidiary or Subsidiary that is not a Wholly-Owned Subsidiary, as applicable, and such designation will only be permitted if (a) such Indebtedness is permitted under the covenant described under "Description of the Senior Subordinated Exchangeable Debentures -- Certain Covenants -- Incurrence of Indebtedness and Issuance of Preferred Stock", calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (b) no Default or Event of Default would be in existence following such designation, or (2) subject to the first paragraph of the covenant described under "Description of the Senior Subordinated Exchangeable Debentures -- Certain Covenants -- Incurrence of Indebtedness and Issuance of Preferred Stock", designate any Restricted Subsidiary that is not a Wholly-Owned Subsidiary as an "Unrestricted Subsidiary" if, as at the time of such designation (a) such designation would not cause a Default, and (b) after giving pro forma effect to such designation, (i) the sum, without duplication, of the EBITDA of the Corporation's Unrestricted Subsidiaries, would not be greater than 10% of the EBITDA of the Corporation and its Subsidiaries, on a consolidated basis, and (ii) the sum, without duplication, of the total assets of the Corporation's Unrestricted Subsidiaries, would not be greater than 10% of the total assets of the Corporation and its Subsidiaries, on a consolidated basis, all as shown on the most recent internal income statement and balance sheet of the Corporation; provided, however, that upon such designation the aggregate Fair Market Value of all outstanding Investments owned by the Corporation and its Restricted Subsidiaries in such Restricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments" or under one or more clauses of the definition of "Permitted Investments", as determined by the Corporation, and provided further that such designation will only be permitted if the Investment would be permitted at that time and if such Restricted Subsidiary that is not a Wholly-Owned Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Restricted Subsidiary as an Unrestricted Subsidiary will be evidenced to the Debenture Trustee by filing with the Debenture Trustee a certified copy of a resolution of the Board of Directors of the Corporation giving effect to such designation and an officers' certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments". If, at any time, any Unrestricted Subsidiary would fail to meet the definition of an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Unrestricted Subsidiary will be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock", the Corporation will be in default of such covenant.

12.13. Listing

The Corporation shall use commercially reasonable efforts to ensure that the Common Shares and the Debentures are listed and posted for trading on the TSX or failing that, the TSX-V, to maintain such listing and posting for trading of the Common Shares and the Debentures on the TSX or TSX-V, as the case may be, and to maintain the Corporation's status as a "reporting issuer" not in default under applicable Canadian provincial securities laws.

13. Provision of Financial Information

So long as any of the Debentures are outstanding, the Issuer will provide to the Debenture Trustee, at any time prior to the date that is 15 days after the latest date on which such filings can be made pursuant to applicable Canadian securities laws and regulations, (i) all quarterly and annual consolidated financial statements of the Corporation and related management's discussion and analysis of the Corporation, and (ii) any material change reports of the Corporation that, in each case, the Corporation is required to file (through the *System for Electric*

Document Analysis and Retrieval (SEDAR)) pursuant to applicable Canadian securities laws and regulations with applicable Canadian securities commissions.

In the event that the Corporation is no longer subject to the reporting requirements under applicable Canadian securities laws and regulations and is therefore not required to file (through the *System for Electric Document Analysis and Retrieval* (SEDAR)) quarterly and annual consolidated financial statements with applicable Canadian securities commissions, the Issuer will continue to furnish to the Debenture Trustee all quarterly and annual consolidated financial statements of the Corporation in the same form and within the same time periods provided in the paragraph above as if the Corporation remained subject to the reporting requirements of applicable Canadian securities laws and regulations. However, in such case, the Issuer will not be required to furnish to the Debenture Trustee the management's discussion and analysis and material change reports referred to in the paragraph above.

The Corporation and the Debenture Trustee will not be required to deliver or cause to be delivered to the holders of Debentures any quarterly or annual consolidated financial statements, related management's discussion and analysis or any other documents if such documents are available on or through the *System for Electric Document Analysis and Retrieval* (SEDAR) or the Corporation's website.

The Indenture will provide that all calculations and determinations made under the Indenture will be determined on the basis of GAAP used in the preparation of the financial statements incorporated by reference and included in this information circular so as to exclude from any such calculations or determinations the effect of any change in accounting principles from those in effect on the Issue Date.

14. Events of Default and Remedies

Each of the following is an "Event of Default":

- (1) default for 30 days in the payment when due of interest on the Debentures;
- (2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Debentures;
- (3) failure by the Corporation or any of its Restricted Subsidiaries to comply with the provisions described under "Description of the Senior Subordinated Exchangeable Debentures — Repurchase of Debentures — Change of Control" or "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets";
- (4) failure by the Corporation or any of its Restricted Subsidiaries for 30 days after notice to the Issuer by the Debenture Trustee or the holders of at least 25% in aggregate principal amount of the Debentures then outstanding to comply with the provisions described under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales";
- (5) failure by the Corporation or any of its Restricted Subsidiaries for 60 days after notice to the Issuer by the Debenture Trustee or the holders of at least 25% in aggregate principal amount of the Debentures then outstanding to comply with any other covenants of the Debentures or the Indenture (other than those specified in clause (1), (2), (3) or (4) above);
- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Corporation or any of its Restricted Subsidiaries, whether such Indebtedness now exists, or is created after the date of the Indenture, if (i) that default results in the acceleration of such Indebtedness prior to its Stated Maturity (which acceleration is not rescinded or annulled) and (ii) the aggregate principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness the maturity of which has been so accelerated, aggregates \$50 million or more;

- (7) any Guarantor denies or challenges the validity of its Debenture Guarantee; and
- (8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Corporation or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default referred to above in clause (8) of this section that arises from certain events of bankruptcy or insolvency described in the Indenture with respect to the Corporation or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Debentures will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Debenture Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Debentures may declare all the Debentures to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Debentures may direct the Debenture Trustee in its exercise of any trust or power. The Debenture Trustee may withhold from holders of the Debentures notice of any continuing Default or Event of Default, except in the case of a Default or Event of Default relating to the payment of principal of, premium, if any, or interest on any Debenture, if it determines that withholding notice is in their interest.

Subject to the provisions of the Indenture relating to the duties of the Debenture Trustee, in case an Event of Default occurs and is continuing, the Debenture Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Debentures unless such holders have offered to the Debenture Trustee indemnity or security satisfactory to the Debenture Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, interest or premium, if any, when due, no holder of a Debenture may pursue any remedy with respect to the Indenture or the Debentures unless:

- (1) such holder has previously given the Debenture Trustee notice that an Event of Default is continuing;
- (2) holders of at least 25% in aggregate principal amount of the then outstanding Debentures have requested the Debenture Trustee to pursue the remedy;
- (3) such holders have offered the Debenture Trustee security or indemnity satisfactory to the Debenture Trustee against any loss, liability or expense;
- (4) the Debenture Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) holders of a majority in aggregate principal amount of the then outstanding Debentures have not given the Debenture Trustee a direction inconsistent with such request within such 60-day period.

The holders of a majority in aggregate principal amount of the then outstanding Debentures by notice to the Debenture Trustee may, on behalf of the holders of all of the Debentures, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of the principal of, or interest and premium, if any, on, the Debentures.

The Issuer is required to deliver to the Debenture Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Debenture Trustee a statement specifying such Default or Event of Default.

15. No Personal Liability of Directors, Officers, Employees and Securityholders

No director, officer, employee, incorporator or securityholder of the Corporation, the Issuer or any Guarantor, as such, will have any liability for any obligations of the Corporation, the Issuer or the Guarantors under

the Debentures, the Indenture, the Debenture Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Debentures by accepting a Debenture waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Debentures. The waiver may not be effective to waive liabilities under applicable securities laws and regulations.

16. Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, (i) the Indenture, the Debentures or the Debenture Guarantees may be amended or supplemented with the consent of the Issuer and the holders of at least a majority in aggregate principal amount of the Debentures then outstanding (excluding any Debentures held by the Corporation or any Affiliate of the Corporation but including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Debentures), and (ii) any existing Default or Event of Default or compliance with any provision of the Indenture or the Debentures or the Debenture Guarantees may be waived with the consent of the Issuer and the holders of at least a majority in aggregate principal amount of the Debentures then outstanding (excluding any Debentures held by the Corporation or any Affiliate of the Corporation but including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Debentures).

Without the consent of the Issuer and of each holder of Debentures affected (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Debentures), no amendment or supplement to, or waiver of any provision of, the Indenture, the Debentures or the Debenture Guarantees will become effective (with respect to any Debentures held by a non-consenting holder) in order to:

- (1) reduce the principal amount of the Debentures;
- (2) change the fixed maturity of the Debentures, or change the date on which the Debentures may be subject to redemption or the redemption price;
- (3) reduce the rate of, or change the time for payment of, interest, including default interest, on the Debentures;
- (4) change the Exchange Price of the Debentures or the Exchange Price adjustment provisions contained in the Indenture;
- (5) waive a Default or Event of Default in the payment of principal of, or interest and premium, if any, on, the Debentures (except a rescission of acceleration of the Debentures by the holders of at least a majority in aggregate principal amount of the then outstanding Debentures and a waiver of the payment default that resulted from such acceleration);
- (6) make the Debentures payable in a currency other than that stated in the Debentures;
- (7) make any change in the provisions of the Indenture relating to (i) waivers of past Defaults or the rights of holders of Debentures to receive payments of principal of, or interest and premium, if any, on, the Debentures or (ii) the institution of suits for the enforcement of payment with respect to, or conversion of, any Debentures;
- (8) waive a redemption payment with respect to the Debentures;
- (9) release a Guarantor from its obligations under its Debenture Guarantee, other than in accordance with the terms of the Indenture;
- (10) release all or substantially all of the Debenture Guarantees, other than in accordance with the terms of the Indenture;
- (11) modify or change any provision of the Indenture affecting the ranking of the Debentures or the

Debenture Guarantees in a manner that materially adversely affects the rights of holders of the Debentures; or

- (12) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding paragraphs, without the consent of any holder of Debentures, the Issuer, the Guarantors and the Debenture Trustee may amend or supplement the Indenture, the Debentures or the Debenture Guarantees:

- (1) to cure any ambiguity, omission, mistake, defect or inconsistency, or to maintain their validity as a result of any change in any applicable legislation, rules or regulations, provided that such amendment or supplement does not materially adversely affect the rights under the Indenture, the Debentures or the Debenture Guarantees of any holder of Debentures;
- (2) to provide for uncertificated Debentures in addition to or in place of certificated Debentures;
- (3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Debentures and Debenture Guarantees in the case of a merger, consolidation or amalgamation or sale of all or substantially all of the Issuer's or a Guarantor's assets, as applicable;
- (4) to release any Guarantor from any of its obligations under its Debenture Guarantee or the Indenture;
- (5) to make any change that would provide any additional rights or benefits to the holders of Debentures or that does not adversely affect the legal rights under the Indenture of any such holder;
- (6) to conform the text of the Indenture, the Debentures or the Debenture Guarantees to any provision of this Description of Debentures to the extent that such provision in this Description of Debentures was intended to be a verbatim recitation of a provision of the Indenture, the Debentures or the Debenture Guarantees;
- (7) to allow any Guarantor to execute a supplemental indenture and/or a Debenture Guarantee with respect to the Debentures;
- (8) to comply with the rules of any applicable securities depository; or
- (9) to evidence or provide for the acceptance of the appointment of a successor trustee, provided that the successor trustee is otherwise qualified and eligible to act as such under the terms of the Indenture, as applicable.

17. Satisfaction and Discharge

The Indenture and the Debentures will be discharged and the Indenture will cease to be of further effect as to all Debentures issued thereunder, when:

- (1) either:
 - (a) all the Debentures that have been authenticated, except lost, stolen or destroyed Debentures that have been replaced or paid and Debentures for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Debenture Trustee for cancellation; or
 - (b) all the Debentures that have not been delivered to the Debenture Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or

otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Debenture Trustee as trust funds in trust solely for the benefit of the holders of the Debentures, cash in Canadian dollars, non-callable Canadian government securities, or a combination of any of the foregoing, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Debentures not delivered to the Debenture Trustee for cancellation for principal of, or interest and premium, if any, on, such outstanding Debentures on the Stated Maturity thereof or the applicable redemption date;

- (2) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the granting of Liens to secure such borrowing) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;
- (3) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Issuer has delivered irrevocable instructions to the Debenture Trustee under the Indenture to apply the deposited money toward the payment of the Debentures at the Stated Maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an officers' certificate and an opinion of counsel to the Debenture Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

18. Concerning the Debenture Trustee

BNY Trust Company of Canada will be the Debenture Trustee under the Indenture.

Except during the continuance of an Event of Default, the Debenture Trustee will perform only such duties as are specifically set forth in the Indenture and no implied covenants or obligations will be read into the Indenture against the Debenture Trustee. During the existence of an Event of Default, the Debenture Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. No provision of the Indenture will require the Debenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability, or expense.

If the Debenture Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits the right of the Debenture Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Debenture Trustee will be permitted to engage in other transactions, provided, however, that if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

19. Book-Entry-Only System

The Debentures will be deposited with CDS, will be registered in the name of the CDS Nominee as a book-entry-only security (the "**Security**"), and will be identified by an International Securities Identification Number (ISIN). CDS acts as securities intermediary on behalf of its Participants ("**Participants**") that use the services of CDS and act on their own behalf or on behalf of beneficial owners of securities (who are the clients or customers of the Participants). Interests in securities are represented through book-entry accounts ("**Book Accounts**") established and maintained by CDS on its records for its Participants. The Debentures will be represented by a Global Certificate that will be registered in the name of the CDS Nominee and deposited with CDS on the Issue Date. Thereafter, CDS will credit the Book Accounts of those Participants with interests in the Debentures in accordance

with instructions received from or on behalf of the Issuer or CDS evidencing that purchaser's or Participant's ownership of or interest in Debentures. A purchaser of Debentures will receive only a customer confirmation from the Participant from or through whom the Debentures are purchased in accordance with the practices and procedures of that Participant. Any subsequent purchase or sale of Debentures will have to be made through a Participant.

As the registered holder of the Security, the CDS Nominee will be considered to be the sole owner and holder of the Debentures represented by the Global Certificate for all purposes under the Indenture and the Debentures. Principal of, or interest and premium, if any, on, the Debentures will be payable by the Issuer solely to the CDS Nominee. Neither the Issuer nor the Debenture Trustee will have any responsibility or liability for maintaining, supervising, or reviewing records of CDS or its Participants relating to payments made or to be made by CDS or by any of its Participants on account of beneficial ownership interest in the Debentures. Participants must look solely to CDS, and Persons other than Participants having an interest in the Debentures must look solely to Participants, for payments made by or on behalf of the Issuer to CDS in respect of the Debentures.

The Debenture Trustee will maintain the Register recording the names and addresses of the holders of Debentures and particulars of the Debentures held by such holders. No certificates or other instruments evidencing ownership of Debentures will be issued other than to the CDS Nominee unless:

- (1) the issuance of such certificates or instruments is required by applicable law;
- (2) the book-entry-only system is no longer available to the Issuer;
- (3) CDS advises the Debenture Trustee that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Debentures, and the Issuer cannot locate a qualified successor;
- (4) CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities law or otherwise ceases to be eligible to be a depository and a successor depository is not appointed;
- (5) the Issuer, at its option, decides to no longer utilize the book-entry-only-system; or
- (6) after the occurrence of an Event of Default, CDS advises the Debenture Trustee that it has received written notification from Participants, acting on behalf of beneficial owners representing in the aggregate more than 50% of the aggregate principal amount of outstanding Debentures, that the continuance of the book-entry-only-system is no longer in the best interests of such beneficial owners.

In each of such event, owners of beneficial interests in the Debentures will become entitled to receive Debentures in definitive form, and certificates or other instruments evidencing the Debentures will be issued in fully registered form in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof.

20. Governing Law

The Indenture, the Debentures and the Debenture Guarantees will be governed by, and construed in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable in the Province of Québec.

21. Additional Information

Anyone who receives this information circular may obtain a copy of the Indenture without charge by writing to the Secretary of the Issuer at the following address: 16 Place du Commerce, Nun's Island, Verdun, Québec, Canada, H3E 2A5.

22. Certain Definitions

Set forth below are certain defined terms used in the Indenture and this "Description of the Senior Subordinated Exchangeable Debentures". Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided. "**Acquired Debt**" means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person; and
- (2) Indebtedness incurred by the specified Person in connection with the financing of an acquisition and secured by a Lien encumbering any asset acquired by such specified Person.

"**Adjusted Consolidated Cash Flow from Operations**" means, with respect to any specified Person for any period:

- (1) the aggregate of the cash flow from operations of such Person and its Restricted Subsidiaries for such period on a consolidated or combined basis, determined in accordance with GAAP, excluding, however:
 - (a) the cash flow from operations of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary is not at the date of determination permitted, directly or indirectly, by operation of the terms of its articles, charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders ("**Dividend-Constrained Subsidiaries**"); and
 - (b) that portion of the cash flow from operations from any Restricted Subsidiary that is not directly or indirectly 100% owned by such person that is attributable to another party's minority ownership interest in such Restricted Subsidiary,

For greater certainty and subject to the foregoing, that portion of the cash flow from operations of any Person or Restricted Subsidiary that arises from Investments that are not Investments in Restricted Subsidiaries including Investments in Unrestricted Subsidiaries or Investments that are accounted for by the equity method or cost method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person (whether or not such dividends or distributions are classified as cash flow from operations or otherwise for the purposes of preparing a statement of cash flows in accordance with GAAP);

- (2) minus, without duplication, on a consolidated basis and, with respect to Restricted Subsidiaries, only to the extent the amounts arise from Restricted Subsidiaries that are not Dividend-Constrained Subsidiaries in the current period:
 - (a) the consolidated interest obligations (other than interest obligations relating to any Subordinated Indebtedness incurred after the date of the Indenture, excluding any Permitted Debt or Acquired Debt) of such Person and its Restricted Subsidiaries that were not paid in such period (irrespective of whether such amount was expensed or capitalized or treated otherwise for accounting purposes) and are payable in cash at a future date with respect to such period, including, without limitation, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates;

- (b) all federal, provincial, state, municipal and foreign income taxes and franchise or margin taxes of such Person and its Restricted Subsidiaries that were not paid in such period and are payable in cash within the 12-month period immediately following the current period based on a reasonable method of allocation;
- (c) 50% of the estimated cash amount payable to employees during the 6-month period immediately following the current period with respect to long-term employee compensation plans including, without limitation, restricted stock unit plans, phantom stock plans, long term incentive plans and other similar multi-year compensation arrangements;
- (d) amounts paid to hedge future payments under stock compensation plans and awards;
- (e) the estimate of incremental pension contributions required to be made with respect to such period based on an actuarial valuation to be completed within the 6-month period immediately following the current period; and
- (f) at the option of the specified Person, any other reserve established during such period in accordance with GAAP for cash expenses payable within the 12-month period immediately following the current period by such Person and its Restricted Subsidiaries,

provided that, where amounts determined in paragraphs (a) to (f) of this definition arise from Restricted Subsidiaries that are not Wholly-Owned Subsidiaries, then the amounts so determined with respect to such Restricted Subsidiaries shall be adjusted to reflect such Person's aggregate direct and indirect interest in such Restricted Subsidiaries;

- (3) plus, without duplication, amounts of the nature described in paragraphs (2)(a) to (2)(f) of this definition relating to a period or periods prior to the current period that were:
 - (a) paid in the current period;
 - (b) deducted in the calculation of the amount determined in paragraph (1) of this definition; and
 - (c) previously included in a calculation of Adjusted Consolidated Cash Flow From Operations pursuant to paragraphs (2)(a) to (2)(f) of this definition with respect to a prior period;
- (4) plus, without duplication, interest amounts paid in cash in the current period on any Subordinated Indebtedness incurred after the date of the Indenture (excluding any Permitted Debt or Acquired Debt).

"**Affiliate**" means, with respect to any Person, any other Person which, directly or indirectly through one or more Persons, Controls, is Controlled by, or is under common Control with, such Person.

"**Applicable Indebtedness**" means, in respect of any asset that is the subject of an Asset Sale, Indebtedness of the Issuer secured by a Permitted Lien on such asset or Indebtedness of a Guarantor secured by a Permitted Lien on such asset.

"**Asset Sale**" means:

- (1) the sale, lease, transfer or other disposition of any properties, assets or rights by the Corporation or any of its Restricted Subsidiaries, provided that the sale, transfer or other disposition of all or substantially all of the assets of the Corporation and its Restricted Subsidiaries, taken as a whole, shall be governed by the provisions of the Indenture described above under "Description of the

Senior Subordinated Exchangeable Debentures — Repurchase of Debentures — Change of Control" and/or the provisions described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets" and not by the provisions of the Asset Sale covenant; or

- (2) the issuance of Equity Interests by any of the Issuer's Restricted Subsidiaries or the sale of Equity Interests in any of the Issuer's Restricted Subsidiaries (other than directors' Qualifying Equity Interests or Equity Interests required by applicable law to be held by a Person other than the Corporation or one of its Restricted Subsidiaries).

Notwithstanding the preceding, none of the following items shall be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets having a Fair Market Value in any calendar year of less than \$5 million;
- (2) a disposition of leasehold improvements or leased assets in connection with the termination of an operating lease;
- (3) a sale or issuance of Equity Interests of any Restricted Subsidiary by the Corporation or any Restricted Subsidiary to the Corporation or to any of the Corporation's Restricted Subsidiaries;
- (4) a sale, lease, transfer or other disposition of assets not forming part of or constituting collateral securing the Senior Secured Notes, the Senior Secured Note Guarantees or other Indebtedness of the Issuer or a Guarantor secured by a Permitted Lien;
- (5) a sale, lease, transfer or other disposition of inventory, products, by-products, goods held for sale, services and accounts receivable in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets in the ordinary course of business (including the abandonment or other disposition of any assets, including intellectual property, that is no longer used or useful or no longer economically practical to maintain in the conduct of the business of the Corporation or its Restricted Subsidiaries);
- (6) a sale, lease, transfer or other disposition of assets between or among the Corporation and one or more of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries;
- (7) a sale, lease, transfer or other disposition of assets by the Corporation or a Restricted Subsidiary in connection with a corporate reorganization that is carried out as a step transaction if:
 - (a) the step transaction is completed within three Business Days; and
 - (b) at the completion of the step transaction, such assets are owned by the Corporation or a Restricted Subsidiary;
- (8) any exchange of assets (including a combination of assets and Cash Equivalents) for assets used or useful in a Permitted Business (or Equity Interests in a Person that will be a Restricted Subsidiary following such transaction) of comparable or greater market value or usefulness, which in the event of an exchange of assets with a Fair Market Value in excess of (a) \$25 million shall be evidenced by an Officer's Certificate, and (b) \$50 million shall be set forth in a resolution approved by at least a majority of the members of the Board of Directors of the Corporation;
- (9) any surrender or waiver of contracts rights pursuant to a settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (10) foreclosure or any similar action with respect to any Property of the Corporation or any of its Restricted Subsidiaries;

- (11) the sale, transfer or other disposition of collateral securing the Senior Secured Notes or the Senior Secured Note Guarantees or other assets securing other Indebtedness in connection with the realization on Permitted Liens;
- (12) any sale and leaseback transaction permitted under the covenant "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Limitation on Sale and Leaseback Transactions" or any other similar financing transaction with respect to Property acquired by the Corporation or any Restricted Subsidiary after the Issue Date;
- (13) a sale, lease, transfer or other disposition of cash or Cash Equivalents;
- (14) a sale, lease, transfer or other disposition of assets relating to Hedging Obligations;
- (15) the licensing or sublicensing of intellectual property or other general intangibles on customary terms in the ordinary course of business;
- (16) outsourcing initiatives in the ordinary course of business;
- (17) any lease entered into in the ordinary course of business of the Corporation or any of its Restricted Subsidiaries;
- (18) sales, transfers or other dispositions of accounts receivable and related assets to a Receivables Entity in connection with a Qualified Receivables Transaction;
- (19) transactions permitted under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Merger, Consolidation or Sale of All or Substantially All Assets";
- (20) a Restricted Payment that does not violate the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments" or a Permitted Investment;
- (21) the creation of a Lien to the extent that the granting of such Lien was not in violation of the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Liens";
- (22) the sale, transfer, discounting or other disposition of accounts receivable and other payment obligations in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings, and transfers of accounts receivable, other payment obligations and related assets in connection with credit insurance;
- (23) to the extent allowable under any successor provision, or any comparable provision of any applicable tax law, any exchange of like property for use in the business of the Corporation or any of its Restricted Subsidiaries; and
- (24) subject to compliance, if applicable, with the covenant described under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries", any sale or other disposition of assets of any Restricted Subsidiary that is not a Wholly-Owned Subsidiary, but only if such Restricted Subsidiary is prevented by the terms of any agreement with its co-venturers from distributing the proceeds of such sale or other disposition to the Corporation or any of its Restricted Subsidiaries.

"**Attributable Debt**" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the

option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP, provided, however, that if such sale and leaseback transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby shall be determined in accordance with the definition of "Capital Lease Obligation".

"Board of Directors" means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

"Business Day" means any day other than a Saturday or Sunday or any other day on which the Debenture Trustee's office in Montreal, Québec, is not generally open for business, or any other day on which Canadian chartered banks are closed in Montreal, Québec.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Cash Equivalents" means:

- (1) United States dollars and Canadian dollars;
- (2) securities issued or directly and fully guaranteed or insured by the Canadian or United States government or any agency or instrumentality of the Canadian or United States government (provided that the full faith and credit of Canada or the United States is pledged in support of those securities) having maturities of not more than twelve months from the date of acquisition;
- (3) time deposit accounts, certificates of deposit and Eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any bank referred to in Schedule I,

Schedule II or Schedule III of the *Bank Act* (Canada) or rated at least A-1 or the equivalent thereof by S&P, at least P-1 or the equivalent thereof by Moody's, or at least R-1 or the equivalent thereof by DBRS;

- (4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper having one of the two highest ratings obtainable from Moody's or S&P or, with respect to Canadian commercial paper, having one of the two highest ratings obtainable from DBRS, and, in each case, maturing within twelve months after the date of acquisition;
- (6) securities issued by any state of the United States of America, any province of Canada or any political subdivision or any public instrumentality of any such state or province maturing within twelve months from the date of acquisition thereof and at the time of acquisition thereof, having one of the two highest ratings obtainable from either S&P or Moody's;
- (7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition; and
- (8) local currencies held by the Corporation or any of its Restricted Subsidiaries, from time to time in the ordinary course of business and consistent with past practice.

"Cash Management Obligations" means, with respect to any Person, all obligations, whether absolute or contingent, of such Person in respect of overdrafts, returned items and other liabilities owed to any other Person that arises from treasury, depository, foreign exchange (including without limitation foreign currency Hedging Obligations) or cash management services, including without limitation in connection with any automated clearing house transfers of funds, wire transfer services, controlled disbursement accounts or similar transactions, and all obligations in connection with any credit cards or stored value cards.

"Casualty or Condemnation Event" means any taking under power of eminent domain or similar proceeding and any insured loss, in each case, relating to properties or other assets.

"CDS" means CDS Clearing and Depository Services Inc.

"CDS Nominee" means the nominee of CDS in whose name Global Certificates are registered.

"Change of Control" means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or amalgamation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Corporation and its Subsidiaries, taken as a whole, to any Person or group or Persons acting jointly or in concert for purposes of such transaction;
- (2) the consummation of any transaction or series of transactions (including, without limitation, any merger, consolidation, arrangement or amalgamation), the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares of the Corporation or the Issuer, measured by voting power rather than number of shares;
- (3) the adoption of a plan relating to the liquidation or dissolution of the Corporation (other than a plan of liquidation of the Corporation that is a liquidation for tax purposes only); and
- (4) the consummation of any transaction, the result of which is that any Person or group of Persons

acting jointly or in concert for the purposes of such transaction has elected to the Board of Directors of the Corporation such number of its or their nominees as shall constitute a majority of the directors comprising the Board of Directors of the Corporation.

For purposes of this definition, (i) no Change of Control pursuant to clause (1) above shall be deemed to have occurred solely as the result of a transfer of assets among the Corporation and its Restricted Subsidiaries, (ii) any direct or indirect holding company of the Corporation shall not itself be considered a "Person" or "group" for purposes of clauses (2) and (4) above, provided that no "Person" or "group" beneficially owns, directly or indirectly, more than 50% of the voting shares of such holding company, (iii) a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement; and (iv) to the extent that one or more regulatory approvals are required for any of the transactions or circumstances described in clauses (1)(2)(3) or (4) above to become effective under applicable law and such approvals have not been received before such transactions or circumstances have occurred, such transactions or circumstances shall be deemed to have occurred at the time such approvals have been obtained and become effective under applicable law.

"Consolidated EBITDA" means, for any period, Consolidated Net Income plus the sum, without duplication, of the amounts for such period of the following to the extent deducted in calculating Consolidated Net Income: (a) Consolidated Interest Expense, (b) any tax expense, current and deferred, included in Consolidated Net Income, (c) depreciation expense, (d) amortization expense (other than amortization of deferred publication costs), including amortization of deferred financing fees, (e) extraordinary losses and non-recurring charges, including any impairment charges (f) non-cash financial charges, (g) losses on asset sales, (h) restructuring charges or provisions, (i) any expenses or charges incurred in connection with any issuance of debt or equity securities, (j) any fees and expenses related to any acquisition permitted under the Indenture, (k) the share of any losses from investments in associates, and (l) losses or fees payable on sales, transfers or other dispositions of assets permitted pursuant to the covenant "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales", less the sum, without duplication, of the amounts for such period of the following to the extent included in calculating Consolidated Net Income: (m) extraordinary gains and non-recurring gains, (n) non-cash gains, (o) gains on asset sales and (p) the share of any income from investments in associates, and plus the sum, without duplication, of any other items deducted, and less the sum, without duplication, of any other items added in order to determine income from operations before depreciation and amortization, impairment of goodwill and acquisition-related costs to the extent reflected on the consolidated income statement of the Corporation, all as determined on a consolidated basis for the Corporation and its Restricted Subsidiaries in accordance with GAAP.

"Consolidated Interest Expense" means, for any period, interest expense accrued or (without duplication) paid during such period in respect of cash interest payments (including that attributable to capital leases in accordance with GAAP but excluding that attributable to any Intercompany Indebtedness), net of interest income (in respect of cash interest receipts accrued during such period) of the Corporation and its Restricted Subsidiaries on a consolidated basis with respect to all outstanding Indebtedness of the Corporation and its Restricted Subsidiaries, including all commissions, bankers' acceptance financing and net costs under financial hedge agreements (other than currency swap agreements, currency future or option contracts and other similar agreements, in each case to the extent not covering an interest rate component), but excluding, however, amortization of deferred financing costs and any other amounts of non-cash interest, all as calculated on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" means, for any period, the consolidated profit (or loss) after taxation of the Corporation and its Restricted Subsidiaries during such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt" means, as of any date of determination, the sum, without duplication, of (a) all Indebtedness of the Corporation and its Restricted Subsidiaries, calculated on a consolidated basis in accordance with GAAP and to the extent reflected as indebtedness on the consolidated balance sheet of the Corporation in accordance with GAAP, and (b) the aggregate amount of all outstanding Disqualified Stock of the Corporation and its Restricted Subsidiaries which shall be equal to their respective fixed repurchase or redemption prices in accordance with the terms of such Disqualified Stock (provided that any conditions precedent for such repurchase or redemption have all been satisfied), all calculated on a consolidated basis in accordance with GAAP, less (c) the net

amount of all Hedging Obligations (determined on a marked-to-market basis as of the last day of the applicable four-quarter reference period).

"Consolidated Total Debt to Consolidated EBITDA Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Debt as of the last day of the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date to (b) Consolidated EBITDA for the Corporation's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date.

In addition, for purposes of calculating the Consolidated Total Debt to Consolidated EBITDA Ratio:

- (1) acquisitions that have been made by the Corporation or any of its Restricted Subsidiaries, including through mergers, consolidations or amalgamations, or any Person or any of its Restricted Subsidiaries acquired by the Corporation or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the date on which the event for which the calculation of the Consolidated Total Debt to Consolidated EBITDA Ratio is made (the "**Calculation Date**"), or that are to be made on the Calculation Date, shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, shall be excluded;
- (3) the Indebtedness attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Indebtedness shall not be obligations of the Corporation or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date shall be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date shall be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

"Control", **"Controls"** and **"Controlled"** and similar expressions mean a relationship between two Persons wherein one person (first person) is considered to control another person (second person) if:

- (1) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person (other than securities held as collateral for a bona fide debt where the holder thereof is not entitled to exercise the voting rights attached thereto),
- (2) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (3) the second person is a limited partnership and the general partner of the limited partnership is the first person.

"Credit Facilities" means, one or more debt facilities or commercial paper facilities, in each case, with banks or other lenders or credit providers or a trustee providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow

from such lenders against such receivables), bankers acceptances, letters of credit or issuances of senior secured notes, including any related notes, guarantees, collateral documents, instruments, documents and agreements executed in connection therewith and in each case, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

"Current Market Price" means, in the case of the Common Shares, (i) the volume weighted average trading price per share for the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event (or if the Common Shares do not trade on the TSX on the date specified for exchange, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 day period referred to above), and (ii) in the case of a third party making a Change of Control Offer and paying the Change of Control Payment, in whole or in part, in shares, the volume weighted average trading price per share for such shares for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event on the exchange or trading system with the greatest volume of such shares traded during such 20 day period.

"DBRS" means DBRS Limited and its successors.

"Debenture Guarantee" means the Guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Debentures, executed pursuant to the provisions of the Indenture.

"Debentures" means debentures of the Issuer created and issued or to be issued pursuant to the terms of the Indenture and executed and delivered by the Debenture Trustee.

"Debenture Trustee" means BNY Trust Company of Canada or a duly appointed successor.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Depository" means CDS Clearing and Depository Services Inc. or such other Person as is designated in writing by the Issuer and acceptable to the Debenture Trustee to act as depository.

"Designated Non-Cash Consideration" means any non-cash consideration received by the Corporation or a Restricted Subsidiary in connection with an Asset Sale that is designated as Designated Non-Cash Consideration pursuant to an officers' certificate delivered to the Debenture Trustee, which officers' certificate shall set forth the Fair Market Value of such Designated Non-Cash Consideration and the basis for determining such Fair Market Value.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date on which the Debentures mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Corporation or any of its Subsidiaries to repurchase such Capital Stock upon the occurrence of a Change of Control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Corporation or any of its Subsidiaries may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments", provided, further, that if the Capital Stock is issued to any plan for the benefit of employees of the Corporation or its Subsidiaries or by any such plan to those employees, that Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Corporation or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Indenture shall be the maximum amount that the Corporation and its Restricted Subsidiaries may become obligated to pay

upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"EBITDA" means, with respect to any specified Person for any period, Net Income plus the sum, without duplication, of the amounts for such period of the following to the extent deducted in calculating Net Income: (a) Interest Expense, (b) any tax expense, current and deferred, included in Net Income, (c) depreciation expense, (d) amortization expense (other than amortization of deferred publication costs), including amortization of deferred financing fees, (e) extraordinary losses and non-recurring charges, including any impairment charges (f) non-cash financial charges, (g) losses on asset sales, (h) restructuring charges or provisions, (i) any expenses or charges incurred in connection with any issuance of debt or equity securities, (j) any fees and expenses related to any acquisition permitted under the Indenture, (k) the share of any losses from investments in associates, and (l) losses or fees payable on sales, transfers or other dispositions of assets permitted pursuant to the covenant "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales", less the sum, without duplication, of the amounts for such period of the following to the extent included in calculating Net Income: (m) extraordinary gains and non-recurring gains, (n) non-cash gains, (o) gains on asset sales and (p) the share of any income from investments in associates, and plus the sum, without duplication, of any other items deducted, and less the sum, without duplication, of any other items added in order to determine income from operations before depreciation and amortization, impairment of goodwill and acquisition-related costs to the extent reflected on the consolidated income statement of such specified Person, all as determined in accordance with GAAP.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Excess Cash Flow" means with respect to any Person for any period, Adjusted Consolidated Cash Flow from Operations, adjusted as follows, without duplication:

- (1) minus all direct or indirect (by way of acquisition of securities of a Person or the expenditure of cash or the transfer of property or the incurrence of Indebtedness) expenditures in respect of the purchase or other acquisition of property, plant and equipment (other than the acquisition of a business) and intangible assets determined in conformity with GAAP made or committed to be made during such period by such Person and its Restricted Subsidiaries;
- (2) minus payments of principal made or committed to be made by such Person and its Restricted Subsidiaries under Capital Lease Obligations for such period and any debt issuance costs paid in such period;
- (3) minus any payments made in the current period with respect to earn-out or similar arrangements existing as of the date of the Indenture;
- (4) minus any payments made in the current period with respect to a put right in favour of the co-owners of 411.ca, Mediative G.P. and Mediative L.P. or with respect to a call right in favour of the Corporation or any of its Affiliates in connection with Mediative G.P. and Mediative L.P., in all cases as contemplated in agreements existing as of the date of the Indenture; and
- (5) minus, to the extent not included in the foregoing, amounts accrued or paid in cash in such period with respect to share-based management compensation plans, provided that such amounts were not deducted in a calculation of Excess Cash Flow with respect to a prior period.

"Existing Indebtedness" means all Indebtedness of the Corporation and its Subsidiaries in existence on the date of the Indenture, until such amounts are repaid.

"Fair Market Value" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Corporation (unless otherwise provided in the Indenture).

"fiscal quarter" means, with respect to the Corporation and each of its Subsidiaries, (a) the first to third, inclusive, calendar months of such fiscal year, (b) the fourth to sixth, inclusive, calendar months of such fiscal year, (c) the seventh to nine, inclusive, calendar months of such fiscal year and (d) the tenth to twelfth, inclusive, calendar months of such fiscal year.

"GAAP" means the generally accepted accounting principles approved by the Canadian Institute of Chartered Accountants, or any successor institute, as in effect from time to time, in connection with the preparation of financial statements, including for greater certainty the International Financial Reporting Standards adopted by the International Standards Board from time to time as adopted in Canada.

"Global Certificate" means a certificate representing Debentures issued on any date registered in the name of the CDS Nominee (or any replacement depository) for purposes of being held by such depository on behalf of beneficial owners of the Debentures.

"Governmental Authority" means any government or any agency, bureau, board, commission, court, department, official, tribunal or other instrumentality of any government, whether federal, state, provincial, territorial or local, domestic or foreign, that has, in each case, jurisdiction over the matter in question.

"Guarantee" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"Guarantors" means the Corporation and any of its Restricted Subsidiaries that executes a Debenture Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Debenture Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices,

in each case entered into for the purpose of managing risks in the ordinary course of business and not for speculative purposes.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of the face amount of banker's acceptances;
- (4) representing Capital Lease Obligations or Attributable Debt in respect of sale and leaseback transactions;

- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than twelve months after such property is acquired or such services are completed but excluding in any event trade payables arising in the ordinary course of business and also excluding other accrued liabilities being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit, Attributable Debt and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person as shall equal the lesser of (x) the Fair Market Value of such asset as of the date of determination or (y) the amount of such Indebtedness and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, in connection with the purchase by the Corporation or any of its Restricted Subsidiaries of any business, the term "Indebtedness" will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing, provided, however, that at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter.

"Indenture" means the indenture dated as of the Issue Date among the Issuer, the Guarantors and the Debenture Trustee.

"Intercompany Indebtedness" means all Indebtedness between the Corporation and any Restricted Subsidiary or between Restricted Subsidiaries.

"Interest Expense" means, with respect to any specified Person for any period, interest expense accrued or (without duplication) paid during such period in respect of cash interest payments (including that attributable to capital leases in accordance with GAAP but excluding that attributable to any intercompany Indebtedness), net of interest income (in respect of cash interest receipts accrued during such period) of such Person with respect to all outstanding Indebtedness of such Person, including all commissions, bankers' acceptance financing and net costs under financial hedge agreements (other than currency swap agreements, currency future or option contracts and other similar agreements, in each case to the extent not covering an interest rate component), but excluding, however, amortization of deferred financing costs and any other amounts of non-cash interest, all as calculated in accordance with GAAP.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees), advances or capital contributions (excluding (i) commission, travel and similar advances to officers and employees made in the ordinary course of business and (ii) extensions of credit to customers or advances, deposits or payment to or with suppliers, lessors or utilities or for workers' compensation, in each case, that are incurred in the ordinary course of business and recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of such Person prepared in accordance with GAAP), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Corporation or any of its Restricted Subsidiaries sells, transfers or otherwise disposes of any Equity Interests of any Restricted Subsidiary such that, after giving effect to any such sale, transfer or disposition, such Person is no longer a Restricted Subsidiary, the Corporation shall be deemed to have made an Investment on the date of any such sale, transfer or disposition equal to the Fair Market Value of the Corporation's Investments in such Restricted Subsidiary that were not sold, transferred or disposed of in an amount determined as provided in the final paragraph of the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments". The acquisition by the Corporation or any of its Restricted Subsidiaries of a Person that holds an Investment in a third Person shall be deemed to be an Investment

by the Corporation or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments". Except as otherwise provided in the Indenture, the amount of an Investment shall be determined at the time the Investment is made and without giving effect to subsequent changes in value but giving effect (without duplication) to all subsequent reductions in the amount of such Investment as a result of (x) the repayment or disposition thereof for cash or (y) the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary (valued proportionately to the equity interest in such Unrestricted Subsidiary or such Restricted Subsidiary owning such Unrestricted Subsidiary at the time of such redesignation) at the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of such redesignation, in the case of clause (x) and (y), not to exceed the original amount, or Fair Market Value, of such Investment.

"Issue Date" means the date on which the Debentures are originally issued under the Indenture.

"Joint Purchasing Agreements" means any agreement between or among the Corporation and/or its Restricted Subsidiaries, and/or any of their respective Subsidiaries, whereby the parties thereto agree to jointly purchase goods or services from third parties, provided that such agreements result in the Corporation or the applicable Restricted Subsidiary purchasing such goods or services on terms that are no worse than would have been obtained by the Corporation or applicable Restricted Subsidiary in the absence of such agreement.

"Lien" means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's property whether now owned or hereafter acquired or capital lease obligation by such Person as lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt.

"Moody's" means Moody's Investors Service and its successors.

"Net Income" means, with respect to any specified Person for any period, the profit (or loss) after taxation of such Person during such period, determined in accordance with GAAP.

"Net Proceeds" means the aggregate cash proceeds and Cash Equivalents received by the Corporation or any of its Wholly-Owned Restricted Subsidiaries in respect of any Asset Sale or Casualty or Condemnation Event (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any Designated Non-Cash Consideration or other non-cash consideration received in any Asset Sale), net of all reasonable and customary out-of-pocket expenses relating to such Asset Sale or Casualty or Condemnation Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale or Casualty or Condemnation Event, taxes paid or reasonably estimated to be payable as a result of the Asset Sale or Casualty or Condemnation Event (or the distribution of such proceeds to a Wholly-Owned Restricted Subsidiary), in each case, after taking into account, without duplication, of (1) any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness secured by a Permitted Lien on the asset or assets that were the subject of such Asset Sale or Casualty or Condemnation Event and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP, (2) any reserve or payment with respect to liabilities associated with such asset or assets and retained by the Corporation or any of its Restricted Subsidiaries after such sale or other disposition thereof, including, without limitation, severance costs, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, and (3) any cash escrows in connection with purchase price adjustments, reserves or indemnities (until released). To the extent that any Restricted Subsidiary that is not a Wholly-Owned Subsidiary receives proceeds in respect of an Asset Sale or Casualty or Condemnation Event, the Net Proceeds of such Asset Sale or Casualty or Condemnation Event shall mean that portion of such proceeds actually distributed to the Corporation or any of its Wholly-Owned Restricted Subsidiaries and otherwise as set forth hereinabove.

"Non-Recourse Debt" means Indebtedness:

- (1) as to which neither the Corporation nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;
- (2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Corporation or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and
- (3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Corporation or any of its Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary);

in each case except to the extent permitted by the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments", provided, however, that Indebtedness shall not cease to be Non-Recourse Debt solely by reason of pledge by the Corporation or any of its Restricted Subsidiaries of Equity Interests of an Unrestricted Subsidiary or of Equity Interests of a Person that is not a Subsidiary of the Corporation or of such Restricted Subsidiary if recourse is limited to such Equity Interests.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Permitted Business" means any business engaged in by the Corporation or any of its Restricted Subsidiaries on the date of the Indenture and any business or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which the Corporation and its Restricted Subsidiaries are engaged on the date of the Indenture.

"Permitted Investments" means:

- (1) any Investment in the Corporation or in any of its Restricted Subsidiaries;
- (2) any Investment in cash or Cash Equivalents;
- (3) any Intercompany Indebtedness;
- (4) any Investment by the Corporation or any of its Restricted Subsidiaries in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or sells, transfers or otherwise disposes of substantially all of its assets to, or is liquidated into, the Corporation or any of its Restricted Subsidiaries;
- (5) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Asset Sales", or from a sale or other disposition of assets not constituting an Asset Sale;
- (6) any acquisition of assets or Capital Stock solely in exchange for the issuance of Qualifying Equity Interests;
- (7) any Investments received in compromise or resolution of (a) obligations of trade creditors or

customers that were incurred in the ordinary course of business of the Corporation or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

- (8) Investments represented by Hedging Obligations;
- (9) loans, guarantees of loans, advances, and other extensions of credit to or on behalf of current and former officers, directors, employees, and consultants of the Corporation or of any of its Restricted Subsidiaries, in an aggregate amount not to exceed \$2 million at any one time outstanding;
- (10) the acquisition by a Receivables Entity in connection with a Qualified Receivables Transaction of Equity Interests of a trust or other Person established by such Receivables Entity to effect such Qualified Receivables Transaction; and any other Investment by the Corporation or any of its Restricted Subsidiaries in a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction;
- (11) any Investment for the redemption, repurchase, defeasance or other acquisition or retirement for value or satisfaction of (i) Debentures pursuant to the Indenture, (ii) Senior Secured Notes pursuant to the Senior Secured Note Indenture, or (iii) any other Indebtedness of the Issuer or a Guarantor secured by a Permitted Lien;
- (12) any Investment of the Corporation or any of its Restricted Subsidiaries existing on the date of the Indenture, and any extension, modification or renewal of such existing Investments, to the extent not involving any additional Investment other than as the result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investments as in effect on the date of the Indenture;
- (13) guarantees, including Guarantees of Indebtedness, otherwise permitted by the terms of the Indenture (other than guarantees to or for the benefit of Affiliates of the Corporation other than the Corporation and its Restricted Subsidiaries);
- (14) receivables owing to the Corporation or any of its Restricted Subsidiaries, prepaid expenses, and lease, utility, workers' compensation and other deposits, if created, acquired or entered into in the ordinary course of business;
- (15) payroll, business-related travel, and similar advances to cover matters that are expected at the time of such advances to be ultimately treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (16) Investments resulting from the acquisition of a Person, otherwise permitted by the Indenture, which Investments at the time of such acquisition were held by the acquired Person and were not acquired in contemplation of the acquisition of such Person;
- (17) any Investment resulting from a Lien which is permitted by clause (25) of the definition of "Permitted Liens";
- (18) reclassification of any Investment initially made in (or reclassified as) one form into another (such as from equity to loan or vice versa), provided in each case that the amount of such Investment is not increased thereby; and
- (19) other Investments in any Person (other than an Affiliate of the Corporation that is not (a) a Restricted Subsidiary, (b) a Permitted Joint Venture Partner of the Corporation or any Guarantor or (c) a Subsidiary of the Corporation or any Guarantor) having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent

changes in value), when taken together with all other Investments made pursuant to this clause (19) that are at the time outstanding not to exceed \$20 million.

"Permitted Joint Venture Partner" means any Person (other than a Subsidiary of the Corporation) that is an Affiliate of the Corporation solely because the Corporation and/or its Restricted Subsidiaries own Equity Interests in such Person.

"Permitted Liens" means:

- (1) Liens securing the Senior Secured Notes and the related Senior Secured Note Guarantees;
- (2) Liens on accounts receivable (other than any account receivable resulting from Intercompany Indebtedness) of the Corporation and any of its Restricted Subsidiaries securing Indebtedness permitted by clauses (1) and (3) of the definition of "Permitted Debt";
- (3) Liens on property (excluding cash collateral) securing Indebtedness permitted by clause (10) of the of the definition of "Permitted Debt";
- (4) Liens on cash collateral (in an aggregate amount not to exceed \$25 million at any time) securing Indebtedness permitted by clauses (4), (10) and (17) of the definition of "Permitted Debt";
- (5) Liens in favor of the Corporation, the Issuer or the Guarantors;
- (6) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged or amalgamated with or into or consolidated with the Corporation or any of its Restricted Subsidiaries, provided that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary or such merger, amalgamation or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Corporation or any of its Restricted Subsidiaries;
- (7) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Corporation or any of its Restricted Subsidiaries, provided that such Liens were in existence prior to, such acquisition and not incurred in contemplation of such acquisition;
- (8) Liens incurred in connection with the financing of an acquisition and securing Acquired Debt and encumbering the assets of the Person being acquired by the Corporation or any of its Restricted Subsidiaries, provided such Liens are not extended, and for greater certainty are non-recourse, to any other assets of the Corporation or any of its Restricted Subsidiaries;
- (9) Liens to secure the performance of tenders, completion guarantees, statutory obligations, regulatory obligations, surety, environmental or appeal bonds, bids, leases, government contracts, performance bonds, warranty requirements or other obligations of a like nature incurred in the ordinary course of business, including rights of offset and set-off;
- (10) Liens to secure Indebtedness (including Capital Lease Obligations) or Attributable Debt permitted by clause (6) of the definition of "Permitted Debt" covering only those assets acquired with or financed by such Indebtedness;
- (11) Liens existing on the date of the Indenture (other than Liens of the type described in clause (10) of this definition);
- (12) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

- (13) Liens consisting of carriers', warehousemen's, landlord's and mechanics', suppliers', materialmen's, repairmen's and similar Liens not securing Indebtedness or in favor of customs or revenue authorities or freight forwarders or handlers to secure payment of custom duties, in each case, incurred in the ordinary course of business;
- (14) Liens in favour of contractors, subcontractors, architects and materialmen on assets securing payment for services rendered in respect of such assets and arising in the ordinary course of business;
- (15) any state of facts an accurate survey would disclose, public and private roads, prescriptive easements or adverse possession claims, minor encumbrances, easements, leases, licenses, rights-of-way or other similar agreements or arrangements, development, air or water rights, sewers, electric lines, telegraph and telephone lines and other utility lines, pipelines, service lines, railroad lines, improvements and structures located on, over or under any property, drains, drainage ditches, culverts, electric power or gas generating or co-generation, storage and transmission facilities and other similar purposes, zoning or other restrictions as to the use of immovable or real property or minor defects in title, and other similar charges or encumbrances in respect of immovable or real property not interfering the use in the operation of the business of the Corporation or any Restricted Subsidiary;
- (16) Liens to secure any Permitted Refinancing Indebtedness, provided, however, that the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof);
- (17) Liens on assets of the Corporation, the Issuer or a Receivables Entity incurred in connection with a Qualified Receivables Transaction;
- (18) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (19) Liens incurred or pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits, or casualty-liability insurance or self-insurance or securing letters of credit issued in the ordinary course of business;
- (20) judgment and attachment Liens not giving rise to an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made in conformity with GAAP;
- (21) any interest or title of a lessor, licensor or sublicense under any operating lease, license or sublicense, as applicable;
- (22) Liens on the Equity Interests of an Unrestricted Subsidiary or of a Person that is not a Subsidiary of the Corporation securing Indebtedness of such Unrestricted Subsidiary or other Person if recourse to the Corporation and its Restricted Subsidiaries with respect to such Indebtedness is limited to such Equity Interests;
- (23) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Corporation or any Restricted Subsidiary thereof on deposit with or in possession of such bank;
- (24) Liens on any property in favor of a Governmental Authority to secure partial, progress, advance or other payment pursuant to any contract or statute, not yet due and payable; and

- (25) Liens incurred in the ordinary course of business of the Corporation or any of its Restricted Subsidiaries with respect to obligations that do not exceed \$20 million at any one time outstanding.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Corporation or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Corporation or any of its Restricted Subsidiaries (other than Intercompany Indebtedness), provided that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness then outstanding (including, in the case of a committed facility, the commitment with respect thereto) renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and
- (3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Debentures, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Debentures on terms at least as favorable to the holders of Debentures as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"Person" means any individual, partnership, corporation, company, joint venture, limited liability company, unlimited liability company, association, trust, trustee, unincorporated organization, government or agency or political subdivision thereof, or any other entity.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether immovable, real, personal, or mixed, or tangible or intangible, including Capital Stock in, and other securities of, any other Person.

"Qualified Receivables Transaction" means any transaction or series of transactions entered into by the Corporation, any of its Restricted Subsidiaries or any of their respective Subsidiaries pursuant to which the Corporation, such Restricted Subsidiaries or any of their respective Subsidiaries sells, conveys or otherwise transfers to (i) a Receivables Entity (in the case of a transfer by the Corporation, Restricted Subsidiaries or any such Subsidiary) and (ii) any other Person (in the case of a transfer by a Receivables Entity), or grants a security interest in, any accounts receivable (whether now existing or arising in the future) of the Corporation, its Restricted Subsidiaries or any of their respective Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Qualifying Equity Interests" means Equity Interests of the Corporation or the Issuer other than Disqualified Stock.

"Receivables Entity" means a Subsidiary of the Corporation or any Guarantor that engages in no activities other than in connection with the financing of accounts receivable and which is designated by the Board of Directors of the Corporation (as provided below) as a Receivables Entity. Any such designation by the Board of Directors of the Corporation shall be evidenced to the Debenture Trustee by filing with the Debenture Trustee a certified copy of the resolution of the Board of Directors of the Corporation giving effect to such designation and an officers'

certificate certifying that such designation complied with the foregoing conditions, provided, however, that as of the date of the Indenture, ● shall be deemed to be so designated as a Receivables Entity.

"Receivables Facilities" means any facility that provides for Qualified Receivables Transactions.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Payment" means :

- (1) the declaration or payment of any dividend or distribution (a) on account of the Corporation 's or any of its Restricted Subsidiaries' Equity Interests or (b) to the holders of the Corporation's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Qualifying Equity Interests and dividends or distributions payable to the Corporation or any of its Restricted Subsidiaries);
- (2) the purchase, redemption or other acquisition or retirement for value of any Equity Interests of the Corporation or the Issuer, to the extent that amounts payable upon such purchase, redemption or other acquisition or retirement for value is paid to any Person other than the Corporation or a Restricted Subsidiary;
- (3) any payment of principal on or with respect to, or the purchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness of the Corporation, the Issuer or any Guarantor (excluding any Intercompany Indebtedness between or among the Corporation and any of its Restricted Subsidiaries or between or among any Restricted Subsidiaries), except (a) any payments due at the Stated Maturity thereof (to the extent permitted by the applicable terms of subordination) or (b) the purchase, repurchase or other acquisition or retirement for value of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of such purchase, repurchase or other acquisition or retirement for value; or
- (4) any Restricted Investment.

"Restricted Subsidiary" means any Subsidiary of the Corporation that is not an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies (Canada) Corporation and its successors.

"Senior Secured Note Guarantee" means the Guarantee by each Guarantor of the Issuer's obligations under the Senior Secured Note Indenture and the Senior Secured Notes, executed pursuant to the provisions of the Senior Secured Note Indenture.

"Senior Secured Note Indenture" means the indenture governing the Senior Secured Notes.

"Senior Secured Notes" means the 9% senior secured notes due November 30, 2018 issued by the Issuer.

"Significant Subsidiary" means, (a) the Issuer, (b) Yellow Pages Group Corp., (c) each Subsidiary (i) whose assets at the end of the most recently ended fiscal quarter of the Corporation is equal to or greater than 10% of the Total Assets as at the end of such fiscal quarter, or (ii) whose EBITDA for the previous four fiscal quarters is equal to or greater than 10% of the Consolidated EBITDA for the same period, in each case, as reflected in the most recent publicly released consolidated financial statements of the Corporation, or (d) any successor of any of the entities referred to in paragraphs (a), (b) or (c) above.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of the Indenture, and shall not include any contingent obligations to

repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subordinated Indebtedness" means any Indebtedness of the Issuer or any Restricted Subsidiary (whether outstanding on the Issue Date or thereafter incurred) that is expressly subordinate or junior in right of payment to the Debentures or the applicable Debenture Guarantee, as the case may be.

"Subsidiary" means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Corporation.

"Total Assets" means the total assets of the Corporation and its Restricted Subsidiaries, as shown on the most recent internal balance sheet of the Corporation, prepared on a consolidated basis (excluding Unrestricted Subsidiaries) in accordance with GAAP.

"TSX" means the Toronto Stock Exchange.

"TSX-V" means the TSX Venture Exchange.

"Unrestricted Subsidiary" means Mediative G.P. Inc. and Mediative Performance L.P. and any other Subsidiary of the Corporation that is designated by the Board of Directors of the Corporation as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors of the Corporation, but only to the extent that such Subsidiary:

- (1) is not a Wholly-Owned Subsidiary of the Corporation;
- (2) has no Indebtedness other than Non-Recourse Debt;
- (3) except as permitted by the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Transactions with Affiliates", is not party to any agreement, contract, arrangement or understanding with the Corporation or any of its Restricted Subsidiaries unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Corporation or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Corporation;
- (4) except as otherwise permitted by the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments" is a Person with respect to which neither the Corporation nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

- (5) except as otherwise permitted by the covenant described above under "Description of the Senior Subordinated Exchangeable Debentures — Certain Covenants — Restricted Payments", has not guaranteed or otherwise provided credit support for any Indebtedness of the Corporation or any of its Restricted Subsidiaries, except to the extent that such guarantee or credit support would be released upon such designation.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

"Wholly-Owned Restricted Subsidiary" of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Restricted Subsidiaries of such Person.

"Wholly-Owned Subsidiary" of any specified Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

SCHEDULE H
WARRANT INDENTURE

(see attached)

YELLOW MEDIA LTD.

- and -

●

as Warrant Agent

WARRANT INDENTURE

Dated as of ●, 2012

providing for the issue of Warrants

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SCHEDULE A" - Form of Warrant Certificates

SCHEDULE "B" - Form of Declaration for Removal of Legend

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indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

"**Applicable Procedures**" means: (i) with respect to any transfer or exchange of beneficial ownership interests in a Global Security or the exercise of Warrants represented by a Global Security, the applicable rules, procedures or practices of CDS as in effect from time to time, and (ii) with respect to any issuance, deposit or withdrawal of Warrants from or to an electronic position representing a Global Security, the rules, procedures or practices followed by CDS and the Warrant Agent from time to time with respect to the issuance, deposit or withdrawal of such positions;

"**Beneficial Owner**" means a person that has a beneficial ownership interest in a Warrant that is represented by a Global Security;

"**Board**" means the board of directors of the Corporation;

"**Book-Based System**" means, the electronic system for clearing, depository and entitlement services operated by CDS;

"**Business Day**" shall mean any day of the week, other than Saturday, Sunday or a statutory holiday in the Province of Québec or the Province of Ontario, on which banking institutions are open for business in the City of Montreal, Québec and the City of Toronto, Ontario;

"**CDS**" means CDS Clearing and Depository Services Inc., together with its successors from time to time;

"**CDS Participant**" means a member firm of CDS who participates in the Book-Based System;

"**Change of Control**" means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or amalgamation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Corporation and its Subsidiaries, taken as a whole, to any Person or group or Persons acting jointly or in concert for purposes of such transaction;
- (2) the consummation of any transaction or series of transactions (including, without limitation, any merger, consolidation, arrangement or amalgamation), the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares of the Corporation, measured by voting power rather than number of shares; and
- (3) the adoption of a plan relating to the liquidation or dissolution of the Corporation (other than a plan of liquidation of the Corporation that is a liquidation for tax purposes only).

For purposes of this definition, (i) no Change of Control pursuant to clause (1) above shall be deemed to have occurred solely as the result of a transfer of assets among the Corporation and its Subsidiaries, (ii) any direct or indirect holding company of the Corporation shall not itself be considered a "Person" or "group" for purposes of clause (2) above, provided that no "Person" or "group" beneficially owns, directly or indirectly, more than 50% of the voting shares of such holding company, (iii) a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement; and (iv) to the extent that one or more regulatory approvals are required for any of the transactions or circumstances described in clauses (1), (2) or (3) above to become effective under applicable law and such approvals have not been received before such transactions or circumstances have occurred, such transactions or circumstances shall be deemed to have occurred at the time such approvals have been obtained and become effective under applicable law;

"**Change of Control Price**" has the meaning attributed to such term in subsection 3.1(a);

"**Closing Date**" means ●, 2012;

"**Closing Price**" means on any Trading Day, the reported last sale price per Common Share (or if no last sale price is reported, the average of the bid and ask prices per Common Share or, if more than one in either case, the average of the average bid and the average ask prices per Common Share) on such date reported by the TSX (or if the Common Shares are not then listed on the TSX, such other stock exchange or market on which the Common Shares are then listed), or if no such prices are available, the Closing Price shall be the fair value of a Common Share as determined by such nationally recognized investment banking firm, acting reasonably, as may be selected by the Board in its sole discretion (which determination shall be conclusive and shall be evidenced by an officers' certificate delivered to the Warrant Agent);

"**Common Shares**" means the Common Shares of the Corporation, subject to subsection 4.1(b);

"**Common Share Rate**" means one Common Share per Warrant, unless the number of Common Shares which are issuable upon the exercise of a Warrant shall have been adjusted pursuant to Article 4 in which case it shall mean the adjusted number of Common Shares issuable upon the exercise of a Warrant at the applicable time;

"**Common Share Reorganization**" has the meaning attributed to such term in subsection 4.1(a);

"**Convertible Securities**" has the meaning attributed to such term in subsection 4.1(h);

"**Corporation**" means Yellow Media Ltd.;

"**Counsel**" shall mean, in the case of counsel to a Person, any barrister, solicitor or other lawyer or firm of barristers, solicitors or other lawyers retained or employed by such Person;

"**Current Market Price**" in respect of a Common Share at any date, means the volume weighted average price per Common Share for the 20 consecutive Trading Days ending on the fifth Trading Day before such date on the TSX, or, if the Common Shares are not then listed on the

TSX, then on such other stock exchange on which the Common Shares are then listed as may be selected by the Board or, if the Common Shares are not then listed on a stock exchange, on the over-the-counter market; the volume weighted average price shall be determined by dividing the aggregate of the sales prices of all such Common Shares sold on such exchange or market, as the case may be, during the said 20 consecutive Trading Days by the total number of Common Shares so sold; provided that, if the Common Shares are not listed on a stock exchange and there is no market for the Common Shares during all or part of such period during which the Current Market Price thereof would otherwise be determined, the Current Market Price in respect of a Common Share shall in respect of all or such part of the period be determined by such nationally recognized investment banking firm as may be selected by the Board in its sole discretion;

"**Dividends Paid in the Ordinary Course**" means dividends paid on the Common Shares in any financial year of the Corporation, whether in (i) cash, (ii) shares of the Corporation, or (iii) rights, options or warrants to purchase any shares, property or other assets of the Corporation (but excluding rights, options or warrants referred to in Section 4.1(c) or 4.1(d)), in each case to the extent that the amount or value of such dividends in the aggregate does not in such financial year exceed the greater of:

- (1) 150% of the aggregate amount or value of dividends paid by the Corporation on the Common Shares in its immediately preceding financial year; and
- (2) 100% of the consolidated net income of the Corporation (before extraordinary items but after dividends payable on all shares ranking prior to or on a parity with Common Shares with respect to the payment of dividends) for its immediately preceding financial year, determined in accordance with Canadian generally accepted accounting principles,

and for the purpose of the foregoing where any dividend is paid, otherwise than in cash, any securities so distributed by way of dividend will be valued at the Fair Market Value of such securities on the date of declaration;

"**Exercise Date**" means, with respect to any Warrant, the date on which such Warrant is surrendered for exercise in accordance with the provisions of Article 3;

"**Exercise Price**" means \$31.67 per Common Share unless such price shall have been adjusted pursuant to Article 4 in which case it shall mean the adjusted price per Common Share in effect at the applicable time;

"**Extraordinary Resolution**" has the meaning attributed to such term in Sections 7.11 and 7.14;

"**Fair Market Value**" in respect of a security as at any date, means:

- (1) with respect to a security listed and posted on a stock exchange or traded on an over-the-counter market, the volume weighted average price of such security for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date on the TSX, or if such security is not listed on the TSX, then on such other stock exchange on which such security is listed or, if such security

is not listed on a stock exchange, on the over-the-counter market; the volume weighted average price shall be determined by dividing the aggregate of the sales prices of all such securities sold on such exchange or market, as the case may be, during the 20 consecutive Trading Days by the total number of securities so sold; or

- (2) for any other security or property, the fair market value thereof at such date as determined by a nationally recognized investment banking firm, acting reasonably, as may be selected by the Board in its sole discretion;

"**Global Security**" means Warrants that are registered in the name of CDS, or its nominee, for the purpose of being held by or on behalf of CDS as custodian, which may be delivered to CDS or its nominee as contemplated in Section 2.3 and Section 2.12;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions*, as from time to time amended;

"**Non-Public Offering**" has the meaning attributed to such term in subsection 4.1(h);

"**Officer of the Corporation**" means the President and Chief Executive Officer, the Chief Financial Officer, the Senior Vice-President, General Counsel and Secretary, or any other officer of the Corporation customarily performing functions similar to those performed by any of the above designated officers;

"**Opinion of Counsel**" means a written opinion addressed to the Corporation and the Warrant Agent (among other addressees as applicable) by Counsel who shall be reasonably satisfactory to the Corporation and the Warrant Agent;

"**Outstanding**" when used with respect to Warrants shall mean, as of the date of determination, all Warrants theretofore certified and delivered by the Warrant Agent under this Indenture, except:

- (a) Warrants theretofore cancelled by the Warrant Agent or delivered to the Warrant Agent for cancellation;
- (b) Warrants that have been surrendered to the Warrant Agent pursuant to Article 3 or in exchange for or in lieu of which other Warrants have been certified and delivered pursuant to this Indenture, other than any such Warrants in respect of which there shall have been presented to the Warrant Agent proof satisfactory to it that such Warrants are held by a bona fide purchaser in whose hands such Warrants are valid obligations of the Corporation;

provided, however, that: (A) in determining whether the Holders of the requisite principal amount of Warrants then Outstanding have taken any act hereunder, Warrants owned by the Corporation or any Subsidiary of the Corporation shall be disregarded and deemed not to be then Outstanding; (B) in determining whether the Warrant Agent shall be protected in acting and relying upon such act, only Warrants of which the Warrant Agent has actual notice that they are so owned shall be so disregarded; and (C) Warrants so owned that have been pledged

in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Warrant Agent the pledgee's right to act with respect to such Warrants and that the pledgee is not the Corporation or any Subsidiary of the Corporation;

"**Permitted Transactions**" has the meaning attributed to such term in subsection 4.1(h);

"**Person**" means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

"**Pricing Date**" has the meaning attributed to such term in subsection 4.1(h);

"**Privacy Laws**" has the meaning attributed to such term in Section 9.14;

"**Proceeding**" means any suit, action or other judicial or administrative proceeding;

"**Purchased Shares**" has the meaning attributed to such term in subsection 4.1(f);

"**Qualifying Jurisdictions**" means each of the provinces and territories of Canada;

"**Redemption Price**" has the meaning attributed to such term in subsection 3.1(a);

"**Registered Warrantholders**" means the Persons who are registered owners of Warrants, and for greater certainty, shall include CDS;

"**Regulation S**" means Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"**Remaining Term**" has the meaning attributed to such term in subsection 3.1(a);

"**Reorganization**" has the meaning attributed to such term in subsection 4.1(b);

"**Rights**" has the meaning attributed to such term in subsection 4.1(e);

"**Rights Offering**" has the meaning attributed to such term in subsection 4.1(c);

"**Rights Plan**" has the meaning attributed to such term in subsection 4.1(e);

"**Shareholder**" means a holder of record of one or more Common Shares;

"**Special Distribution**" has the meaning attributed to such term in subsection 4.1(d);

"**Successor Entity**" has the meaning attributed to such term in Section 8.2;

"**Subsidiary**" has the meaning attributed thereto in NI 45-106;

"**Time of Expiry**" means 5:00 p.m. (Montreal time) on ●, 2022;

"**Trading Day**" means, with respect to the TSX or any other market for securities, any day on which such exchange or market is open for trading or quotation;

"**TSX**" means the Toronto Stock Exchange;

"**United States**" means the United States of America, its territories and possessions, and any state of the United States, and the District of Columbia;

"**U.S. Person**" means a "U.S. person" as defined in Rule 902(k) of Regulation S;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**Warrant**" means the warrants entitling the Holders thereof to acquire Common Shares on the basis of one Common Share for each whole Warrant (subject to adjustment as provided in Article 4) upon payment of the Exercise Price (subject to adjustment as provided in Article 4) at any time prior to the Time of Expiry, upon the terms and conditions in this Indenture;

"**Warrant Agency**" means the principal transfer office of the Warrant Agent in Montreal, Québec or Toronto, Ontario, or such other place as may be designated by the Corporation with the approval of the Warrant Agent;

"**Warrant Agent**" means ● or its successors from time to time in the trusts created by this Indenture;

"**Warrant Certificate**" means a certificate issued to evidence Warrants, substantially in the forms set out in Schedule A to this Indenture;

"**Warrantholders**" or "**Holders**" without reference to Warrants, means the Registered Warrantholders;

"**Warrantholders' Request**" means an instrument signed in one or more counterparts by Warrantholders representing in the aggregate not less than 25% of the aggregate number of outstanding Warrants, requesting the Warrant Agent to take some action or proceeding specified therein; and

"**written order of the Corporation**", "**written request of the Corporation**" and "**certificate of the Corporation**" mean, respectively, a written order, request, and certificate signed in the name of the Corporation by any Officer of the Corporation, and may consist of one or more instruments so executed.

Expressions such as "**this Warrant Indenture**", "**this Indenture**", "**hereto**", "**hereunder**", "**hereof**", "**herein**", "**hereby**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental or ancillary hereto; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number mean and refer to the specified Article, Section, subsection or paragraph of this Indenture.

1.2 Gender and Number

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing gender include all genders.

1.3 Interpretation Not Affected by Headings, etc.

The division of this Indenture into Articles and Sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

1.4 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence

Time shall be of the essence of this Indenture.

1.6 Governing Law

This Indenture and each Warrant issued hereunder shall be governed and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

1.7 Currency

Unless expressly provided to the contrary in this Indenture or in any Warrant, all dollar amounts referred to in this Indenture or in such Warrant are in Canadian dollars.

1.8 Beneficiaries

This Indenture is entered into by the Warrant Agent for the benefit of all such Persons who are issued Warrants in accordance with the terms of this Indenture. The Warrant Agent hereby declares that it holds all rights, interest and benefits to be derived therefrom for and on behalf of all such Persons in accordance with the terms and restrictions contained herein.

1.9 Conflicts

In the event there is any conflict between this Indenture and any Warrant Certificate, the provisions of this Indenture shall govern and prevail.

ARTICLE 2 ISSUE OF WARRANTS

2.1 Creation, Authorization and Issue of Warrants

An aggregate of up to 2,581,223 Warrants are hereby created and authorized to be issued under this Indenture. Subject to Section 2.2, the Warrant Certificates shall be executed by the Corporation and certified by the Warrant Agent. By written order of the Corporation, the Warrant Agent shall deliver Warrant Certificates to Registered Warrantheolders other than CDS and record the names of the Registered Warrantheolders on the Warrant register.

2.2 Terms of Warrants

- (a) The Warrants to be issued under this Indenture will be limited to 2,581,223 Warrants and will entitle Warrantheolders to purchase one Common Share for each whole Warrant held by such Warrantheolder at any time up to the Time of Expiry at the Exercise Price; provided that the Exercise Price and the number of Common Shares purchasable may be subject to increase or decrease so as to give effect to the adjustments required by Article 4. In no event will any fractional Common Shares be issued upon the exercise of the Warrants.
- (b) Each Warrant shall entitle the Holder thereof to such other rights and privileges as are set forth in this Indenture.

2.3 Form of Warrants

The Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be substantially in the form set out in Schedule A hereto, shall be in registered form (subject in all cases to the provisions of this Indenture), shall be dated as of the Closing Date regardless of the date of issuance, shall bear such legends and distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent and subject to applicable securities laws, prescribe, and shall be issuable in any denomination excluding fractions.

For the purpose of the administration of this Warrant issue and notwithstanding anything to the contrary contained in this Indenture and the Warrant Certificates, on the Closing Date, Warrants represented by Global Securities will be delivered to CDS or its nominee through an electronic credit of the required number of Warrants by the Warrant Agent to CDS or its nominee under the Applicable Procedures.

2.4 Warrantheolder Not a Shareholder

Nothing in this Indenture or in the holding of a Warrant or Warrant Certificate, shall, in itself, confer or be construed as conferring upon a Warrantheolder any right or interest whatsoever as a Shareholder or as any other shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to receive dividends, distributions and other allocations.

2.5 Warrants to Rank *Pari Passu*

All Warrants shall rank *pari passu* with each other, whatever may be the actual date of issue thereof.

2.6 Signing of Warrant Certificates

The Warrant Certificates shall be signed by any one or more directors or officers of the Corporation. The signatures of any such director or officer may be mechanically or electronically reproduced in facsimile and Warrant Certificates bearing such facsimile signatures shall be binding upon the Corporation as if they had been manually signed by such director or officer. Notwithstanding that any person whose manual or facsimile signature appears on any Warrant Certificate as a director or officer may no longer hold the same or any other office with the Corporation at the date of such Warrant Certificate or at the date of certification or delivery thereof, any Warrant Certificate signed as aforesaid shall, subject to Section 2.7, be valid and binding upon the Corporation and the Holder thereof shall be entitled to the benefits of this Indenture.

2.7 Certification by the Warrant Agent

- (a) No Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit of this Indenture until it has been certified by manual signature by or on behalf of the Warrant Agent by its authorized signing officers located at the Warrant Agency and such certification by the Warrant Agent upon any Warrant Certificate shall be conclusive evidence as against the Corporation that the Warrant Certificate so certified has been duly issued hereunder and that the holder is entitled to the benefits hereof. Notwithstanding anything to the contrary contained in this Indenture and the Warrant Certificates, Warrants represented by Global Securities delivered to CDS or its nominee through an electronic credit of the required number of Warrants by the Warrant Agent to CDS or its nominee under the Applicable Procedures, as contemplated by Section 2.3, shall be deemed to have been certified by the Warrant Agent for the purposes of this Indenture.
- (b) The certification of the Warrant Agent on Warrant Certificates issued hereunder shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or the Warrant Certificates (except the due certification thereof) and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrant Certificates or any of them or of the consideration therefor except as otherwise specified herein.

2.8 Issue in Substitution for Warrant Certificates Lost, etc.

- (a) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to Applicable Law and subsection 2.8(b), shall issue and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor, and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of

such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate. The substituted Warrant Certificate shall be in a form approved by the Warrant Agent and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.

- (b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.8 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent in their sole discretion, acting reasonably, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent in their sole discretion, acting reasonably, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.9 Exchange of Warrant Certificates

- (a) Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented under the Warrant Certificate or Warrant Certificates tendered for exchange.
- (b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate tendered for exchange shall be surrendered to and cancelled by the Warrant Agent.
- (c) The Warrant Agent may charge to the Warrantholder requesting an exchange of a Warrant Certificate or Warrant Certificates, a reasonable sum for each new Warrant Certificate issued in exchange for Warrant Certificate(s), and payment of such charges and reimbursement of the Warrant Agent or the Corporation for any and all applicable transfer or similar stamp taxes or governmental or other charges required to be paid in respect of such exchange shall be made by such Holder as a condition precedent to such exchange.

2.10 Transfer and Ownership of Warrants

- (a) The Warrant Agent shall keep at the Warrant Agency: (i) a register of Registered Warrantholders in which shall be entered the names and addresses of the Registered Warrantholders and particulars of the Warrants held by them; and (ii) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered. Branch registers shall also be

kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. Such registers will at all reasonable times be open for inspection by the Corporation and/or any Registered Warrantholder. The Warrant Agent will from time to time when requested to do so by the Corporation or any Registered Warrantholder, upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Registered Warrantholders showing the number of Warrants held by each such Registered Warrantholder.

- (b) The Warrants may be transferred on the register kept by the Warrant Agent at the Warrant Agency by the Holder or its liquidator, trustee in bankruptcy, legal representatives, or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon (a) surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificates representing the Warrants to be transferred together with a duly executed form of Transfer of Warrants and Acknowledgement and Declaration of Transferee (in the forms attached to the Warrant Certificate at Schedule A), and (b) upon compliance with and, upon reasonable request of the Corporation or the Warrant Agent, satisfactory evidence of such compliance with:
 - (i) the conditions set forth in this Indenture;
 - (ii) such reasonable requirements as the Warrant Agent may prescribe; and
 - (iii) all applicable securities legislation and requirements of regulatory authorities.

Upon compliance with such requirements, such transfer shall be duly noted in the register kept by the Warrant Agent, and the Warrant Agent shall issue to the transferee one or more Warrant Certificates representing the Warrants transferred.

- (c) If a Warrant Certificate tendered for transfer bears the legend set forth in Section 2.13, the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and (A) the transfer is made to the Corporation or (B) a declaration to the effect set forth in Schedule B to this Warrant Indenture, or in such other form satisfactory to the Warrant Agent and the Corporation or as the Corporation may from time to time prescribe, and, if requested by the Warrant Agent or the Corporation, an Opinion of Counsel.
- (d) The Corporation and the Warrant Agent may deem and treat the registered owner of any Warrant as the Beneficial Owner thereof for all purposes and neither the Corporation nor the Warrant Agent shall be affected by any notice or knowledge to the contrary except as required by statute or court of competent jurisdiction.

- (e) Subject to the provisions of this Indenture and Applicable Law, the Warrantholders shall be entitled to the rights and privileges attaching to the Warrants and the exercise of Warrants by any Warrantholder in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such Holder.

2.11 Assumption by Transferee and Release of Transfor

Upon becoming a Warrantholder in accordance with the provisions of this Indenture, the transferee thereof shall be deemed to have acknowledged and agreed to be bound by this Indenture. Upon the registration of such transferee as the Warrantholder of a Warrant, the transferor shall cease to have any further rights under this Indenture with respect to such Warrant or the Common Shares in respect thereof.

2.12 Book-Based System

- (a) Registration of beneficial interests in, and transfers and pledges of, Warrants shall be made through the Book-Based System. Except for Warrants originally issued to "affiliates" of the Corporation (as such term is defined in Rule 144 under the U.S. Securities Act) or where physical certificates evidencing ownership in such securities are otherwise required to deal with restricted and/or legended securities, the Warrants shall be evidenced by Global Securities registered in the name of CDS as contemplated in Section 2.3. Any Warrants originally issued to "affiliates" of the Corporation (as such term is defined in Rule 144 under the U.S. Securities Act) shall be evidenced by physical certificates evidencing ownership in such securities (substantially in the form set out in Schedule A hereto), and such Warrant Certificates shall bear the legend required in Section 2.13.
- (b) Unless the Book-Based System is terminated, Beneficial Owners (other than those owners of beneficial interests in Warrants issued to "affiliates" of the Corporation as such term is defined in Rule 144 under the U.S. Securities Act, or where physical certificates evidencing ownership in such securities are otherwise required to deal with restricted and/or legended securities) shall not be entitled to have Warrants registered in their names, shall not receive or be entitled to receive Warrant Certificates in definitive form and shall not be considered owners or holders thereof under this Indenture or any supplemental indenture except in circumstances where CDS resigns or is removed from its responsibility and the Warrant Agent is unable or does not wish to locate a qualified successor. The rights of Beneficial Owners of Warrants who hold securities entitlements in respect of the Warrants through the Book-Based System shall be limited to those established by Applicable Law and agreements between CDS and the CDS Participants and between such CDS Participants and the Beneficial Owners of Warrants who hold securities entitlements in respect of the Warrants through the Book-Based System, and such rights must be exercised through a CDS Participant in accordance with the rules and procedures of CDS.

- (c) Transfers of beneficial ownership in any Warrant represented by a Global Security will be effected only (i) with respect to the interest of a CDS Participant, through records maintained by CDS or its nominee for such Global Security, and (ii) with respect to the interest of any person other than a CDS Participant, through records maintained by CDS Participants. Beneficial Owners who are not CDS Participants but who desire to sell or otherwise transfer ownership of or any other interest in Warrants represented by such Global Security may do so through a CDS Participant. In addition, Beneficial Owners may request fully registered Warrant Certificates in accordance with the Applicable Procedures and the procedures of the Warrant Agent.
- (d) If any Warrant is represented by a Global Security and any of the following events occurs:
 - (i) CDS or the Corporation has notified the Warrant Agent that (a) CDS is unwilling or unable to continue as depository or (b) CDS ceases to be a clearing agency in good standing under Applicable Law and, in either case, the Corporation is unable to locate a qualified successor depository within 90 days of delivery of such notice; or
 - (ii) the Corporation or CDS is required by Applicable Law to take the action contemplated in this Section 2.12(d);

then one or more definitive fully registered Warrant Certificates shall be executed by the Corporation and countersigned and delivered by the Warrant Agent to CDS in exchange for the Global Security(ies) registered in the name of CDS.

- (e) Fully registered Warrant Certificates issued and exchanged pursuant to Section 2.12(d) shall be registered in such names and in such denominations as CDS shall instruct the Warrant Agent, provided that the aggregate number of Warrants represented by such Warrant Certificates shall be equal to the aggregate number of Warrants represented by the Global Security(ies) so exchanged. Upon exchange of a Global Security(ies) for one or more Warrant Certificates in definitive form, such Global Security(ies) shall be cancelled by the Warrant Agent. Fully registered Warrant Certificates issued and exchanged pursuant to Section 2.12(c) as a result of the withdrawal of a number of Warrants from a Global Security shall be registered in such names and in such denominations as CDS shall instruct the Warrant Agent, provided that the aggregate number of Warrants represented by such Warrant Certificates shall be equal to the aggregate number of Warrants so withdrawn from a Global Security. Upon withdrawal of a Global Security(ies) for one or more Warrant Certificates in definitive form, the number of Warrants represented by such Global Security(ies) shall be reduced by the Warrant Agent
- (f) For so long as Warrants are held through CDS, if any notice or other communication is required to be given to Warrantholders, the Warrant Agent will give such notices and communications to CDS.

- (g) Notwithstanding anything herein to the contrary, neither the Corporation, nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for: (a) records maintained by CDS relating to any ownership interests or any other interests in the Warrants or the depository system maintained by CDS, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the Book-Based System (other than CDS or its nominee); (b) maintaining, supervising or reviewing any records of CDS or any CDS Participant relating to any such interest; or (c) any advice or representation made or given by CDS or those contained herein that relate to the rules and regulations of CDS, including the Applicable Procedures, or any action to be taken by CDS on its own direction or at the direction of any CDS Participant.
- (h) The Corporation may terminate the application of this Section 2.12 at its option and in its sole discretion, in which case one or more fully-registered Warrant Certificates shall be executed by the Corporation and countersigned and delivered by the Warrant Agent to CDS in exchange for the Global Security(ies) registered in the name of CDS.
- (i) The Provisions of Section 2.10 with respect to the transfer of Warrant are subject to the provision of this Section 2.12.

2.13 Legended Certificates

Each Warrant Certificate originally issued to an "affiliate" of the Corporation (as such term is defined in Rule 144 under the U.S. Securities Act), as well as all certificates issued in exchange for or in substitution of the foregoing securities, will bear a legend to the following effect:

"THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF AGREES FOR THE BENEFIT OF YELLOW MEDIA LTD. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT OR (D) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR THE APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) AND (D) ABOVE, A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE WARRANT AGENT AND THE

CORPORATION, AND, IF REQUESTED BY THE WARRANT AGENT OR THE CORPORATION, A LEGAL OPINION SATISFACTORY TO THE WARRANT AGENT AND THE CORPORATION, MUST FIRST BE PROVIDED.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY," MAY BE OBTAINED FROM THE WARRANT AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE WARRANT AGENT AND THE CORPORATION AND, IF REQUESTED BY WARRANT AGENT OR THE CORPORATION, A LEGAL OPINION SATISFACTORY TO THE WARRANT AGENT AND THE CORPORATION.

THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE THEREOF HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "U.S. PERSON" AND "UNITED STATES" ARE AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT."

ARTICLE 3 EXERCISE OF WARRANTS

3.1 Change of Control

- (a) In the event of a Change of Control of the Corporation, the Corporation may elect, in 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 of the Warrant (the "**Remaining Term**") and the total value of the consideration offered or payable per Common Share in the transaction constituting the Change of Control (the "**Change of Control Price**"), in accordance with the table below:

Years to Expiry	Share Price									
	\$5.00	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00	\$45.00	\$50.00
	Redemption Price (\$)									
10.00	0.43	2.09	4.67	7.87	11.48	15.40	19.53	23.82	28.23	32.75
9.00	0.33	1.79	4.18	7.23	10.74	14.57	18.64	22.88	27.27	31.76
8.00	0.24	1.48	3.67	6.55	9.93	13.67	17.68	21.88	26.23	30.70
7.00	0.16	1.18	3.14	5.83	9.07	12.71	16.64	20.79	25.11	29.55
6.00	0.10	0.89	2.59	5.06	8.13	11.65	15.50	19.60	23.89	28.31
5.00	0.05	0.61	2.02	4.24	7.12	10.50	14.26	18.30	22.55	26.97
4.00	0.02	0.37	1.45	3.36	6.00	9.21	12.87	16.85	21.08	25.49
3.00	-	0.17	0.90	2.43	4.75	7.76	11.30	15.23	19.45	23.88
2.00	-	0.04	0.40	1.44	3.34	6.06	9.46	13.35	17.60	22.10
1.00	-	0.00	0.06	0.46	1.67	3.93	7.15	11.09	15.50	20.18
0	-	-	-	-	-	-	3.60	8.60	13.60	18.60

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

- (i) if the Change of Control Price is between two Share Prices on the table and/or the Remaining Term is between two Years to Expiry on the table, the Redemption Price will be determined by a straight-line interpolation between the amounts set forth on the table for the two Share Prices and the two Years to Expiry based on a 365-day year, as applicable;
- (ii) if the Change of Control Price exceeds \$50.00 per Common Share, subject to adjustment as set forth herein, the Share Price shall be deemed to be \$50.00 and the amount by which the actual Share Price exceeds \$50.00 shall be added to such amounts shown in the \$50.00 column for purposes of determining the applicable Redemption Price; and
- (iii) if the Change of Control Price is less than \$5.00 per Common Share, subject to adjustment as set forth herein, the Redemption 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 Common Share Rate made pursuant to Article 4, and the date of any such adjustment shall be the same date as any adjustment to the Common Share Rate.

- (b) In the event the Corporation elects to acquire and cancel the outstanding Warrants pursuant to Section 3.1(a), the Corporation shall notify the Warrant Agent, the TSX and the Warrantholders to confirm the proposed Change of Control and details as to treatment of the Warrants, which notice shall be given sufficiently in advance so as to enable the Warrantholder a reasonable amount of

time, or such time as may be required under Applicable Law, to take such reasonable steps as may be necessary to participate in the Change of Control as contemplated in Section 3.1(a).

3.2 Exercise of Warrants

- (a) Subject to the terms hereof, a Holder of Warrants may exercise the subscription right for each Warrant held to acquire Common Shares at the Common Share Rate upon payment of the Exercise Price in respect of each Common Share subscribed for, by surrendering the Warrant Certificate evidencing such Warrant to the Warrant Agent at any time and from time to time prior to the Time of Expiry, at the Warrant Agency (or at such additional place or places as may be designated by the Corporation from time to time with the approval of the Warrant Agent), together with (i) a subscription form in substantially the form attached to the Warrant Certificate duly completed and executed by the Warrantholder, or its executors, administrators or other legal representatives, or its or their attorney duly appointed by an instrument in writing in form and manner satisfactory to the Warrant Agent; and (ii) a certified cheque, bank draft or money order payable to or to the order of the Corporation in lawful money of Canada at par in the city where the surrender occurs, in the amount of the aggregate Exercise Price of the Common Shares subscribed for. A Warrant Certificate with the duly completed and executed subscription form shall be deemed to be surrendered only upon personal delivery thereof at, or if sent by mail or other means of transmission, upon actual receipt thereof at, in each case, the Warrant Agency (or at such additional place or places as may be designated by the Corporation from time to time with the approval of the Warrant Agent).
- (b) Notwithstanding anything to the contrary contained herein and subject to the Applicable Procedures in force from time to time, a Beneficial Owner of Warrants evidenced by a Global Security who wishes to exercise his or her Warrants must do so by causing a CDS Participant to deliver to CDS, on behalf of such Beneficial Owner, a written notice of such Beneficial Owner's intention to exercise his or her Warrants. Any expense associated with the preparation and delivery of such notice will be for the account of the Beneficial Owner exercising his or her Warrants.
- (c) Any subscription form referred to in this Section 3.2 shall be signed by the Warrantholder and shall specify the Person(s) in whose name(s) such Common Shares are to be issued, the address(es) of such Person(s) and the number of Common Shares to be issued to each such Person. If any of the Common Shares subscribed for are to be issued to a Person or Persons other than the Warrantholder, the Warrantholder shall comply with such reasonable requirements as the Warrant Agent may prescribe and shall pay to the Corporation, or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation shall not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on

behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation, acting reasonably, that such tax has been paid or that no tax is due.

- (d) Any subscription form attached to the Warrant Certificate determined to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby.
- (e) In connection with the exercise or transfer of Warrant Certificates and exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency as the agency at which Warrant Certificates may be surrendered for exercise or transfer or at which Warrants may be exercised and such other offices of the Warrant Agent as may be designated by the Corporation with the approval of the Warrant Agent.

3.3 Effect of Exercise of Warrants

- (a) Upon the exercise of Warrants pursuant to Section 3.2, the Common Shares in respect of which the Warrants are exercised shall be deemed to have been issued and the Person to whom such Common Shares are to be issued shall be deemed to have become the holder of Common Shares on the Exercise Date unless the transfer registers of the Corporation shall be closed by law on such date, in which case the Common Shares shall be deemed to have been issued and such Person deemed to have become the holder of such Common Shares on the date on which such transfer registers are reopened.
- (b) Forthwith following the due exercise of a Warrant pursuant to Section 3.2 and on the second Business Day following the day on which the Time of Expiry shall occur, the Warrant Agent shall deliver to the Corporation written notice setting forth the particulars of all Warrants exercised, if any, and the Persons in whose names the Common Shares are to be issued and the addresses of such Persons.
- (c) Within five Business Days after the Exercise Date of a Warrant as set forth above, the Warrant Agent shall cause to be delivered or mailed to the Person in whose name the Warrant is registered, as specified in the subscription form attached to the Warrant Certificate evidencing the Warrant, at the address specified in such subscription form, or, if not so specified in such subscription form, cause to be delivered to such Person at the office of the Warrant Agent where such Warrant was surrendered, the certificates representing the Common Shares to be issued as specified in such subscription form registered in such name.

3.4 Expiration of Warrants

Immediately after the Time of Expiry, all rights under any Warrant in respect of which the right of acquisition herein and therein provided for shall not have been exercised shall cease and terminate and each Warrant shall be void, of no value and of no further force or effect.

3.5 Cancellation of Surrendered Warrants

All Warrant Certificates surrendered to the Warrant Agent pursuant to subsection 2.9(a) and Sections 2.10, 3.1, 3.2 and 5.1 shall be retained by the Warrant Agent for cancellation and, after the expiry of any period of retention prescribed by law, perforated and marked cancelled by the Warrant Agent in accordance with its standard practices. Upon written request by the Corporation, the Warrant Agent shall furnish to the Corporation a certificate identifying the Warrant Certificates so cancelled.

3.6 Fractional Common Shares

A Warrantholder may not exercise a fraction of a Warrant. No certificate representing fractional Common Shares will be issued upon the exercise of any rights of purchase in a Warrant. Subscriptions for fractional Common Shares will not be accepted as such and will be deemed to be a subscription for the next smallest whole number of Common Shares.

3.7 Accounting and Recording

- (a) The Warrant Agent shall as soon as practicable account to the Corporation with respect to Warrants exercised.
- (b) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the Persons who become holders of Common Shares on exercise and the Exercise Date. The Warrant Agent shall provide such particulars in writing to the Corporation within five Business Days of any request by the Corporation therefor.

3.8 Partial Exercise of Warrants

The Holder of any Warrant Certificate may exercise less than all of the Warrants evidenced by such certificate and shall be entitled to receive, at no cost to such Holder, a Warrant Certificate in the form, signed and certified in accordance with Article 2, evidencing the number of Warrants held by the Warrantholder which remain unexercised, bearing the same legend, if applicable.

3.9 Prohibition on Exercise by U.S. Persons, Exception

- (a) The Common Shares to be issued upon the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act, and Warrants may not be exercised by any U.S. Person, by any Person in the United States or by any other Person for the account or benefit of a U.S. Person or a Person in the United States other than pursuant to an exemption from the registration requirements of the U.S. Securities Act. Accordingly, neither the Corporation nor the Warrant Agent shall be obligated to or will accept subscriptions for Common Shares pursuant to the exercise of Warrants from any Person who is, or who either of them believes to be, a U.S. Person, a Person in the United States or any other Person who is, appears to be, or who either of them believes to be, exercising Warrants for the account or benefit of a U.S. Person or a Person in the United

States other than a Person who has delivered to the Corporation and the Warrant Agent (i) a duly executed letter substantially in the form attached hereto as Schedule C or (ii) an Opinion of Counsel, to the effect that the Common Shares may be issued to the Warrantholder upon exercise thereof without registration under the U.S. Securities Act.

- (b) Certificates representing Common Shares issued upon the exercise of Warrants which are issued and delivered pursuant to Section 3.9(a) shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF AGREES FOR THE BENEFIT OF YELLOW MEDIA LTD. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (D) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR THE APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) AND (D) ABOVE, A DULY EXECUTED DECLARATION AND, IF REQUESTED BY THE CORPORATION OR THE TRANSFER AGENT FOR SUCH SECURITIES, A LEGAL OPINION, IN EACH CASE IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE CORPORATION, MUST FIRST BE PROVIDED.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY," MAY BE OBTAINED FROM THE TRANSFER AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION AND, IF REQUESTED BY THE CORPORATION OR THE TRANSFER AGENT FOR SUCH SECURITIES, A LEGAL OPINION, IN EACH CASE IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE CORPORATION."

- (c) If the declaration and opinion, if applicable, mentioned above are delivered, the Corporation hereby covenants and agrees to use the best efforts thereof to cause

the registrar and transfer agent for the Common Shares to deliver certificates representing Common Shares bearing no such legend within three Business Days of the date of delivery of such declaration and opinion.

- (d) No Common Shares will be issued on exercise of any Warrant, if in the opinion of Counsel to the Corporation (delivered to the Warrant Agent prior to the issue), the issuance of such Common Shares would constitute a violation of the securities laws of any applicable jurisdiction or require the Corporation to qualify the Common Shares issuable upon exercise of the Warrants for distribution in, or make any notice or other filing in, any jurisdiction other than the Qualifying Jurisdictions.

3.10 Securities Restrictions

- (a) If, in the Opinion of Counsel, any instrument is required to be filed with, or any permission, order or ruling is required to be obtained from, any securities administrator, regulatory agency or governmental authority in Canada or any other step is required under any federal or provincial law of Canada before the Common Shares may be issued or delivered to a Warrantholder, the Corporation covenants that it will use its reasonable best efforts to file such instrument, obtain such permission, order or ruling or take all such other actions, at its expense, as is required or appropriate in the circumstances. For greater clarity, the foregoing does not require the Corporation to file any additional prospectus or registration statements to qualify the distribution of the Common Shares in Canada or any other jurisdiction.
- (b) The Warrant Agent will provide the Corporation with all such information as the Corporation requires for the purpose of giving written notice of the issue of Common Shares pursuant to the exercise of Warrants, in such detail as may be required, to each securities regulatory agency or government authority in Canada in each jurisdiction in which there is legislation requiring the giving of any such notice.

ARTICLE 4 ADJUSTMENT OF NUMBER OF COMMON SHARES

4.1 Adjustment of Number of Common Shares

After the date of this Indenture while any Warrants remain outstanding, the rights of acquisition in effect at any date attaching to the Warrants will be subject to adjustment from time to time as follows in this Article 4.

- (a) If and whenever at any time from the date hereof and prior to the Time of Expiry, the Corporation shall:
 - (i) subdivide, redivide or change its outstanding Common Shares into a greater number of Common Shares;

- (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of Common Shares; or
- (iii) issue Common Shares (or securities convertible into Common Shares) to holders of all or substantially all of the outstanding Common Shares by way of a dividend or other distribution of Common Shares or securities exchangeable or convertible into Common Shares;

(any such events in (i), (ii) and (iii) being a "**Common Share Reorganization**"), then effective immediately after the effective date or record date, as the case may be, at which the holders of Common Shares are determined for the purpose of the Common Share Reorganization, the Common Share Rate shall be adjusted so that it equals the product of the Common Share Rate in effect on such effective date or record date and a fraction of which the numerator shall be the total number of Common Shares outstanding immediately after giving effect to such event and the denominator shall be the total number of Common Shares outstanding immediately prior to giving effect to such event. Such adjustment shall be made successively whenever any event referred to in this subsection 4.1(a) shall occur.

- (b) If and whenever at any time from the date hereof and prior to the Time of Expiry, there is (i) a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in subsection 4.1(a), or (ii) a consolidation, arrangement, amalgamation, takeover or merger of the Corporation with or into any other body corporate, trust, partnership or other entity (other than a consolidation, arrangement, amalgamation, takeover or merger of the Corporation which does not result in any reclassification of the outstanding Common Shares), or (iii) a transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity in which holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being hereinafter in this Article 4 referred to as a "**Reorganization**"), unless the Corporation elects to acquire and cancel the outstanding Warrants pursuant to Section 3.1(a) in the case of a Reorganization that would also constitute a Change of Control, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such Reorganization shall, upon the exercise of such right thereafter, be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the kind and number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such Reorganization, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such Reorganization, if, on the record date or the effective date thereof, as the case may be, the Warrantholder had been the registered Holder of the number of Common Shares sought to be acquired by it, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Article 4. In determining the kind and amount of securities or the property receivable upon exercise of the

Warrants following the completion of a Reorganization, if the holders of Common Shares have the right to elect the kind or amount of consideration receivable upon completion of such Reorganization, then each Warrantholder shall have the right to make a similar election (including, without limitation, being subject to similar proration constraints) upon exercise of the Warrants with respect to the securities or property that the Warrantholder will receive upon exercise of its Warrants.

- (c) If and whenever at any time from the date hereof and prior to the Time of Expiry the Corporation fixes a record date for the distribution to all or substantially all of the holders of Common Shares of rights, options or warrants entitling them for a period expiring not more than 45 days after such record date to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price (or having a conversion price or exchange price) that is less than 95% of the Current Market Price on such record date (any such events being a "**Rights Offering**"), the Common Share Rate will be adjusted immediately after such record date so that it equals the product of the Common Share Rate in effect on such record date and a fraction, the denominator of which will be the total number of Common Shares outstanding on such record date plus the number of Common Shares arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price; and the numerator of which will be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Corporation or any Subsidiary will be deemed not to be outstanding for the purpose of any such computation in accordance with the provisions of Section 10.8. Such adjustment will be made successively whenever such a record date is fixed. To the extent that any rights, options or warrants are not so issued or any such rights, options or warrants are not exercised before the expiration thereof, the Common Share Rate will then be readjusted to the Common Share Rate which would then be in effect if such record date had not been fixed or to the Common Share Rate which would then be in effect based upon the number and aggregate price of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.
- (d) If and whenever at any time from the date hereof and prior to the Time of Expiry the Corporation fixes a record date for the making of a dividend or distribution to all or substantially all the Holders of its outstanding Common Shares of:
 - (i) securities of the Corporation or a Subsidiary of the Corporation, including rights, options or warrants to acquire securities of the Corporation or Subsidiary of the Corporation or any of its property or assets and including evidences of indebtedness; or

- (ii) any property or other assets, including evidences of its indebtedness,

then and in each such case, if such distribution or dividend does not constitute Dividends Paid in the Ordinary Course, a Common Share Reorganization or a Rights Offering (any of such non-excluded events being a "**Special Distribution**"), the Common Share Rate will be adjusted immediately after such record date so that it equals the product of the Common Share Rate in effect on such record date and a fraction, the denominator of which will be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Corporation announces its intention to make such a distribution, less the aggregate fair market value (as determined in good faith by the Board, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an officers' certificate delivered to the Board) of such, shares, rights, options, warrants, evidences of indebtedness or assets so distributed, and the numerator of which will be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Corporation or any Subsidiary will be deemed not to be outstanding for the purpose of any such computation in accordance with the provisions of Section 10.8. If the amount of cash dividend or distribution applicable to one Common Share is equal to or greater than the Current Market Price per Common Share on the determination date referred to above, then in lieu of the foregoing adjustment, adequate provision shall be made so that each Warrantholder shall have the right to receive, upon exercise, the amount of cash so distributed that such Warrantholder would have received had such Warrantholder converted each Warrant on such determination date referred to above. In the event that such dividend or distribution is not so paid or made, the Common Share Rate shall again be adjusted to be the Common Share Rate that would then be in effect if such dividend or distribution had not been declared. Such adjustment will be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Common Share Rate will then be readjusted to the Common Share Rate which would then be in effect if such record date had not been fixed or to the Common Share Rate which would then be in effect based upon such shares, rights, options, warrants, evidences of indebtedness or assets actually distributed, as the case may be.

- (e) With respect to any rights (the "**Rights**") that may be issued or distributed pursuant to any rights plan that the Corporation may implement after the date of this Indenture (a "**Rights Plan**"), to the extent that such Rights Plan is in effect at the Exercise Date, the Warrantholders will receive, with respect to the Common Shares issued upon such exercise, the Rights described therein (whether or not the Rights have separated from the Common Shares at the time of exercise), subject to the limitations set forth in and in accordance with any such Rights Plan; provided that, if, at the time of exercise, however, the Rights have separated from the Common Shares in accordance with the provisions of the Rights Plan so that Warrantholders would not be entitled to receive any rights in

respect of the Common Shares issuable upon exercise of the Warrants as a result of the timing of the Exercise Date, then (unless the Corporation distributes such Rights to the Warrantholders at the time of separation as if each Warrantholder had exercised their Warrants immediately prior to the record date with respect to such distribution) the Common Share Rate in effect immediately prior to the record date fixed for the determination of Shareholders entitled to receive such Rights on separation shall be adjusted so that the same shall equal the rate determined by multiplying the Common Share Rate in effect immediately prior to such record date by a fraction of which the numerator shall be the Current Market Price per Common Share on such record date and of which the denominator shall be the Current Market Price per Common Share on such record date less the fair market value (as determined in good faith by the Board, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an officers' certificate delivered to the Board) on such record date of the Rights applicable to one Common Share, subject to appropriate readjustment in the event of the expiration, termination, repurchase or redemption of the Rights. Other than as specified in this subsection 4.1(e), there will not be any adjustment to the Common Share Rate as the result of the issuance of any Rights, the distribution of separate certificates representing such Rights, the exercise or redemption of such Rights in accordance with any Rights Plan or the termination or invalidation of any Rights.

- (f) If at any time from the date hereof and prior to the Time of Expiry any issuer bid (as defined in subsection 4.1(g)) made by the Corporation or any of its Subsidiaries for all or any portion of Common Shares expires, then, if the issuer bid shall require the payment to Shareholders of consideration per Common Share having a fair market value (determined as provided below) that exceeds the Closing Price on the TSX on the Trading Day next succeeding the last date (the "**Expiration Date**") deposits could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the "**Expiration Time**"), the Common Share Rate shall be increased so that the same shall equal the rate determined by multiplying the Common Share Rate in effect immediately prior to the close of business on the Expiration Date by a fraction of which the numerator shall be the sum of (A) the fair market value of the aggregate consideration (the fair market value as determined in good faith by the Board, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an officers' certificate delivered to the Board) payable to Shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Common Shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "**Purchased Shares**") and (B) the product of the number of Common Shares outstanding (less any Purchased Shares) at the Expiration Time and the Closing Price per Common Share on the Trading Day next succeeding the Expiration Date and the denominator of which shall be the product of the number of Common Shares outstanding (including Purchased Shares) at the Expiration Time multiplied by the Closing Price per

Common Share on the Trading Day next succeeding the Expiration Date, such increase to become effective immediately prior to the opening of business on the seventh Trading Day following the Expiration Date. In the event that the Corporation is obligated to purchase shares pursuant to any such issuer bid, but the Corporation is permanently prevented by Applicable Law from effecting any or all such purchases or any or all such purchases are rescinded, the Common Share Rate shall again be adjusted to be the Common Share Rate which would have been in effect based upon the number of shares actually purchased, if any. If the application of this subsection 4.1(f) to any issuer bid would result in a decrease in the Common Share Rate, no adjustment shall be made for such issuer bid under this subsection 4.1(f).

- (g) For purposes of this Section 4.1, the term "issuer bid" shall mean and include both issuer bids and exchange offers and excludes any exempt issuer bid carried out in accordance with applicable securities laws, all references to "purchases" of shares in issuer bids (and all similar references) shall mean and include both the purchase of shares in issuer bids and the acquisition of shares pursuant to exchange offers, and all references to "tendered shares" (and all similar references) shall mean and include shares tendered in both issuer bids and exchange offers.
- (h) If at any time from the date hereof and prior to the Time of Expiry the Corporation shall issue Common Shares (or rights or warrants or other securities exercisable or convertible into or exchangeable for Common Shares) (collectively, "**Convertible Securities**") pursuant to a non-public offering (other than in Permitted Transactions (as defined below) or a transaction to which Section 4.1(d)(i) is applicable) without consideration or at a consideration per Common Share (or having a conversion price per Common Share) that is less than 95% of the Current Market Price on the last Trading Day preceding the date of the agreement on pricing such Common Shares (or such Convertible Securities) (such date of the agreement on pricing, the "**Pricing Date**") (any such events being a "**Non-Public Offering**") then, in such event, the Common Share Rate in effect immediately prior to the Pricing Date shall be increased so that the same shall equal the rate determined by multiplying such Common Share Rate by a fraction of which the numerator shall be the sum of (A) the number of Common Shares outstanding immediately prior to the Pricing Date and (B) the number of additional Common Shares issued (or into which Convertible Securities may be exercised or converted) and of which the denominator shall be the sum of (A) the number of Common Shares outstanding immediately prior to the Pricing Date and (B) the number of Common Shares which the aggregate consideration receivable by the Corporation for the total number of Common Shares so issued (or into which Convertible Securities may be exercised or converted) would purchase at the Current Market Price on the last Trading Day preceding the Pricing Date, such increase to become effective immediately prior to the opening of business on the seventh Trading Day following the closing of the Non-Public Offering.

For purposes of the foregoing, the aggregate consideration receivable by the Corporation in connection with the issuance of such Common Shares or Convertible Securities shall be deemed to be equal to the sum of the net offering price (including the fair market value (as determined in good faith by the Board, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an officers' certificate delivered to the Board) of any non-cash consideration and after deduction of any related expenses payable to third parties) of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such Convertible Securities into Common Shares; and "**Permitted Transactions**" shall mean issuances (i) pursuant to a merger, amalgamation, arrangement or consolidation transaction, (ii) in connection with employee benefit plans and compensation related arrangements approved by the Board, or (iii) in connection with a public or broadly marketed offering and sale of Common Shares, securities convertible into Common Shares or rights or warrants entitling the holder to purchase Common Shares for cash, conducted on a basis consistent with offerings by public companies of similar size in their own capital raising transactions. Such adjustments shall be made successively whenever any Common Shares are issued (or into which Convertible Securities may be exercised or converted).

- (i) The adjustments provided for in this Article 4 in the number of Common Shares and classes of securities which are to be received on the exercise of Warrants are cumulative and will be computed to the nearest one-hundredth of a Common Share. After any adjustment pursuant to this Section 4.1, the term "Common Shares" where used in this Indenture shall be interpreted to mean Common Shares or securities of any class or classes or property that, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Warrantheader is entitled to receive upon the exercise of its Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities that a Warrantheader is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the exercise of a Warrant. Provided that, notwithstanding any other provision contained in this Section 4.1, no adjustment of the Common Share Rate will be required:
 - (i) unless such adjustment would require an increase or decrease of at least 1% in the Common Share Rate then in effect (provided, however, that any adjustment which by reason of this subsection is not required to be made will be carried forward and taken into account in any subsequent adjustment);
 - (ii) if, in respect of any event described in this Article 4 (other than the events referred to in subsections 4.1(a)(i) and 4.1(a)(ii)), the Holders of Warrants are entitled to participate in such event on the same terms (subject to receipt of any approval required by the TSX), with the necessary changes,

as if the Warrants had been exercised prior to or on the effective date of or record date for such event;

- (iii) in respect of any Common Shares issuable or issued pursuant to any stock option or stock purchase plan or any other incentive compensation plan in force from time to time for officers or employees of the Corporation or of Subsidiaries of the Corporation; or
 - (iv) in respect of any Common Shares issuable or issued pursuant to the Warrants.
- (j) For purposes of this Section 4.1, "record date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Shares have the right to receive any cash, securities or other property or in which the Common Shares (or other applicable security) is exchanged or converted into any combination of cash, securities or other property, the date fixed for determination of Shareholders entitled to receive such cash, security or other property (whether or not such date is fixed by the Board or by statute, contract or otherwise).
- (k) If one or more events occur requiring an adjustment be made to the Common Share Rate for a particular period, adjustments to the Common Share Rate shall be determined by the Board to reflect the combined impact of such Common Share Rate adjustment events, as set out in this Section 4.1, during such period.
- (l) If the Corporation sets a record date to determine the Shareholders for the purpose of entitling them to receive any distribution or sets a record date to take any other action and thereafter and before the distribution to such Shareholders of any such distribution or the taking of any other action, legally abandons its plan to pay or deliver such distribution or take such other action, then no adjustment in the Common Share Rate shall be made.
- (m) In the absence of a resolution of the Board fixing a record date for a Special Distribution or Rights Offering, the Corporation will be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.
- (n) If the Corporation, after the date hereof, shall take any action affecting any Common Shares, other than action described in Section 4.1, which in the opinion of the Board, acting reasonably, would materially affect the rights of Warrantholders, the Common Share Rate shall be adjusted in such manner, if any, and at such time, the Board, acting reasonably, may determine to be equitable in the circumstances. Failure of the taking of action by the Board so as to provide for an adjustment in the Common Share Rate prior to the effective date of any action by the Corporation affecting the Common Shares shall be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances.

- (o) As a condition precedent to the taking of any action that would require an adjustment pursuant to this Section 4.1, the Corporation shall take any action which may be necessary, including obtaining regulatory, TSX or Shareholder approvals or exemptions, in order that the Corporation may thereafter validly and legally issue as fully paid and non-assessable all Common Shares that the Warrantholder is entitled to receive upon exercise of a Warrant pursuant to this Section 4.1.
- (p) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in this Section 4.1 occur and the occurrence of such event results in an adjustment of the Common Share Rate pursuant to the provisions of this Article 4, then the Exercise Price will be adjusted contemporaneously with the adjustment of the Common Share Rate by multiplying the then applicable Exercise Price by a fraction, the numerator of which will be the then applicable Common Share Rate in effect immediately prior to the adjustment and the denominator of which will be the Common Share Rate resulting from such adjustment.

4.2 Entitlement to Common Shares on Exercise of Warrant

All Common Shares of which a Warrantholder is at the time in question entitled to receive on the exercise of its Warrants, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares which such Warrantholder is entitled to acquire pursuant to such Warrants.

4.3 Determination by Investment Banking Firm

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by such nationally recognized investment banking firm, acting reasonably, as may be selected by the Board in its sole discretion who shall have access to all necessary records of the Corporation, and such determination, absent manifest error, shall be binding upon the Corporation, the Warrant Agent, all Warrantholders and all other Persons interested therein. If any such determination is made, the Corporation will deliver a certificate of the Corporation to the Warrant Agent describing such determination.

4.4 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the Opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue, as fully paid and non-assessable, all the Common Shares and other securities or property which the Holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.5 Certificate of Adjustment

The Corporation shall from time to time within 14 days after the occurrence of any event which requires an adjustment or readjustment as provided for in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment required thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. The Warrant Agent shall forthwith give written notice to the Warrantholders specifying the event requiring such adjustment or readjustment and the results thereof. Such form of written notice shall be provided by the Corporation to the Warrant Agent.

4.6 Notice of Special Matters

- (a) The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix the record date for the issuance of rights, options, distributions or warrants (other than the Warrants) to all or substantially all the holders of its outstanding Common Shares. Such notice shall specify the particulars of such event and the record date for such event and the required adjustment (and, in the case of notice to the Warrant Agent, the computation of such adjustment); provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 10 Business Days prior to such applicable record date.
- (b) In case any adjustment for which a notice in subsection 4.6(a) has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable (i) file a certificate of the Corporation with the Warrant Agent evidencing a computation of such adjustment; and (ii) give notice to the Warrantholders of the adjustment.
- (c) Once a notice pursuant to this Section 4.6 has been given, the Warrant Agent shall be entitled to rely absolutely on any adjustment calculation of the Corporation or the investment banking firm referred to in Section 4.3.

4.7 No Action after Notice

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other action which might deprive a Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 10 Business Days after the giving of the notice set forth in Section 4.6.

4.8 Protection of Warrant Agent

Except as provided in Article 9, the Warrant Agent shall not:

- (a) at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment

contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

- (b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares, or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;
- (c) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares, or any certificates for the same, upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 4; and
- (d) incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the other agents of the Corporation.

ARTICLE 5 RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, the Corporation may at any time and from time to time purchase, by private contract, by invitation for tender, on any stock exchange, in the open market or otherwise (which will include a purchase through an investment dealer or firm holding membership on a Canadian stock exchange), all or any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the Board, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such Persons and on such other terms as the Corporation, in its sole discretion, may determine. Any Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent. No Warrants shall be issued in replacement thereof.

5.2 General Covenants

The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding:

- (a) the Corporation will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants, in the event that the Corporation does not have an unlimited number of Common Shares authorized;
- (b) the Corporation will cause the Common Shares and any certificates representing the Common Shares from time to time acquired pursuant to the exercise of the

Warrants to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof;

- (c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein and in the Warrant Certificates, and upon payment of the Exercise Price, shall be fully paid and non-assessable;
- (d) it will use its commercially reasonable efforts to ensure that all Common Shares outstanding or issuable hereunder from time to time are listed and posted for trading on the TSX and any other principal stock exchange on which the Common Shares are or may be traded or listed until the Time of Expiry;
- (e) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer (or its equivalent) not in default of the requirements of the securities legislation and regulations of the Qualifying Jurisdictions; and
- (f) it will maintain its corporate existence until the Time of Expiry;

provided that nothing herein shall prevent the amalgamation, consolidation, merger, sale, winding-up or liquidation of the Corporation or any Subsidiary of the Corporation, or the abandonment of any rights or operations of the Corporation or any Subsidiary of the Corporation.

5.3 Warrant Agent's Remuneration and Expenses

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services as Warrant Agent hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses and disbursements incurred or made by the Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable documented compensation and disbursements of its Counsel) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense or disbursement as may arise out of or result from the Warrant Agent's bad faith, willful misconduct or negligence in connection with a right, duty or obligation by the Warrant Agent or of Persons for whom the Warrant Agent is responsible.

5.4 Performance of Covenants by Warrant Agent

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Warrantholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it but, subject to Article 9, shall be under no obligation to perform said covenants or to notify the Warrantholders of such performance by it.

5.5 Covenants for Warranholders

The covenants of the Corporation to the Warrant Agent provided for in this Indenture shall be for the benefit of the Warranholders and it is the intention of the Corporation to constitute the Warrant Agent as trustee for the Warranholders and the Warrant Agent agrees to accept such trust and to hold the benefit of such covenants in trust for and on behalf of the Warranholders.

ARTICLE 6 ENFORCEMENT

6.1 Suits by Warranholders

Subject to Section 7.10, all or any of the rights conferred upon any Warranholder by any of the terms of the Warrant Certificates or of this Indenture, or of both, may be enforced by the Warranholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warranholders.

6.2 Warrant Agent May Institute all Proceedings

The Warrant Agent shall also have the power at any time and from time to time to institute and to maintain such suits and Proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Warranholders.

Any such suit or Proceeding instituted by the Warrant Agent may be brought in the name of the Warrant Agent as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the Warranholders subject to the provisions of this Indenture. In any Proceeding brought by the Warrant Agent (and also any Proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Warrant Agent shall be a party) the Warrant Agent shall be held to represent all Warranholders, and it shall not be necessary to make any Warranholders parties to any such Proceeding.

6.3 Immunity of Shareholders, etc.

Subject to Applicable Law, the Warrant Agent and, by the acceptance of the Warrant Certificates and as part of the consideration for the issue of the Warrants, the Warranholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any Person in its capacity as an incorporator or any past, present or future shareholder or other securityholder, director, officer, employee or agent of the Corporation for the creation and issue of the Common Shares pursuant to any Warrant or in respect of any covenant, agreement, representation or warranty by the Corporation contained herein or in the Warrant Certificates.

6.4 Limitation of Liability

The obligations hereunder are not personally binding upon, nor will resort hereunder be had to, the private property of any of the past, present or future shareholders, directors, officers, employees or agents of the Corporation or of any successor corporation, but only the property of the Corporation or of any successor corporation will be bound in respect hereof.

ARTICLE 7 MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings

The Warrant Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warranholders' Request and upon being indemnified to its reasonable satisfaction and funded by the Corporation or by the Warranholders signing such Warranholders' Request, as the case may be, against the cost which may be incurred in connection with the calling and holding of such meeting, call and convene a meeting of the Warranholders. In the event of the Warrant Agent failing to send notice calling a meeting within 14 days after receipt of such written request of the Corporation or such Warranholders' Request and indemnity and funding given as aforesaid, the Corporation or such Warranholders, as the case may be, may call and convene such meeting. Every such meeting shall be held in the City of Montreal, Québec or at such other place as may be approved or determined by the Warrant Agent and the Corporation.

7.2 Notice

At least 21 days' prior notice of any meeting of Warranholders shall be given to the Warranholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warranholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution, other than an Extraordinary Resolution, to be proposed or any of the provisions of this Article 7.

7.3 Chairman

An individual (who need not be a Warranholder) designated in writing by the Warrant Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Warranholders present in person or by proxy shall choose some individual (who need not be a Warranholder) present to be chairman.

7.4 Quorum

Subject to the provisions of Section 7.11, at any meeting of the Warranholders a quorum shall consist of Warranholders present in person or represented by proxy representing at least

20% of the aggregate number of then outstanding Warrants. If a quorum of the Warrantholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Warrantholders present in person or represented by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not represent at least 20% of the then outstanding Warrants.

7.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

7.6 Show of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7.7 Poll and Voting

On every Extraordinary Resolution, and on any other question submitted to a meeting and before or after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in person or by proxy, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll. On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote. On a poll, each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

7.8 Regulations

The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make, and from time to time vary, such regulations as it shall think fit for:

- (a) the setting of the record date for a meeting for the purpose of determining Warrantheolders entitled to receive notice of and to vote at the meeting;
- (b) the deposit of instruments appointing proxies at such place and time as the Warrant Agent, the Corporation or the Warrantheolders convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, telephoned or sent by facsimile transmission or other electronic means before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
- (d) the form of the instrument of proxy; and
- (e) generally for the calling of meetings of Warrantheolders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Warrantheolder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Warrantheolders or their Counsel, or duly appointed proxies of Warrantheolders.

7.9 Corporation and Warrant Agent May be Represented

The Corporation and the Warrant Agent, by their respective employees, directors and officers, and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warrantheolders, but shall have no vote as such unless in their capacity as a Warrantheolder.

7.10 Powers Exercisable by Extraordinary Resolution

Subject to the matters listed in Section 10.4, in addition to all other powers conferred upon them by any other provisions of this Indenture or by Applicable Law, the Warrantheolders at a meeting shall, subject to receipt of the prior approval of the TSX and subject to the provisions of Section 7.11, have the power, exercisable from time to time by Extraordinary Resolution:

- (a) subject to the consent of the Warrant Agent and the Corporation, to agree to any modification, abrogation, alteration, compromise or arrangement of any rights of Warrantheolders or the Warrant Agent in its capacity as trustee hereunder or on behalf of the Warrantheolders against the Corporation whether such rights arise under this Indenture or the Warrant Certificates or otherwise;

- (b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Warrantholders;
- (c) to direct or to authorize the Warrant Agent to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- (e) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders;
- (f) to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in the Warrant Certificates and this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Warrant Agent to exercise, on behalf of the Warrantholders, such of the powers of the Warrantholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee;
- (i) to remove the Warrant Agent or its successor in office and to appoint a new trustee or trustees to take the place of the Warrant Agent so removed; and
- (j) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with Holders of any Common Shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution

- (a) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14 and Section 7.15, a resolution proposed to be passed as an Extraordinary Resolution

at a meeting of Warrantholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warrantholders representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative votes of Warrantholders representing not less than 66²/₃% of the aggregate number of Warrants then outstanding represented at the meeting and voted on the poll upon such resolution.

- (b) If, at any such meeting at which an Extraordinary Resolution is to be considered, the quorum required by Subsection 7.11(a) is not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 7.11(a) shall be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that Warrantholders representing at least 20% of the then outstanding Warrants are not present in person or by proxy at such adjourned meeting.
- (c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

7.12 Powers Cumulative

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the rights of the Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

7.13 Minutes

Minutes of all resolutions and proceedings at every meeting of Warrantholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, which shall be available for review by Warrantholders, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in

respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

The Corporation will be provided with, in a timely manner and at its own expense, copies of any and all resolutions passed at any meeting of the Warrantholders.

7.14 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised (a) by Warrantholders who hold in the aggregate not less than a majority of the aggregate number of Warrants then outstanding with respect to resolutions that are not Extraordinary Resolutions, and (b) by Warrantholders who hold in the aggregate not less than 66^{2/3}% of the aggregate number of Warrants then outstanding with respect to Extraordinary Resolutions, by their signing, each in person or by attorney duly appointed in writing, an instrument in writing in one or more counterparts. The expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

The Corporation will be provided with, in a timely manner and at its own expense, copies of any and all instruments in writing signed by the Warrantholders pursuant to this Section 7.14.

7.15 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting and whether voting for or against such resolution or abstaining, and every instrument in writing signed by Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 Holdings by Corporation and Subsidiaries Disregarded

In determining whether Warrantholders holding the required number of Warrants are present in person or by proxy at a meeting of Warrantholders for the purpose of determining a quorum, or have voted or concurred in any consent, waiver, resolution, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation shall be disregarded in accordance with the provisions of Section 9.12.

ARTICLE 8
SUPPLEMENTAL INDENTURES

8.1 Provision of Supplemental Indentures for Certain Purposes

From time to time the Corporation (when authorized by action of the Board) and the Warrant Agent may, subject to the approval of the TSX (if applicable) and subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more of all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
- (b) increasing the number of Warrants authorized to be issued hereunder, as well as the number of Common Shares which can be subscribed for and purchased pursuant thereto;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable, provided that the same are not, in the reasonable opinion of the Warrant Agent, relying on Counsel, prejudicial to the interests of the Warrantholders as a group;
- (d) giving effect to any Extraordinary Resolution passed as provided in Article 7;
- (e) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Common Shares issuable on exercise of the Warrants on any stock exchange, provided that such provisions are not, in the reasonable opinion of the Warrant Agent, relying on Counsel, prejudicial to the interests of the Warrantholders as a group;
- (f) adding to, deleting or altering the provisions hereof in respect of the transfer of Warrants (provided such additions or alterations are not, in the reasonable opinion of the Warrant Agent, relying on Counsel, prejudicial to the interest of the Warrantholders as a group), making provision for the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- (g) modifying or amending any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may, upon advice of Counsel, decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative; and

- (h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on Counsel, the rights of the Warrant Agent and of the Warrantholders as a group are in no way prejudiced thereby.

8.2 Successor Entities

Nothing in this Indenture shall prevent any consolidation, amalgamation, plan of arrangement or merger of the Corporation with or into any other Person ("**Successor Entity**"), or a conveyance or transfer directly or indirectly of all or substantially all the properties and assets of the Corporation to any Successor Entity lawfully entitled to acquire and operate the same, provided, however, that the Successor Entity formed by such consolidation, amalgamation or plan of arrangement or into which such merger shall have been made or which acquires by conveyance or transfer all or substantially all the properties and assets of the Corporation shall execute and deliver to the Warrant Agent prior to or contemporaneously with such consolidation, amalgamation, plan of arrangement, merger, conveyance or transfer, an indenture supplemental hereto wherein the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed or observed by the Corporation shall, as a condition precedent to completion of such transaction, expressly be assumed by such Successor Entity and the Successor Entity shall succeed to and be substituted for the Corporation hereunder with the same effect as nearly as may be possible as if it had been a party hereto. Such changes shall be made to the Warrants as the Board, acting reasonably, considers appropriate in the circumstances in view of such consolidation, amalgamation, plan of arrangement, merger, conveyance or transfer.

ARTICLE 9 CONCERNING THE WARRANT AGENT

9.1 Indenture Legislation

- (a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Law, such mandatory requirement shall prevail.
- (b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Law.

9.2 Duties of Warrant Agent

In the exercise of its rights, duties and obligations prescribed or conferred by this Indenture, the Warrant Agent shall act honestly and in good faith and shall exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. Subject to the foregoing, the Warrant Agent shall be liable only for an act or failure to act arising out of or resulting from the Warrant Agent's bad faith, wilful misconduct or negligence in connection with a right, duty or obligation by the Warrant Agent; provided, however, that the Warrant Agent shall be liable for any act or default on the part of

any agent employed by it or for permitting any officer, employee, agent or co-agent to receive and retain any moneys payable to the Warrant Agent under this Indenture.

9.3 Employ Agents

The Warrant Agent may, but is not required to, employ (at the expense of the Corporation) such Counsel, agents and other assistants as it may reasonably require for the proper determination and discharge of its duties under this Indenture, and may pay reasonable remuneration for all services performed for it with respect to this Indenture, and shall be entitled to receive reimbursement for all reasonable disbursements, costs, liabilities and expenses made or incurred by it with respect to this Indenture. All such disbursements, costs, liabilities and expenses in relation to this Indenture and all expenses incidental to the preparation, execution, creation and issuance of the Warrants, whether done or incurred at the request of the Warrant Agent or the Corporation, shall bear interest at the posted annual rate of interest charged by the Warrant Agent from time to time to its corporate trust customers from the date which is 30 days following receipt by the Corporation of an invoice from the Warrant Agent with respect to such expenses until the date of reimbursement and shall (together with such interest) be paid by the Corporation immediately upon receipt of such invoice.

9.4 Reliance on Evidence of Compliance

In the exercise of its rights, duties and obligations under this Indenture, the Warrant Agent may, if it is acting in good faith, act and rely, as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, Opinions of Counsel, reports, directions, orders, certificates and Certificates of the Corporation required by the Warrant Agent to be furnished to it in the exercise of its rights, duties and obligations under this Indenture, if the Warrant Agent examines such statutory declarations, Opinions of Counsel, reports, directions, orders, certificates or Certificates of the Corporation and determines that they indicate compliance with the applicable requirements of this Indenture.

9.5 Provision of Evidence of Compliance to Warrant Agent

In addition to any other provisions of this Indenture, the Warrant Agent may, at any time any action is taken which relates to any of paragraphs (a) through (c) below, and acting in good faith, require evidence of compliance with the conditions precedent provided for in this Indenture relating to:

- (a) the certification and delivery of Warrants;
- (b) the satisfaction and discharge of this Indenture;
- (c) the taking of any other action or step to be taken by the Warrant Agent at the request, or on the application, of the Corporation; or
- (d) at any other time the Warrant Agent may reasonably request.

9.6 Contents of Evidence of Compliance

Evidence of compliance required by Section 9.5 shall consist of:

- (a) a certificate of the Corporation duly executed by an Officer of the Corporation that the conditions precedent referred to in such Certificate have been complied with in accordance with the terms of this Indenture;
- (b) in the case of conditions precedent compliance with which are, pursuant to this Indenture, made subject to review or examination by Counsel, an opinion of Counsel to the Corporation that such conditions precedent have been complied with in accordance with the terms of this Indenture; and
- (c) in the case of conditions precedent compliance with which are subject to the review or examination by auditors or an investment banking firm, an opinion or report of a chartered accountant or appraiser, as the case may be, approved by the Warrant Agent acting reasonably, that such conditions precedent have been complied with in accordance with the terms of this Indenture.

9.7 Advice of Experts

The Warrant Agent may act and rely, and shall be protected in acting and relying in good faith, on the opinion, advice or information (including the Opinion of Counsel) obtained from any Counsel, auditor, investment banking firm, evaluator, engineer, surveyor or other expert and, if acting in good faith, may rely as to the truth of the statements and the accuracy of the opinions expressed in any such report or opinion furnished by such Person and may obtain such assistance as may be necessary to the proper determination and discharge of its duties and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid, including the disbursements of any legal or other advisor or assistants and shall be reimbursed in accordance with Section 5.3 herein.

9.8 Conditions Precedent to Warrant Agent's Obligation to Act

- (a) The Warrant Agent shall not be bound to give any notice, or to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations imposed under the Indenture or to supervise or interfere with any of the activities of the Corporation, or to do or take any act, action or Proceeding by virtue of the powers conferred on it by this Indenture, unless and until it shall have been required to do so under the terms of this Indenture; nor shall the Warrant Agent be required to take notice of any default, other than in payment of any moneys required by this Indenture to be paid to the Warrant Agent, unless and until notified in writing of such default by the Corporation or by any Holder, which notice shall distinctly specify such default, and in the absence of any such notice the Warrant Agent may conclusively assume that no default has occurred. Any such notice or requisition shall in no way limit any discretion given to the Warrant Agent in this Indenture to determine whether or not to take action with respect to any default or with respect to any such requisition.

- (b) The obligation of the Warrant Agent to do any of the actions referred to in subsection (a), including to commence or to continue any Proceeding or any right of the Warrant Agent or the Holders, shall be conditional upon the Holders furnishing, when required by notice in writing by the Warrant Agent, sufficient funds to commence or continue such action and an indemnity satisfactory to the Warrant Agent to protect and hold harmless the Warrant Agent against the costs, charges, expenses and liabilities which may result from such action and any loss and damage the Warrant Agent may suffer by reason of such action.

9.9 Warrant Agent Not Required to Give Security

The Warrant Agent shall not be required to grant any lien or give security for its conduct or administration under this Indenture.

9.10 Resignation or Removal of Warrant Agent; Conflict of Interest

- (a) The Warrant Agent represents and warrants to the Corporation that at the time of the execution and delivery of this Indenture no material conflict of interest exists with respect to the Warrant Agent's role as a fiduciary hereunder. The Warrant Agent will use its best efforts to ensure that this representation remains true so long as the Warrant Agent remains the Warrant Agent under this Indenture.
- (b) The Warrant Agent may resign as warrant agent hereunder by giving not less than 90 days' notice in writing to the Corporation on the date of such resignation or such shorter notice to the Corporation as the Corporation, in its sole discretion, may accept as sufficient. The Warrant Agent shall resign if a material conflict of interest arises with respect to its role as Warrant Agent under this Indenture that is not eliminated within 90 days after the Warrant Agent becomes aware of such conflict of interest. Immediately after the Warrant Agent becomes aware that it has a material conflict of interest it shall provide the Corporation with written notice of the nature of that conflict. Upon any such resignation, the Warrant Agent shall be discharged from all further duties and liabilities under this Indenture. None of the validity and enforceability of this Indenture or the Warrants shall be affected in any manner whatsoever by reason only of the existence of a material conflict of interest on the part of the Warrant Agent (whether arising prior to or after the date of this Indenture). If the Warrant Agent does not comply with this Section, any Holder or the Corporation may apply to the Québec Superior Court sitting in Montreal for an order that the Warrant Agent be replaced as warrant agent under this Indenture.
- (c) In the event of the Warrant Agent resigning, being replaced under this Indenture by order of the Québec Superior Court, or being removed by the Holders by Extraordinary Resolution or by the Corporation or being dissolved, becoming insolvent or bankrupt, going into liquidation or otherwise becoming incapable of acting as Warrant Agent under this Indenture, the Corporation shall immediately appoint a successor Warrant Agent unless a successor Warrant Agent has already been appointed by the Holders; failing such appointment by the

Corporation, the retiring Warrant Agent or any other Holder may apply to a judge of the Québec Superior Court sitting in Montreal, on such notice as such judge may direct, for the appointment of a successor Warrant Agent. The successor Warrant Agent so appointed by the Corporation or by such court shall be subject to removal by the Holders by way of an Extraordinary Resolution adopted by Holders representing not less than 66^{2/3}% of the aggregate number of Warrants then outstanding or by an instrument in writing (in one or more counterparts) signed by Holders, each in person or by attorney duly appointed in writing, who hold in the aggregate not less than 66^{2/3}% of the aggregate number of Warrants then outstanding. Any successor Warrant Agent appointed under any provision of this Section shall be a corporation authorized to carry on the business of a trust company in Canada. On any appointment of the successor Warrant Agent, the successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named in this Indenture as Warrant Agent. The expenses of all acts, documents and Proceedings required under this Section 9.10 will be paid by the Corporation in the same manner as if the amount thereof were fees payable to the Warrant Agent under this Indenture.

- (d) Any successor Warrant Agent shall, immediately upon appointment, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trusts under this Indenture, with like effect as if originally named as Warrant Agent hereunder. Nevertheless, upon the written request of the successor Warrant Agent or of the Corporation and upon payment of all outstanding fees and expenses, the Warrant Agent ceasing to act shall execute and deliver a document assigning and transferring to such successor Warrant Agent, upon the trusts expressed in this Indenture, all the rights, powers and trusts of the Warrant Agent so ceasing to act, and shall duly assign, transfer and deliver all property (including money) held by such Warrant Agent to the successor Warrant Agent in its place. Should any deed, conveyance or other document in writing from the Corporation be reasonably required by any successor Warrant Agent for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and other documents in writing shall, at the reasonable request of the successor Warrant Agent, be made, executed, acknowledged and delivered by the Corporation.
- (e) Any Person into which the Warrant Agent is amalgamated or with which it is consolidated or to which all or substantially all of its corporate trust business is sold or is otherwise transferred or any Person resulting from any consolidation or amalgamation to which the Warrant Agent is a party shall be a successor Warrant Agent under this Indenture, without the execution of any document or any further act; provided that such successor Warrant Agent is a corporation qualified to carry on the business of a trust company in Canada or the Province of Québec and shall not have a material conflict of interest in its role as a fiduciary under this Indenture.

9.11 Authority to Carry on Business; Resignation

The Warrant Agent represents and warrants to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in Canada. If the Warrant Agent ceases to be so authorized to carry on business, the Warrant Agent shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in Canada, either become so authorized or resign in the manner and with the effect specified in Section 9.10.

9.12 Protection of Warrant Agent

By way of supplement to any Applicable Law from time to time relating to warrant agents and in addition to any other provision of this Indenture for the relief of the Warrant Agent, it is expressly agreed that:

- (a) the Warrant Agent shall not be bound to give to any Person notice of the execution of this Indenture unless and until a default and a declaration of acceleration has occurred, and the Warrant Agent has determined or become obliged to enforce the same;
- (b) the Warrant Agent shall not incur any liability or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants contained in this Indenture or of any acts of the other agents of the Corporation;
- (c) the Corporation indemnifies and saves harmless the Warrant Agent and its officers, directors and employees and agents from and against any and all liabilities, losses, costs, claims, actions, expenses (including reasonable legal fees and disbursements on a solicitor and client basis) or demands whatsoever which may be brought against the Warrant Agent or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations under this Indenture, including those arising out of or related to actions taken or omitted to be taken by the Warrant Agent contemplated by this Indenture, which the Warrant Agent may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Warrant Agent provided that such actions or omissions are taken in good faith and the conduct of the Warrant Agent did not constitute negligence in acting or failing to act, or the wilful misconduct or bad faith of the Warrant Agent or its officers, employees, agents, advisors, Counsel or other assistants. It is understood and agreed that this indemnification shall survive the termination or discharge of this Indenture or the resignation or removal of the Warrant Agent;
- (d) the Warrant Agent shall not be bound to act in accordance with any direction or request of the Corporation until an executed copy of the document containing the direction or request has been delivered to the Warrant Agent, and the Warrant Agent shall be fully empowered to act and shall be fully protected from

all liability in acting upon any document purporting to be a Warrant and believed by the Warrant Agent in good faith to be genuine;

- (e) the Warrant Agent shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any Person on behalf of the Corporation or of any Person on whose signature the Warrant Agent may be called upon to act or refrain from acting under this Indenture; and
- (f) the Warrant Agent shall not be obligated under any circumstances whatsoever in the fulfillment of any of the provisions, circumstances and obligations hereunder, to expend or risk its funds or otherwise incur financial liability in the performance of its duties or in the exercise of any of its rights or powers.

9.13 Anti-Money Laundering

- (a) The Corporation hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by, the Warrant Agent in connection with this Indenture for or to the credit of the Corporation, either: (i) is not intended to be used by or on behalf of any third party; or (ii) if it is intended to be used by or on behalf of a third party, the Corporation agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.
- (b) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation or regulation, then it shall have the right to resign on 30 days written notice to the Corporation, provided (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such 30 day period, then such resignation shall not be effective.

9.14 Compliance with Privacy Laws

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, the "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, no party to this Indenture shall take or direct any action that would contravene applicable Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Warrant Agent agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from

the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

**ARTICLE 10
GENERAL**

10.1 Notice to the Corporation and the Warrant Agent

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if personally delivered, if transmitted by facsimile or if transmitted by email (if applicable):

(b) If to the Corporation:

Yellow Media Ltd.
16 Place du Commerce
Verdun, Québec
H3E 2A5

Attention: François D. Ramsay, Senior Vice President – General Counsel and Secretary

Email: francois.ramsay@ypg.com

Facsimile: (514) 934-4076

With a copy to:

Stikeman Elliott LLP
1155 René-Lévesque Blvd. West
40th Floor
Montreal, QC H3B 3V2

Attention: Jean-Marc Huot and Robert Carelli

E-mail: jmhuot@stikeman.com and rcarelli@stikeman.com

Facsimile: (514) 397-3222

(c) If to the Warrant Agent:

●

Attention: **[Manager, Corporate Trust]**

Facsimile: ●

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of personal delivery or, if facsimile or email transmitted, on the date of the sending of the notice by the Person giving the notice (provided a transmission confirmation has been received for a facsimile

transmission) if sent no later than 5:00 p.m. (Montreal time) on such date and such date is a Business Day or the Business Day following the date of the sending of the notice if sent after such time or if that date is not a Business Day.

- (d) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in subsection 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

10.2 Notice to Warrantholders

- (a) Any notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or if sent by telecopier or letter or circular through ordinary post addressed to such Holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five Business Days following actual posting of the notice, or if telecopied, the next Business Day after transmission provided that the transmission has been completely and accurately transmitted.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Warrantholders or sent by telecopier to the address for such Warrantholders contained in the register of Warrants maintained by the Warrant Agent, or by publication nationally in *The Globe & Mail* (at the Corporation's expense).
- (c) Accidental error or omission in giving notice or accidental failure to mail notice to any Holder will not invalidate any action or Proceeding founded thereon.

10.3 Ownership and Transfer of Warrants

The Corporation and the Warrant Agent may deem and treat the registered owner of any Warrants as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by its Warrant Certificate free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate Holder of the Warrants and all Persons may act accordingly. The receipt by any such Warrantholder of the Common Shares issuable upon the exercise of the Warrants or the receipt of the amount required to be paid to such Warrantholder upon a purchase agreed to by a Warrantholder referred to in Section 5.1 shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such Holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Amendment

Notwithstanding the application of Section 7.10, the Corporation and the Warrant Agent may from time to time amend, vary or delete any of the provisions of this Indenture or the Warrant Certificates provided that any such amendments, variations or deletions are made for either of the following purposes:

- (a) in order to make such changes as are necessary in order to maintain the validity of this Indenture as a result of any change in any Applicable Law; or
- (b) in order to make such changes as are necessary in order to cure any clerical or typographical error, provided in each case that such amendment, variation or deletion is not, in the reasonable opinion of Counsel to the Warrant Agent, prejudicial to the interests of the Warrantholders.

10.5 Counterparts

This Indenture may be executed in facsimile and in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

10.6 Satisfaction and Discharge of Indenture

Except to the extent that any Common Shares and any certificates therefor which are required to be transferred or delivered hereunder have not been so transferred or delivered, or to the extent that any monies due and owing pursuant to Section 5.1 hereof have not yet been paid, or to the extent that the Warrant Agent has not performed any of its obligations under this Indenture, upon the earlier of:

- (a) the date by which there shall have been delivered to the Warrant Agent for exercise or destruction all Warrant Certificates theretofore certified hereunder; or
- (b) the Time of Expiry;

this Indenture shall cease to be of further effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

10.7 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders

Nothing in this Indenture or in the Warrant Certificates, express or implied, shall give or be construed to give to any Person other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any

covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

10.8 Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation for any purpose specified herein, the Corporation shall provide to the Warrant Agent, from time to time, upon the request of the Warrant Agent, a certificate of the Corporation setting forth as at the date of such certificate:

- (a) the names (other than the name of the Corporation) of the registered Holders of Warrants which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any Subsidiary of the Corporation; and
- (b) the number of Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation;

and the Warrant Agent, in making the computations or determinations herein which exclude such Warrants, shall be entitled to rely on such certificate without any additional evidence.

[The remainder of this page was left intentionally blank]

IN WITNESS WHEREOF the parties hereto have duly executed this Indenture as of the date first above written.

YELLOW MEDIA LTD.

Per: _____
Name: ●
Title: ●

●

Per: _____
Name: ●
Title: ●

Per: _____
Name: ●
Title: ●

SCHEDULE A

to the Warrant Indenture made as of ●, 2012 between
YELLOW MEDIA LTD.

- and -

●

(FORM OF WARRANT CERTIFICATE)

WARRANT CERTIFICATE

EXERCISABLE TO ACQUIRE COMMON SHARES OF

YELLOW MEDIA LTD.

(a corporation governed by the laws of Canada)

Certificate No. _____ Warrants _____

[Each Warrant Certificate originally issued to an "affiliate" of the Corporation (as such term is defined in Rule 144 under the U.S. Securities Act), as well as all certificates issued in exchange for or in substitution of the foregoing securities, will bear a legend to the following effect:

"THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF AGREES FOR THE BENEFIT OF YELLOW MEDIA LTD. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (D) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR THE APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) AND (D) ABOVE, A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE WARRANT AGENT AND THE CORPORATION, AND, IF REQUESTED BY THE WARRANT AGENT OR THE CORPORATION, A LEGAL OPINION SATISFACTORY TO THE WARRANT AGENT AND THE CORPORATION, MUST FIRST BE PROVIDED.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY," MAY BE OBTAINED FROM THE WARRANT AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE WARRANT AGENT AND THE CORPORATION AND, IF REQUESTED BY WARRANT AGENT OR THE CORPORATION, A LEGAL OPINION SATISFACTORY TO THE WARRANT AGENT AND THE CORPORATION.

THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE THEREOF HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "U.S. PERSON" AND "UNITED STATES" ARE AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT.]"

THIS IS TO CERTIFY THAT, for value received,

(the "**Warrantholder**") is the registered holder of the number of common share purchase warrants (the "**Warrants**") specified above of Yellow Media Ltd. (the "**Corporation**") and is entitled to purchase Common Shares of the Corporation ("**Common Shares**") as set forth in this Warrant Certificate. Each Warrant entitles the Warrantholder to purchase, at any time during the period commencing on the date hereof and ending at 5:00 p.m. (Montreal time) on ●, 2022 (the "**Expiry Time**"), one Common Share in the capital of the Corporation at a price of \$31.67 per Common Share, subject to adjustment (the "**Exercise Price**"). The right to acquire Common Shares may only be exercised by the Holder within the time set forth above by surrendering:

- (i) this Warrant Certificate and a duly completed subscription form (the "**Subscription Form**") attached to this Warrant Certificate; and
- (ii) a certified cheque, bank draft or money order payable at par to or to the order of Yellow Media Ltd. in the amount of the aggregate Exercise Price of the Common Shares subscribed for, to the Warrant Agent at its principal transfer office in Montreal, Québec, prior to the Expiry Time. This Warrant Certificate and the consideration for the aggregate Exercise Price of the Common Shares subscribed for as set out above will be deemed to be duly surrendered only upon personal delivery of this Warrant Certificate or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

Certificates for Common Shares issued upon subscription of Warrants will be mailed, postage prepaid, to the Person or Persons specified in the Subscription Form at the respective

address or addresses specified therein, or if so specified in such Subscription Form, delivered to such Person or Persons for pick-up at the Warrant Agency.

The Warrantholder may exercise the right to purchase Common Shares attached to fewer Warrants than are represented by this Warrant Certificate. In such a case, the Warrantholder will be entitled to receive a new Warrant Certificate representing the Warrants not then exercised. A fraction of a Warrant may not be exercised and fractional Common Shares will not be issued.

The Warrantholder acknowledges that the Warrants represented by this certificate and the Common Shares issuable upon exercise hereof may be offered, sold or otherwise transferred only in compliance with all applicable securities laws. The Warrantholder further acknowledges that the issuance of the Common Shares upon exercise of the Warrants must be exempt from the registration requirements of the U.S. Securities Act, and that, if the Warrantholder exercises the Warrants in the United States, or is or is acting for the account or benefit of a U.S. Person, it will be a condition to the exercise of the Warrants that the Warrantholder deliver a duly executed declaration and, if requested by the Warrant Agent or the Corporation, in each case in a form satisfactory to the Warrant Agent and the Corporation, to the effect that the Common Shares may be issued to the Warrantholder upon exercise thereof without registration under the U.S. Securities Act.

The Warrants represented by this certificate are issued under and pursuant to a warrant indenture (which indenture, together with all instruments supplemental thereto, is referred to as the "**Indenture**") dated as of ●, 2012 between the Corporation and ● (the "**Warrant Agent**"). Reference is made to the Indenture for a full description of the rights of the Warrantholders, the Corporation and the Warrant Agent and the terms and conditions upon which the Warrants are issued and held with the same effect as if the provisions of the Indenture were set forth in this Warrant Certificate. By acceptance of this Warrant Certificate, the Holder assents to all provisions of the Indenture. Capitalized terms used in this Warrant Certificate which are not defined in this Warrant Certificate but are defined in the Indenture have the meanings in this Warrant Certificate as ascribed to them in the Indenture. In the event of any conflict between the provisions of this Warrant Certificate and the provisions of the Indenture, the provisions of the Indenture will govern. A copy of the Indenture is available for inspection at the offices of the Corporation and the Warrant Agency during regular business hours.

Without limiting the generality of the foregoing, no Common Shares will be issued pursuant to the exercise of any Warrant if the exercise of the Warrants or the issuance of the underlying Common Shares would constitute a violation of the securities laws of any applicable jurisdiction other than the Qualifying Jurisdictions.

The Person or Persons in whose name or names the Common Shares issuable upon the exercise of the Warrants are to be issued will be deemed for all purposes (except as provided in the Indenture) to be the Holder or Holders of record of such Common Shares. The Subscription Form will be signed by the Holder and will specify the Person(s) in whose name(s) the Common Shares are to be issued, the address(es) of such Person(s) and the number of Common Shares to be issued to each Person, if more than one is so specified. If any of the Common Shares subscribed for are to be issued to a Person or Persons other than the Holder, the Holder shall comply with such reasonable requirements as the Warrant Agent may prescribe and the

Holder will pay to the Corporation, or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation will not be required to issue or deliver certificates evidencing Common Shares, unless or until the Holder will have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such taxes or will have established to the satisfaction of the Corporation, acting reasonably, that such taxes have been paid or that no tax is due.

The Indenture provides for certain adjustments in the number of Common Shares or property which the Warrantholder is entitled to receive upon exercise of Warrants on payment of certain dividends, distributions or any subdivision, consolidation, reclassification or alteration of the outstanding Common Shares of the Corporation or after certain other events specified in the Indenture.

The holding of the Warrants evidenced by this Warrant Certificate will not constitute the Holder of this Warrant Certificate a Shareholder of the Corporation or entitle the Holder to any right or interest in respect thereof except as expressly provided in the Indenture or in this Warrant Certificate.

The Indenture provides that, subject to certain limited exceptions, all Warrantholders will be bound by any resolution passed at a meeting of the Warrantholders held in accordance with the provisions of the Indenture and by (a) any resolution that is not an Extraordinary Resolution signed by Warrantholders representing at least a majority of the aggregate number of Warrants then outstanding, or (b) any Extraordinary Resolution signed by Warrantholders representing at least 66²/₃% of the aggregate number of Warrants then outstanding.

The Warrants evidenced by this Warrant Certificate may only be transferred in accordance with the securities laws of any applicable jurisdiction, applicable requirements of the TSX and upon executing the Transfer Form attached hereto and, subject thereto, may be transferred on the register kept at the Warrant Agency by the registered Holder hereof or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, only upon compliance with the conditions prescribed in the Indenture and upon compliance with such reasonable requirements as the Warrant Agent may prescribe.

Time is of the essence of this Warrant Certificate. This Warrant Certificate is governed by and will be construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

The parties hereto confirm their express wish that this Warrant Certificate and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. *Les parties reconnaissent leur volonté expresse que le présent certificat ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.*

This Warrant Certificate will not be valid for any purpose whatever unless and until it has been certified by or on behalf of the Warrant Agent.

IN WITNESS WHEREOF, the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer.

YELLOW MEDIA LTD.

Per: _____
Authorized Signing Officer

Certified on _____, by:



Warrant Agent

Per: _____
Authorized Signing Officer

TRANSFER OF WARRANTS

**TO: YELLOW MEDIA LTD.
 C/O ●**

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. THE CORPORATION IS ENTITLED, AND MAY DIRECT THE WARRANT AGENT, TO REFUSE TO RECOGNIZE ANY TRANSFER OF ANY WARRANT IF SUCH TRANSFER, OR THE ISSUE OF COMMON SHARES ON EXERCISE OF SUCH WARRANT FOLLOWING SUCH TRANSFER, WOULD (1) CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF ANY APPLICABLE JURISDICTION, OR (2) CONSTITUTE A VIOLATION OF THE RULES, REGULATIONS OR POLICIES OF ANY REGULATORY AUTHORITY HAVING JURISDICTION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to _____
(Please print or type name and address of Assignee)

____ Warrants of Yellow Media Ltd. registered in the name of the undersigned on the records of ● maintained by ● represented by the Warrant Certificate attached and irrevocably appoints _____ the attorney of the undersigned to transfer the said Warrants on the books of the Warrant Agent with full power of substitution in the premises.

DATED the _____ day of _____, 20____ .

Signature Guaranteed by

(Signature of Warrantholder)

(Print Name of Warrantholder in Full)

(Print Address in Full)

Instructions:

1. Signature of the Warrantholder must be the signature of the Person appearing on the face of this Warrant Certificate.

2. If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a fund or any other Person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.

3. The signature on the Transfer Form must, in certain circumstances, be signature guaranteed or medallion guaranteed or signature and authority to sign guaranteed by an authorized officer of a Canadian Schedule 1 Bank (within the meaning of the *Bank Act* (Canada)), a major trust company or a member of the Securities Transfer Agents Medallion Program (STAMP) and the Transfer Form must be submitted with a duly executed Acknowledgement and Declaration of Transferee in the form attached.
4. Warrants will only be transferable in accordance with Applicable Laws.
5. Transferees must duly complete the Acknowledgement and Declaration of Transferee form attached.

The signature(s) on this form must be guaranteed by one of the following methods:

Canada and the USA: A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed".

Canada: A Signature Guarantee obtained from a major Canadian Schedule 1 Bank (within the meaning of the *Bank Act* (Canada)). The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program.

Outside North America: For Holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

ACKNOWLEDGEMENT AND DECLARATION OF TRANSFEREE

TO: ●

AND TO: **YELLOW MEDIA LTD.**

The undersigned transferee of Warrants of Yellow Media Ltd. hereby acknowledges that such Warrants are subject to the terms, conditions and provisions of a Warrant Indenture dated ●, 2012 between Yellow Media Ltd. and ●.

DATED the day of _____, 20__.

Name of Transferee

By:

Office or Title

Address of Transferee

SUBSCRIPTION FORM

TO: YELLOW MEDIA LTD.
c/o ●

The undersigned Holder of the within purchase warrants (the "**Warrants**") hereby subscribes for _____ Common Shares of Yellow Media Ltd. (the "**Corporation**") (or such number of other securities or property at such other price to which such Warrants entitle the undersigned in lieu of this Indenture or in addition thereto under the provisions of the Indenture) in accordance with and subject to the provisions of the Warrants and the Indenture.

The undersigned Holder encloses and tenders herewith a certified cheque, bank draft or money order payable at par to or to the order of Yellow Media Ltd. in lawful money of Canada for the aggregate subscription price of \$ _____, representing an amount equal to \$31.67 (or a price as adjusted pursuant to the Indenture) in respect of each Common Share to be issued.

The undersigned hereby:

- (a) confirms that it is not a U.S. Person, and is not subscribing for Common Shares in the United States or for the account or benefit of a U.S. Person or a Person in the United States; OR
- (b) has attached to this Subscription Form (i) a duly executed letter substantially in the form attached as Schedule C to the Indenture confirming the status of the undersigned as an "accredited investor" within the meaning of Rule 501(a)(4) of Regulation D of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and certain other matters or (ii) an Opinion of Counsel, to the effect that the Common Shares have been registered under the U.S. Securities, or that upon exercise of this Warrant Certificate the Common Shares may be issued to the Holder without registration under the U.S. Securities Act.

The undersigned hereby directs that the said securities or property be registered as follows:

Registration Instructions

Name(s) in Full	Address(es)	Number of Common Shares

Please print the full name in which security certificates are to be issued.

Please check this box if the share certificate(s) is to be delivered at the principal office of ● where the within Warrant Certificate is surrendered, failing which the certificate(s) will be mailed, postage prepaid, to the address(es) specified under "Registration Instructions" above.

DATED this _____ day of _____, _____.

Signature of Warrantholder

Signature Guaranteed by:

Print name and address of Holder in full below:

Name: _____
Address: _____
(including Postal or Zip Code) _____
Social Insurance Number _____

Instructions:

1. The registered Holder may exercise its right to subscribe for Warrants by completing this form and surrendering this form, the Warrant Certificate representing the Warrants being exercised, and the subscription price to:
 - at:
 - (by mail)
 -
2. Certificates for Common Shares will be delivered or mailed as soon as practicable after the exercise of the Warrants.
3. If the Subscription Form indicates that Common Shares are to be issued to a Person or Persons other than the registered Holder of the Warrant Certificate, the signature of such Holder of the Exercise Form must be signature guaranteed by an authorized officer of a Canadian Schedule 1 Bank (within the meaning of the *Bank Act* (Canada)) or a member of the Securities Transfer Agents Medallion Program (STAMP).

4. Please print the full name(s) in which the Common Shares are to be issued. If any Common Shares are to be issued to a Person or Persons other than the Warrantholder, the Warrantholder must pay to the Warrant Agent all exigible transfer taxes or other governmental charges and sign the form of Transfer.
5. If the Subscription Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any other Person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.

SCHEDULE B

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: ●
as registrar and transfer agent and warrant agent
for securities of
Yellow Media Ltd.
Montreal, Québec

The undersigned (a) acknowledges that the sale of the securities of Yellow Media Ltd. (the "Corporation") to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and (b) certifies that (1) it is not an affiliate of the Corporation (as defined in Rule 405 under the U.S. Securities Act), (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated: _____

By: _____

Name:

Title:

SCHEDULE C

Form of Letter to be Delivered by
Original U.S. Purchaser
upon Exercise of Warrants

Yellow Media Ltd.
16 Place du Commerce
Verdun, Québec
H3E 2A5

- and to -

●

Dear Sirs:

We are delivering this letter in connection with the purchase of common shares (the "Common Shares") of Yellow Media Ltd. (the "Corporation"), a corporation existing under the laws of Canada, upon the exercise of warrants of the Corporation ("Warrants"), issued under the warrant indenture dated as of ●, 2012 between the Corporation and ●.

We hereby confirm that:

(a) we are (check one):

(i) an institutional "accredited investor" within the meaning of Rule 501 (a)(1),(2),(3) or (7) of Regulation D under the United States Securities Act of 1933 (the "U.S. Securities Act"); *or*

(ii) an accredited investor within the meaning of Rule 501(a)(4) of Regulation D under the U.S. Securities Act;

(b) we are purchasing the Common Shares for our own account;

(c) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of purchasing the Common Shares;

(d) we are not acquiring the Common Shares with a view to distribution thereof or with any present intention of offering or selling any of the Common Shares, except (A) to the Corporation, (B) outside the United States in accordance with Rule 904 under the U.S. Securities Act or (C) inside the United States (1) in accordance with Rule 144A under the U.S. Securities Act and in compliance with applicable state securities laws or (2) in accordance with Rule 144 under the U.S. Securities Act, if applicable, and in compliance with applicable state securities laws;

- (e) we acknowledge that we have had access to such financial and other information as we deem necessary in connection with our decision to purchase the Common Shares; and
- (f) we acknowledge that we are not purchasing the Common Shares as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

We understand that the Common Shares are being offered in a transaction not involving any public offering within the United States within the meaning of the U.S. Securities Act and that the Common Shares have not been and will not be registered under the U.S. Securities Act. We further understand that any Common Shares acquired by us (A) if we checked (a)(i) above, will be identified by a CUSIP number that is different from the CUSIP number that identifies the Common Shares sold to non-U.S. Persons outside of the United States, or (B) if we checked (a)(ii) above, will be in the form of definitive physical certificates and that such certificates will bear a legend reflecting the substance of paragraph (d) above.

We acknowledge that you will rely upon our confirmations, acknowledgments and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations or warranties herein ceases to be accurate or complete.

(Name of Purchaser)

By: _____
Name:
Title:

Address:

SCHEDULE I
INTERIM ORDER

(see attached)

SUPERIOR COURT
(*Commercial Division*)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No: _____

DATE: _____

PRESENT: THE HONOURABLE MR. [MRS.] JUSTICE _____, J.S.C.

IN THE MATTER OF A PROPOSED ARRANGEMENT CONCERNING:

**YELLOW MEDIA INC.
8254320 CANADA INC.**

Applicants

and

THE IMPLEADED PARTIES LISTED IN SCHEDULE 'A' HEREOF

and

THE DIRECTOR IN CHARGE OF THE CBCA

Impleaded Parties

INTERIM ORDER

GIVEN the Applicants' *Application for Interim and Final Orders* pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (as amended, the "**CBCA**"), the exhibits as well as the affidavit of Mrs. Ginette Maillé filed in support thereof (the "**Application**");

GIVEN that this Court is satisfied that the Director appointed pursuant to the *CBCA* has been duly served with the Motion and has confirmed in writing that he would not appear or be heard on the Motion;

GIVEN the provisions of the *CBCA*;

GIVEN the representations of counsel for the Applicants;

GIVEN that this Court is satisfied, at the present time, that the proposed transaction is an "arrangement" within the meaning of Section 192(1) of the *CBCA*;

GIVEN that this Court is satisfied, at the present time, that it is not practicable for the Applicants to effect the arrangement proposed under any other provision of the *CBCA*;

GIVEN that this Court is satisfied, at the present time, that the Applicants meet the requirements set forth in Subsections 192(2)(a) and (b) of the *CBCA*;

GIVEN that this Court is satisfied, at the present time, that the arrangement is put forward in good faith and for a valid business purpose;

FOR THESE REASONS, THE COURT:

- [1] **GRANTS** the Interim Order sought in the Motion.
- [2] **DISPENSES** the Applicants of the obligation, if any, to notify any person other than the Director appointed pursuant to the *CBCA* with respect to this Interim Order.
- [3] **DECLARES** that, as used in this Interim Order, unless otherwise defined, capitalized terms shall have the respective meanings set forth in the Application.
- [4] **ORDERS** that all Voting Parties (as defined in paragraph [7] of this Interim Order) shall be deemed to be impleaded as parties to these proceedings and shall be bound by the terms of this Interim Order.
- [5] **DECLARES** that, for the purposes of this Interim Order, any reference herein to the holder of an obligation shall be deemed to include both the legal and beneficial holders, if any.

THE MEETINGS

- [6] **ORDERS** that the Applicants may convene, hold and conduct a meeting (the "**Debtholders' Meeting**") to be held on September 6, 2012, commencing at 11:00 a.m. (Montréal time) in Room 510 of the Palais des Congrès situated at 1001 Place Jean-Paul Riopelle, Montréal, Québec, H2Z 1H5, of the following:
 - (a) the lenders (the "**Credit Facility Lenders**") under the Second Amended and Restated Credit Agreement dated September 28, 2011 (the "**Credit Agreement**"), among, *inter alia*, Yellow Media Inc. ("**YMI**"), as borrower, the Bank of Nova Scotia, as administrative agent (the "**Credit Facility Agent**"), and the lending institutions from time to time parties thereto;
 - (b) the holders (the "**MTN Holders**") of the following notes issued by YMI (collectively, the "**MTN Notes**") under the *Trust Indenture providing for the issue of Medium Term Notes* dated April 21, 2004, among YPG Holdings Inc., Yellow Pages Income Fund, YPG LP, Yellow Pages Group Co. and CIBC Mellon Trust Company (the "**MTN Trustee**"), as supplemented by the *First Supplemental Trust Indenture* dated November 1, 2010, among YMI, the MTN Trustee and Yellow Pages Group Co. (the "**MTN Indenture**");

- (i) the 5.71% MTN Notes, Series 2, due April 21, 2014;
 - (ii) the 5.85% MTN Notes, Series 3, due November 18, 2019;
 - (iii) the 5.25% MTN Notes, Series 4, due February 15, 2016;
 - (iv) the 6.25% MTN Notes, Series 5, due February 15, 2036;
 - (v) the 7.30% MTN Notes, Series 7, due February 2, 2015;
 - (vi) the 6.85% MTN Notes, Series 8, due December 3, 2013;
 - (vii) the 6.50% MTN Notes, Series 9, due July 10, 2013; and
 - (viii) the 7.75% MTN Notes, Series 10, due March 2, 2020; and
- (c) the holders (the "**Convertible Debentureholders**") of 6.25% convertible unsecured subordinated debentures of YMI due October 1, 2017 (the "**Convertible Debentures**"), issued pursuant to the *Trust Indenture providing for the issue of Convertible Unsecured Subordinated Debentures* dated July 8, 2010, among YMI, Yellow Pages Income Fund, YPG Trust, YPG LP and BNY Trust Company of Canada (the "**Debenture Trustee**"), as supplemented by the *First Supplemental Trust Indenture* dated November 1, 2010, between YMI and the Debenture Trustee (the "**Convertible Debenture Indenture**"), provided however, that only those Convertible Debentureholders that exercise their Opt-Out Election (as defined below) in accordance with the terms of this Interim Order shall be admitted to attend and vote at the Debtholders' Meeting;

(the Credit Facility Lenders, the MTN Holders and the Convertible Debentureholders that exercised their Opt-Out Election in accordance with the terms of this Interim Order are collectively referred to as the "**Debtholders**").

[7] **ORDERS** that the Applicants may convene, hold and conduct a meeting (the "**Shareholders' Meeting**" and with the Debtholders' Meeting, the "**Meetings**") to be held on September 6, 2012, commencing at 11:30 a.m. (Montréal time) in Room 510 of the Palais des Congrès situated at 1001 Place Jean-Paul Riopelle, Montréal, Québec, H2Z 1H5, of the following:

- (a) the holders of common shares in the capital of YMI (the "**Existing Common Shares**");
- (b) the holders of the following preferred shares in the capital of YMI (the "**Existing Preferred Shares**"):
 - (i) the 4.25% Cumulative Redeemable First Preferred Shares, Series 1 of YMI;
 - (ii) the 5.00% Cumulative Redeemable First Preferred Shares, Series 2 of YMI;
 - (iii) the Cumulative Rate Reset First Preferred Shares, Series 3 of YMI;

- (iv) the Cumulative Rate Reset First Preferred Shares, Series 5 of YMI;
- (v) the Cumulative Exchangeable First Preferred Shares, Series 7 of YMI; and
- (c) the Convertible Debentureholders other than the Convertible Debentureholders that exercised their Opt-Out Election in accordance with the terms of this Interim Order;

(the holders of Existing Common Shares, the holders of Existing Preferred Shares and the Convertible Debentureholders other than those that exercised their Opt-Out Election in accordance with the terms of this Interim Order are collectively referred to as the "**Shareholders**" and with the Debtholders, as the "**Voting Parties**").

- [8] **ORDERS** that at the Meetings, the Voting Parties shall be asked, among other things, to consider and, if thought appropriate, to pass, respectively, with or without variation, the resolutions communicated as Appendix "A" to the Circular (the "**Debtholders' Arrangement Resolution**") and Appendix "B" to the Circular (the "**Shareholders' Arrangement Resolution**" and collectively with the Debtholders' Arrangement Resolution, the "**Arrangement Resolutions**") to, among other things, authorize, and approve the Arrangement, and to transact such other business as may properly come before the Meetings.

RECORD DATE, QUORUM AND PERMITTED ATTENDEES

- [9] **ORDERS** that the record date for entitlement to notice of the Meetings and for entitlement to vote at the Meetings shall be July 24, 2012 (the "**Record Date**").
- [10] **ORDERS** that the Chair of each of the Meetings shall be either Marc L. Reisch or François D. Ramsay. The quorum required for the Debtholders' Meeting shall be satisfied if two or more Debtholders entitled to vote are present, in person or by proxy, at the Debtholders' Meeting. The quorum required for the Shareholders' Meeting shall be satisfied if two or more Shareholders entitled to vote are present, in person or by proxy, at the Shareholders' Meeting.
- [11] **ORDERS** that the Meetings shall be called, held and conducted in accordance with the Notice of Meeting of Holders of Affected Unsecured Debt and the Notice of Special Meeting of Shareholders (the "**Notices of Meetings**") communicated with the Circular, the CBCA, the terms of this Interim Order and any further Order of this Court.
- [12] **ORDERS** that the only persons entitled to attend, be heard or vote at the Meetings (as they may be adjourned or postponed) shall be the following:
- (a) the Voting Parties as of the Record Date or their respective proxy holders;
 - (b) the officers, directors, counsel, auditors and financial and other advisors of the Applicants;

- (c) in the case of the Debtholders' Meeting, the Credit Facility Agent and the MTN Trustee, and in the case of both Meetings, the Debenture Trustee;
- (d) the Director; and
- (e) other persons who may have received the permission of the Chair of each of the Meetings.

[13] **ORDERS** that a representative of YMI's transfer agent, Canadian Stock Transfer Company Inc., as administrative agent for CIBC Mellon Trust Company (the "**Transfer Agent**"), shall be authorized to act as scrutineer for the Debtholders' Meeting as well as for the Shareholders' Meeting.

OPT-OUT ELECTION AND VOTING

[14] **ORDERS** that each Convertible Debentureholder shall be entitled to elect, at its sole discretion, to attend the Debtholders' Meeting to vote on the Debtholders' Arrangement Resolution rather than attending the Shareholders' Meeting to vote on the Shareholders' Arrangement Resolution (the "**Opt-Out Election**") by indicating its intention to exercise the Opt-Out Election on the Form of Proxy in the section reserved to that effect.

[15] **ORDERS** that, for the purposes of attendance at the Meetings and voting on the Arrangement Resolutions, the Convertible Debentureholders that did not exercise their Opt-Out Election shall be entitled only to attend the Shareholders' Meeting and to have their votes, if any, counted towards the approval of the Shareholders' Arrangement Resolution.

[16] **ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolutions or such other business as may be properly brought before the Meetings shall be the Voting Parties as of the Record Date.

[17] **ORDERS** that in respect of the vote on the Debtholders' Arrangement Resolution or any matter determined by the Chair of the Debtholders' Meeting to be related to the Arrangement, the following number of votes shall be held by each Debtholder:

- (a) each Credit Facility Lender shall be entitled to cast one vote for each CDN \$1.00 of principal amount owing to said lender under the Credit Agreement as of the Record Date;
- (b) each MTN Holder shall be entitled to cast one vote for each CDN \$1.00 of principal amount owing to said MTN Holder under the MTN Notes as of the Record Date; and
- (c) each Convertible Debentureholder that exercised its Opt-Out Election in accordance with the terms of this Interim Order shall be entitled to cast one vote for each CDN \$1.00 of principal amount owing to said Convertible Debentureholder under the Convertible Debentures as of the Record Date;

- [18] **ORDERS** that the Debtholders' Arrangement Resolution, with or without variation, shall be considered to be approved by the affirmative vote of not less than 662/3% of the total votes cast by the Debtholders entitled to vote, present in person or by proxy, at the Debtholders' Meeting, voting together as a single class.
- [19] **ORDERS** that in respect of the vote on the Shareholders' Arrangement Resolution or any matter determined by the Chair of the Shareholders' Meeting to be related to the Arrangement, the following number of votes shall be held by each Shareholder:
- (a) each holder of Existing Common Shares and Existing Preferred Shares shall be entitled to cast one vote in respect of each Existing Common Share or Existing Preferred Share held by such shareholder as of the Record Date; and
 - (b) each Convertible Debentureholder that has not exercised its Opt-Out Election in accordance with the terms of this Interim Order shall be entitled to cast one vote for each CDN \$8.00 of principal amount owing to said Convertible Debentureholder under the Convertible Debentures as at the Record Date (disregarding fractions).
- [20] **ORDERS** that the Shareholders' Arrangement Resolution, with or without variation, shall be considered to be approved by the affirmative vote of not less than 662/3% of the total votes cast by the Shareholders entitled to vote, present in person or by proxy, at the Shareholders' Meeting, voting together as a single class.
- [21] **ORDERS** that for the purpose of the vote on the Arrangement Resolutions, or any other vote taken by ballot at the Meetings, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by the Voting Parties.
- [22] **ORDERS** that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolutions.

DISSENTING SHAREHOLDERS' RIGHTS

- [23] **ORDERS** that there shall be no right of dissent in respect of the Arrangement Resolutions.

NO DEFAULT

- [24] **ORDERS** that, until the earlier of (i) a final ruling is issued on the Final Order sought in the Application, or (ii) October 15, 2012, no person, including, without limitation, the Credit Facility Lenders, the MTN Holders, the Convertible Debentureholders, the Credit Facility Agent, the MTN Trustee and the Debenture Trustee, shall have any rights to terminate, accelerate, amend or declare in default any contract or other agreement including, without limitation, the Credit Agreement, the MTN Indenture and the Convertible Debenture Indenture, to which any of the Applicants or Impleaded Parties are a party, due solely to the

Applicants or Impleaded Parties being parties to these proceedings or having made an application to this Court under section 192 of the CBCA, without further order of this Court.

ADJOURNMENTS AND POSTPONEMENTS

- [25] **ORDERS** that the Applicants, if they deem it advisable, shall be authorized to adjourn or postpone the Meetings on one or more occasions (whether or not a quorum is present), without the necessity of first convening the Meetings or first obtaining any vote of the Voting Parties respecting the adjournment or postponement.
- [26] **ORDERS** that notice of any such adjournment or postponement shall be given by press release and posting on the Applicant's website in accordance with paragraph [36] hereof or such other method as the Applicants may determine is appropriate in the circumstances.
- [27] **ORDERS** that any adjournment or postponement of the Meetings shall not have the effect of modifying the Record Date for Voting Parties entitled to notice of, and to vote at, the Meetings.
- [28] **ORDERS** that any subsequent reconvening of the Meetings, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meetings, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meetings.

AMENDMENTS TO THE ARRANGEMENT AND PLAN OF ARRANGEMENT

- [29] **ORDERS** that the Applicants may amend, modify and/or supplement the Plan of Arrangement in accordance with the terms thereof;

SOLICITATION OF PROXIES

- [30] **ORDERS** that the Applicants are authorized to use proxies at the Meetings, substantially in the form communicated as Exhibit P-2 to the Application. The Applicants are authorized, at their expense, to solicit proxies on behalf of their management, directly or through their officers, directors and employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as they may determine.
- [31] **ORDERS** that any proxy to be used at the Meetings must be returned by courier, fax or mail, to the Transfer Agent, no later than 4:00 p.m. (Montréal time), on September 5, 2012. Notwithstanding the foregoing, the Applicants may waive, but have no obligation to do so, the time limit for the deposit of proxies by Voting Parties if the Applicants deem it advisable to do so.
- [32] **ORDERS** that Voting Parties will be entitled to revoke a proxy given at any time prior to the exercise thereof at the Meetings by:
- (a) depositing, with the Transfer Agent an instrument in writing executed by such Voting Party or by an attorney authorized in writing, or, if the Voting

Party is a corporation, by a duly authorized officer or attorney thereof, at any time up to and including the last business day preceding the Meetings, or with the secretary of the applicable Meeting on the day of such Meeting; or

- (b) depositing with the Transfer Agent a further proxy which is dated subsequent to the date of the original proxy; or
- (c) in any other manner permitted by law.

DISTRIBUTION OF MEETING MATERIALS

[33] **ORDERS** that the Applicants shall give notice of the Meetings, and that service of a Motion for a Final Order shall be made by mailing or delivering, in the manner hereinafter described and to the persons hereinafter specified, the following documents, with such non-material amendments thereto as YMI may deem to be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order:

- (a) the Circular as well as the following documents communicated therewith, all substantially in the form communicated as Exhibit P-1 to the Application:
 - (i) the Notices of Meetings accompanying the Circular;
 - (ii) the Debtholders' Arrangement Resolution and the Shareholders' Arrangement Resolution, Appendices "A" and "B" to the Circular, respectively;
 - (iii) the Plan of Arrangement, Appendix "C" to the Circular;
 - (iv) the Arrangement Agreement, Appendix "D" to the Circular;
 - (v) this Interim Order, Appendix "E" to the Circular;
 - (vi) the Opinions of BMO Capital Markets and Canaccord Genuity, Appendices "F" and "G" to the Circular, respectively;
 - (vii) the Notice of Presentation providing, among other things, the date, time and room where the Motion for a Final Order will be heard, and that a copy of the Application can be found on the Applicants' website, Appendix "H" to the Circular;
- (b) the Forms of Proxy substantially in the form communicated as Exhibit P-2 to the Application, which shall be finalized by inserting the relevant dates and other information; and
- (c) any other communications or documents determined by the Applicants to be necessary or desirable;

(the above documents are collectively referred to as the "**Meeting Materials**").

- [34] **ORDERS** that the Applicants are hereby authorized and directed to distribute the Meeting Materials as soon as practicable, as applicable, to: (i) registered Voting Parties entitled to vote as of the Record Date; (ii) the directors of the Applicants and Impleaded Parties; (iii) the auditors of YMI; (iv) the Transfer Agent of YMI; and (v) the Credit Facility Agent, the MTN Trustee and the Debenture Trustee; (vi) the Director, by delivering same by pre-paid ordinary mail, by delivery in person or by fax or by recognized courier service at least twenty-one (21) days prior to the date established for the Meetings in the Notice of Presentation. Distribution to such persons shall be made to their addresses as they appear on the books and records of the Applicants or as at the Record Date.
- [35] **ORDERS** that the Applicants are to distribute the Meeting Materials to non-registered Shareholders, MTN Holders and Convertible Debentureholders in compliance with National Instrument 54-101 - Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, at least three (3) business days prior to the twenty-first (21st) day prior to the date of the Meetings.
- [36] **ORDERS** that a copy of the Application and the Meeting Materials and any amendments thereto made in accordance with this Interim Order be posted on the Applicants' website (www.ypg.com) at the same time the Meeting Materials are mailed or the amendments made.
- [37] **ORDERS** that the Applicants may make, in accordance with this Interim Order, such additions, amendments or revisions to the Meeting Materials as they determine to be appropriate (the "**Additional Materials**"), which shall be distributed to the persons entitled to receive the Meeting Materials pursuant to this Interim Order in accordance with paragraph [36] hereof or by the method and in the time determined by the Applicants to be most practicable in the circumstances.
- [38] **DECLARES** that the mailing or delivery of the Meeting Materials and any Additional Materials in accordance with this Interim Order as set out above constitutes good and sufficient notice of the Meetings upon all persons, and that no other form of service of the Meeting Materials and any Additional Materials or any portion thereof, or of the Application need be made, or notice given or other material served in respect of the Meetings to any persons.
- [39] **DECLARES** that the Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 192 of the CBCA, and YMI shall not be required to send to the Debtholders or the Shareholders any other or additional information.
- [40] **ORDERS** that the Meeting Materials and any Additional Materials shall be deemed, for the purposes of the present proceedings, to have been received and served upon:
- (a) in the case of distribution by mail, three (3) business days after delivery thereof to the post office;
 - (b) in the case of delivery in person or by courier, upon receipt thereof at the intended recipient's address;

- (c) in the case of delivery by facsimile transmission or by e-mail, on the day of transmission; and
- (d) in the case of Additional Materials, upon the date of the posting of said materials on the Applicants' website in accordance with paragraph [36] hereof.

[41] **DECLARES** that the accidental failure or omission to give notice of the Meetings to, or the non-receipt of such notice by, one or more of the persons specified in the Interim Order shall not invalidate any resolution passed at the Meetings or the proceedings herein, and shall not constitute a breach of the Interim Order or defect in the calling of the Meetings, provided that if any such failure or omission is brought to the attention of the Applicants, they shall use reasonable efforts to rectify such failure or omission by the method and in the time they determine to be most reasonably practicable in the circumstances.

FINAL ORDER HEARING

[42] **ORDERS** that the Applicants may apply for this Court to sanction the Arrangement by way of a final judgment (the "**Motion for a Final Order**") to be presented on September 10, 2012, before the Superior Court of Quebec, sitting in the Commercial Division in and for the district of Montreal at the Montreal Courthouse, located at 1, Notre-Dame Street East in Montreal, Quebec, Room 16.12 at 9:15 a.m., or soon thereafter as counsel may be heard, or at any other date this Court may see fit.

[43] **ORDERS** that the mailing or delivery of the Meeting Materials constitutes good and sufficient service of the Application and good and sufficient notice of presentation of the Motion for a Final Order to all persons, whether those persons reside within Quebec or in another jurisdiction.

[44] **ORDERS** that the only persons entitled to appear and be heard at the hearing of the Motion for a Final Order shall be the Applicants, the Impleaded Parties, the Director, and any person that:

- (a) files an appearance with this Court's registry and serves same on the Applicants' counsel, Stikeman Elliott LLP (Attention: Jean C. Fontaine and Joseph Reynaud, 1155 René-Lévesque Blvd West, Suite 4000, Montreal, Quebec, H3B 2V2, facsimile: 514 397-3487), no later than five (5) business days before the date of the Meetings; or
- (b) if such appearance is with a view to contesting the Motion for a Final Order or to make representations in relation thereto, files in this Court's registry a written contestation or written representations, as the case may be, supported as to the facts alleged by affidavit(s), and exhibit(s), if any, and serves same on the Applicants' counsel (at the above address and facsimile number), no later than no later than three (3) business days before the date of the Meetings;

failing which no contestation of the Motion for a Final Order shall be permitted, unless authorized by the Court.

- [45] **ALLOWS** the Applicants to file any further evidence they may deem appropriate, by way of supplementary affidavits or otherwise, in connection with the Motion for a Final Order, up to one day prior to the hearing on the Motion for a Final Order;

MISCELLANEOUS

- [46] **ORDERS** that to the extent of any inconsistency or discrepancy between this Order and the terms of any instrument creating, governing or collateral to the Existing Common Shares, the Existing Preferred Shares, the Convertible Debentures, the Credit Agreement and the MTN Notes, or the articles or by-laws of YMI, this Interim Order shall govern.
- [47] **DECLARES** that this Interim Order shall have full force and effect in all other Provinces and Territories of Canada and shall be enforced in the courts of each of the other Provinces and Territories of Canada in the same manner in all respects as if this Interim Order had been made by the Court enforcing it.
- [48] **ORDERS** that this Court respectfully seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body constituted pursuant to the Parliament of Canada or the legislature of any province, as well as any court or any judicial, regulatory or administrative body of the United States of America or elsewhere, to act in aid of and to assist this Court in carrying out the terms of this Interim Order.
- [49] **DECLARES** that the Applicants shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.
- [50] **ORDERS** provisional execution of this Interim Order notwithstanding appeal and without the necessity of furnishing any security.

WITHOUT COSTS.

_____, S.C.J.

SCHEDULE A
IMPLEADED PARTIES

1. **YELLOW PAGES GROUP CORP.**
2. **CANPAGES INC.**
3. **WALL2WALL MEDIA INC.**
4. **YPG (USA) HOLDINGS, INC.**
5. **YELLOW PAGES GROUP, LLC.**
6. **7737351 CANADA INC.**
7. **SNAP GUIDES INC.**

SCHEDULE J

FINAL ORDER

(see attached)

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No: _____

DATE: _____

PRESENT: THE HONOURABLE MR. [MRS.] JUSTICE _____, J.S.C.

IN THE MATTER OF A PROPOSED ARRANGEMENT CONCERNING:

**YELLOW MEDIA INC.
8254320 CANADA INC.**

Applicants

and

THE IMPLEADED PARTIES LISTED IN SCHEDULE 'A' HEREOF

and

THE DIRECTOR IN CHARGE OF THE CBCA

Impleaded Parties

FINAL ORDER

CONSIDERING the Applicants' Application for a Final Order (the "**Application**") with respect to an Arrangement and the Affidavits filed in support thereof, notably the affidavits of ● regarding the voting results of the Meetings dated **[September 6]**, 2012 and the affidavit of Mrs. Ginette Maillé dated July 23, 2012, in support of the Application;

CONSIDERING the Interim Order rendered on July 23, 2012 by the Honourable Mr. Justice Robert Mongeon (the "**Interim Order**");

CONSIDERING the Arrangement Agreement (Appendix "D" to Exhibit **P-1**) and the Plan of Arrangement (the "**Plan of Arrangement**") (Appendix "C" to Exhibit **P-1**) filed in the Court record on ●, 2012;

CONSIDERING that the Court has been advised in the Application that the approval of the Arrangement by this Court will constitute the basis for an exemption from the

registration requirements under Section 3(a)(10) of the United States Securities Act of 1933, as amended, with respect to the New Senior Notes, New Subordinated Debentures, New common Shares and Warrants to Credit Facility Lenders, MTN Holders, Convertible Debentureholders and Shareholders to be issued under the Arrangement;

CONSIDERING the representations made by Counsel for the Applicants and the Impleaded Parties, as well as the other parties represented at the hearing of the Application;

CONSIDERING that the Applicants have satisfied the Court that:

- a) all statutory and other procedural requirements have been fulfilled;
- b) the Application is put forward in good faith; and
- c) the Arrangement is fair and reasonable;

CONSIDERING that the Applicants have, more particularly, duly established that (a) the Arrangement has a valid business purpose and (b) any objections by those whose legal rights are being arranged are resolved in a fair and balanced way;

FOR THESE REASONS, THE COURT:

- [1] **GRANTS** the application of Yellow Media Inc. and 8254320 Canada Inc. (the "**Applicants**") for a final order (the "**Application**").
- [2] **DISPENSES** the Applicants from further service of the Application.
- [3] **DECLARES** that, as used herein, unless otherwise defined, terms beginning with capital letters have the meanings set forth in the Application.
- [4] **DECLARES** that to the extent of any inconsistency or discrepancy between this Final Order and the terms of any instrument creating, governing or collateral to the Existing Common Shares, the Existing Preferred Shares, the Convertible Debentures, the Credit Agreement and the MTN Notes, or the articles or by-laws of YMI, this Final Order shall govern.
- [5] **DECLARES** that the Applicants have complied with all actions or steps required to be taken by them pursuant to the Interim Order or in connection with documents or acts contemplated by the Interim Order, including, without limitation, that the Meeting Materials were distributed in compliance with the Interim Order and that the Meetings were called, held and conducted in compliance with the Interim Order.
- [6] **DECLARES** that the Arrangement and the terms and conditions thereof (the "**Arrangement**"), as described in the Plan of Arrangement, is an arrangement within the meaning of section 192 of the CBCA and is fair and reasonable to all affected parties.
- [7] **DECLARES** that the Arrangement, as described in the Plan of Arrangement, is hereby approved and the terms, provisions, and effects of the Arrangement, including all documents, steps, transactions, cancellations, extinguishments,

terminations and releases as set out in the Plan of Arrangement, including the mutual releases and discharges contemplated therein, shall be binding and given full force and effect in the manner and at times specified therein.

- [8] **DECLARES** that the Applicants and Impleaded Parties are authorized to take all steps and actions necessary or appropriate to implement the Arrangement and the transactions contemplated thereby in accordance with and subject to the terms of the Arrangement (including entering into any agreements or other documents which are to come into effect in connection with the Arrangement).
- [9] **DECLARES** that the Applicants are authorized to file Articles of Arrangement with the CBCA Director at the time contemplated in the Arrangement.
- [10] **ORDERS** that until the earlier of (i) the Effective Date and (ii) October 31, 2012, no person, including, without limitation, the Credit Facility Lenders, the MTN Holders, the Convertible Debentureholders, the Credit Facility Agent, the MTN Trustee and the Debenture Trustee, shall have any rights to terminate, accelerate, amend or declare in default any contract or other agreement including, without limitation, the Credit Agreement, the MTN Indenture and the Convertible Debenture Indenture, to which any of the Applicants or Impleaded Parties are a party, the whole, without further order of this Court.
- [11] **ORDERS** that in accordance with the steps and sequences in the Plan of Arrangement, each of the Applicants and Impleaded Parties and their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, trustees, employees, auditors, financial advisors, legal counsel and agents are hereby released and discharged as provided in section 6.4 of the Plan of Arrangement.
- [12] **ORDERS** that in accordance with the steps and sequences in the Plan of Arrangement, each of the the Credit Facility Lenders, the Credit Facility Agent, the MTN Holders, the MTN Trustee, the Convertible Debentureholders, the Convertible Debenture Trustee, the Existing Shareholders, and their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, auditors, financial advisors, legal counsel and agents are hereby released and discharged as provided in section 6.5 of the Plan of Arrangement.
- [13] **ORDERS** that effective on the Effective Date, the Credit Agreement, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Preferred Shares and the Existing Common Shares shall be settled, terminated, extinguished, cancelled or eliminated, as applicable, and that no creditors or person shall have the right to make, commence or enforce any rights, claims or remedies in respect of or arising from any obligations under the Credit Agreement, the MTN Notes, the MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Common Shares, the Existing Preferred Shares (except solely, in the case of the Credit Agreement, the MTN Indenture and the Convertible Debenture Indenture, to the extent necessary to effect distributions pursuant to section 4.7 of the Plan of Arrangement) and any other matters affected by the Plan of Arrangement and all creditors or persons shall be conclusively deemed to have exchanged any right, title or interest held in any of the Credit Agreement, the MTN Notes, the

MTN Indenture, the Convertible Debentures, the Convertible Debenture Indenture, the Existing Common Shares and the Existing Preferred Shares in the manner prescribed by the Plan of Arrangement for the consideration therein provided and any person maintaining a register or record of any kind respecting the interests, beneficial or otherwise, of any person affected by the Plan of Arrangement is authorized and directed to give effect to the exchanges prescribed by the Plan of Arrangement.

- [14] **DECLARES** that this Final Order shall have full force and effect in all other provinces and territories of Canada and shall be enforced in the courts of each of the other provinces and territories of Canada in the same manner in all respects as if this Final Order had been made by the court enforcing it.
- [15] **DECLARES** that this Court respectfully seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body constituted pursuant to the Parliament of Canada or the legislature of any province, any court or any judicial, regulatory or administrative body of the United States of America and any court or any judicial regulatory or administrative body in the United Kingdom or elsewhere to act in aid of and to assist this Court in carrying out the terms of this Final Order.
- [16] **ORDERS** provisional execution of the Final Order notwithstanding appeal and without the necessity of furnishing any security.

WITHOUT COSTS.

_____, S.C.J.

SCHEDULE A
IMPLEADED PARTIES

1. **YELLOW PAGES GROUP CORP.**
2. **CANPAGES INC.**
3. **WALL2WALL MEDIA INC.**
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