ANNUAL INFORMATION FORM

McGraw-Hill Ryerson Limited
300 Water Street
Whitby, Ontario
L1N 9B6

Financial Information as of December 31, 2013

February 28, 2014

McGRAW-HILL RYERSON LIMITED

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Certain statements in this Annual Information Form, including statements which may contain the words "expects", "believes", "anticipates", "could", and similar expressions and statements related to matters that are not historical facts, constitute forward-looking statements. Such forward-looking statements are not guarantees of future performance, and involve risks and uncertainties which could cause actual results to differ materially from those expressed or implied in such forward-looking statements. These risks and uncertainties include changes in customer markets, changes in demand for the Company's products, inability of the Company to deliver products in a timely and cost-effective manner, technological change, governmental policy changes, corporate financial performance and general economic conditions.

All forward-looking statements contained in this Annual Information Form are based on management's reasonable beliefs, intentions and expectations. The Company assumes no obligation to update the forward-looking statements contained in this Annual Information Form whether as a result of new information, future events, or otherwise other than as required by law.

Except where otherwise expressly provided, all amounts in this Annual Information Form are stated in Canadian dollars.

Incorporation of Issuer

McGraw-Hill Ryerson Limited ("McGraw-Hill Ryerson", the "Company", "we" or "us") was incorporated under the laws of the Province of Ontario by letters patent dated August 22, 1944, and is governed by the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16.

The registered and head offices of the Company are located at 300 Water Street, Whitby, Ontario L1N 9B6. The Company does not have any subsidiaries.

General Development of the Business

McGraw-Hill Ryerson traces its origins to two respected publishing companies — the McGraw-Hill Book Company, now known as McGraw-Hill Global Education Holdings, LLC, and The Ryerson Press.

In 1944, the McGraw-Hill Book Company, which had begun publishing in the United States in 1909, bought the Embassy Book Company of Toronto, incorporating it as a franchised distributor for McGraw-Hill, Inc. in Canada. It was called the Embassy Book Company Limited until 1947 when it was established as a wholly-owned subsidiary of the parent company and renamed the McGraw-Hill Company of Canada Limited.

In 1829, the Methodist Church established the Methodist Book and Publishing House, the very first publishing company in Canada. Egerton Ryerson, sometimes referred to as the father of Ontario's public school system, was given the responsibility of founding the press and took it from religious publishing into the area of secular books. In 1919, the press took on his name and continued to publish in many areas: religious, educational, and trade. In December 1970, the McGraw-Hill Company of Canada Limited bought The Ryerson Press from the United Church of Canada and in 1971; the Company became McGraw-Hill Ryerson Limited.

The Company is a partly-owned subsidiary of McGraw-Hill Global Education Holdings, LLC ("McGraw-Hill Education"), which owns 70.1% of the outstanding common shares, indirectly through its subsidiary Ryerson U.S. Holdings, LLC. As of March 22, 2013, McGraw-Hill Global Education Holdings, LLC is held by investment funds affiliated with Apollo Global Management, LLC.

Three Year History

Total Revenue for the Company was $71.1 million in 2013, compared to $77.1 million in 2012 and $82.0 in 2011.

Higher Education Division
The Higher Education Division reported a 0.4% sales increase in 2013, following a 6.4% decrease in 2012 and a decrease of 2.4% in 2011. This Division has focused on expanding its ability to provide digital and customized learning solutions to the market. Sales of digital and custom products have increased during the past three years and returns have decreased in 2013. This Division continues to refine its operating model to maximize these growth opportunities.

School Division
School Division sales vary year-to-year based on government funding and curriculum renewal cycles. Sales decreased by 23.1% in 2013, decreased 9.7% in 2012 and increased 15.0% in 2011. The decrease in 2013 is the result of non-repeating 2012 sole source contracts and industry-wide declines, the result of a slow release of new curricula. In 2011, 2012 and 2013, this Division published several successful titles in Math, Science, Literacy and Social Science. In recent years, this Division has also focused on developing digital products, such as iLit and *Connect*School, for both teachers and students.

Professional Division
The Professional Division has experienced sales fluctuations over the past three years. In 2013, the Division increased sales 17.9% through improved eBook and on-line sales, and lower returns. In 2012, divisional sales decreased 21.8%, partly a result of unusually high returns in some print product categories. In 2011, this Division declined by 12.7%, as a result of fewer titles in the business, medical and consumer categories over this time frame. During the past three years, this Division has seen a significant increase in the sales of its digital products, especially its *Access* suite (*Access*Medicine, *Access*Science and *Access*Engineering).

The Company did not make any significant acquisitions or dispositions during this three-year period.

Description of the Business

McGraw-Hill Ryerson develops and distributes educational and professional learning solutions in digital and print media. The Company's operating units consist of the Higher Education Division, the School Division, and the Professional Division, each of which is described below.

Higher Education Division
The Higher Education Division serves the university, community college, and career college market. This Division develops and markets learning solutions primarily in the following disciplines: Business and Economics; Science, Math and Computer Science; Social Sciences and Humanities.

In recent years, the Higher Education Division has focused on developing technology products that can be used by faculty in combination with core content or as stand-alone products. Locally produced products, such as *McGraw-Hill Connect™* and now *LearnSmart Advantage™*, allow faculty to integrate these technologies directly into the classroom and help with student homework management and assessment. In addition, individualized adaptive learning solutions can be purchased directly by the student.

Our strategies of developing high-quality Canadian resources, offering the ability to customize our offerings, and working with faculty to develop technology-enabled learning solutions, has helped this Division grow over the past decade.

This Division's principal competitors in Canada are Pearson Education, Cengage and Wiley. The Company had approximately 15.1% market share in the Higher Education market in Canada in 2013 (14.6% in 2012; 15.3% in 2011), based on information provided by the Canadian Publishers' Council (CPC).

School Division

The School Division serves the elementary and secondary school markets, primarily Grades 7–12. This Division publishes and markets books and digital products in the following disciplines: Mathematics, Science, Social Sciences and Literacy. While its core publishing activities are in Grades 7-12, this Division also markets and distributes products from the various imprints of McGraw-Hill Education that address the needs of the elementary school market.

Activities and results in this Division are significantly influenced by curriculum reform and government funding. The announcement of the timing of a change in curriculum is often the beginning of the publishing cycle for a title, resulting in pre-publication spending by the Company.

The Company's principal competitors in this market are Nelson Education and Pearson Education. The Company had approximately 12.1% market share in the School market in Canada in 2013 (14.6% in 2012; 15.0% in 2011), based on data provided by the Canadian Educational Resources Council (CERC).

Professional Division

The Professional Division markets and distributes books and digital products in the following categories: Business, Consumer, Education, Medical, and Technical. These products are sold primarily to booksellers (specialty and general), wholesalers & distributors, public, academic and research libraries, and direct to professionals.

This Division focuses on the effective sales, marketing and distribution of U.S. products. This Division benefits from the breadth of the U.S. McGraw-Hill Professional Division's publishing programs. In recent years, this Division has seen a significant transition of its business to digital formats such as eBooks and online resources. Traditional print volumes have declined as these new digital revenue streams have grown.

McGraw-Hill Ryerson's Professional Division's largest competitors are Wiley, Pearson Education's Trade Division, and Reed Elsevier's Medical Division. The Company's market share in the Professional market was 1% (relatively consistent with 2012 and 2011) based on results provided by the Canadian Publishers' Council. In key categories such as Business and Languages, McGraw-Hill Ryerson is consistently among the top three publishers in Canada. Market share information for the Medical market in Canada is not available.

Percentage of Revenue

No single product or service offered by the Company accounted for 15% or more of the Company's annual revenue in 2013.

Seasonality of Sales

Each Division experiences some seasonality in its business depending on customer segments. Sales in the Education Divisions (School and Higher Education) tend to peak in the months of August and September which correspond with the traditional beginning of the school year. In the Professional Division, professional, reference, and medical sales are steady throughout the year while consumer and retail sales are strongest in September through December, spurred by holiday shopping. As a result, overall sales are heavily weighted to the third quarter of each calendar year.

Distribution Methods

The Company distributes physical print and related products from its distribution centre at the registered and principal office located at 300 Water Street, Whitby, Ontario, L1N 9B6. This facility comprises 160,000 square feet, equally divided between office and warehouse space, and is fully owned by McGraw-Hill Ryerson. The first floor of the office space is leased to an unaffiliated company. In November 2013, the Company announced its intentions to list its building for sale and combine the distribution function with the US operations beginning in 2014.

In the Higher Education Division, products and services are generally sold to college and university bookstores which, in turn, distribute the Company's products to end-users.

In the School Division, products are generally sold to school boards, provincial book bureaus or individual schools.

In the Professional Division, products are generally sold to booksellers, distributors, libraries and medical schools who, in turn, market the products to end users.

Employees and Specialized Skill and Knowledge

As of December 31, 2013, the Company had 169 full-time and 33 temporary and part-time employees as follows:

Sales and Marketing	75
Product Development/Design/Production	57
Customer Service/Warehouse	35
Other (HR, Finance, A/R, Admin, IT)	35
	202

The Company maintains in-house specialized talent to meet customer requirements and is generally able to obtain the services of appropriately qualified personnel through normal course hiring processes when required. The Company uses specialized contract resources or consultants as required to ensure the needs of its customers are met.

Production

Approximately 65% of total sales in 2013 (68% in 2012) was generated from locally-produced titles. The Company employs a rigorous project-management approach throughout the development and production process, from idea conception through to final printing. The Company has its own Editorial, Design and Production team that is charged with technical production and layout of each title, as well as overall project management.

The Company uses several third-party printers in Canada, the U.S., and overseas for the initial print run and subsequent re-prints of its Canadian titles.

Related Party Transactions

The Company is a 70.1% indirectly owned subsidiary of McGraw-Hill Education ["parent"]. Under long-standing supply arrangements, the Company purchases books and educational materials in the normal course of business from its parent company and various international subsidiaries of McGraw-Hill Education. The Company purchased $15.6 million of inventory from McGraw-Hill Education in 2013 ($17.0 million in 2012).

The Company pays royalties to its parent company for any U.S. titles that have been adapted for the Canadian market. The Company also sells books and educational materials in the normal course of business to various international subsidiaries of McGraw-Hill Education.

The Company reimburses (and is reimbursed for) common expenses shared with other McGraw-Hill Education entities.

Other Company Information

For Canadian products, McGraw-Hill Ryerson holds reproduction rights until the book goes out of print, at which time most rights revert back to the author.

McGraw-Hill Ryerson and Cheneliere Education ("DLC") have a long-standing agreement whereby DLC has first right of refusal to publish French translations of McGraw-Hill Ryerson titles for the secondary and post-secondary markets using the imprint "Cheneliere/McGraw-Hill Education". This agreement, originally signed in 1995, includes the use of this imprint, and the adaptation and translation of McGraw-Hill Ryerson titles. The adaptation, translation and joint imprint sections of this agreement are currently slated to expire in November, 2016.

Risk Factors

Educational Funding Constraints and Curriculum Revisions in the School Market

Educational funding varies from year to year depending on current provincial governments' budgets and mandate in each jurisdiction. The annual provincial government mandates affect both the funding levels and curriculum revision cycles. The funding levels and curriculum revision cycles have an immediate and ongoing impact on the performance of the Company's School Division. For the year ending December 31, 2013, industry sales are below prior year with year over year sales in Ontario, the largest market, showing a significant decline.

Format and Delivery of Learning Resources

Changing media technology continues to affect the publishing industry in several ways: sales of non-print materials continue to increase as a percentage of total sales and revenue recognition for non-print sales can differ from that of print products; there has been an increase in electronic piracy over the Internet; and, most importantly, the format of learning resources and government policy on their use continues to evolve. While all divisions of the Company are working on leveraging the opportunities arising from these developments, there can be no assurance that one or more of these developments will not have a permanent and long-term impact on markets for the Company's products. In recent years, college and university textbooks have been made available on a rental basis, both through campus bookstores and on-line resources. In the Professional Division, the shift from sales of print products to sales of digital products may have a negative impact on Company results. In the School market space, adoption of digital resources is slow as a result of a highly variable rate of implementation of infrastructure to support technology in the classroom.

Competition from Foreign-Based Sources (Wholesalers and Online Booksellers)

Online booksellers in the U.S. and other countries have created an avenue for Canadians to purchase published products directly from foreign retailers, thus bypassing the Canadian marketers and distributors of those products. In particular, students are able to access a very large source of second-hand and/or rental products. Sustained increases in market penetration by foreign-based virtual bookstores and wholesalers could adversely impact the Company's market share and financial performance. The impact of this issue varies partly in relation to the changes in the Canadian dollar/U.S. dollar exchange rates.

Copyright

Court rulings in Canada have reinforced user rights. As media technology continues to evolve, publishers may find it more difficult to protect their content effectively. These factors may impact future sales and royalties within the School and Higher Education industries from copyright collectives. Royalties are also impacted by the value of license agreements.

The Federal Copyright Board finalized the School industry copyright tariff in the second quarter of 2009. The decision can be viewed at www.cb-cda.gc.ca. The tariff evaluation was under appeal and was heard by the Supreme Court of Canada. In their July ruling, the Supreme Court has referred the matter back to the Copyright Board for review. The decision can be viewed at www.scc-csc.gc.ca.

Access Copyright (the Canadian copyright collective) has signed a model license with the Association of Universities and Colleges of Canada. As this license is signed by institutions, it will allow them to reproduce copyright protected materials in both the print and digital formats in exchange for a set royalty rate per full-time student. There is no assurance of full participation by relevant institutions.

In addition, the recent approval by the Government of Canada of Bill C-11, to amend Canada's Copyright Act has created the prospect for a reduction in copyright protection for creators (e.g., authors) and publishers. While the Bill has been passed by the House of Commons and Senate without amendments, uncertainty surrounding the ultimate impact will likely continue as it is interpreted by the educational and legal communities. School Boards in Ontario and Ministries of Education in all other provinces have advised Access Copyright that they will no longer be paying the copyright license fee effective January 1, 2013. Access Copyright is pursuing a variety of options to reinstate this revenue.

Dependency on Retail National Accounts

While national accounts comprise a small portion of the Company's total business, their significant influence in the marketplace can increase the volatility of sales and returns and lead to less favourable commercial terms as a result of their negotiating power. In addition, some national accounts have introduced in-house publishing programs and author self-publishing tools that compete with the Company's publishing program.

Labour Disruptions in the Education Sector

A labour disruption in the School or Higher Education market can have a significant impact on the purchasing and distribution capabilities within these markets, depending on the timing and duration of the disruption.

Uncertainty in Employee Future Benefits Costs

Changes in medical or dental costs or life insurance premiums for employees eligible for the employee retirement benefits may have an impact on the Company's results.

Indirect Acquisition of the Company's Majority Shareholder's Interest

On March 22, 2013, McGraw-Hill Global Education Holdings, LLC, which held the 70.1% equity stake in the Company, was sold to investment funds affiliated with Apollo Global Management, LLC from The McGraw-Hill Companies, Inc. (now renamed McGraw-Hill Financial Inc.)

Foreign Exchange

The following table sets forth, for each period indicated, the exchange rate for Canadian dollars expressed in U.S. dollars at the end of that period.

	2011	2012	2013			
	Dec. 31	Dec. 31	Mar. 31	Jun. 30	Sept. 30	Dec. 31
Exchange Rate	0.971	1.011	0.980	0.962	0.971	0.943

A significant portion of the Company's purchases are incurred in U.S. dollars, while all its revenues are in Canadian dollars, and its financial results are reported in Canadian dollars. As a result, major exchange-rate fluctuations between the Canadian and U.S. dollars will either positively or negatively affect net income. The

Company is employing policies to minimize the impact of these currency fluctuations, including purchasing U.S. dollars when U.S. dollar-denominated liabilities are identified.

Risks Related to our Majority Shareholder

McGraw-Hill Global Education Holdings, LLC is able to elect all of the directors of the Company and to exercise control subject to applicable law. Our majority shareholder may have interests that could conflict with the interests of other holders of our shares. In addition, McGraw-Hill Global Education Holdings, LLC is able to cause or prevent a change of control of the Company.

Seasonality of the Company's Business

The operations of the Company's business are seasonal, with approximately 40% of annual revenue recognized in the third quarter of the fiscal year, primarily due to back-to-school spending. As a result, in the Higher Education and School markets, the Company's annual financial results may be adversely impacted to a disproportionate extent in the event of poor financial results during the third quarter.

Dividend Policy

The determination to declare or pay dividends is entirely at the discretion of the Board of Directors of the Company, based upon recommendations from the Finance Committee of the Board of Directors, and will depend upon the Company's financial condition, results of operations, capital requirements, and such other factors as the Board of Directors and Finance Committee consider relevant. In addition to quarterly dividends, the Company declares special dividends to shareholders from time to time.

Quarterly dividend pay-outs during the last three years were:

Year	Month	Dividend Payout
2011	March	27.0¢
	June	$5.285 (includes a $5.00 special dividend)
	September	28.5¢
	December	28.5¢
2012	March	$7.285 (includes a $7.00 special dividend)
	June	30.0¢
	September	30.0¢
	December	$12.00 (special dividend)
	December	30.0¢
2013	March	31.5¢
	June	31.5¢
	September	31.5¢
	December	31.5¢

Capital Structure

The authorized share capital of the Company is 5,000,000 common shares, of which 1,996,638 were outstanding as of February 28, 2014. Each common share is entitled to one vote at meetings of shareholders. Each common share is entitled to receive dividends if, as, and when declared by the Board of Directors. Holders of common shares are entitled to participate in any distribution of the Company's net assets upon liquidation, dissolution or winding-up on an equal basis per share. There are no pre-emptive, redemption, purchase or conversion rights attaching to common shares.

Market for Securities

The common shares of the Company are listed on the Toronto Stock Exchange under the stock symbol of **MHR**.

The following table sets forth the average daily volume and monthly price range of the Company's shares during 2013:

	Price Range	Avg. Daily Volume
January	$35.00 - $36.20	600
February	$35.50 - $36.75	1000
March	$36.50 - $39.50	900
April	$37.51 -$39.25	400
May	$37.30 - $39.50	200
June	$38.61 -$40.75	600
July	$38.72 - $40.00	0
August	$38.51 -$39.99	700
September	$39.01 - $40.02	200
October	$39.50 - $42,00	300
November	$39.00 - $41.99	400
December	$41.75 - $43.00	100

Transfer Agent

The Company's transfer agent is CST Trust Company, at its principal offices in Toronto, Ontario.

Directors and Officers

The names, municipalities of residence, offices, year of election as director, and present principal occupations of the directors of the Company were as follows as at December 31, 2013:

Name and Municipality of Residence	Office	Year First Elected as a Director	Principal Occupation
Susan M. Armstrong, CPA, CA, ICD.D Toronto, Ontario (2) (3) (4)	Director	2005	President & CEO, CDSPI Toronto
Mark Dorman New Canaan, CT U.S.A. (1) (4)	Director	2013	President McGraw-Hill Education, International New York
Kurt Strand Galena, Illinois U.S.A. (3)	Director	2012	Senior Vice-President, Products & Markets McGraw-Hill Higher Education New York
J. Mark DesLauriers Toronto, Ontario (1) (4)	Director	2001	Partner Osler, Hoskin & Harcourt LLP Barristers & Solicitors Toronto
David L. Swail Toronto, Ontario (1) (5)	Director	2006	President and Chief Executive Officer McGraw-Hill Ryerson Limited Whitby
David Kraut Montville, New Jersey U.S.A. (5)	Director	2013	Vice-President and Treasurer McGraw-Hill Education New York
H. Ian Macdonald, O.C., LL.D. Toronto, Ontario (1) (2) (3) (4) (5)	Director & Chairman of the Board	1985	President Emeritus and Professor of Economics and Public Policy York University Toronto
Manon R. Vennat, C.M. Montreal, Quebec (2) (3) (4)	Director	1988	Principal, Manon Vennat & Associés Montreal

Notes:
(1) Member of the Executive Committee
(2) Member of the Audit Committee
(3) Member of the Corporate Governance and Nominating Committee
(4) Member of the Human Resources Committee
(5) Member of the Finance Committee

The names, municipalities of residence and offices of the executive officers of the Company as at December 31, 2013 were as follows:

Name and Municipality of Residence	Office
H. Ian Macdonald, O.C., LL.D. Toronto, Ontario	Chairman of the Board
David L. Swail Toronto, Ontario	President and Chief Executive Officer
Brenda Arseneault Whitby, Ontario	Vice President, Chief Financial Officer and Secretary-Treasurer
Patrick Ferrier Claremont, Ontario	President, Higher Education Division
Nancy L. Gerrish Toronto, Ontario	President, School Division
Marshall I. Morris Toronto, Ontario	Executive Vice President, Customer Satisfaction
Mary Arrand Port of Newcastle, Ontario	Director, Human Resources
Neil Harris Toronto, Ontario	Director, Content Development and Production

NOTES:

1. According to the bylaws of the Company, each director of the Company will hold office until the next annual meeting of shareholders of the Company or until his or her successor is elected or appointed unless his or her office is earlier vacated.

2. Each of the directors and officers of the Company has had the principal occupation indicated opposite his or her name during the past five years except:
   (a) Brenda Arseneault, who prior to 2011 was Vice President Finance and Controller.
   (b) Neil Harris, who prior to November 2013 was Director, Operations.

3. The aggregate of the shares of the Company beneficially owned, as at December 31, 2013, directly or indirectly, or over which control or direction was exercised by the Directors and Officers as a group was less than 1% of the total shares outstanding.

4. Potential Conflicts of Interest
   (a) Three of the directors of the Corporation are officers of McGraw-Hill Global Education Holdings, LLC, the indirect majority shareholder of the Company (Mark Dorman, Kurt Strand and David Kraut).

   (b) Mark DesLauriers is a partner of Osler, Hoskin & Harcourt LLP, a law firm that provides services to the Corporation. Mr. DesLauriers is Chairman of the Human Resources Committee and Executive Committee.

Audit Committee Disclosure

a) Audit Committee Charter
The Charter of the Audit Committee of McGraw-Hill Ryerson Limited is included in this AIF as Appendix A.

b) Composition of the Audit Committee
The Audit Committee members are H. Ian Macdonald O.C., LLD, Manon Vennat C.M. and Susan M. Armstrong, CPA, CA, ICD.D each of whom is "independent" and "financially literate", as such terms are defined in Multilateral Instrument 52-110 of the Canadian Securities Administrators. Their backgrounds are summarized below.

Susan M. Armstrong, CPA, CA, ICD.D
Susan Armstrong currently serves as President and CEO of CDSPI, a provider of financial planning advice and solutions to the Canadian dental community. Ms. Armstrong has extensive experience as a financial executive having held the position of Chief Financial Officer in a number of companies of varying size and complexity over the course of her career.

Ms. Armstrong attained her CA designation while working with Price Waterhouse where she managed the audit engagements of clients in a variety of industry sectors, including a number of large multi-national public companies whose securities were listed in Canada and the United States. Ms. Armstrong has experience and education support her practical knowledge of financial statements.

H. Ian Macdonald, O.C., LL.D., D.UNIV.D.LITT, F.COL
H. Ian Macdonald is President Emeritus and Professor of Economics and Public Policy at York University in Toronto. Mr. Macdonald holds a LL.D. from the University of Toronto and is an Officer of the Order of Canada. He is a former Deputy Minister of Treasury, Economics and Intergovernmental Affairs in the Government of Ontario. He is and has been an active member of four corporate audit committees. Mr. Macdonald's experience and education support his practical knowledge of financial statements.

Manon R. Vennat, C.M.
Manon Vennat is President of Manon Vennat & Associates, a private consulting firm to the corporate and not for profit sectors. A member of the Quebec Bar, she has had a broad career first in the federal public service and later with various private organizations including AES DATA Inc. where she served as Vice President Administration, General Counsel and Corporate Secretary. She joined SpencerStuart, the international executive search firm and later became chairman, Montreal, before establishing her own firm in 2005. Mrs. Vennat has been a director of several Canadian corporations, both public and private, is a former member of the Board of Governors of the Montreal Stock Exchange. She is a former Commissioner of the Public Service Commission of Canada. Her education and her broad business experience support her practical knowledge of financial statements.

c) External Auditor Service Fees (by category)
The following table sets forth the fees billed (in $000's) for 2013 and 2012 by Ernst & Young LLP, the Company's external auditors for the services described below:

	2013	2012
Audit Fees	$275	$273
Tax Fees	$ 18	$ 15
All Other Fees	$ 11	$ 10
	$304	$298

“Audit Fees” include the aggregate professional fees billed by Ernst & Young LLP for the audit of the annual financial statements, and any consultations regarding the Company’s quarterly unaudited financial statements.

“Tax Fees” include the aggregate fees billed by Ernst & Young LLP for tax compliance, tax advice, transfer pricing, and tax planning and advisory services relating to the preparation of corporate tax returns.

“All Other Fees” include the aggregate fees billed by Ernst & Young LLP for all other services, including:

- Audit of the Company’s pension plan
- Any consultations regarding financial reporting and accounting standards
- Canadian Public Accountability Board (CPAB) Levy

Additional Information

Additional information, including directors' and officers' remuneration, and principal holders of the Company's securities will be contained in the Management Information Circular that will be filed and disseminated in connection with the Annual Meeting of Shareholders of the Company to be held on June 10, 2014. Additional financial information, including the Company's comparative financial statements for the financial year ended December 31, 2013 and MD&A with respect thereto, are available at www.sedar.com and will be included in the 2013 Annual Report of the Company to be sent to shareholders. Additional information relating to the Company is contained in the Company's other public disclosure documents, available at www.sedar.com.

The Company will provide to any person, upon request to the Investor Relations Coordinator, a copy of this Annual Information Form, together with a copy of any documents, or the pertinent pages of any document, incorporated by reference herein, a copy of the comparative financial statements of the Company for the year ended December 31, 2013 together with the accompanying report of the auditors and a copy of any interim financial statements of the Company subsequent to such financial statements and a copy of the Management Information Circular (when available). If the securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of the Company's securities, the Company will provide to any person (without charge), upon request to the Secretary of the Company, any of the documents referred to above and a copy of any other document not referred to above that is incorporated by reference into the preliminary short form prospectus or the short form prospectus.

APPENDIX A

AUDIT COMMITTEE MANDATE

The Audit Committee is appointed by the Board to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the Company's internal controls including internal controls over financial reporting and disclosure controls (3) the compliance by the Company with legal and regulatory requirements and (4) the independence and performance of the Company's external auditors.

The Board, on the recommendation of the Corporate Governance and Nominating Committee, shall appoint the members of the Audit Committee. The members of the Audit Committee shall meet the independence and experience requirements and guidelines of the applicable securities regulatory authority.

The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or external auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall meet as needed, but at least quarterly with the Chief Financial Officer and semi-annually with the external auditors.

The Audit Committee shall make regular reports to the Board.

RESPONSIBILITIES AND DUTIES

The Committee shall perform the duties set out in this Mandate and shall perform such other duties as may be necessary or appropriate under applicable law and securities regulatory authority, or as may be delegated to the Committee by the Board from time to time.

Financial Reporting

1. Review with management and the external auditor the appropriateness of the Company's accounting and financial reporting policies; any significant changes in the Company's accounting and financial reporting policies, the accounting treatment of significant risks and uncertainties, key estimates and judgments of management that may be material to the Company's financial reporting, and significant auditing and financial reporting issues discussed during the year.
2. Review with management and the external auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures, if any, on the Company's financial statements.
3. Review and discuss with management and the external auditor the quarterly and annual financial statements, MD&A, AIF and annual and interim press releases before they are publicly disclosed by the Company and recommend their approval to the Board of Directors.
4. Periodically review the Company's disclosure controls and procedures including the adequacy of procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.
5. Review and discuss with management on a quarterly basis, the findings of the Company's Disclosure Committee.
6. Audit Committee to convene in late May/early June to review and approve the audited pension plan statements.

External Auditor

1. Recommend to the Board the appointment or reappointment of the external auditor, which firm is ultimately accountable to the Audit Committee and the Board as representatives of the shareholders.
2. Review the independence, organizational structure, qualifications, and quality control procedures of the external auditor on an ongoing basis. Receive periodic reports from the external auditor regarding the auditor's independence, discuss such reports with the auditor, consider whether the provision of non-audit services, if any, is compatible with maintaining the auditor's independence and if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself as to the independence of the auditor.
3. Monitor audit engagement partner rotation requirements.
4. Review the terms of the audit engagement. Meet with the external auditor prior to the annual audit to review and approve the proposed audit plan and scope of work
5. Recommend to the Board approval of the audit fees to be paid to the external auditor.
6. Pre-approve the engagement of the external auditor for non-audit services, if appropriate, and the fee for such services.
7. Discuss with the external auditor the matters required to be discussed by generally accepted auditing standards relating to the conduct of the audit.
8. Oversee the work of the external auditor and review with the external auditor any problems or difficulties the auditor may have encountered during the course of the audit, including any restrictions on the scope of activities or access to required information, and any disagreements with management.
9. Review any management letter provided by the external auditor and the Company's response to that letter.
10. Evaluate together with the Board the performance of the external auditor and, if so determined by the Audit Committee, recommend that the Board replace the external auditor. If a change in external auditor is proposed, the Committee shall review the reasons for the proposed change and any other significant issues related to the change, including the response of the incumbent auditors, and inquire as to the qualifications of the proposed auditors before making its recommendation to the Board of Directors.
11. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

Internal Auditor

1. Meet periodically with internal audit personnel of McGraw-Hill Education to review the audit plan and scope of work scheduled for the review of the Company's system of internal controls as part of their internal audit of McGraw-Hill Education.
2. Review the significant reports to management prepared by McGraw-Hill Education's internal auditing department and management's responses.

Internal Controls and Risk Management

1. Ensure that management designs, implements and maintains appropriate internal control procedures.
2. Review required disclosures on internal controls.
3. Review management's recommendations for rectifying such deficiencies and weaknesses and review, as appropriate, the implementation of such recommendations.
4. Review the policies and practices of the Company respecting cash management, use of financial derivatives, financing, credit, risk management and taxation.
5. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

Legal and Regulatory Compliance

1. Review with the Company's external legal counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
2. Review with management and the external auditor any correspondence with regulators regarding the Company's financial statements or accounting policies and the resultant action by management.
3. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations.
4. Establish procedures and policies for:
    a. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters
    b. The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters
5. Review arrangements of the Company with any related party thereto and management's program to monitor compliance with proper business conduct.
6. Review of product and service transfer prices in effect between the Company and its majority shareholder.

Other Responsibilities

1. Review and reassess the adequacy of this Mandate annually and recommend any proposed changes to the Board for approval
2. Determine that the AIF includes the Audit Committee Information disclosures required by the applicable securities regulatory authority.