Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

YELLOW PAGES INCOME FUND (the "**Fund**")
16 Place du Commerce
Île des Soeurs, Verdun, Québec
H3E 2A5

YPG HOLDINGS INC. ("**YPG Holdings**")
16 Place du Commerce
Île des Soeurs, Verdun, Québec
H3E 2A5

Item 2 **Date of Material Change**

May 1, 2006

Item 3 **News Release**

A press release announcing the material change was issued via CCN Matthews on May 1, 2006. A copy of the press release is attached hereto as Appendix "A".

Item 4 **Summary of Material Change**

The Fund announced that YPG Holdings entered into a share purchase agreement (the "**Acquisition Agreement**") with Trader Classified Media International Holdings B.V. ("**Trader Media Holdings B.V.**"), Trader Classified Media N.V. ("**Trader Media N.V.**") and Classified Media (Canada) Holdings Inc. ("**CMCH Holdings**", and, together with CMCH Holdings' subsidiary entities, "**Trader Canada**"), to acquire the vertical publication and web site publishing business currently carried on by Trader Canada in Canada and the United States (the "**Trader Canada Business**"). A copy of the Acquisition Agreement is attached hereto as Appendix "B".

Item 5 **Full Description of Material Change**

Acquisition

On May 1, 2006, YPG Holdings entered into the Acquisition Agreement with Trader Media Holdings B.V., Trader Media N.V. and CMCH Holdings, which provides for, among other things, the acquisition (the "**Trader Canada Acquisition**") by YPG Holdings of the Trader Canada Business for a purchase price of $760 million, net of indebtedness.

The closing of the Trader Canada Acquisition is expected to occur on or about June 15, 2006 and is subject to several closing conditions including among others: (i) obtaining approval under the *Competition Act* (Canada), (ii) no order preventing completion of the Trader Canada Acquisition remaining outstanding, (iii) the accuracy of the representations and warranties made by the parties to the Acquisition Agreement in all material respects, except for certain fundamental representations and warranties which must be accurate in all respects and (iv) compliance, in all material respects, with all of the covenants provided for in the Acquisition Agreement.

Acquisition Financing

In connection with the Trader Canada Acquisition, a syndicate of Canadian financial institutions provided the Fund with a firm commitment to make available to YPG Holdings at closing of the Trader Canada Acquisition new credit facilities in the aggregate amount of $600 million. The new credit facilities consist of (i) a $350 million senior unsecured five-year term credit facility and (ii) a $250 million senior unsecured two-year term credit facility (collectively, the "**New Credit Facilities**").

The Trader Canada Acquisition is expected to be initially financed through debt and cash on hand. YPG Holdings is expected to draw $600 million under the New Credit Facilities and use cash on hand for approximately $150 million and drawings under its commercial paper program for the balance of the purchase price.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Further information regarding the matters described in this report may be obtained from François D. Ramsay, Vice-President, General Counsel and Secretary of Yellow Pages Group Co., who is knowledgeable about the details of the material change report and may be contacted at (514) 934-2888.

Item 9 Date of Report

May 5, 2006.

APPENDIX "A"

<u>Press release</u>

May 1, 2006

See attached document.

Yellow Pages Group™

For Immediate Release

Yellow Pages Group to Acquire Classified Media (Canada) Holdings Inc., A Canadian Leader in Classified Advertising

National platform in vertical media with opportunity to build upon our online presence

Montreal (Québec), May 1, 2006 – Yellow Pages Group (YPG) through Yellow Pages Income Fund (TSX: YLO.UN) announced today that it has entered into a definitive agreement to acquire Classified Media (Canada) Holdings Inc. (Trader Canada), a leading Canadian provider of classified publications and related web sites, from Trader Classified Media N.V., for a purchase price consideration of $760 million payable in cash at closing. Trader Canada represents approximately 36% of the revenues of Trader Classified Media N.V.

The acquisition will result in the creation of a second national platform for YPG, this time in vertical media[1] by combining YPG's affiliate company Trader Media Corporation (TMC)'s presence in Ontario with that of Trader Canada's in the rest of Canada. Trader Canada publishes 137 publications and nine web sites covering three product verticals, namely automotive, real estate and general merchandise. Its main brands include Auto Trader™, Auto Hebdo™, The Bargain Finder™ and Home Renters' Guide™.

"The acquisition of Trader Canada represents the critical step in the creation of a national platform for verticals following the acquisition of TMC earlier this year. This new platform will enhance YPG's value proposition by deepening our content and customer relationships, as well as further reinforcing our proven return on investment to advertisers," stated Marc P. Tellier, President and Chief Executive Officer of YPG.

Management considers vertical media to be complementary to directories given the similarity in the business models, local content, direct contact with customers, and the offering of print publications and web sites. The combination and integration of Trader Canada with TMC is expected to generate recurring operational synergies through the sharing of best practices. In addition, the acquisition should provide cross-selling opportunities and accelerate the momentum in the Company's online expansion, among other benefits.

"The combination of Trader Canada and TMC gives us a national presence in vertical media with over 200 publications and 20 web sites. We will therefore add 3.5 million unique visitors monthly[2] to our already strong network of web sites," stated Mr. Tellier. "We believe this should lead to overall increased content and traffic to our online properties and a potentially higher number of advertisers and revenues."

Trader Canada is well-suited to YPG's income trust structure given its consistent track record of improving financial results, its high level of free cash flow generation and its low capital expenditure requirements. The Combined Business (Trader Canada and TMC) generated revenues of approximately $297.5 million and Adjusted EBITDA of $90.9 million in 2005.

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[1] YPG defines the terms "vertical media" or "vertical" as the segmentation of content into specialized print publications and web sites by topic or area of interest.

[2] Unduplicated unique visitors to Autotrader.ca, Trader.ca, Canadatrader.ca, BuySell.com, Hebdo.net, Occasion.ca, Rentersnews.ca, Homebase.ca, Supershopper.com, Newhomesandcondos.com, Autoseller.ca, Employmentnews.com, Chinesebuysell.com, and Visitenet.com, comScore Media Metrix, March 2006

Transaction Highlights

- The Combined Business (Trader Canada and TMC) is expected to be immediately accretive to the Fund's distributable cash per unit by between 3% and 4% on a pro forma basis for the year ended December 31, 2005.
- Further accretion is expected to be derived from the realization of cost savings and operating synergies through the integration of duplicate activities and procurement, as well as the sharing of best practices.
- Management is targeting annual recurring synergies of approximately $10 million once the TMC and Trader Canada operations have been fully combined and integrated. The integration should take between 12 and 18 months after closing.

Acquisition Financing

YPG has entered into acquisition credit facilities for a total of $600 million composed of a $350 million 5-year senior term facility and a $250 million 2-year senior term facility. In addition to drawings under these new facilities, YPG will use cash on hand for approximately $150 million and issue commercial paper under its existing facility to fund the acquisition and related expenses.

"Our strong capital structure positions us well for this transaction. We remain committed to maintaining our credit and stability ratings. We also expect to improve our credit metrics through a broader EBITDA base, free cash flow from operations and a potential equity offering of the Fund. Our immediate focus will be to pay down debt and integrate the combined business," declared Christian M. Paupe, Executive Vice President and Chief Financial Officer of Yellow Pages Group.

Closing of the Trader Canada acquisition is expected to occur on or about June 15, 2006, subject to regulatory clearance.

CIBC World Markets and National Bank Financial acted as financial advisors to YPG on the transaction. Trader Classified Media N.V. was represented by Beaufort Partners, LongAcre and Morgan Stanley.

Conference Call

YPG will hold an investor and media call at 8:30 a.m. (Eastern Time) on May 1, 2006 to discuss the acquisition. The call may be accessed by dialling (416) 340-2216 within the Toronto area, or 1 866 898-9626 outside of Toronto. The call will be simultaneously webcast on the Company's web site at http://www.ypg.com/page.php/en/1/343.html.

The conference call will be archived in the Investor Center of the site at www.ypg.com. A playback of the call can also be accessed from May 1 to May 8 by dialling 1 800 408-3053, and entering the access code 3185280#.

About Classified Media (Canada) Holdings Inc.

Classified Media (Canada) Holdings Inc. (Trader Canada) is a leading publisher of classified advertising publications and web sites in all Canadian provinces except Ontario. Trader Canada is also present to a limited extent in the United States in Tennessee, Indiana and Kentucky. Trader Canada publishes 137 individual titles and hosts nine web sites under strong brands such as the Auto Trader™, Auto Hebdo™, The Bargain Finder™ and Home Renters' Guide™ trademarks. Trader Canada's publications and web sites cover three main product verticals: automotive, real estate and general merchandise.

About Yellow Pages Income Fund
Yellow Pages Income Fund is an unincorporated, open-ended, limited purpose trust established to invest in Yellow Pages Group. The Fund indirectly holds an approximate 96% ownership interest in Yellow Pages Group.

About Yellow Pages Group
Yellow Pages Group is Canada's largest telephone directories publisher. Yellow Pages Group publishes annually more than 330 Yellow Pages™ directories and alphabetical pages. The Company owns and manages Canada's most visited online directories YellowPages.ca™, Canada411.ca, as well as the CanadaPlus.ca, a network of seven local city sites. In addition, Yellow Pages Group is a leader in print and online vertical media in Ontario through Trader Media Corporation (TMC). TMC is an affiliate of Yellow Pages Group. For more information about the Company, visit www.ypg.com.

Caution Concerning Forward-Looking Statements
Certain statements in this news release may contain forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from those expressed in the forward-looking statements. Neither Yellow Pages Income Fund nor YPG assume responsibility for the accuracy and completeness of the forward-looking statements and do not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

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Contacts:

Annie Marsolais
Director, Corporate Communications
Tel: (514) 934-4016
annie.marsolais@ypg.com

APPENDIX "B"

<u>Acquisition Agreement</u>

See attached document.

SHARE PURCHASE AGREEMENT

BETWEEN

YPG HOLDINGS INC.

AND

TRADER CLASSIFIED MEDIA INTERNATIONAL

HOLDINGS B.V.

AND

TRADER CLASSIFIED MEDIA N.V.

AND

CLASSIFIED MEDIA (CANADA) HOLDINGS INC.

MADE AS OF

MAY 1, 2006

Stikeman Elliott LLP
McCarthy Tétrault LLP

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made May 1, 2006

BETWEEN

YPG HOLDINGS INC., a corporation incorporated under the laws of Canada (the **"Purchaser"**);

\- and -

TRADER CLASSIFIED MEDIA INTERNATIONAL HOLDINGS B.V., a corporation incorporated under the laws of the Netherlands (the **"Vendor"**);

\- and -

TRADER CLASSIFIED MEDIA N.V., a corporation incorporated under the laws of the Netherlands (the **"Parent"**);

\- and -

CLASSIFIED MEDIA (CANADA) HOLDINGS INC., a corporation incorporated under the laws of Canada (the **"Corporation"**)

WHEREAS the Vendor is the beneficial and registered owner of the Shares, being all of the issued and outstanding shares of the Corporation;

WHEREAS the Parent is the beneficial and registered owner of all of the shares in the capital of the Vendor;

AND WHEREAS the Vendor desires to sell and the Purchaser desires to purchase the Shares upon and subject to the terms and conditions set out in this Agreement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Adjustment Amount" means the amount equal, if any, to the aggregate of (i) payments made by any of the Classified Entities in respect of the Tax Settlement Amounts after the date hereof to the

Closing Date and (ii) the outstanding amount of the BP Note, in principal and interest, on the Closing Date.

"Advance Ruling Certificate" means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 of the Competition Act with respect to the transactions contemplated by this Agreement.

"Affiliate" has the meaning attributed thereto in the *Canada Business Corporations Act*.

"Agreement" means this agreement, including its recitals and schedules, as amended from time to time.

"Applicable Law" means:

(i) any applicable domestic or foreign law including any statute, subordinate legislation, common and civil law (including equity) or treaty, and

(ii) any applicable regulation, guideline, directive, code, rule, notice, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law.

"BP Note" means that certain interest bearing promissory note in favour of the Corporation from Black Press Printing Inc. dated April 16, 2004, in the original capital amount of $1,000,000.

"Balance Sheet Date" means December 31, 2005.

"Bank Indebtedness" means the indebtedness of the Corporation to BNP Paribas under the credit agreement dated as of July 1, 2005 between, *inter alia*, Parent, the Corporation and BNP Paribas.

"Bank Payout Letter" means a letter from BNP Paribas to the Corporation, the Vendor and the Purchaser in form and substance satisfactory to each of the Vendor and Purchaser, acting reasonably (i) confirming the amount which needs to be paid on the Closing Date to satisfy and discharge all Bank Indebtedness; (ii) specifying the wire transfer details for the payment of such amount, and (iii) confirming that upon receipt of such amount, the Bank Pledges shall be released and discharged and all obligations of the Corporation and the Classified Entities in respect of Bank Indebtedness shall be satisfied and fully released therefrom.

"Bank Pledges" means the security in the shares of a Classified Entity held by BNP Paribas in its capacity as security trustee securing the Bank Indebtedness.

"Benefit Plans" has the meaning set out in Section 3.01(aaa).

"Books and Records" means all information in any form relating to the Business, including books of account, financial and accounting information and records, personnel records, Tax records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections, marketing and advertising materials and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices).

"Business" means the business presently conducted by the Classified Entities, in Canada and the United States, taken as a whole, of publishing classified and display advertising publications including photo-classified publications, and operating websites relating thereto as currently conducted.

"Business Day" means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, in Montreal, Quebec, in London, England, in Paris, France and Amsterdam, The Netherlands.

"Cash" means the aggregate of all cash and cash equivalents of each of the Classified Entities at the close of business on the day preceding the Closing Date, plus an amount equivalent to all uncleared cheques received in favour of the Classified Entities, whether or not deposited (other than cheques from any other Classified Entity) and less an amount equivalent to all cheques outstanding from the Classified Entities (other than cheques in favour of any other Classified Entity).

"Claims" means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), claims and demands of whatever nature or kind including all legal fees and costs on a solicitor and client basis.

"Classified Entities" means the Corporation, together with HM Amber Holding Corp., The Trader's Post, Inc, The Trader Enterprises, Inc., OntarioCo, Buy and Sell Limited, Trader Publications Corp., B.B. U.S. LLC and E-Liste.

"Closing" means the closing of the transaction of sale and purchase contemplated in this Agreement.

"Closing Date" means the date selected by the Vendor which is not later than 10 Business Days after all conditions of Closing set forth in Article 5 (other than those conditions which by their nature can only be satisfied at the Closing) have been satisfied or waived, or such other date as may be agreed to in writing between the Vendor and the Purchaser, provided that (i) in no event shall the Closing Date occur prior to June 6, 2006 and (ii) Vendor has provided advance notice of such date to the Purchaser not less than 4 Business Days prior thereto.

"Collective Agreements" means the collective agreements described on Schedule1.01A of the Disclosure Letter.

"Comfort Letter" has the meaning specified in Section 2.04(c).

"Commissioner of Competition" means the Commissioner of Competition appointed pursuant to the Competition Act (which for the purposes hereof shall include her staff at the Competition Bureau).

"Competition Act" means the *Competition Act* (Canada).

"Competition Act Compliance" means:

(i) the issuance of an Advance Ruling Certificate;

(ii) the Purchaser and the Corporation have given the notice required under section 114 of the Competition Act with respect to the transactions contemplated by this Agreement and the applicable waiting period under section 123 of the Competition Act has expired or been terminated or waived in accordance with the Competition Act; or

(iii) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the Competition Act

and, in the case of (ii) or (iii), the Commissioner of Competition shall have advised in writing that she does not intend to make an application under the merger provisions of the Competition Act with respect to the transactions contemplated by this Agreement.

"Confidentiality Agreement" means the confidentiality agreement entered into between the Vendor and the Purchaser on October 26, 2005.

"Corporate Records" means the corporate records of the Corporation and each other Classified Entity, including (i) all constating documents and by-laws, (ii) all minutes of meetings and resolutions of shareholders and directors (and any committees), and (iii) the share certificate books, securities register, register of transfers and register of directors.

"Corporation" means Classified Media (Canada) Holdings Inc., a corporation incorporated under the laws of Canada.

"CRA" means the Canada Revenue Agency.

"Derivative Contracts" means any agreement entered by any of the Classified Entities relating to a currency exchange rate, interest rate or other swap transaction or other interest rate or currency risk management arrangement, option, warrant, forward purchase or sale transaction, futures transactions, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, credit-related events or conditions or any indexes, or any other similar transaction or combination of any of these transactions, evidencing or embedding any such types of transactions, and any related credit support, collateral or other similar arrangements related to such transactions.

"Disclosure Letter" means the disclosure letter dated the date hereof delivered by the Vendor to the Purchaser on or prior to the date hereof.

"E-Liste" means E-Liste Canada Inc., a corporation incorporated under the laws of Canada.

"Encumbrances" means mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising, or any rights or any privileges capable of becoming any of the foregoing.

"Environmental Law" means any Applicable Law and agreement with a Governmental Authority relating to the protection of the natural environment including those pertaining to reporting, licensing, permitting, investigating, transporting, disposing, remediating and cleaning up any presence or Release, or the threat of the same, of Hazardous Substances.

"Escrow Agent" means CIBC Mellon, a trust company constituted under the laws of Canada.

"Financial Statements" has the meaning set out in Section 3.01(l).

"Governmental Authority" means any domestic or foreign legislative, executive, judicial or administrative body or person or any quasi-governmental or private body exercising any regulatory or governmental authority under or for the account of any such body or person having or purporting to have jurisdiction in the relevant circumstances.

"Hazardous Substance" means any substance or material that is prohibited, controlled, regulated, defined or listed as such by any Governmental Authority pursuant to Environmental Laws.

"Indebtedness" means, collectively, (i) indebtedness in respect of borrowed money, (ii) indebtedness evidenced by bonds, notes, debentures or similar instruments, (iii) capitalized lease obligations, and (iv) all accrued interest, fees, prepayment penalties and other similar obligations with respect to any of the foregoing, in each case, if and to the extent that any of the foregoing should properly appear as a liability upon a balance sheet prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior periods and reflecting the accounting policies, practices, methods and judgments applied in the preparation of the Financial Statements for the fiscal year 2005, but specifically excluding: (i) Bank Indebtedness, (ii) Related Party Indebtedness and (iii) any obligations that evidence a trade payable and similar obligations to a trade creditor accrued in the ordinary course of business.

"Indemnified Party" has the meaning set out in Section 7.01.

"Indemnifying Party" has the meaning set out in Section 7.01.

"Intellectual Property" means intellectual property of any nature and kind including but not limited to all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, Software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques, and know-how.

"Interim Period" means the period between the opening of business on the date hereof and the Time of Closing.

"Leased Premises" means the lands and premises listed and described in Section 1.01B of the Disclosure Letter.

"Leases" means the leases of the Leased Premises (as amended) described in Schedule1.01B of the Disclosure Letter.

"Licensed Intellectual Property" means all Intellectual Property, except for shrink-wrap software, that is used by any of the Classified Entities but owned by a party which is not a Classified Entity and which is necessary to the operation of the Business as a whole as it is currently conducted.

"Material Adverse Effect" means any change, effect, event or occurrence with respect to the Classified Entities' (taken as a whole) condition (financial or otherwise), properties, assets (including all intellectual property and intellectual property rights), liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations that is or could reasonably be expected to be, material and adverse to the current business, operations, results of operations, financial condition of the Classified Entities (taken as a whole), other than any change, effect, event or occurrence (i) relating to the economy or the financial or securities markets or political conditions in general, (ii) affecting the industry in which any of the Classified Entities operates in general and not specifically relating to, or having a materially disproportionate effect (relative to most other industry participants) on, the Classified Entities (taken as a whole), or (iii) relating to the announcement or performance of this Agreement.

"Material Contracts" has the meaning set out in Section 3.01(w).

"Non-Cash Working Capital" means, at any time, in respect of the Corporation and OntarioCo, each on a consolidated basis, as established from the relevant Books and Records and prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior periods and reflecting the accounting policies, practices, methods and judgments applied in the preparation of the Financial Statements for the fiscal year 2005: (i) the net value of accounts receivable; plus (ii) the value of inventories; plus (iii) the value of prepaid expenses; less (iv) the aggregate value of accounts payable and accrued liabilities excluding those related to financing costs, financing charges and prepaid interests and excluding Cash and income Tax payable relating to the current Tax assessment by the CRA identified in note 17 of the Financial Statements for the year ended December 31, 2005. The Non-Cash Working Capital, as at December 31, 2005, is an amount acknowledged by the Parties to be negative $1,939,000, calculated as set forth in Schedule1.01(E) of the Disclosure Letter.

"Non-Competition Agreement" has the meaning set out in Section 5.01(1)(k).

"OntarioCo" means 2077121 Ontario Inc., a corporation incorporated under the laws of Ontario.

"Owned Intellectual Property" means all Intellectual Property that is owned by the Classified Entities.

"Owned Software" means all Software that is owned by the Classified Entities.

"Parent" means Trader Classified Media N.V., a corporation incorporated under the laws of the Netherlands.

"Parent Event" means i) the announcement of any take-over bid, tender offer (including an *offre publique d'achat*) or exchange offer or binding transactions or agreements of similar effect made by a Qualified Third Party (as defined below), including any amendments or extensions thereto, which, directly or indirectly, results in the acquisition of more than 50% of the share capital of the Parent on a fully- diluted basis; or ii) the announcement of any dividend, distribution, liquidation, dissolution or transaction of similar effect, in one or more transactions, in an aggregate amount in respect of no less than 90% of the Cash Proceeds provided that the Parent has given the Purchaser not less than 10 Business Days advance notice of a Parent Event and that the Liquidation Threshold has occurred. For the purpose of this definition :

"Cash Proceeds" means the aggregate net cash proceeds after expenses and the repayment of indebtedness (i) received by the Parent from the sale of its consolidated businesses after 31 December 2005, or (ii) to be received from the sale of its consolidated businesses pursuant to binding agreements, (subject only to customary closing conditions) in both cases less the amount of any provisions or reserves made in respect of any such sales.

"Liquidation Threshold" means the entering into of binding agreements (subject only to customary closing conditions) and/or completion of the sale of no less than 80% of the consolidated businesses of the Parent calculated by reference to the geographic revenue breakdown of the Parent's consolidated businesses for the year ended 31 Dec 2005 described below.

"Principal Controlled Entity" means (a) John H McCall MacBain or any of his wife or children ("McCall MacBain Family") and (b) any Person in which John H. McCall MacBain or any member of the McCall MacBain Family (or any of John H. McCall MacBain and/or members of the McCall MacBain Family) exercises, either directly or indirectly, any legal or actual control.

"Principal Person" is any person, (A) any economic interests in excess of 5% of which are owned directly or indirectly by one or more Principal Controlled Entities or for its or their benefit excluding, for this purpose, any economic interests owned as a result of action taken by any discretionary money manager without instruction from the Principal Controlled Entity

"Qualified Third Party" means any Person other than a Principal Person or a financial institution acting on behalf of or at the behest of a Principal Person, unless: (i) a Liquidation Threshold has occurred and (ii) a Principal Person has given the Purchaser not less than 10 Business Days advance notice of any Parent Event it or any such financial institution triggers, in which case it shall be any Person, without limitation.

The Parent's Consolidated businesses Group Revenue for year ended December 31, 2005 are as follows:

	€m	
Spain/Latam	112	36.2%
North America	111	35.7%
France	40	13.1%
Italy/Switzerland	34	11.0%
Other	12	4.0%
Total	309	100.0%

"Permits" means all permits, consents, waivers, licences, certificates, approvals, authorizations, registrations, franchises, rights, privileges and exemptions, or any item with a similar effect, issued or granted by any person.

"Person" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning

"Pre-Closing Transactions" means the transactions set forth in Schedule1.01C of the Disclosure Letter.

"Purchase Price" has the meaning set out in Section 2.02.

"Q1 Financial Statements" mean the unaudited consolidated financial statements of the Corporation together with the unaudited financial statements of each of OntarioCo and Buy and Sell Limited, in each case, for the quarter ended March 31, 2006.

"Related Party Indebtedness" means all indebtedness or payables owing by any Classified Entity to any of the Vendor and Affiliates of the Vendor (other than a Classified Entity), including all accrued interest thereon.

"Related Party Receivables" means all indebtedness or amounts receivable from any of the Vendor and Affiliates of the Vendor (other than a Classified Entity) to any of the Classified Entities, including all accrued interest thereon.

"Release" has the meaning prescribed in any Environmental Law and includes any release or discharge of any Hazardous Substance into the natural environment or any sewer systems.

"Shares" means all of the issued and outstanding shares of the Corporation, as more particularly described in Part I of Schedule 3.01(b) of the Disclosure Letter.

"Software" means all software, except for shrink wrap software, which is necessary and material to the operation of the Business as a whole as it is currently conducted, including the computer programs known by the names as set out in Schedule 1.01D of the Disclosure Letter, in all currently used versions thereof, and all related documentation, manuals, source code and object code, program files, data files, computer related data, screen displays and report layouts, and all other material related to such software.

"Subsidiary" has the meaning attributed thereto in the *Canada Business Corporations Act*.

"Tax Act" means the *Income Tax Act* (Canada).

"Tax Returns" means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including withholding tax returns and reports, and information returns and reports) filed or required under Applicable Laws to be filed in respect of Taxes.

"Tax Settlement Amounts" means any amounts paid or remitted by a Classified Entity on account of Taxes prior to the Closing Date in relation to the transfer pricing issue, Ontario PST or Saskatchewan PST issues, each as disclosed to the Purchaser.

"Taxes" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any taxation authority under Applicable Laws, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any taxation authority on or in respect of amounts of the type described in clause (i) above or this clause.

"Third Party Claim" has the meaning set out in Section 7.04.

"Third Party Programs" has the meaning set out in Section 3.01(mm).

"Threshold Amount" has the meaning set out in Section 7.03(a).

"Time of Closing" means 8:00 a.m. (Toronto Time) on the Closing Date.

"Trader Publications" means Trader Publications Corp., a corporation incorporated under the laws of the Province of Ontario.

"Trader Specified IP Agreements" means, collectively, (i) the amended and restated licence agreement between Trader Publications and the Corporation dated as of July 8, 2003 (trademarks); (ii) the license agreement between Trader Publications and the Corporation dated as of July 8, 2003 (domain names) and effective as of January 1, 2004; (iii) the Internet domain name transfer agreement between the Corporation and Trader Publications dated July 8, 2003; (iv) the agreement to implement shared home page between the Corporation and Trader Media Corp. made as of July 8, 2003; and (v) the consent to use of name agreement among Trader Publications, the Corporation and Trader Media Corp. dated as of July 8, 2003.

"U.S. Classified Entities" means HM Amber Holding Corp., a corporation governed by the laws of Delaware, The Trader's Post, Inc, a corporation governed by the laws of Tennessee, The Trader Enterprises, Inc., a corporation governed by the laws of Indiana and B.B. U.S. LLC, a limited liability company governed by the laws of the state of Washington.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing”.

1.04 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.05 **Accounting Principles**

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken and applied on a basis consistent with prior periods.

1.06 **Currency**

All references to currency herein are to lawful money of Canada.

1.07 **Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of the Vendor, it shall be deemed to refer to the knowledge of John H. McCall MacBain, Didier Breton, Rob Svendsen, Ian Cochrane and Elizabeth Pauchet after having made reasonable inquiry as to the matters that are the subject of the applicable representation and warranty.

ARTICLE 2 - SALE AND PURCHASE

2.01 Shares to be Sold and Purchased

Upon and subject to the terms and conditions hereof, the Vendor will sell to the Purchaser and the Purchaser will purchase from the Vendor the Shares free and clear of all Encumbrances on the Closing Date.

2.02 Purchase Price and Purchase Price Allocation

The purchase price payable to the Vendor for the Shares (such amount being hereinafter referred to as the "Purchase Price") will be the aggregate of $760,000,000 plus the Adjustment Amount. The Purchase Price will be allocated to the different classes of Shares in accordance with the allocations set forth in Part III of Schedule 3.01(b) of the Disclosure Letter.

2.03 Payment of Purchase Price

The Purchase Price (less any amount withheld pursuant to Section 2.04, if any) will be payable on the Closing Date by wire transfer of immediately available funds to an account specified by the Vendor.

2.04 Section 116 Withholding

The Vendor will deliver to the Purchaser a certificate issued pursuant to section 116 of the Tax Act in respect of the sale of the Shares, provided that:

(a) If a certificate issued by the Minister of National Revenue pursuant to subsection 116(2) of the Tax Act in respect of the disposition of the Shares to the Purchaser, specifying a certificate limit in an amount which is not less than the Purchase Price is not delivered to the Purchaser on or before the Closing Date, the Purchaser will be entitled to withhold from the Purchase Price payable to the Vendor the amount that the Purchaser may be required to remit pursuant to subsection 116(5) of the Tax Act in connection with such purchase (the **"Withheld Amount"**), and the Purchaser will pay any such Withheld Amount to the Escrow Agent on the Closing Date and the amount so paid shall be credited to the Purchaser as payment on account of a portion of the Purchase Price.

(b) The Escrow Agent will invest, on behalf of the Vendor, the Withheld Amount in one or more investments the interest on which is not subject to Canadian withholding Tax under Part XIII of the Tax Act from the Closing Date until the earlier of the date on which the Withheld Amount (or relevant portion thereof) is delivered to the Vendor or remitted to the CRA.

(c) If, prior to the 28th day after the end of the month in which the Closing Date occurs (or such later time before which the CRA confirms in writing that the CRA will not enforce the remittance of funds as required by subsection 116(5) of the Tax Act and that Purchaser will not be liable for interest and penalties in respect of the late remittance of the funds withheld (the **"Comfort Letter"**)), the Vendor delivers to the Purchaser (with a copy to the Escrow Agent):

(i) a certificate issued by the Minister of National Revenue under subsection 116(2) of the Tax Act in respect of the disposition of the Shares to the Purchaser, the Escrow Agent shall promptly pay to the Vendor the lesser of (i) the Withheld Amount and (ii) the Withheld Amount less the product of X and Y where (X) is the amount, if any, by which the Purchase Price exceeds the certificate limit specified in such certificate and (Y) is the percentage specified in subsection 116(5) of the Tax Act, together with any interest earned on the Withheld Amount to the date of such payment, or

(ii) a certificate issued by the Minister of National Revenue under subsection 116(4) of the Tax Act in respect of the disposition of the Shares to the Purchaser,

the Escrow Agent will promptly pay the Withheld Amount to the Vendor, together with any interest earned thereon.

(d) If the Escrow Agent continues to hold a portion of the Withheld Amount on the later of the 28th day after the end of the month in which the Closing Date occurs and the time where (if the CRA has provided the Comfort Letter) the Purchaser is obliged to remit funds to the CRA, the Escrow Agent will remit to the Receiver General of Canada the amount required to be remitted pursuant to subsection 116(5) of the Tax Act and the Escrow Agent will pay to the Vendor any remaining portion of the Withheld Amount, together with interest earned thereon, prior to such remittance.

(e) Where any amount is remitted to the CRA pursuant to this Section 2.04, the Escrow Agent will furnish the Vendor with confirmation that such remittance has been made. Any such remittance will be deemed to have been paid by the Purchaser to the Vendor on account of the Purchase Price.

ARTICLE 3- REPRESENTATIONS AND WARRANTIES

3.01 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchaser that:

Corporate

(a) Except for E-Liste by reason of its pending dissolution further its winding-up into the Corporation, each of the Classified Entities is a corporation duly incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation with the corporate power to own its assets and to carry on its business.

(b) The authorized and issued capital of the Corporation is as set out in Part I of Schedule 3.01(b) of the Disclosure Letter. The Shares, and the issued and outstanding shares of each of the other Classified Entities, have been validly issued and are outstanding as fully paid and non-assessable. The Shares represent all of the issued and outstanding shares of the Corporation. The Corporation is a "private issuer" as defined in Section 2.4(1) of National Instrument 45-106.

(c) The rights, privileges, restrictions and conditions attached to the Shares of the Corporation are as set out in Part II of Schedule 3.01(b) of the Disclosure Letter attached hereto.

(d) The Vendor is the beneficial and registered owner of the Shares free and clear of all Encumbrances, other than the Bank Pledges.

(e) The Vendor has the power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Shares to the Purchaser free and clear of all Encumbrances, other than the Bank Pledges.

(f) Except as disclosed in Schedule 3.01(f) of the Disclosure Letter, and after giving effect to the Pre-Closing Transactions, the Corporation will be, directly or indirectly, the beneficial and registered owner of all of the issued and outstanding shares of each of the other Classified Entities free and clear of all Encumbrances other than the Bank Pledges.

(g) At Closing, the only Subsidiaries of the Corporation will be the other Classified Entities.

(h) The execution and delivery of and performance by each of the Vendor and the Parent of this Agreement and by the Vendor, the Parent and the Corporation of each of the other agreements to which it is or will become a party on the Closing Date in connection with the transactions contemplated herein and the consummation of the transactions contemplated by this Agreement have been or will be duly authorized by all necessary corporate action on the part of each of the Vendor, the Parent and the Corporation. This Agreement and each agreement entered into on the Closing Date in connection with the transactions contemplated in this Agreement constitute a valid and legally binding obligation of each of the Parent and the Vendor, to the extent they are a party, enforceable against each of them in accordance with their respective terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.

(i) Except for the Bank Pledges, this Agreement and pursuant to the winding-up of E-Liste, there is no contract, option or any other right of another binding upon or which at any time in the future may become binding upon:

(i) the Vendor to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Shares other than pursuant to the provisions of this Agreement; or

(ii) any shareholder of any of the Classified Entities to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the shares of the Classified Entities; or

(iii) any of the Classified Entities to allot or issue any of the unissued shares of such Classified Entities or to create any additional class of shares.

(j) Neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Vendor or by the Classified Entities will result in the violation of:

(i) any of the provisions of the constating documents or by-laws of the Vendor or of any of the Classified Entities;

(ii) except for consents under Material Contracts, any agreement or other instrument to which any of Classified Entities or the Vendor is a party or by which any of the Classified Entities or the Vendor is bound, except the Bank Indebtedness or to the extent that such violation would not reasonably be expected to limit in any material manner the operations of the Business as they are presently conducted; or

(iii) any Applicable Law except to the extent that such violation would not reasonably be expected to limit in any material manner the operations of the Business as they are presently conducted.

(k) The Corporate Records are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in material compliance with all applicable Laws and with the articles and by-laws of the relevant Classified Entity. Without limiting the generality of the foregoing, in all respects as to the Corporation and in all material respects as to the other Classified Entities: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held in all material respects, (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be.

Financial

(l) The audited consolidated financial statements of the Corporation and its consolidated subsidiaries for the fiscal years ending December 31, 2003, 2004 and 2005 respectively, and the unaudited consolidated financial statements of OntarioCo for the fiscal year ending December 31, 2005, consisting in each case of a balance sheet and statements of income, retained earnings and changes in financial position for the year then ended, together with, in the case of audited financial statements, the report of PricewaterhouseCoopers LLP, chartered accountants thereon and the notes thereto (collectively, the "**Financial Statements**"), copies of which are attached hereto as Schedule 3.01(l) of the Disclosure Letter:

(i) were derived from the books and accounts of the Classified Entities;

(ii) present fairly in all material respects the financial position and results of operation of the Corporation on a consolidated basis and OntarioCo and Buy and Sell Limited as at and for the period ending on the relevant balance sheet date; and

(iii) have been prepared in accordance with generally accepted accounting principles consistently applied.

As at the Closing Date, the Q1 Financial Statements will:

(i) be derived from the books and accounts of the Classified Entities;

(ii) present fairly in all material respects the financial position and results of operation of the Corporation and OntarioCo respectively, each on a consolidated basis as at and for the period ending March 31, 2006; and

(iii) have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the Financial Statements for the fiscal year 2005.

(m) Except as disclosed in Schedule 3.01(m) of the Disclosure Letter, since the Balance Sheet Date, (i) the Business of the Classified Entities has been carried on in its ordinary course, (ii) the Classified Entities have not entered into any material transaction out of the ordinary course of business, and iii) there has been no change in the affairs, business operations, prospects or condition of the Classified Entities, except in the ordinary course.

(n) **[Intentionally deleted.]**

(o) Except as set out in Schedule 3.01(o) of the Disclosure Letter: (i) all accounting and financial Books and Records have been fully, properly and accurately kept and completed and (ii) the Books and Records and other data and information are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which will not be available to the Classified Entities in the ordinary course of business.

(p) (i) As at December 31, 2005, the Non-Cash Working Capital was sufficient for the Non-Cash Working Capital requirements of the Business in its form and level of activity as at such time and the Non-Cash Working Capital on the date hereof is sufficient for the Non-Cash Working Capital requirements of the Business in its present form and at its present level of activity. At Closing, the Non-Cash Working Capital of the Business, calculated on a basis of the methodology set out in Schedule 1.01(E) of the Disclosure Letter, shall be sufficient for the Non-Cash Working Capital requirements of the Business consistent with its past requirements.

(ii) On the date hereof, there is no Indebtedness, Bank Indebtedness, Related Party Indebtedness or Related Party Receivables, except as set out in Schedule 3.01(p) of the Disclosure Letter and at Closing there will be no Indebtedness, Bank Indebtedness, Related Party Indebtedness or Related Party Receivables.

Condition and Sufficiency of Assets

(q) Each of the Classified Entities is the owner of all of the assets that it purports to own including all of the assets reflected as being owned by the Classified Entities in accordance with the books and accounts of the Classified Entities, free and clear of all Encumbrances and any other rights of others other than those set out in Schedule 3.01(q) of the Disclosure Letter and those related to leases of personal property or conditional sales agreements, or as otherwise disclosed herein or in respect of the shares of certain of the Classified Entities that have been pledged by the Corporation pursuant to the Bank Pledge.

(r) Intentionally deleted

(s) All machinery and equipment owned or used by the Classified Entities, and necessary to conduct the Business as it is currently conducted, have been properly maintained and are in sufficient working order for the purposes of their current operation, subject to ordinary wear and tear for machinery and equipment of comparable age.

(t) There are no outstanding orders, notices or similar requirements relating to the Classified Entities issued by any Governmental Authority (other than a taxation authority) and there are no matters under discussion with any Governmental

Authority relating to orders, notices or similar requirements which have, or if adversely determined would have, a Material Adverse Effect on their Business.

(u) Except as disclosed in Schedule 3.01(u) of the Disclosure Letter, the Classified Entities own, or have the right to use, all rights and property necessary to conduct the Business after the Closing substantially, in all material respects, in the same manner as it was conducted prior to the Closing.

(v) Except as disclosed in the Financial Statements, there are no outstanding liabilities against the Classified Entities except for Taxes and liabilities incurred in the ordinary course of business after the Balance Sheet Date.

Contracts and Commitments

(w) None of the Classified Entities is a party to any contract or commitment extending for a period of time longer than 12 months or involving expenditures by such Classified Entity in the aggregate in excess of $500,000, except (i) the Leases or (ii) such contracts or commitments as are listed in Schedule 3.01(w)(i) of the Disclosure Letter attached hereto (the "**Material Contracts**"). Except as listed in Schedule 3.01(w)(ii) of the Disclosure Letter, none of the Classified Entities is a party to or bound by:

(i) any trust indenture, mortgage, promissory note, loan agreement or other contract for the borrowing of money, any Derivative Contract or any leasing transaction of the type required to be capitalized in accordance with generally accepted accounting principle, other than in connection with the Bank Indebtedness;

(ii) any agreement which creates any confidentiality, secrecy or non-disclosure obligation on any Classified Entity (except where entered into in the ordinary course), any contract limiting the freedom of any of the Classified Entities to engage in any line of business, compete with any other Person, solicit any Persons for any purpose, operate its assets at maximum production capacity or otherwise conduct the Business; or

(iii) any contract with any Person with whom any of the Classified Entities or the Vendor does not deal at arm's length within the meaning of the Tax Act.

(x) Except as disclosed in Schedule 3.01(x) of the Disclosure Letter, there is no requirement to obtain the consent, approval or waiver of any party to the Material Contracts or the Leases as a result of the transactions contemplated by this Agreement.

(y) None of the Classified Entities is in default or breach of any Material Contract and there exists no condition, event or act that, with the giving of notice or lapse of time or both, would constitute such a default or breach. To the knowledge of the Vendor, except as disclosed in Schedule 3.01(y) of the Disclosure Letter each other party to the Material Contracts is in good standing under such Material Contracts and each Material Contract is in full force and effect without amendment thereto and the applicable Classified Entity is entitled to all benefits thereunder. True, correct and complete copies of the Material Contracts have been made available to the Purchaser.

(z) Except as disclosed in Schedule 3.01(z) of the Disclosure Letter, none of the Classified Entities is a party to or bound by any guarantee, indemnification, surety or similar obligation outside of the ordinary course of business or that is in favour of a party other than a Classified Entity.

(aa) Except for this Agreement or as disclosed in Schedule 3.01(aa) of the Disclosure Letter or in connection with the Pre-Closing Transactions, the Corporation does not have any agreements, options, commitments or rights of first refusal to acquire any securities of any corporation or to acquire or lease any real property or assets other than, in the latter case, those assets that are to be used in the ordinary course of business.

(bb) Except for this Agreement, there is no agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, for the purchase from any of the Classified Entities of its business or any of its assets other than in the ordinary course of business

Intellectual Property

(cc) All of the Owned Intellectual Property that is registered, or for which an application for registration is currently pending, is set out in Schedule 3.01(cc) of the Disclosure Letter. The applicable Classified Entity owns the entire right, title and interest in and to all of the Owned Intellectual Property.

(dd) Except as set forth in Schedule 3.01(dd) of the Disclosure Letter, the applicable Classified Entity has the exclusive right to use the Owned Intellectual Property and to the extent the applicable Classified Entity has licensed others to use the Owned Intellectual Property, such licences are listed in Schedule 3.01(dd) of the Disclosure Letter.

(ee) The Owned Intellectual Property has been duly registered or applications to register the same have been filed in all appropriate offices, as consistent with the intellectual property practices of the relevant Classified Entity, and any such applications or registrations are in good administrative standing in all material respects. To the Vendor's knowledge, except for any contrary allegations made by the parties listed in Schedule 3.01(jj) of the Disclosure Letter who are adverse to the interests of a Classified Entity, all registrations with respect to the Owned Intellectual Property are valid and are in full force and effect.

(ff) Except to the extent arising from or related to a proceeding, action or dispute listed in Schedule 3.01(jj) of the Disclosure Letter, no trade-mark forming part of the Owned Intellectual Property is now involved in any opposition, expungement or cancellation proceeding and to the Vendor's knowledge, no such action or proceeding is threatened with respect to any of such trade-marks.

(gg) All of the Licensed Intellectual Property is set out in Schedule 3.01(gg) of the Disclosure Letter.

(hh) None of the Classified Entities is a party to any contract or commitment to pay any royalty or other fee to use the Licensed Intellectual Property except as set out in Schedule 3.01(hh) of the Disclosure Letter.

(ii) No consents are required in order for the Licensed Intellectual Property to be licensed or sub-licensed to a third party if such licensing or sub-licensing is currently practised in the conduct of the Business, except as set out in Schedule 3.01(ii) of the Disclosure Letter.

(jj) Except to the extent arising from or related to a proceeding, action or dispute listed in Schedule 3.01(jj), Part A, of the Disclosure Letter, none of the Classified Entities has received an assertion, claim or demand in writing alleging that the use of the Owned Intellectual Property or the conduct of the Business infringes the Intellectual Property rights of any other person. Except as disclosed in Schedule 3.01(jj), Part B, of the Disclosure Letter, to the knowledge of the Vendor, no infringement, misuse or misappropriation of the Owned Intellectual Property has occurred or is occurring.

(kk) The Owned Intellectual Property and the Licensed Intellectual Property constitute all of the Intellectual Property necessary for the conduct of the Business, in all material respects, as presently conducted, including without limitation the publication, use, sale, licensing and other commercial exploitation of all products and services of the Classified Entities and constitute all of the Intellectual Property necessary to operate the Business after the Closing in substantially the same manner, in all material respects, as the Business heretofore has been operated by the Classified Entities.

(ll) Except as disclosed in Schedule 3.01(ll) of the Disclosure Letter, no source code of any Owned Software has been made available to any Person, other than under terms of confidentiality appropriate to and reasonable in the circumstances, and the Classified Entities have treated such source code, and the data associated therewith, as confidential and proprietary business information, and have taken all reasonable steps to protect the same as trade secrets.

(mm) Except for the third party software ("Third Party Programs") listed in Schedule 3.01(mm) of the Disclosure Letter, the Owned Software neither contains nor embodies any third party software, including development tools and utilities, and the Owned Software contains all material necessary for the continued maintenance and development of the Owned Software.

(nn) Except as listed in Schedule 3.01(nn) of the Disclosure Letter, to the knowledge of the Vendor there are no material problems or defects in the Owned Software including bugs, logic errors or failures of the Owned Software to operate substantially as described in any of its related documentation, and, except for such disclosed problems or defects, the Owned Software operates substantially in accordance with its documentation and specifications in all material respects.

(oo) To the Vendor's knowledge, all Owned Software is free of any undisclosed program or code that is designed to delete, disable, deactivate, interfere with, or otherwise harm them (a "Disabling Code"), and any virus or other intentionally created, undocumented contaminant (a "Contaminant"), that may, or may be used to, access, modify, delete, damage or disable any hardware, system or data. The Classified Entities have taken reasonable steps and implemented reasonable procedures to ensure that their hardware, systems and data are free from Disabling Codes and Contaminants.

(pp) Schedule 3.01(pp) of the Disclosure Letter sets forth the physical location of the computer servers that are currently hosting the Classified Entities' web sites. Such servers are owned by the relevant Classified Entity. Schedule 3.01(pp) of the Disclosure Letter additionally sets forth the name and IP address of all web site homepages.

Employees

(qq) None of the Vendor or the Classified Entities is a party to or bound by any written contract or commitment to pay any management or consulting fee in connection with the Business except as disclosed in Schedule 3.01(qq) of the Disclosure Letter. The Vendor has furnished the Purchaser with true and complete copies of such contracts.

(rr) Schedule 3.01(rr) of the Disclosure Letter contains a list of all written employment contracts of any Classified Entities with employees listed in Schedule 3.01(ss) of the Disclosure Letter and copies of standard forms of employment contracts with any other employees of the Classified Entities, except for those employee contracts which the Purchaser has requested that employees sign. The Vendor has furnished the Purchaser with true and complete copies of all such contracts. Except as disclosed in Schedule 3.01(rr) of the Disclosure Letter or such contracts, no employee of any Classified Entity has any agreement as to length of notice, severance or termination payment required to terminate his or her employment, other than such as results by Applicable Law from the employment of an employee without an agreement as to notice or severance.

(ss) Schedule 3.01(ss) of the Disclosure Letter sets out:

(i) the names of all employees employed by the Classified Entities that (a) had an annual salary, including bonus, in excess of $125,000 per annum in 2005; (b) report directly to the CEO of the applicable Classified Entity (each, an "N-1 Employee"); or (c) report directly to an N-1 Employee;

(ii) their position/title;

(iii) their total annual remuneration, including a breakdown of (1) salary and (2) bonus or other incentive compensation, if any;

(iv) their total length of employment including any prior employment that would affect calculation of years of service for any purpose; and

(v) whether, as of the date hereof, any such employees are on any approved or statutory leave of absence, and if so, the reason for such absence and the expected date of return.

(tt) None of the Classified Entities is bound by or a party to any collective bargaining agreement except the Collective Agreements and there is no collective agreement currently being negotiated with the Vendor or any of its Affiliates in connection with the Business or for which a notice of negotiation has been given.

(uu) No union, trade union, council of trade unions, employee bargaining agency, affiliated bargaining agent or employee association:

(i) holds bargaining rights with respect to any employees employed by the Vendor or any of its Affiliates in connection with the Business by way of certification, interim certification, voluntary recognition, designation or successor rights;

(ii) has applied to be certified as the bargaining agent of any employees employed by the Vendor or any of its Affiliates in connection with the Business; or

(iii) has applied to have any of the Vendor or the Classified Entities declared a related employer or successor employer pursuant to applicable labour legislation,

except for those locations and employees covered by the Collective Agreements.

(vv) There are no actual or, to the knowledge of the Vendor, threatened or pending organizing activities of any trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent or any actual or, to the knowledge of the Vendor, threatened or pending unfair labour practice complaints, strikes, work stoppages, picketing, lock-outs, hand-billings, boycotts, slowdowns, arbitrations, grievances, complaints, charges or similar labour related disputes or proceedings pertaining to the Classified Entities or to the Business, except as disclosed in Schedule 3.01(vv) of the Disclosure Letter.

(ww) Except as disclosed in Schedule 3.01(ww) of the Disclosure Letter or in the ordinary course of business or as required by Applicable Law or the Collective Agreements, since the Balance Sheet Date there have been no material changes in the terms and conditions of employment of any employees of any of the Classified Entities, including their salaries, remuneration and any other payments to them, and there have been no material changes in any remuneration payable or benefits provided to any officer, director, consultant or independent contractor or agent of any Classified Entities, and none of the Classified Entities has agreed or otherwise become committed to change any of the foregoing since that date. The only individuals rendering services to the Classified Entities or the Business and employed by the Vendor and its Affiliates (other than the Classified Entities) are head office, management, control and support function employees..

(xx) Each of the Classified Entities is employing all employees of such Classified Entities in material compliance with all Applicable Laws governing taxation, health, labour and employment laws, rules, regulations, notices, and orders, including, without limiting the generality thereof, those pertaining to occupational health and safety, pay equity, employment equity, employment standards and workers' compensation and is not in material breach of any such Applicable Law.

(yy) Except as disclosed in Schedule 3.01(yy) of the Disclosure Letter, all individuals that are independent contractors or consultants of any of the Classified Entities perform services exclusively as delivery drivers or distributors.

Compliance with Privacy Laws

(zz) Each of the Classified Entities is conducting the Business in compliance in all material respects with all Applicable Laws governing privacy and the protection of personal information. Each of the Canadian Classified Entities has a written privacy policy which governs the collection, use and disclosure of personal information and each of the Canadian Classified Entities is in compliance in all material respects with such policy.

Benefit Plans

(aaa) Schedule 3.01(aaa) of the Disclosure Letter contains a list of every written benefit plan, program, agreement or arrangement maintained, contributed to, or provided by the Classified Entities and in respect of which any of the Classified Entities may have any liability, contingent or otherwise, for the benefit of any of the employees, former employees or dependent or independent contractors of the Classified Entities or their respective dependants or beneficiaries (the **"Benefit**

Plans") including all deferred compensation, incentive compensation, share purchase, share option, stock appreciation, phantom stock, savings, profit sharing, health or other medical, life, disability or other insurance (whether insured or self-insured), supplementary unemployment benefit, pension, retirement and supplementary retirement plans, programs, agreements and arrangements, except for any statutory plans to which any the Classified Entity is obliged to contribute or comply including the Canada/Québec Pension Plan, or plans administered pursuant to applicable federal or provincial health, worker's compensation and employment insurance legislation.

(bbb) No Classified Entity has ever sponsored or participated in a defined benefit pension plan.

(ccc) The Corporation has delivered or made available to the Purchaser true, complete and up-to-date copies of all material Benefit Plans and all amendments thereto together with all summary descriptions of the material Benefit Plans provided to past or present participants therein, all funding agreements and service provider contracts or other contracts in respect of the material Benefit Plan in respect of which any of the Classified Entities may have liability (including insurance contracts, investment management agreements, subscription and participation agreements and record keeping agreements).

(ddd) No promises or commitments have been made by the Corporation to amend any Benefit Plan.

(eee) All of the Benefit Plans are duly registered where required by Applicable Law (including registration with the relevant taxation authorities where such registration is required to qualify for tax exempt or other beneficial tax status) and have always been administered in compliance with their terms and all Applicable Law.

(fff) All employer and employee obligations in respect of the Benefit Plans, including payments, contributions and premiums required under Applicable Law and their terms have been satisfied and there are no outstanding defaults or violations in respect thereof.

(ggg) There are no actions, suits, claims, trials, demands, investigations, arbitrations or other proceedings pending or, to the knowledge of the Vendor, threatened with respect to the Benefit Plans against any of the Classified Entities, the funding agent, the insurers or the fund of such Benefit Plans, other than claims for benefits in the ordinary course of business.

(hhh) No order has been made or notice given pursuant to any Applicable Law requiring (or proposing to require) any of the Classified Entities to take (or refrain from taking) any action in respect of any Benefit Plan, and no event has occurred and no condition or circumstance exists that has resulted or, to the knowledge of the Vendor could reasonably result in any Benefit Plan (i) being ordered or required to be terminated or wound-up in whole or in part, (ii) have its registration under any Applicable Law refused or revoked, (iii) being placed under the administration of any trustee or any regulatory authority or (iv) being required to pay any material Taxes or penalties under any Applicable Law.

(iii) Except pursuant to contracts which the Purchaser has requested that employees of certain of the Classified Entities enter into, or as disclosed in Schedule 3.01(iii) of the Disclosure Letter, neither the execution, delivery or performance of this Agreement by the Vendor or the Parent, nor the consummation of any of the other the transactions contemplated by this Agreement, will result in any bonus, golden parachute, severance or other payment or obligation to any current or former employee or director of the Classified Entities (whether or not under any Benefit Plan), materially increase the benefits payable or provided under any Benefit Plan, result in any acceleration of the time of payment or vesting of any such benefit, or increase or accelerate employer contributions thereunder.

(jjj) No insurance policy or any other agreement affecting any of the Benefit Plans require or permit a retroactive increase in premiums or other payments, due under such policy or agreement.

(kkk) Except for registered retirement savings plans and 401(k) plans identified as such on Schedule 3.01(aaa) of the Disclosure Letter, disability income maintenance benefits and continuation of benefits during reasonable notice periods or periods of injury or sickness, no Benefit Plan provides post employment or post retirement benefits other than any such benefits that are required to be provided under Applicable Law.

(lll) In addition to the foregoing, with respect to each Benefit Plan that provides benefits to employees of the Classified Entities who work or reside in the United States of America, any reference to a Classified Entity shall be deemed to refer also to any entity which is controlled by, or under common control or affiliated with any of the Classified Entities that sponsors or maintain Benefit Plans that provide benefits to employees of the Classified Entities who work or reside in the United States within the meaning of Section 4001 of the Employee Retirement Income Security Act of 1974 (“ERISA”), and the rules and regulations promulgated thereunder and/or Sections 414(b), (c) (m) or (o) of the U.S. Internal Revenue Code of 1986, as amended (“IR Code”) and the rules and regulations promulgated thereunder; and:

(mmm) No material liability has been or is reasonably expected to be incurred by the Classified Entities with respect to any Benefit Plan under the penalty, excise tax or joint and several liability provisions of the IR Code or ERISA and, to the knowledge of the Vendor, no event, transaction or condition has occurred or exists that could reasonably be expected to result in any such liability with respect to any Benefit Plan to the Classified Entities or, following the Closing, the Purchaser;

(i) no such Benefit Plan is funded by an association described in Section 501(c)(9) of the IR Code;

(ii) no prohibited transaction (as defined in Section 4975 of the IR Code or Section 406 of ERISA) has occurred with respect to any such Benefit Plan listed, which could subject any such Benefit Plan or any related trust, the Classified Entities, the Purchaser or any director or employee of any of such persons to any material Tax or penalty imposed under Section 4975 of the IR Code or Section 502(i) or 502(l) of ERISA, either directly or indirectly, and whether by way of indemnity or otherwise;

(iii) no such Benefit Plan is a multiemployer plan as defined in Section 3(37) of ERISA and the Classified Entities are not reasonably expected to incur any withdrawal liability in respect of any multiemployer plans; and

(iv) no such Benefit Plan requires the Classified Entities to contribute to, or incur any withdrawal liability (within the meaning of Section 4201 of ERISA) which remains unsatisfied as of the date hereof with respect to, any multiemployer plan as defined in Section 3(37) of ERISA.

Realty

(nnn) Other than the Leases, none of the Classified Entities is a party to any offer to lease, lease or agreement in the nature of a lease for real property, whether as lessor, lessee or guarantor.

(ooo) Except as declared in Schedule 1.01B of the Disclosure Letter, none of the Classified Entities beneficially or legally owns an interest in any freehold or leasehold real property.

(ppp) None of the Classified Entities has received written notice from any Governmental Authority that it requires or intends to require the Classified Entities to pay for any future roads, utilities or services relating to the Leased Premises.

(qqq) To the Vendor’s knowledge, all improvements (including all plant, buildings, structures, erections, appurtenances and fixtures) which comprise the Leased Premises only were completed in a good and competent manner and in all material respects in accordance with the requirements of all applicable Governmental Authorities and all such improvements are free of material defect.

(rrr) The Leased Premises are serviced by all private and public utility services that are necessary for the current operations of the Classified Entities on the Leased Premises.

(sss) Each Lease is in good standing and is in full force and effect, except as disclosed in Schedule 1.01B of the Disclosure Letter. With respect to each Lease (i) all rents and additional rents have been paid to date in accordance with the terms of the respective Lease, (ii) to the Vendor's knowledge, there exists no event of default on the part of either the lessor or lessee under the Lease, (iii) to the knowledge of the Vendor, all of the covenants to be performed by either the lessor or lessee under the Lease have been performed in all material respects, and (iv) no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor.

Environmental

(ttt) The Business, as carried on by the Classified Entities, and its assets are and, to the knowledge of the Vendor, at all times have been, in compliance in all material respects with all Environmental Laws and to the knowledge of the Vendor there are no facts that could reasonably be expected to give rise to a notice of non-compliance with any Environmental Law.

(uuu) Schedule 3.01(uuu) of the Disclosure Letter contains a complete list of all environmental Permits necessary to carry on the business of the Classified Entities as currently carried on in its ordinary course and such Permits are in full force and effect.

(vvv) None of the Classified Entities used any of the currently (or to the knowledge of the Vendor) formerly owned, leased or used facilities or Leased Premises pertaining to the Business, or permitted them to be used, to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances except in compliance in all material respects with all Environmental Laws. None of the Leased Premises has been used by the Classified Entities for or been designated by any Governmental Authority as a waste disposal site.

(www) None of the Classified Entities has been convicted of an offence or been subjected to any judgment, injunction or other proceeding or been fined or otherwise sentenced for non-compliance with any Environmental Laws, except for matters that have been wholly resolved as of this date.

(xxx) None of the Classified Entities has received written notice and to the knowledge of the Vendor there are no facts that could reasonably be expected to give rise to any notice that the Classified Entities or its predecessors are potentially responsible for any remedial or investigative action under any Environmental Law.

(yyy) The Corporation has provided the Purchaser with copies of all analyses and monitoring data for soil, groundwater and surface water and all reports pertaining to any environmental assessments or audits and other material documents relating to environmental matters relating to the Business that were obtained by, or are in the possession or control of, the Classified Entities and they are disclosed in Schedule 3.01(yyy) of the Disclosure Letter.

Taxes Each of the representations and warranties in this Agreement to the extent they pertain to Tax matters are qualified by the disclosure set out in Schedule 3.01(zzz) of the Disclosure Letter.

(zzz) The Classified Entities have duly and in a timely manner filed their Tax Returns with the appropriate taxation authorities or if not timely filed have paid any interest and penalties imposed as a result thereof, and have duly and timely paid all amounts as being shown as being payable on such Tax Returns.

(aaaa) Intentionally Deleted.

(bbbb) The Classified Entities have paid in full all material Taxes accruing due on or before the Balance Sheet Date which are not reflected in their Tax Returns or have made full and adequate disclosure and provision for such Taxes in the Books and Records and Financial Statements.

(cccc) Since the Balance Sheet Date, the Classified Entities have only incurred liabilities for Taxes in the ordinary course of business and adequate provision in the Books and Records of the Classified Entities has been made in respect thereof.

(dddd) The Classified Entities have duly and in a timely manner paid all instalments on account of Taxes for the current year that are due and payable by them.

(eeee) Each of the Classified Entities has duly and timely withheld and collected all Taxes and other amounts required by applicable Tax legislation to be withheld or collected by it, and has duly and timely remitted to the appropriate taxation authority such Taxes and other amounts required by Applicable Law to be remitted by it.

(ffff) To the knowledge of the Vendor, there are no proceedings, investigations or audits now pending or threatened against any of the Classified Entities in respect of any Taxes and there are no matters under discussion, audit or appeal with any taxation authority relating to any Taxes.

(gggg) No Classified Entity has requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which any taxation authority may assess or collect Taxes for which it is or may be liable.

(hhhh) None of the Classified Entities other than the U.S. Classified Entities has been or is currently required to file any Tax Returns or other filings with any governmental or taxation authority located in any jurisdiction outside Canada and none of the U.S. Classified Entities has been or is currently required to file any Tax Returns or other filings with any governmental or taxation authority located in any jurisdiction outside the United States.

(iiii) Except for statutory liens for current Taxes not yet due, there are no liens for Taxes upon the assets of the Classified Entities.

(jjjj) Intentionally Deleted.

(kkkk) For all transactions between the Classified Entities and any non-resident person with whom such Classified Entities were not dealing at arm's length during any taxation year commencing after 1998 and ending on or before the Closing Date, the Classified Entities other than the U.S. Classified Entities have made or obtained records or documents that meet the requirements of paragraphs 247(a) to (c) of the Tax Act.

No U.S. Classified Entity is party to or bound by any closing agreement, gain recognition agreement, Tax sharing, Tax allocation or similar agreement or arrangement.

No U.S. Classified Entity has any liability for Taxes of any other person (other than any other U.S. Classified Entity) under Treasury Regulations Section 1.1502-6 (or comparable provisions under applicable law), as a transferee, successor, indemnitor or otherwise.

The Vendor has not, within the last six (6) months, acquired units of Yellow Pages Income Fund ("Units"), any securities that are convertible or exchangeable for Units or any indebtedness of Yellow Pages Income Fund, the Purchaser or its subsidiaries.

The Corporation is not resident of the province of Québec and the Shares do not constitute taxable Québec property for purposes of the *Taxation Act* (Québec).

General

(llll) Schedule 3.01(llll) of the Disclosure Letter is a correct and complete list showing, for each bank account or safe deposit box (i) all bank account and safe deposit box numbers, (ii) the name and address of each bank for such account numbers and the names of all Persons authorized to draw on the account or to have access to the safety deposit box, and (iii) the names of all Persons holding powers of attorney from any of the Classified Entities. Copies of the powers of attorney have been provided to the Purchaser.

(mmmm) Except as disclosed in Schedule 3.01(mmmm) of the Disclosure Letter and other than with respect to Taxes, there are no actions, suits or proceedings (whether or not purportedly on behalf of the Classified Entities):

(i) which are pending against any of the Classified Entities or against the Vendor in connection with the Business, or

(ii) which are material to the Business and, to the knowledge of the Vendor, are threatened against any of the Classified Entities or against the Vendor in connection with the Business, or

(iii) before or by any Governmental Authority.

(nnnn) Each of the Classified Entities is conducting its business in material compliance with all Applicable Laws.

(oooo) Attached as Part I of Schedule 3.01(oooo) of the Disclosure Letter is a true and complete list of all material licences, registrations, permits and quotas necessary or required to enable the Business to be carried on as now conducted and its assets to be owned, leased and operated. The Classified Entities are qualified, licensed or registered to carry on business in the jurisdictions listed in Part II of Schedule 3.01(oooo) of the Disclosure Letter, which are the only jurisdictions in which the Business carries on any operations making such qualification necessary.

(pppp) Attached as Schedule 3.01(pppp) of the Disclosure Letter is a true and complete list of all insurance policies maintained by the Classified Entities that also specifies the insurer, the type of insurance, the policy number and any pending claims thereunder.

Related Transactions

(qqqq) Except for the transactions which gave rise to Related Party Indebtedness or Related Party Receivables, neither the Vendor nor any Affiliate of the Vendor nor any shareholder or director (or Affiliate of such Person) of the Vendor or any Affiliate of the Vendor (A) is indebted to the Corporation or any other Classified Entity, nor is the Corporation or any other Classified Entity indebted (or committed to make loans or extend or guarantee credit) to any of them, other than for (i) payment of salary, bonus and other compensation for services rendered, and (ii) reimbursement for expenses duly incurred in connection with the Business, or (B) has entered into any contract with the Corporation or any other Classified Entity on terms that would reasonably be considered to be non-arms length, including, without limitation, with respect to the pricing, the term and the ability of either party to such contract to terminate such contract.

3.02 **Survival of Vendor's Representations, Warranties and Covenants**

(1) The representations and warranties of the Vendor set forth in Section 3.01 will survive the completion of the sale and purchase of the Shares hereunder.

(2) The covenants of the Vendor set forth in this Agreement will survive the completion of the sale and purchase of the Shares herein provided for and, notwithstanding such completion, will continue in full force and effect for the benefit of the Purchaser in accordance with the terms of this Agreement.

3.03 **Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

(a) The Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Canada.

(b) The Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Purchaser contemplated hereunder.

(c) The execution and delivery of and performance by the Purchaser of this Agreement and by the Purchaser of each of the other agreements to which it is or will become a party on the Closing Date in connection with the transactions contemplated herein and the consummation of the transactions contemplated by this Agreement have been or will be duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement and each agreement entered into on the Closing Date in connection with the transactions contemplated in this Agreement constitute a valid and legally binding obligation of the Purchaser, to the extent it is a party, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.

(d) Neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:

(i) any of the provisions of the constating documents or by-laws of the Purchaser;

(ii) any agreement or other instrument to which the Purchaser is a party or by which the Purchaser is bound; or

(iii) any Applicable Law.

(e) The Purchaser is a Canadian within the meaning of the *Investment Canada Act.*

(f) The Purchaser has cash on hand, or committed financing, available to pay the Purchase Price.

3.04 **<u>Survival of Purchaser's Representations, Warranties and Covenants</u>**

(1) The representations and warranties of the Purchaser set forth in Section 3.03 will survive the completion of the sale and purchase of the Shares hereunder.

(2) The covenants of the Purchaser set forth in this Agreement will survive the completion of the sale and purchase of the Shares herein provided for and, notwithstanding such completion, will continue in full force and effect for the benefit of the Vendor in accordance with the terms of this Agreement.

<u>ARTICLE 4 - COVENANTS</u>

4.01 **<u>Covenants of the Vendor</u>**

(1) The Vendor shall cause the Classified Entities to pay or satisfy at or prior to the Time of Closing or prior thereto all Related Party Indebtedness, all Related Party Receivables and all Bank Indebtedness and shall deliver to the Purchaser executed discharges, in form and substance satisfactory to the Purchaser, acting reasonably, of the Bank Pledges.

(2) The Vendor will ensure that the conditions of closing for the benefit of the Purchaser set out in Section 5.01(1) over which the Vendor has reasonable control have been performed or complied with by the Time of Closing.

(3) The Vendor, with the cooperation of the Purchaser, will use its commercially reasonable efforts to obtain, prior to the Closing Date, all consents and waivers that are set out on Schedule 3.01(w)(iii) of the Disclosure Letter, provided that any reasonable costs, fees or expenses to be incurred in connection with obtaining such consents and waivers will be for the account of the Purchaser. Such consents or waivers will be made, given or obtained on terms (including any costs, fees or expenses) acceptable to the Purchaser, acting reasonably.

(4) Notwithstanding any of the other provisions of this Agreement, the Vendor will not be liable to the Purchaser or to the directors, officers, employees or agents of the Purchaser in respect of any inaccuracy or misrepresentation in or breach of any representation or warranty set forth in Section 3.01 after eighteen months after the Closing Date, except that:

(a) the liability of the Vendor for any inaccuracy or misrepresentation or breach of representation or warranty in Sections 3.01(a), 3.01(b), 3.01(c), 3.01(d), 3.01(e), 3.01(f), 3.01(h) and 3.01(i) or any representation based on fraud of the Vendor shall be unlimited as to duration; and

(b) the liability of the Vendor for any misrepresentations in Sections 3.01(zzz) through 3.01(kkkk) relating to a particular Tax liability shall continue until

60 days after the expiration of the limitation period contained in the Tax Act and any other legislation imposing Tax on the Classified Entities in respect of which the particular Tax liability is based and subsequent to the expiration of which an assessment, reassessment or other form of recognized document assessing the particular Tax liability and interest or penalties thereon cannot be issued to the applicable Classified Entity.

(5) During the Interim Period, the Vendor will cause the Classified Entities to conduct the Business in the ordinary course of business. Without limiting the generality of the foregoing, the Vendor will cause the Classified Entities to:

(a) except for the dissolution of E-Liste, use commercially reasonable efforts to preserve intact their current business organizations, keep available the services of the present employees and agents of the Classified Entities and maintain good relations with, and the goodwill of, suppliers, customers, landlords, creditors, distributors and all other Persons having business relationships with the Classified Entities;

(b) subject to Applicable Laws, confer with the Purchaser concerning operational matters of a material nature;

(c) retain possession and control of their material assets and preserve the confidentiality of any material confidential or proprietary information of the Business or the Classified Entities;

(d) subject to Applicable Laws, periodically report as reasonably requested to the Purchaser concerning the state of the Business and the Classified Entities; and

(e) keep the Purchaser fully informed on and confer with the Purchaser as to the negotiations with unions for the renewal, or entering into of, any collective agreement; and

(f) collect accounts receivable in the usual and ordinary course of business (without accelerating the collection thereof), pay accounts payable as they become due (without delaying any such payments), and otherwise manage Non-Cash Working Capital in the usual and ordinary course of business.

All acts and proceedings taken by the Classified Entities in the management and operation of Business from the date hereof involving a commitment in excess of $100,000 and/or any payment in excess of $100,000, except for those payments made pursuant to existing contracts of the Classified Entities, made by the Classified Entities during the Interim Period, will be subject to the prior approval of the Purchaser, which approval will not be unreasonably withheld, provided that the Corporation will be entitled to declare and pay dividends out of available Cash and provided that the Classified Entities shall not incur any additional Indebtedness.

Notwithstanding the above: (i) the Corporation may do all things which this Agreement expressly contemplates that it will do prior to the Closing Date, and (ii) for greater certainty nothing contained herein will confer control or direction over any of the Classified Entities to the Purchaser prior to the Closing.

(6) Subject to Applicable Law, during the Interim Period, the Vendor will (i) upon reasonable notice, and without any interference to the ordinary conduct of business permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access to (A) the premises of the Classified Entities, (B) the assets of the Business, including all Books and Records of the Classified Entities or otherwise, (C) all Material Contracts and Leases, (D) with the consent of the Vendor, the senior officers of the Classified Entities; (E) the current bank statements for bank accounts of the Classified Entities (by electronic means or using paper copies) for the purpose of monitoring compliance with the provisions of Section 4.01(5)(f); and (ii) furnish to the Purchaser or its employees, agents, counsel, accountants or other representatives, lenders, potential lenders and potential investors such financial and operating data and other information with respect to the Business and the Classified Entities as the Purchaser from time to time reasonably requests, in each case for the purpose of legitimate integration planning and monitoring compliance with the terms of this Agreement.

(7) The Vendor shall promptly upon becoming aware of same notify the Purchaser, and the Purchaser shall promptly upon becoming aware of same notify the Vendor, upon any representation or warranty made by it contained in this Agreement or any agreement entered into in connection with the transactions contemplated in this Agreement becoming untrue or incorrect during the Interim Period.

(8) During the Interim Period, the Vendor shall not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, or enter into any agreement with, any Person (other than the Purchaser) relating to any transaction involving the sale or divestiture, directly or indirectly, of any shares of any of the Classified Entities or the sale of the Business or any of the assets of the Business (other than as permitted in this Agreement) or any other similar business combination.

(9) The Vendor will use reasonable commercial efforts to ensure that it does not acquire any Units (as defined in Section 3.01(kkkk)) or any securities that are convertible or exchangeable for Units or indebtedness of Yellow Pages Income Fund, the Purchaser and its subsidiaries within the 36-month period following the Closing Date.

(10) The Vendor and Purchaser agree to use commercially reasonable efforts to implement a mutually agreed upon reorganization (the "**Pre-Closing Reorganization**") of the Classified Entities during the Interim Period; provided that there shall be no adverse impact to the Vendor or any of the Classified Entities in connection with such reorganization and, in particular, (i) there shall be no adjustment to the Purchase Price as a result of such reorganization, (ii) the Purchaser shall reimburse the Vendor and the Classified Entities for all reasonable out-of-pocket expenses (including legal and accounting fees) incurred by the Vendor and the Classified Entities, respectively, in connection with such reorganization, (iii) the Purchaser shall enter into an agreement

whereby it agrees to fully indemnify the Vendor and the Classified Entities for any and all adverse Tax effects alleged against or suffered by the Vendor and the Classified Entities, respectively, in connection with such reorganization or the unwinding of same. For greater certainty, notwithstanding any provision of this Agreement to the contrary, the Vendor shall have no obligation to make any payment for damages, for indemnification (under article 7 hereof) or otherwise, to the extent that any such obligation is the result of, in respect of, connected with, or arising out of, under, or pursuant to any breach or inaccuracy of any of the representations and warranties given by the Vendor hereunder, where and to the extent that such breach or inaccuracy is the result of, or arises out of, or would not have occurred but for, the completion of the Pre-Closing Reorganization, in whole or in part.

(11) Vendor will cause the Corporation to apply for, and use reasonable efforts to obtain, the appropriate clearance certificate under section 116 of the Tax Act (and any applicable provincial equivalent) or timely remit (determined with reference to the issuance of a Comfort Letter (analogous to that described in Section 2.04(c))) amounts required to be remitted under section 116(5) of the Tax Act (or applicable provincial legislation) to the Receiver General for Canada (and any relevant provincial authorities) relating to the Pre-Closing Transactions.

(12) The Vendor will use commercially reasonable efforts to cause the Pre-Closing Transactions to be completed with such changes as the Vendor, acting reasonably, determines are appropriate, provided such changes do not have an adverse effect on the Purchaser.

(13) Prior to Closing, the Vendor will cause the appropriate Affiliate to reimburse to the Corporation the portion of any inter-company charges the deduction of which is denied pursuant to the reassessment described under transfer pricing audits in Schedule 3.01(zzz) of the Disclosure Letter in a manner satisfactory to the Purchaser.

(14) Notwithstanding any provision herein to the contrary, the Classified Entities may, after consultation with Purchaser, settle any of the Tax disputes described in Section 3.01(zzz) of the Disclosure Letter relating to PST.

(15) As soon as reasonably possible after the date hereof, Parent and Vendor will request in writing the immediate return or destruction of all confidential information of the Business and of the Classified Entities made available to third parties after January 1, 2005 (except in the ordinary course).

(16) The Vendor shall deliver, or cause the Classified Entities to deliver, to the Purchaser of the Q1 Financial Statements as soon as same have been finalized.

(17) The Vendor shall, no later than 3 Business Days after the date hereof, convene a meeting of its shareholders, to be held at the earliest date possible under the constating documents of the Vendor, for the purpose of approving the transactions contemplated by this Agreement and, in connection therewith mail to such shareholders such documents (including a directors' circular if required), forms of resolutions and other material as are required under the constating document of the Vendor and Applicable Laws. Vendor shall provide the Purchaser drafts of such documents in order to provide the Purchaser with a reasonable opportunity to comment thereon (it being agreed

that the final form and content of such documents shall be determined by the Vendor acting reasonably and on a basis consistent with the terms hereof.

(18) The Vendor shall cause Trader Publication Corp. to make an application to the Registrar of Trade-marks for the cancellation of Canadian trade–mark registration TMA 638952 for Trader Classified Media effective no later than Closing. In addition, Purchaser perpetually undertakes not to use "Trader Classified Media" as a trademark, service mark, corporate name or otherwise.

4.02 **<u>Covenants of the Purchaser</u>**

(1) The Purchaser will ensure the conditions of closing for the benefit of the Vendor set out in Section 5.02(1) over which the Purchaser has reasonable control have been performed or complied with by the Time of Closing.

(2) Notwithstanding any of the other provisions of this Agreement, the Purchaser will not be liable to the Vendor or to the directors, officers, employees or agents of the Vendor in respect of any inaccuracy or misrepresentation in or breach of any representation or warranty set forth in Section 3.03 after eighteen months after the Closing Date, except that the liability of the Purchaser for any inaccuracy of misrepresentation in or breach of any representation or warranty in Sections 3.03(a), 3.03(b) and 3.03(c) or any representation based on fraud shall be unlimited as to duration.

4.03 **<u>Regulatory Matters</u>**

(1) The Purchaser will use reasonable commercial efforts to obtain Competition Act Compliance. The Vendor and the Purchaser will cooperate with each other to obtain Competition Act Compliance. Without limiting the generality of the foregoing, the Purchaser and the Corporation will as soon as practicable prepare and Purchaser's counsel will provide a submission to the Commissioner of Competition, including a joint request for an Advance Ruling Certificate, or alternatively a no action letter. The parties shall, on the advice of counsel, promptly furnish any additional information requested by the Commissioner of Competition. In addition, the Purchaser and the Vendor shall promptly make complete short form notification filings pursuant to the Competition Act and any other filings that are required under the Competition Act. The Purchaser and the Vendor will keep each other fully informed of the status of the review process, provide each other with advance copies of any submissions, filings, or requests in draft form, provide copies of all material filed under the Competition Act (with any confidential information redacted therefrom, but provided to their respective external legal counsel) and allow each other's external legal counsel to participate in any communications or meetings with the Commissioner of Competition.

(2) The Purchaser will pay any requisite filing fees and applicable Taxes in relation to any filing or request made in respect of the Competition Act.

4.04 **Corporation's Assistance**

The Corporation shall provide, and shall cause its auditors to provide, commercially reasonable assistance to the Purchaser's efforts in the preparation of the Corporation's and OntarioCo's consolidated financial statements and any other financial information reasonably required by the Purchaser in connection with the Purchaser's financing of the transactions contemplated by this Agreement provided that (i) the Vendor and its Affiliates shall not incur any out-of-pocket costs or expenses, and (ii) the Vendor and its Affiliates and auditors shall not incur any liability in connection therewith.

4.05 **Purchaser Confidentiality**

Until the Closing and in the event of termination of this Agreement without Closing, the Purchaser will continue to be bound by the provisions of the Confidentiality Agreement. The Confidentiality Agreement shall terminate upon Closing with respect to information regarding the Classified Entities but not with respect to information regarding exclusively the Vendor or the Parent.

ARTICLE 5 - CONDITIONS

5.01 **Conditions for the Benefit of the Purchaser**

(1) The sale by the Vendor and the purchase by the Purchaser of the Shares is subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

(a) the representations and warranties of the Vendor set forth in Section 3.01 shall be true and correct in all material respects (except where such representations and warranties are already qualified by materiality or a Material Adverse Effect in which event such representations and warranties shall be true and correct in all respects) at the Time of Closing with the same force and effect as if made at and as of such time, save and except as a result of transactions or actions occurring after the date hereof which are not prohibited by this Agreement;

(b) the Vendor will have performed or complied in all material respects with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Vendor at or prior to the Time of Closing;

(c) the Purchaser shall be furnished with such certificates of the Vendor or of officers of the Vendor or the Corporation as the Purchaser or the Purchaser's counsel may reasonably think necessary in order to establish that the covenants and conditions contained in this Agreement to have been performed by the Vendor in all material respects at or prior to the Time of Closing have been performed and that the representations and warranties of the Vendor herein given are true and correct in all material respects (except where such representations and warranties are already qualified by the term "material" in which event such representations and warranties shall be true and correct in all respects) at the Time of Closing, save and except for transactions or actions occurring after the date hereof which are not prohibited by this Agreement;

(d) Competition Act Compliance will have been obtained;

(e) there shall not have occurred a Material Adverse Effect;

(f) there will have been obtained from all appropriate Governmental Authorities such other approvals or consents as are required to permit the change of ownership of the Shares contemplated hereby and to permit the Business to be carried on by the Purchaser as now conducted;

(g) no action or proceeding will be pending or threatened by any person, government, governmental authority, regulatory body or agency to enjoin, restrict or prohibit

(i) the sale and purchase of the Shares contemplated hereby; or

(ii) the right of any of the Classified Entities to conduct its business;

(h) the Pre-Closing Transactions shall have been duly completed prior to Closing, the whole to the satisfaction of Purchaser, acting reasonably;

(i) all necessary steps and proceedings will have been taken to permit the Shares to be duly and regularly transferred to and registered in the name of the Purchaser;

(j) to assist the Purchaser with the business transition, the Vendor will cause *[Redacted text]* to enter into a consulting agreement with the Purchaser or the Company (personally or through his holding company), substantially in the form of the agreement set out in Exhibit 5.01(1)(j);

(k) there will be a non-competition agreement (the "**Non-Competition Agreement**") entered into between the Parent, the Vendor, John H. McCall MacBain and the Purchaser substantially in the form set out in Exhibit 5.01(1)(k);

(l) the Vendor and the Classified Entities shall have settled and terminated all Derivative Contracts;

(m) an employment agreement (which shall include retention and severance payments), duly executed by each of *[Redacted text]*, substantially in the form of the employment agreements attached as Exhibit 5.01(1)(m);

(n) a certificate of the Vendor, executed by a senior officer of the Vendor, to the effect that all Indebtedness, Related Party Indebtedness and Related Party Receivables have been fully paid, settled and terminated, as the case may be;

(o) a Bank Payout letter shall have been delivered and, as part of the Closing, appropriate arrangements shall have been implemented (to the satisfaction of the Purchaser and Vendor acting reasonably) so as to repay and satisfy in full the Bank Indebtedness and to effect the release and discharge of the Bank Pledges;

(p) except as specifically provided herein, all agreements between the Vendor and its Affiliates (excluding the Classified Entities) on the one hand and the Classified Entities on the other hand shall have been terminated and full mutual releases (in a form satisfactory to Purchaser) shall have been provided in respect of the Classified Entities on the one hand and the Vendor and its Affiliates on the other hand, which releases shall not apply to any rights or obligations of such Entities pursuant hereto or any of the other agreements to which any of them may become a party on the Closing Date in connection with the transactions contemplated herein;

(q) evidence of full and unconditional releases (in a form satisfactory to Purchaser) or discharges of the Bank Pledges and all other Encumbrances on the assets of the Classified Entities (other than those related to leases of personal property or conditional sales agreements) shall have been delivered to the Purchaser;

(r) the form and legality of all matters incidental to the sale by the Vendor and the purchase by the Purchaser of the Shares will be subject to the approval of the Purchaser's counsel; and

(s) an opinion of counsel to the Parent, the Vendor and the Corporation, in form satisfactory to the Purchaser acting reasonably, shall have been delivered substantially in the form of the letter attached hereto at Exhibit 5.01(1)(s).

(2) In case any condition to be performed or complied with for the benefit of the Purchaser at or prior to September 1, 2006 (the **"End Date"**) has not been performed or complied with at or prior to the End Date, the Purchaser, without limiting any other right that the Purchaser has, may at its sole option either:

(a) rescind this Agreement by notice to the Vendor, and in such event the Purchaser will be released from all obligations hereunder; or

(b) waive compliance with any such condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part;

and, if the Purchaser rescinds this Agreement pursuant to Section 5.01(2)(a), the Vendor and the Parent will also be released from all obligations hereunder unless the term, covenant or condition for which the Purchaser has rescinded this Agreement was one that the Vendor had covenanted, pursuant to Section 4.01(2), to ensure had been performed or complied with, in which event the

Vendor will be liable to the Purchaser for any Claims incurred by the Purchaser directly or indirectly as a result of such breach.

5.02 **Conditions for the Benefit of the Vendor**

(1) The sale by the Vendor and the purchase by the Purchaser of the Shares is subject to the following conditions, which are for the exclusive benefit of the Vendor and which are to be performed or complied with at or prior to the Time of Closing:

(a) the representations and warranties of the Purchaser set forth in Section 3.03 will be true and correct at the Time of Closing with the same force and effect as if made at and as of such time;

(b) the Purchaser will have performed or complied in all material respects with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchaser at or prior to the Time of Closing;

(c) the Vendor will be furnished with such certificates or other instruments of the Purchaser or of officers of the Purchaser as the Vendor or the Vendor's counsel may reasonably think necessary in order to establish that the terms, covenants and conditions contained in this Agreement to have been performed or complied with by the Purchaser in all material respects at or prior to the Time of Closing have been performed or complied with and that the representations and warranties of the Purchaser herein given are true and correct at the Time of Closing;

(d) Competition Act Compliance will have been obtained;

(e) there will have been obtained from all appropriate Governmental Authorities such other approvals or consents as are required to permit the change of ownership of the Shares contemplated hereby and to permit the Business to be carried on by the Purchaser as now conducted;

(f) except as specifically provided herein, all agreements between the Vendor and its Affiliates (excluding the Classified Entities) on the one hand and the Classified Entities on the other hand shall have been terminated; and

(g) no action or proceeding will be pending or threatened by any person, government, governmental authority, regulatory body or agency to enjoin, restrict or prohibit

(i) the sale and purchase of the Shares contemplated hereby; or

(ii) the right of any of the Classified Entities to conduct its business.

(2) In case any condition to be performed or complied with for the benefit of the Vendor at or prior to the End Date has not been performed or complied with at or prior to the End Date, the Vendor, without limiting any other right that the Vendor has, may at its sole option either

(a) rescind this Agreement by notice to the Purchaser, and in such event the Vendor and the Parent will be released from all obligations hereunder; or

(b) waive compliance with any such condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part;

and, if the Vendor rescinds this Agreement pursuant to Section 5.02(2)(a), the Purchaser will also be released from all obligations hereunder unless the term, covenant or condition for which the Vendor has rescinded this Agreement was one that the Purchaser had covenanted, pursuant to Section 4.02(1), to ensure had been performed or complied with, in which event the Purchaser will be liable to the Vendor for any Claims incurred by the Vendor directly or indirectly as a result of such breach.

ARTICLE 6 - CLOSING AND POST-CLOSING ARRANGEMENTS

6.01 Closing

(1) The sale and purchase of the Shares will be completed at the Time of Closing at the offices of McCarthy Tétrault LLP, Suite 4700, Toronto-Dominion Bank Tower, Toronto, Ontario M5K 1E6.

(2) At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser:

(a) share certificates representing the Shares duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record, together with evidence satisfactory to the Purchaser that the Purchaser or its nominee(s) have been entered upon the books of the Corporation as the holder of the Shares;

(b) certified copies of (i) the articles and by laws of the Parent, the Vendor and each Classified Entity, (ii) all resolutions of the shareholders and the board of directors of each of the Parent, the Vendor and the Corporation approving the entering into and completion of the transaction contemplated by this Agreement and the agreements entered into in connection with the transactions contemplated in this Agreement, and (iii) a list of the directors and officers authorized to sign agreements together with their specimen signatures;

(c) a certificate of status, with respect to the Parent, the Vendor and each Classified Entity issued by the appropriate and applicable Governmental Authority; and

(d) resignations of all directors of the Classified Entities specified by the Purchaser together with mutual releases between each such director and the relevant Classified Entity, in form and substance satisfactory to the Purchaser and the Vendor, acting reasonably.

6.02 **Safekeeping of Records; Confidentiality**

(1) The Purchaser will ensure that each of the Classified Entities preserves its books and records for a period of six years from the Closing Date, or for such other period as is required by any Applicable Law, and after the Closing will permit the Vendor and any of its Affiliates and any of their authorized representatives reasonable access thereto in connection with the affairs of the Vendor or any of its Affiliates, including in connection with any matter for which an indemnity claim is made hereunder.

(2) Both prior to the Closing Date and, if the sale and purchase of the Shares hereunder fails to occur for whatever reason, thereafter, the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning the Vendor or the Classified Entities obtained by the Purchaser pursuant hereto, will hold all such information in the strictest confidence and, if the sale and purchase of the Shares hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to the Vendor or to the Classified Entities which the Purchaser obtained pursuant to this Agreement.

6.03 **Tax Returns**

(a) The Tax Returns to be filed for the Classified Entities for all taxation years or periods ending on or prior to the Closing Date shall be prepared and filed on a timely basis by the applicable Classified Entity subject to prior review and approval by the Vendor, which approval shall not be unreasonably withheld. The Purchaser will co-operate with the Vendor to effect such filings. The Purchaser will cause the relevant Classified Entity to timely remit any Taxes shown as owing on such Tax Returns.

(b) The Vendor agrees that if any of the U.S. Classified Entities are permitted but not required under Applicable Law to treat the Closing Date as the last day of a taxable period, the parties shall treat such day as the last day of a taxable period. For purposes of this Agreement, in the case of any Tax that is imposed on the U.S. Classified Entities on a periodic basis and is payable for a taxable period that begins before the Closing Date and ends after the Closing Date (including without limitation any Taxes resulting from a Tax audit or administrative court proceeding), the portion of such Taxes which is payable for the portion of such taxable period ending on the Closing Date, shall be (i) in the case of any Tax other than a Tax based upon or measured by income or receipts of the U.S. Classified Entities, the amount of such Tax for the entire taxable period (or, in the case of such Taxes determined on an arrears basis, the amount of such Tax for the immediately preceding period) multiplied by a fraction, the numerator of which is the number of days in the portion of such taxable period ending on the Closing Date and the denominator of which is the number of days in the entire taxable period, and (ii) in the case of a Tax based upon or measured by income or receipts, the amount which would be payable if the relevant taxable period ended on the Closing Date.

6.04 **Post-Closing Cooperation**

(a) The Purchaser will provide notice to the Vendor of any inquiries made by, discussions with or representations or submissions proposed to be made to any taxation authority to the extent that the subject matter thereof relates to representations, covenants or obligations of the Vendor hereunder or could reasonably give rise to a right of indemnity hereunder. The Purchaser shall forthwith advise the Vendor of the substance of any such inquiries or discussions and provide the Vendor with copies of any written communications with any taxation authority relating to such inquiries or discussions. The Purchaser shall provide the Vendor a reasonable opportunity to comment on any such representations or submissions and to attend any meeting with any such taxation authority with respect to such matters; provided, however, that if a Third Party Claim is made in respect of any such matter, the provisions of Article 7 shall thereafter apply to the exclusion of this Section 6.04(a).

(b) The Vendor will, for a period of six years after the Closing Date, or any longer period as may be required by any Applicable Law or Governmental Authority or as may be desirable where relevant to a Third Party Claim, have access to, and the right to copy, at its expense, for bona fide business purposes relating to Taxes and during reasonable business hours, upon reasonable prior notice, all relevant books and records of the Purchaser, its Affiliates and the Classified Entities. The Purchaser, its Affiliates and the Classified Entities will use reasonable commercial efforts to retain and preserve all such books and records for such period and shall not cause or acquiesce in the destruction or disposal of such books and records without first offering to surrender them to the Vendor.

(c) The Purchaser agrees to provide the reasonable assistance of the employees or personnel of the Purchaser and the Classified Entities and the accounting and legal and other representatives and advisors of the Purchaser and the Classified Entities and otherwise take such reasonable steps to cooperate with the Vendor and render all reasonable assistance, as the Vendor may reasonably request (including, to the extent requested by the Vendor, dealing directly with any taxation authority in relation to audits, inquiries, discussions or disputes), with respect to all matters relating to any inquiries, discussions or disputes where the subject matter thereof relates to representations, covenants or obligations of the Vendor hereunder or could reasonably be expected to give rise to a right of indemnity hereunder.

ARTICLE 7 - INDEMNIFICATION

7.01 **Indemnification by the Vendor**

Subject to the other provisions of this Agreement, the Vendor will indemnify and save the Purchaser and its officers, directors, employees and shareholders and their respective successors harmless for and from:

(a) any breach of representation or warranty on the part of the Vendor contained in this Agreement or in any agreement, document or certificate delivered pursuant to this Agreement on the Closing Date;

(b) any Taxes owing or which may become owing by the Classified Entities in respect of any period ending on or before the Balance Sheet Date, in excess of the amount of such Taxes reserved against in the Financial Statements for the year 2005 or disclosed in Schedule 3.01(zzz) of the Disclosure Letter;

(c) any failure on the part of the Vendor to perform or fulfil any of its covenants under this Agreement or under any agreement, document or certificate delivered pursuant to this Agreement on the Closing Date; and

(d) any liability of any of the Classified Entities to any employee in connection with or as a result of the option plan for employees of the Business in place at the Parent level.

7.02 **Indemnification by the Purchaser**

Subject to the other provisions of this Article 7, the Purchaser shall indemnify and save the Vendor and its officers, directors and employees and their respective successors harmless for and from:

(a) any breach of representation or warranty on the part of the Purchaser contained in this Agreement or in any agreement document or certificate delivered pursuant to this Agreement on the Closing Date;

(b) any failure on the part of the Purchaser to perform or fulfil any of its covenants under this Agreement or under any agreement document or certificate delivered pursuant to this Agreement on the Closing Date; and

(c) any liability incurred by the Corporation or any of its affiliates as a result of disclosure, or any failure to disclose information, regarding the Corporation in any public disclosure documents of the Purchaser or its affiliates.

7.03 **Threshold Amount and Maximum Liability**

(a) Notwithstanding anything to the contrary contained herein, the obligations of indemnification set out under Section 7.01(a) and Section 7.01(d) (but solely in respect of covenants under Section 4.01(7) and not any other covenants) shall be applicable only to the extent that (i) each individual Claim is in excess of $100,000, and (ii) any Claims made under Section 7.01(a) and Section 7.01(d) (but solely in respect of covenants under Section 4.01(7) and not any other covenants) in the aggregate exceed $15 million (the **"Threshold Amount"**), in which event, the aggregate liability of the Vendor shall be from the first dollar and for greater certainty shall only include Claims that meet the criteria in (i) above; and

(b) the Vendor's obligations of indemnification set out under Section 7.01(a) and Section 7.01(d) (but solely in respect of covenants under Section 4.01(7) and not any other covenants) shall be subject to a maximum liability for all claims made under such Article 7 equal to 50% of the Purchase Price;

except that (i) Claims related to the matters dealt with in Sections 3.01(a) to 3.01(h) and 3.01(i), and in Section 3.01(p) and (ii) Claims for any representation or warranty based on fraud of the Vendor, shall be subject to a maximum liability for all Claims made under such sections equal to the Purchase Price.

7.04 **Notice of Claim**

(1) A Party entitled to and seeking indemnification pursuant to the terms of this Agreement (the **"Indemnified Party"**) shall promptly give written notice to the party responsible for indemnifying the Indemnified Party (the **"Indemnifying Party"**) of any Claim for indemnification pursuant to Sections 7.01 or 7.02; provided, however, that omission to notify the Indemnifying Party promptly shall not relieve the Indemnifying Party of the obligation to indemnify the Indemnified Party, except to the extent that such failure or delay to so notify shall have prejudiced the Indemnifying Party. All such notices shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a "Third Party Claim") or whether the Claim does not so arise and shall also specify with reasonable particularity (to the extent that the information is available):

(i) the factual basis for the Claim; and

(ii) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

(2) Whether or not the Purchaser will be making a Claim relating to Taxes, the Purchaser shall promptly give written notice to the Vendor in both of the following circumstances: (i) upon the receipt of any notice of reassessment or like notice relating to any of the Classified Entities from CRA or any other applicable taxing authority in respect of any fiscal periods ending on or prior to (or which includes) the Closing Date, and (ii) at the time CRA or any other applicable taxation authority has notified the Purchaser or any of the Classified Entities that such Classified Entity is or will be subject to audit or investigation in respect of any fiscal periods ending on or prior to (or which includes) the Closing Date.

(3) Where a Claim for indemnification relates to a liability owing to a third party, no party (the **"First Party"**) may make a Claim for indemnification against another party hereto until such time as the third party has made a written Claim against the First Party in respect of such liability.

7.05 **Procedure for Indemnification for a Third Party Claim**

(1) Upon receiving notice of a Third Party Claim, the Indemnifying Party may participate in the investigation and defence of the Third Party Claim, subject to the terms of this Section. The Indemnifying Party may also elect to assume the investigation and defence of the Third Party Claim, subject to the terms of this Section.

(2) In order to assume the investigation and defence of a Third Party Claim, the Indemnifying Party must give the Indemnified Party written notice of its election within twenty (20) days of Indemnifying Party's receipt of notice of the Third Party Claim.

(3) The Indemnifying Party may not assume the investigation and defence of a Third Party Claim if:

(i) the Indemnifying Party is also a party to the Third Party Claim and such control would be inappropriate due to an actual conflict of interest; or

(ii) the Third Party Claim seeks relief against the Indemnified Party other than monetary damages

, provided that such assumption of a Third Party Claim shall not relieve the Indemnifying Party of its obligation to indemnify hereunder.

(4) If the Indemnifying Party assumes the investigation and defence of a Third Party Claim:

(i) the Indemnifying Party will pay for all costs and expenses of the investigation and defence of the Third Party Claim except that the Indemnifying Party will not, so long as it diligently conducts such defence, be liable to the Indemnified Party for any fees of other counsel or any other expenses with respect to the defence of the Third Party Claim, incurred by the Indemnified Party after the date the Indemnifying Party exercised its right to assume the investigation and defence of the Third Party Claim;

(ii) the Indemnifying Party's right to defend any Third Party Claim in respect of any Tax shall only apply after payment to the applicable Governmental Authority of the amount of Tax, if any, which may be payable at that time through enforcement by such Governmental Authority in respect thereof (the **"Prepaid Amount"**). In the event such Third Party Claim is settled in accordance with the terms of a settlement or final non-appealable judgment, the Indemnified Party shall promptly reimburse to the Indemnifying Party the lesser of: (i) the Prepaid Amount including any interest recovered (if any);

and (ii) the Prepaid Amount less the final amount of Tax due pursuant to such Third Party Claim in accordance with the terms of a settlement or final non-appealable judgment with interest recovered (if any); and

(iii) if employment of legal counsel is determined by the Indemnifying Party to be necessary, legal counsel chosen by the Indemnifying Party to defend the Third Party Claim must be satisfactory to the Indemnified Party, acting reasonably and having regard for the nature and magnitude of the claim.

(5) If the Indemnifying Party (i) is not entitled to assume the investigation and defence of a Third Party Claim under 7.05(3), other than (3)(ii), (ii) does not elect to assume the investigation and defence of a Third Party Claim, (iii) assumes the investigation and defence of a Third Party Claim but fails to diligently pursue such defence, or (iv) the Indemnified Party concludes that the Third Party Claim is not being defended to its satisfaction, acting reasonably, the Indemnified Party shall undertake the defence of the Third Party Claim and, thereafter, compromise and settle the Third Party Claim on behalf, for the account, and at the risk and at the cost and expense of the Indemnifying Party, subject to the provisions of this Agreement. In the case where the Indemnifying Party fails to pursue the defence of the Third Party Claim in a commercially reasonable diligent manner, the Indemnified Party may not assume the defence of the Third Party Claim unless the Indemnified Party gives the Indemnifying Party written demand to diligently pursue the defence, specifying what is not being done diligently, and the Indemnifying Party fails to do so within 30 days after receipt of the demand, or such shorter period as may be required to respond to any deadline imposed by a court, arbitrator or other tribunal.

(6) If the Indemnifying Party does not assume the investigation and defence of a Third Party Claim, the Indemnifying Party will not be bound by any determination of the Third Party Claim or any compromise or settlement of the Third Party Claim effected without the consent of the Indemnifying Party (which consent may not be unreasonably withheld or delayed).

(7) The Indemnifying Party will not be permitted to compromise and settle or to cause a compromise and settlement of a Third Party Claim without the prior written consent of the Indemnified Party, which consent may not be unreasonably withheld or delayed, unless:

(i) the terms of the compromise and settlement require only the payment of money for which the Indemnified Party is entitled to indemnification under this Agreement;

(ii) the Indemnified Party is not required to admit any wrongdoing, take or refrain from taking any action other than the payment of money, acknowledge any rights of the Person beyond their entitlement to payment of money making the Third Party Claim or waive any rights that the Indemnified Party may have against the Person making the Third Party Claim except with respect to the matters dealt with in the Third Party Claim; and

(iii) except for claims relating to Taxes, the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional release from any and all obligations or liabilities it may have with respect to the Third Party Claim.

(8) The Indemnified Party and the Indemnifying Party agree to keep the other fully informed from time to time and on request of the status of any Third Party Claim and any related proceedings. If the Indemnifying Party assumes the investigation and defence of a Third Party Claim, the Indemnified Party will, at the request and reasonable expense of the Indemnifying Party, use its reasonable best efforts to make available to the Indemnifying Party, on a timely basis, those employees whose assistance, testimony or presence is necessary to assist the Indemnifying Party in investigating and defending the Third Party Claim. The Indemnified Party shall, at the request and reasonable expense of the Indemnifying Party, make available to the Indemnifying Party, or its representatives, on a timely basis all documents, records and other materials in the possession, control or power of the Indemnified Party, reasonably required by the Indemnifying Party for its use solely in defending any Third Party Claim which it has elected to assume the investigation and defence under this Agreement. The Indemnified Party shall cooperate on a timely basis with the Indemnifying Party in the defence of any Third Party Claim.

(9) If the Indemnifying Party does not assume the investigation and defence of a Third Party Claim, the Indemnifying Party will, at the request and reasonable expense of the Indemnified Party, use its reasonable best efforts to make available to the Indemnified Party, on a timely basis, those employees of it, or over which it has control, whose assistance, testimony or presence is necessary to assist the Indemnified Party in investigating and defending the Third Party Claim. The Indemnifying Party shall, at the request and reasonable expense of the Indemnified Party, make available to the Indemnified Party, or its representatives, on a timely basis all documents, records and other materials in the possession, control or power of the Indemnifying Party, reasonably required by the Indemnified Party for its use solely in defending the Third Party Claim under this Agreement. The Indemnifying Party shall cooperate on a timely basis with the Indemnified Party in the defence of any Third Party Claim.

7.06 **<u>General Indemnification Rules</u>**

The obligations of the Indemnifying Party to indemnify the Indemnified Party in respect of Claims shall also be subject to the following:

(a) the Indemnifying Party shall have no liability for any Claim arising as a result of a breach of a representation or warranty where such Claim is made on or after the date on which, pursuant to Sections 4.01(4) or 4.02(2), as applicable, liability for such representation and warranty terminated;

(b) in addition to the right provided to the Indemnifying Party to participate in or assume control of the defence of a Third Party Claim as provided in Section 7.05, the Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice thereof and an opportunity to contest such Third Party Claim;

(c) the Purchaser shall not be entitled to damages or other payment in respect of any Claim or Claims under any representation or warranty contained in this Agreement, any other provision of this Agreement or any other document referred to herein, unless the Closing shall have occurred. The Vendor's liability to the Purchaser under any representation or warranty contained in this Agreement, any other provision of this Agreement or any other document referred to herein shall be reduced to the extent that the Purchaser has failed to take all commercially reasonable actions to mitigate its damages;

(d) the Purchaser shall not be entitled to claim for any indirect or consequential loss (including loss of profit) or punitive damages;

(e) the Purchaser shall not be entitled to indemnification in respect of a Claim to the extent that the Disclosure Letter describes facts or events which make it reasonable to understand that an exception to the representation or warranty which gave rise to the Claim is made in the Disclosure Letter;

(f) with respect to any loss suffered by the Purchaser, no liability shall attach to the Vendor in respect of any representation and warranty contained in the Agreement, any other provision of this Agreement or any other document referred to herein to the extent that the same loss has been recovered by the Purchaser under any other representation or warranty contained in this Agreement, any other provision of this Agreement or any other document referred to herein and, accordingly, the Purchaser may only recover once in respect of the same loss;

(g) if the Purchaser is at any time entitled to recover from some other person (including an insurer), any sum in respect of any matter giving rise to a claim under a representation or warranty, any other term of this Agreement or any other document referred to herein, the Purchaser may nonetheless take action against the Vendor. The Purchaser shall in such circumstances use its best efforts to preserve its rights against such other person and upon any recovery from the Vendor, the Purchaser shall assign to the Vendor its rights in connection with such matter against such other Person and thereafter shall provide full cooperation to the Vendor in connection with the Vendor's pursuit of any remedy against such other person. If the Purchaser shall recover any amount from such other person, the amount of the Claim against the Vendor shall be reduced by the net amount recovered by the Purchaser from such other person and if the Purchaser has previously recovered amounts from the Vendor in respect of such matter, the Purchaser shall pay over to the Vendor promptly the net amount received by the Purchaser from such other person, up to the amount so recovered from the Vendor. As used in this Section 7.06(g), the term "net amount" means net of the cost of recovery and increases in insurance premiums including reasonable fees and expenses of advisors;

(h) if the Vendor pays at any time to the Purchaser an amount pursuant to a Claim in respect of a breach or violation of a representation or warranty, any other provision of this Agreement or any other document referred to herein and the Purchaser subsequently recovers from some other person any sum in respect of the matter giving rise to such Claim, the Purchaser shall repay to the Vendor the lesser of: (i) the amount paid by the Vendor to the Purchaser and (ii) the sum (including interest (if any)) recovered from such other person after deducting (in the case of (ii) only) the Purchaser's reasonable costs and expenses to the extent directly attributable to obtaining recovery from such other person;

(i) the amount of any Claim for a breach or violation under the representations or warranties contained in this Agreement, any other provision of this Agreement or any other document referred to herein, shall be reduced by any allowance, provision or reserve in respect of the matter giving rise to such claim included in the Financial Statements, if any;

(j) to the extent that any breach of any representation or warranty contained in this Agreement, any other provision of this Agreement or any other document referred to herein is capable of remedy, the Purchaser shall afford the Vendor a reasonable opportunity to remedy the matter complained of, provided that the Purchaser shall not be obligated to offer the Vendor such opportunity where the breach is continuing and the Classified Entities suffer continuing material harm or prejudice as a result of such breach and the Classified Entities make prompt commercially reasonable efforts to mitigate such harm or prejudice;

(k) the Purchaser covenants that it will not, or cause or permit any Classified Entity to, take any action on or after the Closing, make any election or deemed election or make or change any Tax election, amend any Tax Return or take any position on any Tax Return that results in any increased tax liability or reduction of any deduction, credit or loss carry-over of any Classified Entity in respect of any period ending on or before or which includes the Closing Date. The Purchaser agrees that the Vendor is to have no liability for any Tax (including any related interest and penalties) resulting from any action referred to in the preceding sentence, and agrees to indemnify and hold harmless the Vendor and its Affiliates against any such Tax (including any related interest and penalties); and

(l) the Purchaser shall take, and shall cause each Classified Entity to, take all reasonable steps and give all reasonable assistance to avoid or mitigate any Tax liability which may give rise to a right of indemnification hereunder, provided that the Purchaser and any Classified Entity shall not be required to expend other than nominal amounts of money. In the event that the Purchaser or any Classified Entity becomes aware that a Tax liability for which indemnification may be provided hereunder might be avoided or mitigated by the expenditure of more than nominal amounts of money, the Purchaser shall notify the Vendor of such fact and provide the Vendor with the opportunity to expend any such amount and, upon payment of such sum, the Purchaser or the Classified Entity shall, if relevant, take the relevant step or provide the relevant assistance. Notwithstanding the foregoing, if an indemnity payment would otherwise be included in the Indemnified Party's income, the Indemnified Party covenants and agrees to make all such elections and take such actions as are available, acting reasonably, to minimize or eliminate Taxes with respect to the indemnity payment.

7.07 **Adjustment to Purchase Price**

All amounts payable by an Indemnifying Party to an Indemnified Party shall be deemed to be an adjustment to the Purchase Price.

7.08 **Exclusivity of Remedy**

With the exception of the Purchaser's or the Vendor's rights of termination as set forth in Article 5, the sole and exclusive remedy of the Purchaser and the Vendor (in law, contract, tort, for contribution, under Applicable Law or otherwise) for any breach by the other of its representations, warranties, covenants, or agreements in this Agreement, or arising from the transactions contemplated hereby shall be a Claim for indemnification pursuant to this Article 7.

ARTICLE 8 - PARENT GUARANTEE AND PARENT EVENT

8.01 **Parent Guarantee**

The Parent hereby unconditionally and irrevocably guarantees, on a joint and several basis with the Vendor, the due and punctual performance by the Vendor of its obligations under this Agreement.

8.02 **Parent Event**

Notwithstanding any other provision of this Agreement to the contrary, after the Closing, upon the occurrence of a Parent Event, the guarantee of the Parent contained in Section 8.01 and the Vendor's obligations under this Agreement, including the Vendor's obligations under Article 7, shall terminate and be of no further force or effect without any action being required to be taken by any party; provided that a Parent Event shall not have the effect of terminating the obligations of the Parent or the Vendor in this Agreement with respect to any specific Claim if, prior to the occurrence of such Parent Event, the Vendor has received written notice of such Claim pursuant to the provisions of Section 7.04.

ARTICLE 9 - GENERAL

9.01 **Vendor Confidentiality**

After the Closing, the Vendor will keep confidential all information in its possession or under its control relating to the Classified Entities and the Business, unless such information is or becomes generally available to the public other than as a result of a disclosure by the Vendor in violation of this Agreement.

9.02 Further Assurances

Each of the Vendor and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

9.03 Time of the Essence

Time is of the essence of this Agreement.

9.04 Fees and Commissions

Each of the Vendor and the Purchaser will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

9.05 Public Announcements

Except as required by law, no public announcement or press release concerning the sale and purchase of the Shares may be made by the Vendor or the Purchaser without the prior consent and joint approval of the Vendor and the Purchaser; provided that where required by law, the disclosing party will use reasonable commercial efforts to obtain the prior approval of the other party with respect to the form and substance of the disclosure, which approval will not be unreasonably withheld.

9.06 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties hereto.

9.07 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

9.08 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

9.09 **Assignment**

This Agreement may not be assigned by the Vendor or the Parent without the written consent of the Purchaser but may be assigned by the Purchaser without the consent of the Vendor to an Affiliate of the Purchaser, as determined by the provisions of the *Business Corporations Act* (Ontario), provided that such Affiliate enters into a written agreement with the Vendor to be bound by the provisions of this Agreement in all respects and to the same extent as the Purchaser is bound and provided that the Purchaser will continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such Affiliate fails to do so.

9.10 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the Vendor:

Overschiestraat 61
1062 XD Amsterdam
The Netherlands

Attention: General Counsel
Facsimile: 011-31-20-388-2072

with a copy (that does not constitute notice) to:

McCarthy Tétrault LLP
Suite 4700
Toronto Dominion Bank Tower
Toronto, Ontario
M5K 1E6

Attention: Stephen D.A. Clark
Fascimile: (416) 868-0673

and to:

Goodwin Procter LLP
Exchange Place
Boston, MA 02109
USA

Attention: F. George Davitt
Fascimile: (617) 523-1231

To the Purchaser:

16, Place du Commerce
île des Soeurs
Verdun (Québec) H3E 2A5

Attention: François Ramsay
Facsimile: (514) 934-4076

with a copy (that does not constitute notice) to:

Stikeman Elliott LLP
1155 René-Levesque Blvd West
40th Floor
Montreal, Quebec
H3B 3V2.

Attention: André Roy
Facsimile: (514) 397-3222

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

9.11 **No Third Party Beneficiaries**

Except as provided in Sections 7.01, 7.02 and 9.06, this Agreement is solely for the benefit of

(a) the Vendor, and its successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement, and

(b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Vendor under this Agreement,

and this Agreement will not be deemed to confer upon or give to any other person any remedy, claim, liability, reimbursement, cause of action or other right. The Vendor appoints the Purchaser as the trustee for the Purchaser's directors, officers, employees and agents of the covenants of indemnification of the Vendor with respect to such persons as specified in this Agreement and the Purchaser accepts such appointment. The Purchaser appoints the Vendor as the trustee for the Vendor's directors, officers, employees and agents of the covenants of indemnification of the Purchaser with respect to such persons specified in this Agreement and the Vendor accepts such appointment.

9.12 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

9.13 **Good faith resolution; Arbitration**

At any time after the Closing Date, in the event any Claim arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the Parties shall use their best commercially reasonable efforts to settle the matter giving rise to the Claim. To this end, they shall consult and negotiate with each other, in good faith and understanding of their mutual interests, to reach a just and equitable solution satisfactory to all Parties. If within 20 Business Days after commencement of such negotiation, the Claim has not been settled by mutual agreement of the Parties, such matters shall be referred the President and Chief Executive Officer of the Parent and to the President and Chief Executive Officer or Chief Financial Officer of the Purchaser for further consultations and negotiations during an additional 15 Business Days. If at the end of such period, the Claim has not been settled by mutual agreement of the Parties, the matter shall be referred to arbitration in accordance with the provisions below.

The parties agree that any Claim not settled as provided above shall be resolved by a binding arbitration, to be held in London, England at the offices of the International Chamber of Commerce ("IC"), under the Rules of Conciliation and Arbitration of the International Chamber of Commerce then in effect (the."ICC Rules"). The arbitration provided for hereunder will be undertaken by a single arbitrator, jointly appointed by Purchaser and Seller and if they are unable to agree on an arbitrator, then the arbitrator shall be selected by the manager of the ICC office in London in accordance with the ICC Rules. Each party shall bear its own expenses incurred in connection with arbitration and the fees and expenses of the arbitrator shall be shared equally by the parties involved in the dispute and advanced by them from time to time as required. The arbitrator shall render its final award within sixty (60) days, subject to extension by the arbitrator upon substantial justification shown of extraordinary circumstances, following conclusion of the hearing and any required post-hearing briefing or other proceedings ordered by the arbitrator. Any discovery in connection with arbitration hereunder shall be limited to information directly relevant to the controversy or claim in arbitration. The arbitrator will state the factual and legal basis for the award. The decision of the arbitrator in any such proceeding will be final and binding and not subject to judicial review and final judgment may be entered upon such an award in any court of competent jurisdiction, but entry of such judgment will not be required to make such award effective. The parties agree that the arbitration shall be kept confidential and that any information or documents, including any pleadings or submissions exchanged or produced in such arbitration (including, but not limited to briefs, or other documents submitted or exchanged, any testimony or other oral submissions, and any awards) shall not be disclosed beyond the arbitrator, the Secretariat of the International Court of Arbitration of the ICC, the parties, their counsel and any Person necessary to conduct the arbitration, except as may be required in recognition and enforcement proceedings, if any, or in order to satisfy disclosure obligations imposed by any Applicable Law. The parties hereby irrevocably waive, to the fullest extent permitted by Applicable Law, any objection which they may now or hereafter have to the laying of venue of any action brought for enforcement of this arbitration clause or any award resulting from arbitration pursuant to this Section or any defense of inconvenient forum for the maintenance of any such action. Each of the parties hereto agrees that a judgment in any such action may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. The parties agree that the arbitration proceeding described in this Section is the sole and exclusive manner in which the parties may resolve disputes arising out of or in connection with this Agreement any time after the Closing Date; provided that the parties expressly agree that nothing in this Agreement shall prevent the parties from applying to a court having jurisdiction over any of the parties to this Agreement for the limited purpose of obtaining temporary and provisional or injunctive relief necessary solely to preserve the status quo or otherwise to prevent irreparable harm to a party pending the outcome of arbitration. For the accordance of doubt, the provisions in the Section 9.13 do not apply to the provisions in Section 7.05 relating to the conduct of Third Party Claims.

9.14 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have non-exclusive jurisdiction to entertain any action arising under this Agreement. The Vendor, the Parent and the Purchaser each attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

9.15 **Appointment of Agent for Service**

The Parent nominates, constitutes and appoints McCarthy Tétrault LLP, Barristers and Solicitors, of the City of Toronto its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 9.10). Until due and lawful notice of the appointment of another and subsequent agent in the Province of Ontario has been given to and accepted by the Purchaser, service of process or of papers and such notices upon the Parent will be accepted by McCarthy Tétrault LLP as agent for the Parent as sufficient service.

The Purchaser nominates, constitutes and appoints Stikeman Elliott LLP, Barristers and Solicitors, of the City of Toronto its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 9.10). Until due and lawful notice of the appointment of another and subsequent agent in the Province of Ontario has been given to and accepted by the Vendor and the Parent, service of process or of papers and such notices upon the Purchaser will be accepted by Stikeman Elliott LLP as agent for the Purchaser as sufficient service.

9.16 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

9.17 **Facsimiles**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement.

(Signature Pages Follow)

YPG HOLDINGS INC.

Per: *(signed)*
Authorized signatory

Per: *(signed)*
Authorized signatory

TRADER CLASSIFIED MEDIA INTERNATIONAL HOLDINGS B.V.

Per: *(signed)*
Authorized signatory

Per: *(signed)*
Authorized signatory

TRADER CLASSIFIED MEDIA N.V.

Per: *(signed)*
Authorized signatory

Per: *(signed)*
Authorized signatory

CLASSIFIED MEDIA (CANADA) HOLDINGS INC.

Per: *(signed)*
Authorized signatory

Per: *(signed)*
Authorized signatory