

FP NEWSPAPERS INC.

MANAGEMENT INFORMATION CIRCULAR

April 19, 2023

NOTICE OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF
FP NEWSPAPERS INC. TO BE HELD ON MAY 31, 2023

FP NEWSPAPERS INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

You are hereby invited to attend FP Newspapers Inc. (“FPI”) 2023 annual meeting of the shareholders of FPI (the “**Meeting**”).

How to attend

As COVID-19 continues to challenge Canadians and the economy, we have decided to hold the Meeting virtually again this year. You can participate in the virtual meeting by logging on to the webcast as detailed below.

Date and time

The Meeting will be held on Wednesday, May 31, 2023 at 11:00 a.m. (Central Standard Time) and can be accessed through the following Webcast, below. The Webcast will start automatically at the assigned time.

Join Zoom Meeting

<https://us06web.zoom.us/j/83238548821?pwd=WnpVcENpdUQyOVdOL0ZqNEtiYlZqZz09>

Meeting ID: 832 3854 8821

Passcode: 804343

Who can vote

The record date for the Meeting is April 19, 2023. If you held FPI common shares as of the close of business on April 19, 2023, you will be entitled to one vote per common share held.

How to vote

You can vote in advance by proxy or voting instruction form, or vote in real-time at the virtual meeting by logging on to the webcast. Voting using the form of proxy you received is the easiest way to vote. How you cast your vote depends on how you hold your shares (see page 4 for details).

Meeting Agenda

The Meeting is being held to:

- Receive FPI’s audited consolidated financial statements for the year ended December 30, 2022, and the auditor’s report thereon;
- Appoint the auditors of the Company and to authorize the board of directors to fix the remuneration of the auditors;
- Approval of the 2022 annual general meeting minutes;
- Elect the board of directors;
- Elect the nominees to serve as directors of FPCN General Partner Inc.; and,
- Transact such other business as may properly come before the meeting or any adjournments thereof.

DATED at Winnipeg, Manitoba, this 19th day of April 2023.

BY ORDER OF THE BOARD OF DIRECTORS

Dave Krelewetz
Chief Financial Officer

MANAGEMENT INFORMATION CIRCULAR

GENERAL

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the directors of FP Newspapers Inc. (the “**Company**” or “**FPI**”) for use at the annual meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of common shares (the “**Shares**”) or any adjournment or postponement thereof, to consider the matters set out in the Notice of Annual Meeting of Shareholders that accompanies this Circular. Meeting details are as follows:

The Meeting will be held on Wednesday, May 31, 2023 at 11:00 a.m. (Central Standard Time) and can be accessed through the following Webcast, below. The Webcast will start automatically at the assigned time.

Join Zoom Meeting

<https://us06web.zoom.us/j/83238548821?pwd=WnpVcENpdUQyOVdOL0ZqNEtiYlZqZz09>

Meeting ID: 832 3854 8821

Passcode: 804343

One tap mobile

+13092053325,,83238548821#,,, *804343# US

+13126266799,,83238548821#,,, *804343# US (Chicago)

Dial by your location

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

Meeting ID: 832 3854 8821

Passcode: 804343

Find your local number: <https://us06web.zoom.us/j/83238548821?pwd=WnpVcENpdUQyOVdOL0ZqNEtiYlZqZz09>

SOLICITATION OF PROXIES

The solicitation of proxies conducted in accordance with this Circular will be primarily by mail, but proxies may also be solicited in person, by telephone or other forms of correspondence. The cost of preparing and mailing this Circular and other materials relating to the Meeting and the cost of soliciting proxies has been or will be borne by the Company.

WHO IS ENTITLED TO VOTE

You are entitled to vote if you held shares on April 19, 2023 (the “**Record Date**”). You are entitled to one (1) vote per Share held on all matters proposed to come before the Meeting, except to the extent that you have transferred any Shares after the Record Date and the transferee of such Shares establishes ownership thereof and makes a written demand to the Secretary of the Company, not later than ten (10) days before the Meeting, to be included in the list of

Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Shares.

INFORMATION FOR BENEFICIAL SHAREHOLDERS

The Shares owned by many Shareholders are not registered on the records of the Company in the holders' own name, but in the name of a securities dealer, bank or other intermediary, or in the name of a clearing agency (referred to in this Circular as an “**intermediary**” or “**intermediaries**”). Shareholders who do not hold their Shares in their own name (referred to in this Circular as “**beneficial holders**”) should note that only registered Shareholders may vote at the Meeting. A beneficial holder cannot be recognized at the Meeting for the purpose of voting his Shares unless he is appointed by the intermediary as a proxyholder.

Applicable regulatory policy requires intermediaries to seek voting instructions from beneficial holders. Every intermediary has its own procedures to seek those instructions. Beneficial holders should follow those procedures carefully to ensure that their Shares are voted at the Meeting.

The majority of brokers in Canada have delegated authority for obtaining instructions from clients to Broadridge Investor Communication Solutions or another service company. Typically, the service company applies a special sticker to the proxy form or, alternatively, prepares a separate voting instruction form, mails those forms to beneficial holders, and asks beneficial holders to return the proxy or voting instruction forms to it, and then tabulates the results of all instructions received and provides appropriate instructions for voting at the Meeting. A beneficial holder who receives a proxy bearing such a sticker or a voting instruction form cannot deposit that proxy or form on the Meeting date to vote Shares at the Meeting. The proxy or form must be returned to the intermediary or service company in advance of the Meeting in order to allow the Shares to be voted by the named proxyholder at the Meeting.

In addition to those procedures, National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) allows a non-objecting beneficial holder (“**NOBO**”) to submit to the Company or an applicable intermediary any document in writing that requests that such NOBO or its nominee be appointed as the NOBO's proxyholder. If such a request is received, the Company or the intermediary, as applicable, must arrange, without expense to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions at least one business day prior to the time at which proxies are to be submitted for use at the Meeting; accordingly, any such request must be received by 11:00 a.m. (Central Standard Time) on May 29, 2023.

An objecting beneficial owner (“**OBO**”) is a beneficial holder who has provided instructions to an intermediary holding Shares in an account on behalf of the OBO that the OBO objects to the intermediary disclosing the OBO's name, address and share ownership information to the Company to allow the Company to send shareholder materials to the OBO. The Company does not intend to pay for intermediaries to forward the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs under NI 54-101, and an OBO will not receive those materials unless the OBO's intermediary assumes the cost of delivery.

APPOINTMENT, REVOCATION AND VOTING OF PROXIES

HOW TO VOTE

If you are a registered shareholder and do not intend to be present in person at the Meeting, you are asked to complete, sign, date and return the accompanying form of proxy (the “**Proxy**”) in the postage-paid envelope provided to you together with this Circular.

APPOINTMENT OF PROXIES

The persons named in the enclosed Proxy are officers of the Company. **If you wish to appoint some other person to represent you at the Meeting, you may do so by inserting the person’s name in the blank space provided in the Proxy or by completing another proper Proxy and striking out the printed names**, and, in either case, delivering the completed proxy to TSX Trust Company in the postage-paid envelope provided to you, or by facsimile to 1-866-781-3111, or in an envelope addressed to TSX Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, or the Secretary of the Company at 1355 Mountain Avenue, Winnipeg, Manitoba R2X 3B6. If you choose to appoint another person to represent you, you should ensure that the person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares. You may choose anyone to be your proxyholder, including someone who is not a shareholder.

DEADLINE FOR PROXIES

To be valid, all proxies must be received no later than 11:00 a.m. (Central Standard Time) on May 29, 2023 or, in the case of adjournment or postponement, not less than 48 hours (excluding Saturdays and holidays) before any reconvened meeting.

REVOCATION OF PROXIES

A registered Shareholder who has given a proxy may revoke the proxy (a) by completing and signing a proxy bearing a later date and returning it to TSX Trust Company in the manner and so as to arrive as described above; or (b) by depositing an instrument in writing executed by the Shareholder or by his/her attorney authorized in writing (i) at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any reconvened meeting at which the proxy is to be used, or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any reconvened meeting; or (c) in any other manner permitted by law.

VOTING OF PROXIES

The persons named in the accompanying Proxy will vote Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the directions of the Shareholder appointing them. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. In the absence of such specification, such Shares will be voted in favour of the matters to be acted upon as set out herein. **The persons appointed under the Proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Proxy to vote in accordance with their best judgement on such matter or**

business. At the time of printing this Circular, the directors know of no such amendment, variation or other matter.

HOW WILL THE VOTES BE COUNTED

Each question requiring a vote brought before the Meeting or any adjournment thereof will be determined by a majority of votes cast on the question. The proxies are counted by the Company's transfer agent, TSX Trust Company. Shareholders are entitled to one vote per Share at the Meeting.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Shares and one voting preferred share (the "**Preferred Share**"). As of the date hereof, the Company has issued and outstanding 6,902,592 Shares and one (1) Preferred Share.

QUORUM

A quorum will be present at the Meeting if there are at least two persons present in person or represented by proxy, each being entitled to vote thereat or a duly appointed proxy or proxyholder for an absent Shareholder so entitled, holding or representing in the aggregate not less than 20% of the issued and outstanding Shares.

PRINCIPAL SHAREHOLDERS

To the knowledge of the board of directors of the Company (the "**Board of Directors**"), as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, Shares carrying more than 10% of the votes attached to Shares of the Company except for the following:

- (a) 4065565 Canada Inc. - 4065565 Canada Inc. holds 2,000,000 Shares representing 29% of the outstanding shares. This company is indirectly controlled by Ronald Stern;
- (b) Canstar Publications Ltd. - The Company and FPCN General Partner Inc. ("**FPGP**") have agreed to allow Canstar Publications Ltd. ("**Canstar**"), to convert its holdings of general partner units of FP Canadian Newspapers LP ("**FPLP**") into an equal number of Shares, at its discretion. Canstar is indirectly controlled by Ronald Stern and currently holds 6,008,966 general partner units of FPLP; and
- (c) Kimberly Anne Holdings Inc. - The Company and FPGP have agreed to allow Kimberly Anne Holdings Inc. ("**KAH**"), to convert its holdings of general partner units of FPLP into an equal number of Shares, at its discretion. KAH is indirectly controlled by Robert Silver and currently holds 1,175,355 general partner units of FPLP.

PREFERRED SHARES

The Preferred Shares, as a class, have the right to elect one-third of the Company's directors, but do not convey any economic rights as a shareholder of the Company. FPCN Media Management Inc. ("**FPCN Media**") holds the sole Preferred Share that is issued and outstanding.

FPCN Media is owned by Canstar and KAH (collectively, the "**General Partners**"). In the event the General Partners cease to own at least 10% of the outstanding units of FPLP, the Preferred Share shall automatically be redeemed for sum of \$1.00 and cancelled by the Company.

MATTERS TO BE ACTED UPON AT THE MEETING

I. FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial year ended December 30, 2022, together with the auditors' report thereon, have been mailed to Shareholders with this Circular and will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the audited consolidated financial statements. If any Shareholder has questions regarding such audited consolidated financial statements, such questions may be brought forward at the Meeting. The financial statements will be available on www.sedar.com.

II. APPOINTMENT OF AUDITORS

PricewaterhouseCoopers LLP, Chartered Professional Accountants, have acted as auditors of the Company since May 25, 2010. The directors recommend that at the Meeting, the Shareholders approve the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the next annual meeting of Shareholders and authorize the Board of Directors to fix their remuneration.

III. APPROVAL OF 2022 ANNUAL GENERAL MEETING MINUTES

The directors recommend that at the Meeting, the Shareholders approve the minutes of the 2022 annual general meeting of the Shareholders held on June 1, 2022.

IV. ELECTION OF DIRECTORS

Pursuant to the constating documents of the Company, the Company shall have a minimum of three (3) and a maximum of six (6) directors. The Company currently has six (6) directors. Each director elected at the Meeting will hold office for a term ending on the close of the next annual meeting of Shareholders, or until the election of his or her successor, unless he or she resigns or his or her office becomes vacant by reasons of his or her death, or removal for other cause.

The Shareholders are entitled to elect two-thirds of the directors of the Company. The holders of the Preferred Shares are entitled to appoint the remaining one-third of the Directors. As the sole holder of the Preferred Shares, FPCN Media is entitled to appoint the remaining one-third of directors and intends to re-appoint Robert Silver and Darryl Levy as directors.

The individuals named in the Proxy intend to, unless directed to the contrary, vote for electing the following nominees: Daniel Friedman, Stephen Dembroski, Aldo Santin and Deanna Traa, to be appointed as directors of the Company.

MAJORITY VOTING POLICY FOR DIRECTORS

The Company adopted a majority voting policy on March 13, 2013. The Board of Directors believes that each of its members should have the confidence of the Shareholders. All nominees for election to the Board of Directors are required to agree and abide by this policy. The policy states that if a director nominee has more votes withheld than are voted in favour of them, they have failed to gain the support of the Shareholders and as such will be required to immediately submit their resignation for the Board of Directors for acceptance by the Company.

In addition, on August 31, 2022, the *Canada Business Corporations Act* (the “**CBCA**”) was amended to provide that where there is only one candidate nominated for each position available on the Board of Directors, shareholders will be able to vote “for” or “against” each nominee director, and each nominee director must receive a majority of “for” votes to be elected. Further, if a nominee director does not receive a majority of “for” votes, they may not be appointed a director by the Board of Directors before the next annual meeting of shareholders, except if necessary to ensure the Board of Directors has the requisite number of resident Canadians or independent directors.

DIRECTOR NOMINATION PROCESS

There is no formal nominating process. The Board of Directors as a whole takes responsibility for identifying and reviewing new candidates as necessary, considering a number of criteria in assessing individuals that may be qualified to become directors and members of committees of the Board of Directors, including:

- judgment, character, expertise, skills and knowledge useful to the oversight of the Company’s business;
- diversity of viewpoints, backgrounds, experiences and other demographics;
- business or other relevant experience; and,
- the extent to which the interplay of the individual’s expertise, skills, knowledge and experience with that of other members of the Board of Directors will build a board that is effective, collegial and responsive to the needs of the Company.

The Board of Directors believes that the fact that two-thirds of its members are independent directors is sufficient to ensure an objective nomination process in respect of the election of directors.

NOMINEES FOR DIRECTORS FP NEWSPAPERS INC.

The nominees are presented individually, below, along with a summary of salient information related to the nominees, including shares held, remuneration and attendance of meetings.

ROBERT SILVER

Executive Chair of the Board of Directors

Mr. Silver is President and co-owner of Western Glove Works - Canada's largest jeans wear distributor. Mr. Silver has several business interests in a variety of industries, including retail and real estate holdings.

PRIMARY OCCUPATION

Self Employed

LOCATION

Manitoba, Canada

DIRECTOR SINCE

2011-JUN-08

STATUS

Independent

TOTAL NUMBER OF SHARES HELD

1,226

OTHER PUBLIC DIRECTOR POSITIONS HELD

None

CURRENT BOARD & COMMITTEE MEMBERSHIPS

FP NEWSPAPERS INC.

2022 ATTENDANCE

Board of Directors4 of 4 100%

Audit Committee4 of 4 100%

Disclosure Committee4 of 4 100%

FPCN GENERAL PARTNER INC.

2022 ATTENDANCE

Board of Directors4 of 4 100%

Audit Committee4 of 4 100%

Disclosure Committee4 of 4 100%

COMPENSATION

FP NEWSPAPERS INC.

2022

2021

2020

Director Fees\$ - \$ - \$ -

FPCN GENERAL PARTNER INC.

2022

2021

2020

Director Fees\$ - \$ - \$ -

STEPHEN DEMBROSKI

Director

Mr. Dembroski is the president of Indigenous Inc., a private equity and financial advisory firm. He was a managing director in investment banking with TD Securities Inc. He is an active member of the TSX Listings Advisory Committee. Mr. Dembroski also holds a Corporate Directors designation.

PRIMARY OCCUPATION

President, Indigenous Inc.

LOCATION

Ontario, Canada

DIRECTOR SINCE

2010-MAR-17

STATUS

Independent

TOTAL NUMBER OF SHARES HELD

41,226

OTHER PUBLIC DIRECTOR POSITIONS HELD

None

CURRENT BOARD & COMMITTEE MEMBERSHIPS

FP NEWSPAPERS INC.

2022 ATTENDANCE

Board of Directors4 of 4 100%

Audit Committee4 of 4 100%

Disclosure Committee4 of 4 100%

FPCN GENERAL PARTNER INC.

2022 ATTENDANCE

Board of Directors4 of 4 100%

Audit Committee4 of 4 100%

Disclosure Committee4 of 4 100%

COMPENSATION

FP NEWSPAPERS INC.

2022

2021

2020

Director Fees\$8,750 \$10,000 \$7,125

FPCN GENERAL PARTNER INC.

2022

2021

2020

Director Fees\$19,500 \$17,500 \$12,625

STEPHEN DEMBROSKI												
Director												
Mr. Dembroski is the president of Indigenous Inc., a private equity and financial advisory firm. He was a managing director in investment banking with TD Securities Inc. He is an active member of the TSX Listings Advisory Committee. Mr. Dembroski also holds a Corporate Directors designation.												
PRIMARY OCCUPATION		President, Indigenous Inc.										
LOCATION		Ontario, Canada			DIRECTOR SINCE		2010-MAR-17		STATUS		Independent	
TOTAL NUMBER OF SHARES HELD				41,226		OTHER PUBLIC DIRECTOR POSITIONS HELD				None		
CURRENT BOARD & COMMITTEE MEMBERSHIPS												
FP NEWSPAPERS INC.						FPCN GENERAL PARTNER INC.						
			2022 ATTENDANCE						2022 ATTENDANCE			
Board of Directors			4 of 4 100%			Board of Directors			4 of 4 100%			
Audit Committee			4 of 4 100%			Audit Committee			4 of 4 100%			
Disclosure Committee			4 of 4 100%			Disclosure Committee			4 of 4 100%			
COMPENSATION												
FP NEWSPAPERS INC.						FPCN GENERAL PARTNER INC.						
			<u>2022</u> <u>2021</u> <u>2020</u>						<u>2022</u> <u>2021</u> <u>2020</u>			
Director Fees			\$8,750 \$10,000 \$7,125			Director Fees			\$19,500 \$17,500 \$12,625			

DARRYL LEVY			
Director			
Mr. Levy is President & CEO of Wynward Insurance Group. He is also Chairman of the Business Council of Manitoba and a Trustee of the Richardson Foundation. Prior to Wynward, Mr. Levy was President-Western Canada region of Rogers Communications.			
PRIMARY OCCUPATION		President & CEO of Wynward Insurance Group	
LOCATION	Manitoba, Canada	DIRECTOR SINCE	2020-NOV-21 STATUS Independent
TOTAL NUMBER OF SHARES HELD		None	OTHER PUBLIC DIRECTOR POSITIONS HELD None

CURRENT BOARD & COMMITTEE MEMBERSHIPS							
FP NEWSPAPERS INC.				FPCN GENERAL PARTNER INC.			
			2022 ATTENDANCE			2022 ATTENDANCE	
Board of Directors			4 of 4 100%	Board of Directors		4 of 4 100%	
Audit Committee			Non Member	Audit Committee		Non Member	
Disclosure Committee			Non Member	Disclosure Committee		Non Member	
COMPENSATION							
FP NEWSPAPERS INC.				FPCN GENERAL PARTNER INC.			
	<u>2022</u>	<u>2021</u>	<u>2020</u>		<u>2022</u>	<u>2021</u>	<u>2020</u>
Director Fees	\$8.750	\$10.250	\$7.125	Director Fees	\$10.000	\$8.500	\$6.125

ALDO SANTIN			
Director			
Mr. Santin is a retired newspaper reporter.			
PRIMARY OCCUPATION		Retired	
LOCATION	Manitoba, Canada	DIRECTOR SINCE	2018-MAY-18 STATUS Independent
TOTAL NUMBER OF SHARES HELD		None	OTHER PUBLIC DIRECTOR POSITIONS HELD None

CURRENT BOARD & COMMITTEE MEMBERSHIPS							
FP NEWSPAPERS INC.				FPCN GENERAL PARTNER INC.			
		2022 ATTENDANCE				2022 ATTENDANCE	
Board of Directors		4 of 4 100%		Board of Directors		4 of 4 100%	
Audit Committee		Non Member		Audit Committee		Non Member	
Disclosure Committee		Non Member		Disclosure Committee		Non Member	
COMPENSATION							
FP NEWSPAPERS INC.				FPCN GENERAL PARTNER INC.			
	<u>2022</u>	<u>2021</u>	<u>2020</u>		<u>2022</u>	<u>2021</u>	<u>2020</u>
Director Fees	\$ -	\$ -	\$ -	Director Fees	\$ -	\$ -	\$ -

DEANNA TRAA**Director**

Ms. Traa is an advisor with Bold Commerce.

PRIMARY OCCUPATION Advisor with Bold Commerce

LOCATION Manitoba, Canada

DIRECTOR SINCE 2021-JUN-10 **STATUS** Independent

TOTAL NUMBER OF SHARES HELD None **OTHER PUBLIC DIRECTOR POSITIONS HELD** None

CURRENT BOARD & COMMITTEE MEMBERSHIPS

FP NEWSPAPERS INC.		FPCN GENERAL PARTNER INC.	
	2022 ATTENDANCE		2022 ATTENDANCE
Board of Directors	4 of 4 100%	Board of Directors	4 of 4 100%
Audit Committee	Non Member	Audit Committee	Non Member
Disclosure Committee	Non Member	Disclosure Committee	Non Member

COMPENSATION

FP NEWSPAPERS INC.				FPCN GENERAL PARTNER INC.			
	2022	2021	2020		2022	2021	2020
Director Fees	\$8,750	\$5,250	\$ -	Director Fees	\$10,000	\$4,250	\$ -

DANIEL FRIEDMAN**Director**

Mr. Friedman is President of Halston Court Capital Inc., which invests in private companies. Prior to that, Mr. Friedman was CEO and President of Pavilion Financial Corporation, a global investment consulting firm serving institutional clients and private families.

PRIMARY OCCUPATION President, Halston Court Capital Partners Inc.

LOCATION Manitoba, Canada

DIRECTOR SINCE 2022-NOV-23 **STATUS** Independent

TOTAL NUMBER OF SHARES HELD None **OTHER PUBLIC DIRECTOR POSITIONS HELD** None

CURRENT BOARD & COMMITTEE MEMBERSHIPS

FP NEWSPAPERS INC.		FPCN GENERAL PARTNER INC.	
	2022 ATTENDANCE		2022 ATTENDANCE
Board of Directors	1 of 1 100%	Board of Directors	1 of 1 100%
Audit Committee	Non Member	Audit Committee	Non Member
Disclosure Committee	Non Member	Disclosure Committee	Non Member

COMPENSATION

FP NEWSPAPERS INC.				FPCN GENERAL PARTNER INC.			
	2022	2021	2020		2022	2021	2020
Director Fees	\$1,875	\$ -	\$ -	Director Fees	\$2,625	\$ -	\$ -

CEASE TRADE ORDERS, BANKRUPTCIES OR PLANS OF ARRANGEMENT

Other than Mr. Silver who served as a director of SJC Inc., a private company that filed a petition under chapter 11 of the United States Bankruptcy Code on July 22, 2014, none of the individuals nominated for election as a director of the Company is, or within ten years before the date hereof, has been a director or executive officer of any company that: (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; (ii) was subject to an event that resulted, after the individual ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

None of the individuals nominated for election as a director of the Company has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, state the fact.

V. ELECTION OF NOMINEES TO SERVE AS DIRECTORS OF FPGP

The directors' responsibilities include voting in favour of the Company's nominees to serve as directors of FPGP, which is the managing general partner of FPLP. Each member of the Board of Directors will also be a member of the board of directors of FPGP. For information on the nominees kindly refer to the section on the election of nominees of the Company. The foregoing reflects the shareholders agreement entered into on December 31, 2010 by the Company, FPCN Media and FPGP. Pursuant to this agreement, FPGP is to have a board of directors with seven (7) members. FPCN Media is entitled to appoint four (4) directors and the Company's Shareholders are entitled to elect three (3) nominees of the Company to act as directors of FPGP.

COMPENSATION OF DIRECTORS OF THE COMPANY AND FPGP

The Board of Directors does not have a separate compensation committee, instead, the entire Board of Directors, other than Mr. Santin, undertakes to collectively review compensation. The foregoing is the same for FPGP.

COMPENSATION OF DIRECTORS FOR THE COMPANY

The stated director remuneration is summarized, below. Attendance remuneration is paid on a per day basis. Should multiple meetings occur on a given day, they would collectively be considered a single meeting for purposes of remuneration. Directors of the Company are not entitled to remuneration for attending meetings where a director is already in attendance of a concurrent FPGP board of directors or a committee meeting thereof on the same day. In these instances, remuneration for attendance is paid by FPGP. Only independent directors that are not an officer of the Company are entitled to remuneration. In addition to the foregoing, directors are eligible for reimbursement of expenses incurred in connection with their attendance of meetings. Expense reimbursement is subject to the Company's policies on same.

FP NEWSPAPERS INC.		
Stated Director Compensation		
Retainer	\$ 7,500	Annual
Meeting Attendance – In person	\$ 1,000	per meeting
Meeting Attendance – Virtual	\$ 250	per meeting

COMPENSATION OF DIRECTORS OF FPGP

The stated director remuneration is summarized, below. Attendance remuneration is paid on a per day basis. Should multiple meetings occur on a given day, they would collectively be considered a single meeting for purposes of remuneration. Directors who serve on the Audit Committee are entitled to an additional annual retainer of \$3,000 and the Chairman of the Audit Committee is entitled to an additional annual retainer of \$5,000. Only independent directors that are not employees of FPGP are entitled to remuneration. In addition to the foregoing, directors are eligible for reimbursement of expenses incurred in connection with their attendance of meetings. Expense reimbursement is subject to the Company's policies on same.

FPCN GENERAL PARTNER INC.		
Stated Director Compensation		
Retainer	\$7,500	Annual
Meeting Attendance – In person	\$1,000	per meeting
Meeting Attendance – Virtual	\$ 250	per meeting

INSURANCE COVERAGE FOR DIRECTORS AND OFFICERS AND INDEMNIFICATION

The Company and FPGP have obtained a directors and officers liability insurance policy, which covers indemnification of directors and officers in certain circumstances.

STATEMENT OF EXECUTIVE COMPENSATION

FP NEWSPAPERS INC - COMPENSATION DISCUSSION AND ANALYSIS

The Company has no employees and has no active business beyond its investment in FPGP. Accordingly, all services required by the Company are provided by FPGP. FPGP is the managing General Partner of FPLP. FPLP owns and operates the Winnipeg Free Press, along with several other Manitoba based news and media publications that are available in both print and digital formats. FPLP provides and is remunerated by the Company for all services rendered in the normal course of operations.

FPGP - COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis describes and explains FPGP's compensation philosophy, objectives, and amounts paid to and earned by the FPGP's Named Executive Officers ("**NEO**"), whose total compensation was in excess of \$150,000 for the year ended December 30, 2022.

The board of directors of FPGP does not have a separate compensation committee; instead, the entire board of directors of FPGP, undertake to collectively review compensation.

COMPENSATION GOVERNANCE

Executive compensation is the sole responsibility of FPGP's board of directors. FPGP applies a set of guiding principles, below, which it believes will attract, retain, motivate and align executives with FPGP's business.

EXECUTIVE COMPENSATION GUIDING PRINCIPLES

The FPGP board recognizes the news media industry is under significant pressure and must actively transform its business as a result. Accordingly, compensation programs must be able to adapt to changing market environments and continue to be aligned with business results and market best practices. This means we must seek to maintain an incentive structure that is attractive to new talent, particularly with digital and sales skill sets, while at the same time managing operating costs through the transition, creating rewards for staff when meaningful results that support FPGP's strategic goals and shareholder interests are achieved.

Salaries for senior management are based in the first instance on historical levels in the newspaper business and general market conditions. No formal benchmarking process is in place for determining fixed compensation or any other element.

EXECUTIVE COMPENSATION COMPONENTS

Executive compensation program is comprised of the following compensation components:

- Salary;
- Annual bonuses;
- Benefits and perquisites; and
- Pension.

Salary

FPGP believes that base salary is a necessary element of compensation to attract, motivate and retain executives. Base salaries are reviewed each year in relation to the state of the economy in the relevant markets and the general marketplace as well as the state of the business. Increases are based on these reviews as well as individual and corporate performance and, from time to time, review of competitive market data for specific positions. The objective is to link the amount of any increase to an individual's performance and contribution to FPGP and competitive market considerations.

NEO's may be entitled to other personal benefits and perquisites beyond their base salary. Where such benefits exceed the lesser of \$50,000 or 10% of the executive's total salary for within year, such amounts will be disclosed as other income earned by said NEO.

FPGP does not offer deferred compensation plans to NEOs.

Annual Bonuses

Annual bonuses represent a variable cash compensation for executives and are set based on competitive market practices and intended to incent maximum performance and achieve the Company's goals. All bonuses awarded are determined at the sole discretion of the FPGP board of directors.

Benefits and Perquisites

Although not considered a primary element of the compensation program, the Company provides a package of benefits and perquisites for the executives.

Pension Plans

All employees of FPGP, including executives, are eligible to participate in a multi-employer defined benefit pension plan provided by the Colleges of Applied Arts & Technology (the "CAAT"). The CAAT Pension Plan is a multi-employer defined benefit pension plan which requires us to make periodic contributions to the CAAT Plan. The employees are required to make matching contributions.

For the participating executives, the contributions as a percentage of pensionable earnings for fiscal 2022 was 5%.

The base pension benefit is determined by multiplying the employer and employee contributions by an annual pension factor (currently 8.5%) and applying an average industrial wage enhancement as determined by CAAT. Members may choose to retire as early as age 50 but are subject to a 3% per year reduction in their benefit for each year that precedes their 65th birthday.

INCENTIVE PLANS – SHARE BASED COMPENSATION

No such programs have or are being offered to NEOs.

TERMINATION & CHANGE OF CONTROL BENEFITS

There are no employment agreements in place which specify a severance payment level for any of the NEOs in the event of a change of control or termination of employment.

NAMED EXECUTIVE OFFICERS

The NEOs during the year ended December 30, 2022 are as follows:

- Robert Silver, Chairman and Former President & CEO;
- Mike Power, President & CEO;
- Robert Cox, Former Publisher;
- Ryan Kolaski, Former VP Finance & Administration; and
- Karen Buss, VP Advertising & Sales.

The table below provides a summary of compensation earned by NEO's and the next most highly compensated executive.

Name and Principal Position	Year	Salary (\$)	Value of all other compensation (\$)	Pension Value (\$)	Total Compensation (\$)
ROBERT SILVER ⁽¹⁾ Chairman and director of the Company, and former President & CEO	2022	-	-	-	-
	2021	-	-	-	-
	2020	-	-	-	-
MIKE POWER ⁽²⁾ President & CEO	2022	110,577	50,000	5,529	166,106
	2021	-	-	-	-
	2020	-	-	-	-
ROBERT COX ⁽³⁾ Former Publisher of the Winnipeg Free Press	2022	129,646	188,419	22,137	340,202
	2021	224,720	49,233	40,298	314,251
	2020	233,363	40,000	42,675	316,038
RYAN KOLASKI ⁽⁴⁾ Former Vice President Finance & Administration, FPGP	2022	154,308	-	8,169	162,477
	2021	170,000	36,551	8,500	215,051
	2020	42,500	10,000	2,125	54,125
KAREN BUSS Vice President Advertising Sales, Winnipeg Free Press	2022	160,000	54,827	8,000	222,827
	2021	150,000	32,251	7,500	189,751
	2020	154,039	14,500	7,514	176,053

Notes:

- (1) Mr. Silver was appointed as President, CEO and Chairman effective November 21, 2019. Mr. Silver stepped down as President and CEO on July 25, 2022.
- (2) Mr. Power was appointed President and CEO on July 25, 2022.
- (3) Mr. Cox gave notice of his resignation as the Publisher of the Winnipeg Free Press on November 26, 2021. Mr. Cox's last day as the Publisher of the Winnipeg Free Press was July 25, 2022.
2022 total compensation was accrued for in 2021 as restructuring charges.
- (4) Mr. Kolaski was appointed as Vice President Finance & Administration on July 31, 2020.
Mr. Kolaski last day as Vice President Finance & Administration was November 28, 2022.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Our corporate governance policies, procedures and practices are designed to ensure that our Board of Directors can fulfill its statutory mandate to supervise the management of our business and affairs with the highest standards of ethical conduct. The Board of Directors believes that good corporate governance improves corporate performance and benefits all Shareholders. The text of the Board of Directors Charter is attached as **"APPENDIX A"**.

The Company's sole business at this time is to hold, indirectly, securities of FPLP, the managing general partner of which is FPGP. FPGP's board oversees FPLP's operating activity. Assuming the proposed election of the directors for the Company in this Circular is successful, each member of the Board of Directors will also be a member of the board of directors of FPGP.

BOARD OF DIRECTORS

The Board of Directors consists of six (6) directors, five (5) of whom are independent directors as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), meaning that, in each case, the director has no direct or indirect relationship with the issuer which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of his independent judgement, and is not otherwise deemed not to be independent. Applying the Criteria in NI 58-101, Mr. Silver is not considered to be an independent director by virtue of his prior position as Chief Executive Officer of the Company.

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has adopted the Code of Conduct which applies to all directors, officers and employees of our Company, its subsidiaries and affiliates and other persons in similar relationships with those entities. The Code of Conduct is provided to all directors, officers and employees and is available on SEDAR at www.sedar.com. On an annual basis, all directors, executives and senior employees of the Company are required to review the Code of Conduct. The Code of Conduct addresses such matters as compliance with laws, conflicts of interest, confidential information, fraud, protection and proper use of FPGP's assets and the reporting of illegal and unethical behaviour.

The Company encourages personnel who become aware of a conflict or potential conflict or departures from the Code of Conduct to bring it to the attention of a supervisor or department head and require personnel who detect or suspect a fraud has occurred to report the incident immediately. The Board of Directors requires every director and executive officer to disclose any direct or indirect conflict of interest that he or she has.

ORIENTATION AND CONTINUING EDUCATION

All directors are provided with current copies of all Board of Directors and Committee charters, policies and role descriptions. New directors are also offered in-depth orientation sessions by way of individual meetings with the senior management and other directors.

On an ongoing basis, senior management provide periodic presentations to the Board of Directors to ensure that directors are aware of our business and operations and industry trends and practices. These presentations include those made at Board of Directors meetings as well as presentations made at informal sessions held prior to each regularly scheduled Board of Directors meeting.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has established two standing Committees to assist it in discharging its mandate, the Audit Committee and the Disclosure Committee. The roles of the Committees as part of our governance process are outlined below. Each Committee shall review and assess its mandate at least annually, and has the authority to retain special legal, accounting or other advisors.

The current members of the Disclosure Committee are presently represented by Mr. Dembroski (Chair), Mr. Silver, the Chief Financial Officer, and the Chief Executive Officer. The Disclosure Committee assists the Board of Directors in, among other things, its oversight and evaluation of the Company's public disclosure of financial information about the Company.

ASSESSMENTS

The mandate of the Board of Directors includes an annual review of the effectiveness of the Board of Directors as a whole, the performance of each of the standing committees of the Board of Directors and the contributions of the individual directors. To date, given the small size of the Board of Directors and the frequency with which its meetings are held, the Board of Directors has not found it necessary to institute any formal process in order to satisfy itself that the Board of Directors, its committees and its individual directors are performing effectively.

DIRECTOR TERM LIMITS

The Company has not set director term limits, nor provided any formal mechanism of Board of Directors renewal. However, on a technical level, each director's term ends no later than the next annual Shareholders' meeting. The Company considers that a fixed term of office or a formal mechanism for Board of Directors renewal is not an efficient or appropriate manner to guarantee Board of Directors' performance. In selecting candidates for composition of the Board of Directors, the Company favours the intrinsic qualities sought after in a director (whether male or female), such as management experience, leadership, career success, understanding of financial questions, knowledge of the Company, its business and industry, reputation, and complementarities with the other members of the Board of Directors and the management.

In addition, the Company is of the opinion that limiting the duration of director terms could deprive the Company of the benefit of continuity, and the knowledge and experience of the Company and its business, which long-time directors would have.

GENDER DIVERSITY ON THE BOARD AND SENIOR MANAGEMENT

The Company believes that a Board of Directors made up of highly qualified individuals from diverse backgrounds promotes better corporate governance, performance and effective decision-making. While the Company has not adopted a specific policy regarding Board of Directors or executive diversity, including the level of representation of women on the Board of Directors and in management, in selecting candidates for such positions, the Company gives appropriate consideration to women along with a variety of other factors including the skills, qualities, experience and expertise to find the best candidate to be an effective member of the Board of Directors and/or in executive officer positions.

The Board of Directors has not, at this time, adopted any fixed targets or quotas relating to the representation of women on the Board of Directors or in executive officer positions as it does not

believe that quotas or a formulaic approach, or a specific policy, necessarily result in the identification or selection of the best candidates.

Currently, the Company has one (1) director that is a women and has one (1) NEO who is a woman. The Company is dedicated to increasing diversity throughout the organization and the Governance Committee continues to evaluate eligible candidates in accordance with the Company's diversity policy.

AUDIT COMMITTEE

The text of the Terms of Reference of the Audit Committee of the Company is attached as “**APPENDIX B**” to this Circular.

COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Audit Committee are presently represented by Mr. Dembroski (Chair), Mr. Silver and Mr. Levy. The Audit Committee assists the Board of Directors in, among other things, its oversight and evaluation of (a) the Company, (b) compliance with legal and regulatory requirements, (c) the assessment, monitoring and management of the financial reporting of the business, and (d) risk management.

All members of the Audit Committee, other than Mr. Silver, are independent and all members of the Audit Committee are “*financially literate*” as contemplated by the rules of the Canadian Securities Administrators. When considering criteria for determinations of financial literacy, Audit Committee members must be able to read and understand financial statements of a breadth and level of complexity of accounting issues generally comparable to the issues expected to be raised by our consolidated financial statements.

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member is described below:

Stephen Dembroski

Mr. Dembroski is an experienced Audit Committee Chair. He earned a Bachelor of Arts degree in Honours Business Administration from the University of Western Ontario in 1982, and a Masters of Business Administration, also from the University of Western Ontario, in 1989. He was a managing director in investment banking with TD Securities Inc. from 1997 to May 2002, during which time he was actively involved in providing strategic advice to many companies in the Canadian forest products industry. Mr. Dembroski was, until October 2005, a director of another Toronto Stock Exchange-listed issuer, Roman Corporation Limited, and has for the past seven years been a member of the TSX Listings Advisory Committee. Mr. Dembroski is the president of Indigenous Inc., a private equity and financial advisory company. Mr. Dembroski is a holder of the Institute of Corporate Directors designation.

Robert Silver

Mr. Silver was appointed Chairman of the Corporation on November 21, 2019. Mr. Silver earned a Bachelor of Sciences (Honours) degree from the University of Manitoba in 1970 and went on as President and Co-owner of Western Glove Works to direct the growth of the company into Canada's largest jeans wear distributor. He is also a director and partner of Warehouse One, a chain of 123 retail apparel stores in Canada, and Urban Barn, a chain of 47 furniture stores in Canada. During his 40-year business career, he has been extensively involved in reviewing internal management financial reporting and external audited and unaudited financial statements from various perspectives as an owner/investor, as a member of senior management and as a board member. He was appointed Chancellor of the University of Winnipeg in 2009 and previously served as Co-chair of the Manitoba Premier's Economic Advisory Council.

Darryl Levy

Mr. Levy is President & CEO of Wynward Insurance Group. He is also Chairman of the Business Council of Manitoba and a Trustee of the Richardson Foundation. Prior to Wynward, Mr. Levy was President-Western Canada region of Rogers Communications.

AUDIT FEES

The aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees were \$101,500 for the fiscal year ended 2022, and \$84,000 for the fiscal year ended 2021.

AUDIT RELATED AND OTHER FEES

The Company's external auditor has not billed for any additional services for the fiscal years ended 2021 and 2022.

TAX FEES

The Company's external auditor has not billed for any tax services for the fiscal years ended 2021 and 2022.

PRE-APPROVAL POLICIES AND PROCEDURES

As at the date of this Circular, the Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services.

EXEMPTION FOR VENTURE ISSUERS

As a venture issuer, the Company is exempt from the provisions of NI 52-110 that would otherwise require its audit committee to be constituted in accordance with Part 3 of NI 52-110, and the Company to provide comprehensive disclosure about the members of its audit committee.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

FPGP, Canstar and KAH provide limited services to the Company and to FPLP, in respect of which their direct and indirect expenses are reimbursed.

Alberta Newsprint Company (“**ANC**”) supplies virtually all of the newsprint purchased by FPLP. Newsprint is purchased at market prices. Neither party is obligated to purchase or supply services from each other. The Audit Committee monitors newsprint purchases on a quarterly basis. ANC is an unincorporated joint venture indirectly controlled by Ronald Stern.

Except as disclosed in this Circular, the directors of the Company are not aware of any material interest of any director or officer of the Company or FPGP, or any Shareholder who beneficially owns more than 10% of the Shares, or any known associate or affiliate of these persons, in any transaction since the commencement of the last fiscal year of the Company or in any proposed transaction that has materially affected or would materially affect the Company.

REGISTRAR AND TRANSFER AGENT

TSX Trust Company is the registrar and transfer agent of the Company at its principal offices in Montréal, Québec.

OTHER BUSINESS

Management is not aware of any matter intended to come before the Meeting other than those items of business set forth in the attached Notice. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their best judgement.

ADDITIONAL INFORMATION

The Company’s Shares are listed on the TSX Venture Exchange with the trading symbol: FP. Additional information relating to the Company along with its regulator filings can be found under the Company’s profile on the SEDAR website at www.sedar.com. Copies of the Company’s financial statements for years ended December 30, 2022 and 2021, together with the report of the auditors thereon, and management’s discussion and analysis for 2022, can be found under the Company’s profile on SEDAR at www.sedar.com or on request from the Chief Financial Officer at 1355 Mountain Avenue, Winnipeg, Manitoba, R2X 3B6.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular to the Shareholders of the Company have been approved by the Board of Directors of the Company.

DATED at Winnipeg, Manitoba, this 19th day of April 2023.

BY ORDER OF THE BOARD OF DIRECTORS

“Dave Kreklewetz”

Dave Kreklewetz
Chief Financial Officer

APPENDIX A
FP NEWSPAPERS INC.
BOARD OF DIRECTORS' MANDATE

1. INTRODUCTION

The Board is responsible for the stewardship of FP NEWSPAPERS INC. (the “**Company**”) and for overseeing the management of its business and affairs.

2. STEWARDSHIP

2.1 In adopting this mandate, the Board assumes responsibility for the stewardship of the Company, including responsibility for the matters set out below:

- (a) to the extent feasible, satisfying itself as to the integrity of the chief executive officer and other senior management and that the chief executive officer and other senior management strive to create a culture of integrity throughout the organization;
- (b) adopting a strategic planning process and:
 - (i) approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business;
 - (ii) conducting an annual review of human, technological and capital resources required to implement the Company's business strategy, and of any constraints on the business;
 - (iii) monitoring the execution of the Company's business strategy and the achievement of its stated objectives; and
 - (iv) reviewing, at every board meeting, any recent developments that may affect the Company's business strategy;
- (c) identifying the principal risks associated with the business and operations of the Company, and ensuring the implementation by management of appropriate systems to monitor and manage those risks with a view to the long-term viability of the Company;
- (d) succession planning, including processes for appointing, training and evaluating senior management;
- (e) adopting a communications policy for the Company and reviewing the overall communications strategy, including measures for receiving feedback from shareholders;
- (f) the Company's internal control and management information systems;
- (g) developing the Company's approach to corporate governance, including the corporate governance principles and guidelines applicable to the Company;
- (h) ensuring that the financial performance of the Company is adequately reported to securityholders and regulators on a timely and regular basis;
- (i) ensuring that the financial results of the Company are reported fairly and in accordance with applicable disclosure requirements;
- (j) ensuring that appropriate policies and procedures are in place to ensure the timely disclosure of any other developments that have a material impact on the Company;
- (k) at least annually, evaluating director independence with regard to applicable legislation and regulatory guidelines, including reviewing and evaluating the relevant facts and circumstances to determine whether relationships exist that could reasonably interfere with the exercise of independent judgement by any of the directors;
- (l) at least annually, evaluating the effectiveness of the Board and its committees and the contributions of individual directors to the work of the Board;
- (m) monitoring compliance with all significant policies and procedures by which the members of the Company are operated; and
- (n) reporting annually to security holders on its stewardship in the preceding year.

3. EXPECTATIONS OF DIRECTORS

3.1 As a member of the Board, each director is expected to:

- (a) act honestly and in good faith and in the best interests of the Company;
- (b) exercise the care, diligence and skill of a reasonably prudent person;

- (c) fulfil the legal obligations of a director;
- (d) exercise good judgement and act with integrity;
- (e) demonstrate high ethical standards;
- (f) comply with policies and guidelines adopted by the Board;
- (g) devote the necessary time to serve effectively as a director;
- (h) absent extenuating circumstances, attend all scheduled meetings of the Board and meetings of committees of the Board on which the director serves;
- (i) set aside adequate time to read and absorb the materials provided to the directors in advance of any meeting of the Board or of any committee on which the director serves; and
- (j) participate fully and frankly in the deliberations and discussions of the Board and its committees, applying informed and reasoned judgement to each issue that arises.

4. DELEGATION TO MANAGEMENT

- 4.1 The Board may from time to time delegate to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business, will be reviewed by, and are subject to the prior approval of, the Board.

5. ESTABLISHMENT OF COMMITTEES

- 5.1 The Board may delegate to its committees matters for which the Board is responsible, but the Board retains its oversight function and ultimate responsibility for those matters and all other delegated responsibilities.
- 5.2 The Board will establish and maintain an Audit Committee of the Board, having a mandate that complies with all applicable legal and stock exchange requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate.
- 5.3 The Audit Committee is generally responsible for reviewing and inquiring into matters affecting the integrity and performance of the financial reporting of the Company, the system of internal accounting and financial controls and procedures, and financial audit procedures and plans; overseeing the Company's policies and practices relating to corporate compliance and risk management strategies; recommending to the Board the appointment and remuneration of the external auditors; and reviewing related party transactions.
- 5.4 The Board may either establish and maintain a Compensation and Corporate Governance Committee of the Board, having a mandate that complies with all applicable legal and stock exchange requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate, or may choose to fulfil itself the role and functions of such a committee.
- 5.5 The Compensation and Corporate Governance Committee, if any, is generally responsible for the composition, compensation and governance of the Board, recommending to the Board nominees for election or appointment to the Board and its committees, and developing the Company's approach to corporate governance.
The Compensation and Corporate Governance Committee, if any, is also generally responsible for overseeing the Company's policies and practices with respect to its human resources; reviewing recommendations for the appointment of persons to senior executive positions; considering terms of employment, including succession planning and matters of compensation; recommending to the Board the goals and objectives used to determine executive leadership compensation; and evaluating the executive leadership team's performance and making recommendations to the Board with respect to any incentive compensation plans and the administration of such plans.
- 5.6 Each of the Board's committees shall be composed of members of the Board recommended by the Compensation and Corporate Governance Committee or the Board, as applicable, having regard to the needs of each committee, the expertise of individual members of the Board, and applicable legislation, stock exchange rules and regulatory policies.
- 5.7 The Board may appoint any other committee of directors and delegate to such committee any of the powers of the Board, except to the extent that such delegation is prohibited by law.
- 5.8 The Board will review and may revise the mandates of its committees from time to time as it considers appropriate.

6. DIRECTOR ORIENTATION AND EDUCATION

- 6.1 New directors shall receive information and orientation regarding the nature and operation of the Company, including its core policies, the role of the Board and its committees, and the duties and responsibilities of directors. In addition, new directors shall be given opportunities for discussions with management and other directors.
- 6.2 Directors are encouraged to participate in continuing education to maintain the skill and knowledge necessary to fulfil their duties and responsibilities as directors, in addition to relevant training in committee-specific areas.

7. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND INDEPENDENT ADVISERS

- 7.1 The Board and its committees shall have access to all members of management and the Company's employees.
- 7.2 At the invitation of the Board, senior management are encouraged to attend, and, where requested, assist in the discussion and examination of matters before the Board.
- 7.3 The Board and its committees may retain at the Company's expense any independent adviser, such as legal counsel and independent accountants, as the Board or a majority of the independent directors or any committee deems necessary and appropriate.

8. CODE OF BUSINESS CONDUCT AND ETHICS

- 8.1 The Board will approve a business code of conduct and ethics (the "**Code**") recommended to it by management that complies with all applicable legal and stock exchange requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate.
- 8.2 The Board will monitor compliance with the Code, including through reports from the Chief Financial Officer and the Chairman of the Audit Committee.
- 8.3 The Board believes that compliance with the Code is an essential component of its governance oversight. However, the Board recognizes that there may be situations where circumstances may permit variance from the strict terms of the Code. To the extent the Board determines it is reasonable and appropriate, it may grant a waiver from the Code. Such authority may not be delegated to management.

9. REVIEW OF MANDATE

- 9.1 The Board will review and may revise its mandate from time to time as it considers appropriate.

Approved by resolution of the Board of Directors on April 19, 2023.

APPENDIX B

FP NEWSPAPERS INC.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

The Board of Directors of the Company has established an Audit Committee to assist the Board in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting, financial reporting, internal controls and disclosure controls, and legal and regulatory compliance.

1. MEMBERSHIP

- 1.1 The Committee will have a minimum of three members, including the Chair of the Committee. The Board will appoint and remove the members of the Committee by a majority vote. The members will sit on the Committee at the pleasure of the Board.
- 1.2 The Board will appoint the Chair of the Committee from the Committee's members by a majority vote. The Chair of the Committee will hold such position at the pleasure of the Board.
- 1.3 Each member of the Committee will be a director of the Company with the majority of members being determined by the Board:
 - (a) to be independent of management and of any direct or indirect material business or other relationship with the Partnership or the Company that could interfere with his or her exercise of independent judgment or his or her ability to act in the best interests of the Partnership and the Company; and
 - (b) to satisfy all the tests for independence (or available exemptions) under applicable laws and rules binding on the Company from time to time, including the applicable rules of any stock exchange on which the Company's shares are listed.
- 1.4 All members of the Committee will be financially literate, meaning that each of them will have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that could reasonably be expected to be raised by the financial statements of the Company.
- 1.5 Notwithstanding section 1.4, a director who is not financially literate may be appointed to the Committee provided that he or she becomes financially literate within a reasonable period of time following his or her appointment.

2. MEETINGS

- 2.1 The Committee will meet at least once each quarter and otherwise as necessary. Any member of the Committee may call meetings of the Committee.
- 2.2 All directors of the Company, including management directors, may attend meetings of the Committee, provided that no director may vote at such meetings or be counted as part of the quorum if he or she is not a member of the Committee.
- 2.3 Notwithstanding section 2.2 above, the Committee will, as part of each regularly scheduled meeting, hold an in-camera session with the external auditors without management or management directors present. The Committee may hold other in-camera sessions with such members of management present as the Committee deems appropriate.
- 2.4 The Corporate Secretary or his or her nominee will act as Secretary to the Committee and will keep minutes of all meetings of the Committee, including all resolutions passed by the Committee.
- 2.5 The Committee will report to the Board on its meetings and each member of the Board will have access to the minutes of the Committee's meetings.
- 2.6 The Chair of the Committee will ensure that the external auditors receive notice of every meeting of the Committee. The external auditors may request that a meeting of the Committee be called by notifying the Chair of the Committee of such request.
- 2.7 The quorum necessary for the transaction of business at Committee meetings will be a majority of the members of the Committee. A quorum, once established, is maintained even if members of the Committee leave the meeting prior to its conclusion.

3. DUTIES

The Board hereby delegates to the Committee the following duties to be performed by the Committee on behalf of and for the Board:

Financial Reporting

- 3.1 Prior to public disclosure, the Committee will review and recommend to the Board for approval:
- (a) the annual audited consolidated financial statements and interim unaudited consolidated financial statements of the Company;
 - (b) the interim and annual management's discussion and analysis of financial condition and results of operations (MD&A);
 - (c) earnings press releases and earnings guidance, if any;
 - (d) any management information circular issued by the Company; and
 - (e) any prospectus filed by the Company.
- 3.2 In its review of the financial statements, the Committee will focus on:
- (a) the quality and appropriateness of accounting and reporting practices and principles and any changes thereto;
 - (b) major estimates or judgements, including alternative treatments of financial information discussed by management and the external auditors, the results of such discussions and the treatments preferred by the external auditors;
 - (c) material financial risks;
 - (d) material transactions;
 - (e) material adjustments;
 - (f) material compliance with loan agreements;
 - (g) material off-balance sheet transactions and structures;
 - (h) related-party transactions;
 - (i) compliance with accounting standards;
 - (j) compliance with legal and regulatory requirements; and
 - (k) disagreements with management.
- 3.3 The Committee will satisfy itself that adequate procedures are in place for the review of public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in section 3.1, and will periodically assess the adequacy of those procedures.

External Auditors

- 3.4 The external auditors will report directly to the Committee. The Committee will:
- (a) recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation of the external auditors, taking care to ensure that in the opinion of the Committee, the audit fees charged by the external auditors with respect to the audit are appropriate in relation to the work required to support an audit opinion, without regard to fees that are paid or payable or might be paid to the external auditors for other services;
 - (b) oversee the work of the external auditors and review and approve the annual audit plan of the external auditors, including the scope of the audit to be performed. The Committee will discuss with the external auditors and management the adequacy and effectiveness of the disclosure controls and internal controls of the Company and elicit recommendations for the improvement of such controls or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis will be given to the adequacy of internal controls to prevent or detect any payments, transactions or procedures that might be deemed illegal or otherwise improper;
 - (c) meet regularly with the external auditors without management present and ask the external auditors to report any significant disagreements with management regarding financial reporting, the resolution of such disagreements and any restrictions imposed by management on the scope and extent of the audit examinations conducted by the external auditors;
 - (d) pre-approve all audit, audit-related and non-audit services to be provided to the Company by the external auditors, in accordance with applicable securities laws;
 - (e) annually review the qualifications, expertise and resources and the overall performance of the external audit team and, if necessary, recommend to the Board the termination of the external auditors or the rotation of the audit partner in charge of the engagement;

- (f) at least annually, obtain and review a report by the external auditors describing that firm's internal quality-control procedures, any material issues raised by its most recent internal quality control review or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by it and any steps taken to deal with such issues, and all relationships between the external auditors and the Company and its affiliates;
- (g) annually assess and confirm the independence of the external auditors and require the external auditors to deliver a report to the Committee regarding its independence, such report to include disclosure regarding all engagements (and fees related thereto) by the Company and its affiliates and relationships which may affect the objectivity or independence of the external auditors;
- (h) review post-audit management letters containing recommendations of the external auditors, and management's response to such letters;
- (i) review reports of the external auditors; and
- (j) pre-approve the hiring of employees and former employees of current and former auditors.

Notwithstanding section 3.4(d) above, the Committee may delegate the pre-approval of audit, audit-related and non-audit services to any one member of the Committee, provided that a report on any such pre-approval is made to the Committee at the Committee's first scheduled meeting following the pre-approval.

Whistleblower, Ethics and Internal Controls Complaint Procedures

- 3.5 The Committee will ensure that the Company has in place adequate procedures for:
- (a) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Accounting and Financial Management

- 3.6 The Committee will review:
- (a) with management and the external auditors, the Company's significant accounting policies and practices, including any changes from preceding years and any proposed changes for future years;
 - (b) with management and the external auditors, emerging accounting issues and their potential impact on financial reporting;
 - (c) significant judgements, assumptions and estimates made by management in preparing financial statements;
 - (d) the evaluation by management of the adequacy and effectiveness of the Company's disclosure controls and internal controls for financial reporting;
 - (e) the evaluation by either the external auditors of management's internal control systems, management's responses to any identified deficiencies or weaknesses, and any special audit steps adopted in light of material deficiencies or weaknesses;
 - (f) all alternative treatments of financial information discussed by the external auditors and management, the results of such discussions, and the treatments preferred by the external auditors;
 - (g) the effect of off-balance sheet transactions or structures on the financial statements;
 - (h) any errors or omissions in, and any required restatement of, the financial statements for preceding years;
 - (i) all significant tax issues;
 - (j) all material contingent liabilities and related-party transactions;
 - (k) management's approach to safeguarding corporate assets and information systems, the adequacy of staffing of key financial functions, and plans for improvements; and
 - (l) internal interim and post-implementation reviews of major capital projects.

Legal/Regulatory Matters and Ethics

- 3.7 The Committee will review:
- (a) with management, the external auditors and legal counsel, any litigation, claim or other contingency, including any tax assessment, that could have a material effect upon the financial position or operating results of the Company;

- (b) annually, management's relationships with regulators, and the accuracy and timeliness of filings with regulatory authorities; and
- (c) annually, the ethics policy, management's approach to business ethics and corporate conduct and the program used by management to monitor compliance with the policy.

Risk Management

3.8 The Committee will:

- (a) consider any reports presented to it assessing enterprise business risk;
- (b) consider reports on the business continuity/disaster recovery plans for the Company;
- (c) consider reports on the insurance coverage of the Company;
- (d) consider reports on financial risk management, including derivative exposure and policies; and
- (e) review other risk management matters as from time to time the Committee may consider suitable or the Board may specifically direct.

Other

3.9 The Committee will review:

- (a) the expenses of the Chief Executive Officer;
- (b) the proposed disclosure concerning the Committee to be included in the Company's management information circular;
- (c) the Company's disclosure policy; and
- (d) at least once annually, the adequacy of these Terms of Reference and the Committee's performance, and report its evaluation and any recommendations for change to the Compensation and Corporate Governance Committee or, if there is no such committee, to the Board.

3.10 The Committee will also have such other duties and responsibilities as are delegated to it from time to time by the Board.

4. MATTERS FOR WHICH THE COMMITTEE IS NOT RESPONSIBLE

The Committee is not responsible for those matters which are the responsibility of management or the external auditors including, without limitation:

- (a) planning and conducting the external audit;
- (b) ensuring that the financial statements of the Company have been prepared in accordance with generally accepted accounting principles;
- (c) ensuring that the financial statements of the Company and the other financial information of the Company contained in regulatory filings and other public disclosure of the Company fairly present in all material respects the financial condition, results of operations and cash flows of the Company;
- (d) ensuring the adequacy of the internal control over financial reporting structure and the financial risk management systems of the Company; and
- (e) ensuring compliance with applicable laws and regulations.

5. AUTHORITY

The Committee, in fulfilling its mandate, will have the authority to:

- (a) engage and set compensation for independent counsel and other advisers;
- (b) communicate directly with the Chief Financial Officer, the external auditors, and the Company's internal (if any) and external counsel;
- (c) delegate tasks to Committee members or subcommittees of the Committee; and
- (d) access appropriate funding as determined by the Committee to carry out its duties.

These Terms of Reference were approved by a resolution of the Board effective April 19, 2023.