



POSTMEDIA

MANAGEMENT INFORMATION CIRCULAR
December 17, 2020

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
POSTMEDIA NETWORK CANADA CORP. TO BE HELD ON FEBRUARY 10, 2021

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

POSTMEDIA NETWORK CANADA CORP.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting of shareholders ("**Meeting**") of Postmedia Network Canada Corp. ("**Postmedia**") will be held at Postmedia Place, 365 Bloor Street East, 11th Floor, Toronto, Ontario M4W 3L4 on February 10, 2021, at 11:00 a.m. (Toronto time), for the following purposes:

1. to receive Postmedia's consolidated financial statements, and the independent auditor's report thereon, for the year ended August 31, 2020;
2. to re-appoint PricewaterhouseCoopers LLP as Postmedia's auditor for the year ending August 31, 2021 and to authorize the board of directors of Postmedia ("**Board of Directors**") to fix the auditor's remuneration;
3. to elect the directors of Postmedia for the coming year; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Management Information Circular. Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

DUE TO PUBLIC HEALTH RESTRICTIONS ON MASS GATHERINGS RESULTING FROM THE COVID-19 PANDEMIC, AND IN ORDER TO PROTECT THE HEALTH AND SAFETY OF POSTMEDIA'S SHAREHOLDERS, EMPLOYEES AND GUESTS, POSTMEDIA STRONGLY RECOMMENDS THAT SHAREHOLDERS EXERCISE THEIR RIGHT TO VOTE BY PROXY PRIOR TO THE MEETING, THROUGH ANY OF THE METHODS DESCRIBED IN THE ACCOMPANYING MANAGEMENT INFORMATION CIRCULAR, AND FOREGO ATTENDING THE MEETING. POSTMEDIA WILL CONTINUE TO MONITOR COVID-19 DEVELOPMENTS AND RESERVES THE RIGHT TO TAKE ANY ADDITIONAL PRECAUTIONARY MEASURES IT DEEMS APPROPRIATE RELATED TO THE MEETING. SHAREHOLDERS ARE ENCOURAGED TO VISIT WWW.POSTMEDIA.COM ONE WEEK PRIOR TO THE MEETING FOR THE MOST CURRENT INFORMATION.

The Board of Directors has fixed the close of business on December 14, 2020 as the record date, being the date for the determination of the registered holders of Class C voting shares and Class NC variable voting shares in the capital of Postmedia entitled to receive notice of and vote at the Meeting and any adjournment thereof. Proxies to be used or acted upon at the Meeting or any adjournment thereof must be deposited with Postmedia's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 no later than 11:00 a.m. (Toronto time) on February 8, 2021 or forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting. Late proxies may be accepted or rejected by the Executive Chair of the Meeting in his discretion, and the Executive Chair is under no obligation to accept or reject any particular late proxy.

DATED at Toronto, Ontario this 17th day of December, 2020.

BY ORDER OF THE BOARD OF DIRECTORS



PAUL GODFREY
EXECUTIVE CHAIR OF THE BOARD OF DIRECTORS

TABLE OF CONTENTS

GENERAL PROXY INFORMATION	1
VOTING INFORMATION	1
VOTING MATTERS	1
WHO CAN VOTE	1
VOTING YOUR SHARES	1
VOTING YOUR SHARES BY PROXY	2
DEADLINE FOR PROXIES	2
YOUR PROXY VOTE	2
APPOINTING A PROXYHOLDER	2
REVOKING YOUR PROXY	3
VOTING BY NON-REGISTERED SHAREHOLDERS	3
ADDITIONAL MATTERS PRESENTED AT THE MEETING	3
DESCRIPTION OF SHARES	3
QUORUM AND PRINCIPAL HOLDERS	4
MATTERS TO BE ACTED UPON AT THE MEETING	5
FINANCIAL STATEMENTS	5
RE-APPOINTMENT OF AUDITOR	5
ELECTION OF DIRECTORS	5
BOARD OF DIRECTORS	7
DIRECTOR BIOGRAPHIES	7
CEASE TRADE ORDERS, BANKRUPTCIES OR PLANS OF ARRANGEMENT	12
PENALTIES OR SANCTIONS	13
CONFLICTS OF INTEREST	13
STATEMENT OF EXECUTIVE COMPENSATION	14
COMPENSATION DISCUSSION AND ANALYSIS	14
NAMED EXECUTIVE OFFICERS	14
COMPENSATION GOVERNANCE	14
COMPETITIVE BENCHMARKING	18
HOW POSTMEDIA MAKES EXECUTIVE COMPENSATION DECISIONS	18
EXECUTIVE COMPENSATION COMPONENTS AND THEIR OBJECTIVES	18
SUMMARY COMPENSATION TABLE	23
PERFORMANCE GRAPH	25
PAY FOR PERFORMANCE	25
INCENTIVE PLAN AWARDS	25
STOCK OPTION PLAN	25
RESTRICTED SHARE UNIT PLAN	28
CASH PLAN	30
EMPLOYMENT AGREEMENTS	33
DIRECTOR COMPENSATION	37
INSURANCE COVERAGE FOR DIRECTORS AND OFFICERS AND INDEMNIFICATION	38
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	38

STATEMENT OF CORPORATE GOVERNANCE PRACTICES.....	39
BOARD OF DIRECTORS.....	39
DIVERSITY AT THE BOARD LEVEL.....	40
DIVERSITY AT THE EXECUTIVE LEVEL.....	41
INDEPENDENCE	42
CODE OF BUSINESS CONDUCT AND ETHICS	42
POSITION DESCRIPTIONS.....	43
ORIENTATION AND CONTINUING EDUCATION	44
BOARD OF DIRECTORS RENEWAL, ANNUAL EVALUATION AND SKILLS MATRIX REVIEW	44
COMMITTEES OF THE BOARD OF DIRECTORS	44
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	46
REFINANCING TRANSACTION	46
ADDITIONAL INFORMATION	46
DIRECTORS' APPROVAL.....	47
SCHEDULE "A"	48

POSTMEDIA NETWORK CANADA CORP. MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular ("**Circular**") is furnished in connection with the solicitation of proxies by and on behalf of the management of Postmedia Network Canada Corp. ("**Postmedia**") for use at the annual general meeting of shareholders ("**Meeting**") to be held on February 10, 2021 at 11:00 a.m. (Toronto time) at Postmedia Place, 365 Bloor Street East, 11th Floor, Toronto, Ontario M4W 3L4 and any adjournment thereof. The Meeting has been called for the purposes set forth in the Notice of Annual General Meeting of Shareholders ("**Notice of Meeting**") that accompanies this Circular.

References in this Circular to the "*Company*", "*we*", "*us*", "*our*" and similar terms, as well as references to Postmedia, refer to Postmedia Network Canada Corp. and, if the context requires, its subsidiary, Postmedia Network Inc. Unless otherwise indicated, the information in this Circular is given as at December 11, 2020 and all dollar references in this Circular are to Canadian dollars.

GENERAL PROXY INFORMATION

This Circular provides the information you need to vote at the Meeting.

If you are a registered holder of Class C voting shares in the capital of Postmedia ("**Voting Shares**") or Class NC variable voting shares in the capital of Postmedia ("**Variable Voting Shares**", and collectively with Voting Shares, the "**Shares**"), a proxy form is enclosed that you can use to vote at the Meeting.

If your Shares are held by a nominee, you should contact that nominee to arrange to receive either a form of proxy or voting instruction form.

These security holder materials are being sent to both registered and non-registered owners of the Shares ("**Shareholders**"). If you are a non-registered owner, and Postmedia or its agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Shares on your behalf.

The solicitation of proxies 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 Postmedia.

VOTING INFORMATION

VOTING MATTERS

At the Meeting, Shareholders will be asked to vote on the:

- (a) re-appointment of our auditor for the year ending August 31, 2021 and the authorization of the Company's board of directors ("**Board of Directors**") to fix the auditor's remuneration; and
- (b) election of the directors of Postmedia for the coming year.

WHO CAN VOTE

The record date for the Meeting is December 14, 2020. Our transfer agent, Computershare Investor Services Inc. ("**Transfer Agent**"), will prepare a list of the registered holders of the Shares as of the close of business on the record date. A holder of Shares whose name appears on such list is entitled to vote such Shares on such list at the Meeting.

VOTING YOUR SHARES

IF YOU ARE A REGISTERED SHAREHOLDER ON THE RECORD DATE, YOU MAY VOTE IN PERSON AT THE MEETING OR GIVE ANOTHER PERSON AUTHORITY TO REPRESENT YOU AND VOTE YOUR SHARES AT THE MEETING, AS DESCRIBED BELOW UNDER "VOTING YOUR SHARES BY PROXY".

VOTING YOUR SHARES BY PROXY

IF YOU WILL NOT BE AT THE MEETING OR DO NOT WISH TO VOTE IN PERSON, YOU MAY VOTE BY USING THE ENCLOSED PROXY FORM. A PROXY MUST BE IN WRITING AND MUST BE EXECUTED BY YOU OR BY YOUR ATTORNEY AUTHORIZED IN WRITING.

DUE TO PUBLIC HEALTH RESTRICTIONS ON MASS GATHERINGS RESULTING FROM THE COVID-19 PANDEMIC, AND IN ORDER TO PROTECT THE HEALTH AND SAFETY OF POSTMEDIA'S SHAREHOLDERS, EMPLOYEES AND GUESTS, POSTMEDIA STRONGLY RECOMMENDS THAT SHAREHOLDERS EXERCISE THEIR RIGHT TO VOTE BY PROXY PRIOR TO THE MEETING, THROUGH ANY OF THE METHODS DESCRIBED IN THIS CIRCULAR, AND FOREGO ATTENDING THE MEETING. POSTMEDIA WILL CONTINUE TO MONITOR COVID-19 DEVELOPMENTS AND RESERVES THE RIGHT TO TAKE ANY ADDITIONAL PRECAUTIONARY MEASURES IT DEEMS APPROPRIATE RELATED TO THE MEETING. SHAREHOLDERS ARE ENCOURAGED TO VISIT WWW.POSTMEDIA.COM ONE WEEK PRIOR TO THE MEETING FOR THE MOST CURRENT INFORMATION.

DEADLINE FOR PROXIES

Any proxy to be used at the Meeting must be received by our Transfer Agent at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 no later than 11:00 a.m. (Toronto time) on February 8, 2021 or forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting. Registered Shareholders may provide their voting instructions by either of the following means:

- **BY MAIL** to the address set forth above by a pre-paid, pre-addressed return envelope (where available); or
- **BY HAND OR BY COURIER** to the address set forth above.

YOUR PROXY VOTE

On the proxy form, you can indicate how you want to vote your Shares, or you can let your proxyholder decide for you.

All Shares represented by properly completed proxies received by our Transfer Agent, no later than 11:00 a.m. (Toronto time) on February 8, 2021 or forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting, will be voted or withheld from voting, in accordance with your instructions as specified in the proxy, on any ballot votes that take place at the Meeting.

If you give instructions regarding how to vote your Shares on your proxy form, your proxyholder must vote your Shares according to your instructions. If you have not specified how to vote on a particular matter on your proxy form, your proxyholder can vote your Shares as he or she sees fit. **IF NEITHER YOU NOR YOUR PROXYHOLDER GIVES SPECIFIC INSTRUCTIONS, YOUR SHARES WILL BE VOTED:**

- (a) **FOR** the re-appointment of PricewaterhouseCoopers LLP as our independent auditor for the year ending August 31, 2021 and the authorization of the Board of Directors to fix the auditor's remuneration; and
- (b) **FOR** the election of each of the nominees to the Board of Directors listed under the heading "*Matters to be acted upon at the Meeting – Election of Directors*".

APPOINTING A PROXYHOLDER

A proxyholder is the person you appoint to act on your behalf at the Meeting (including any continuation after an adjournment of the Meeting) and to vote your Shares.

YOU MAY CHOOSE ANYONE TO BE YOUR PROXYHOLDER, INCLUDING SOMEONE WHO IS NOT A SHAREHOLDER. SIMPLY FILL IN THE NAME OF YOUR CHOSEN PROXYHOLDER IN THE BLANK SPACE PROVIDED ON THE ENCLOSED PROXY FORM. IF YOU LEAVE THE SPACE IN THE PROXY FORM BLANK, THE PERSON DESIGNATED IN THE FORM, WHO IS OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER OR, FAILING HIM, THE EXECUTIVE CHAIR OF OUR BOARD OF DIRECTORS ("EXECUTIVE CHAIR"), IS APPOINTED TO ACT AS YOUR PROXYHOLDER.

REVOKING YOUR PROXY

If you give a proxy, you may revoke it at any time before it is used by doing any one of the following:

- you may send another proxy form with a later date to our Transfer Agent, but it must reach our Transfer Agent no later than 11:00 a.m. (Toronto time) on February 8, 2021 or forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting;
- you may deliver a signed written statement stating that you want to revoke your proxy to our Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary, Gillian Akai, no later than 5:00 p.m. (Toronto time) on February 9, 2021, the last business day preceding the day of the Meeting, or any adjournment thereof, at Postmedia Place, 365 Bloor Street East, 12th Floor, Toronto, Ontario M4W 3L4;
- you may attend the Meeting and notify the Executive Chair of the Meeting prior to the commencement of the Meeting that you have revoked your proxy; or
- you may revoke your proxy in any other manner permitted by law.

VOTING BY NON-REGISTERED SHAREHOLDERS

You are a non-registered Shareholder if your Shares are held in the name of a nominee (such as a bank, trust company or securities broker). Your nominee will generally provide you with a voting instruction form or a proxy form. You should follow the voting instructions provided by your nominee. If you wish to vote in person at the Meeting, you must insert your own name in the space provided for the appointment of a proxyholder on the form provided by your nominee and return same by following the instructions provided.

ADDITIONAL MATTERS PRESENTED AT THE MEETING

The enclosed proxy form confers discretionary authority upon the persons named as proxies therein with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting.

If you sign and return the proxy form and do not appoint a proxyholder by filling in a name, and any matter is presented at the Meeting in addition to, or as an amendment or variation to, the matters described in the Notice of Meeting, the Postmedia representatives named as proxies will vote on such matters on your behalf in their best judgment. Management is not currently aware of any matters to be considered at the Meeting other than the matters described in the Notice of Meeting, or any amendments or variations to the matters described in such notice.

DESCRIPTION OF SHARES

Voting Rights

Voting Shares and Variable Voting Shares are the only Shares that entitle Shareholders to vote at the Meeting. Each Voting Share entitles the holder thereof to one vote on each item of business identified in the Notice of Meeting. Each Variable Voting Share entitles the holder thereof to one vote on each item of business identified in the Notice of Meeting, except if:

- (a) the number of issued and outstanding Variable Voting Shares exceeds 49.9% of the total number of all issued and outstanding Shares; or
- (b) the total number of votes that may be cast by or on behalf of holders of Variable Voting Shares present at any meeting of holders of Shares exceeds 49.9% of the total number of votes that may be cast by all holders of Shares present and entitled to vote at such meeting.

If either of the above-noted thresholds is surpassed at any time, the vote attached to each Variable Voting Share will decrease automatically and without further act or formality, to equal the maximum permitted vote per Variable Voting Share as indicated below. Under the circumstance described in subparagraph (a) above, the Variable Voting Shares as a class cannot carry more than 49.9% of the aggregate votes. Under the circumstance described in subparagraph (b) above, the Variable Voting Shares as a class cannot, for the applicable Shareholders' meeting, carry more than 49.9% of the total number of votes that can be cast at the Meeting.

Conversion of Shares and Coattail Provisions

An issued and outstanding Variable Voting Share shall be converted into one Voting Share, automatically and without any further act of Postmedia or the holder if: (a) such Variable Voting Share is not, or ceases to be, beneficially owned or controlled, directly or indirectly, otherwise than by way of security only, by one or more persons who are citizens or subjects of a country other than Canada or one or more persons who are controlled by one or more citizens or subjects of a country other than Canada (collectively, “**Non-Canadians**”), unless such Variable Voting Share resulted from the exercise of a voluntary election to convert a Voting Share into a Variable Voting Share; or (b) (i) the foreign ownership restrictions of the *Income Tax Act* (Canada) (“**Tax Act**”) are repealed and not replaced with other similar restrictions in the Tax Act or other applicable legislation; and (ii) there is no Canadian federal or provincial law applicable to Postmedia prescribed for the purposes of subsection 46(1) or paragraph 174(1)(c) of the *Canada Business Corporations Act* or any other similar provision in the *Canada Business Corporations Act* or the *Canada Business Corporations Act Regulations*.

An issued and outstanding Voting Share shall be converted into one Variable Voting Share, automatically and without any further act of Postmedia or the holder, if such Voting Share becomes held or beneficially owned or controlled, directly or indirectly, otherwise than by way of security only, by one or more Non-Canadians. In addition to such automatic conversion feature, a holder of Voting Shares shall have the option at any time to convert some or all of such Shares into Variable Voting Shares on a one-for-one basis and to convert those Shares back to Voting Shares on a one-for-one basis.

In the event that an offer is made to purchase Voting Shares or Variable Voting Shares and the offer is one which must, pursuant to applicable securities legislation or the rules of a stock exchange on which the Shares are then listed, be made to all or substantially all of the holders of the Shares of such class, and a concurrent offer at an equal price and with identical terms (subject to certain exceptions) is not made to purchase the Shares of such other class, each Variable Voting Share or Voting Share, as the case may be, shall become convertible at the option of the holder into one Share of the other class that shall be subject to the offer at any time while the offer is in effect. The conversion right may only be exercised in respect of Shares for the purpose of depositing the resulting Shares in response to the offer and a Canadian trustee designated by Postmedia shall deposit the resulting Shares on behalf of the participating Shareholder.

If the Shares resulting from the conversion, and deposited pursuant to the offer, are withdrawn from the offer or are not taken up by the offeror or if the offer is abandoned or withdrawn, the Shares resulting from the conversion shall be reconverted back into the original class automatically and without further act from Postmedia or the holder.

Quorum and Principal Holders

The presence of at least two people holding or representing by proxy at least 10% of the total number of issued and outstanding Shares for the time being enjoying voting rights at such meeting is necessary for a quorum at the Meeting. As at December 11, 2020, 54,022 Voting Shares and 93,686,277 Variable Voting Shares were issued and outstanding.

To the knowledge of the Board of Directors and executive officers of Postmedia, no person owns, directly or indirectly, or exercises control or direction over, voting securities of Postmedia carrying more than 10% of the voting rights attached to any class of our voting securities as at December 11, 2020, other than for the Variable Voting Shares:

- (a) Chatham Asset Management, LLC (“**Chatham LLC**”) and certain investment funds or accounts for which Chatham LLC or its affiliates acts as investment advisor, sub-advisor or manager (“**Chatham**”) which collectively hold 62,319,049 Variable Voting Shares representing 66.52% of the outstanding Variable Voting Shares and approximately 33.19% of the outstanding voting rights;
- (b) Allianz Global Investors U.S. LLC which holds 17,778,131 Variable Voting Shares representing 18.98% of the outstanding Variable Voting Shares and approximately 9.47% of the outstanding voting rights; and
- (c) Leon Cooperman who holds, directly and indirectly, 13,109,500 Variable Voting Shares representing 13.99% of the outstanding Variable Voting Shares and approximately 6.98% of the outstanding voting rights.

MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS

The annual report, which includes the audited consolidated financial statements of the Company for the years ended August 31, 2020 and 2019, accompanying this Circular 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.

RE-APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP is the auditor of Postmedia and was first appointed as our auditor in fiscal 2010.

Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote for the re-appointment of PricewaterhouseCoopers LLP as our auditor until the close of our next annual meeting of Shareholders and the authorization of the Board of Directors to fix the remuneration of the auditor.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR AUDITOR FOR THE YEAR ENDING AUGUST 31, 2021 AND THE AUTHORIZATION OF THE BOARD OF DIRECTORS TO FIX THE AUDITOR'S REMUNERATION.

ELECTION OF DIRECTORS

Pursuant to its constating documents, Postmedia is required to have a minimum of three directors and a maximum of 15 directors. Postmedia currently has nine directors, which number will increase to ten in the event that all nominees are elected at the Meeting.

The Board of Directors has adopted a majority voting policy in director elections that will apply at any meeting of Shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Executive Chair promptly following the applicable Shareholders' meeting. Following receipt of such resignation, the Corporate Governance and Nominating Committee will consider whether or not to accept the offer of resignation and make a recommendation to the Board of Directors in connection with same. Within 90 days following the applicable Shareholders' meeting, the Board of Directors shall publicly disclose their decision whether to accept the applicable director's resignation or not, including the reasons for rejecting the resignation, if applicable, provided that the Board of Directors shall accept the resignation absent exceptional circumstances. Save for exceptional circumstances that would warrant the continued service of the applicable director on the Board of Directors, the resignation will be effective when accepted by the Board of Directors. The Company will be required to issue a news release announcing the Board of Directors' decision and, if the Board of Directors determines not to accept a resignation, the news release will be required to state the reasons for that decision. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board of Directors or the Corporate Governance and Nominating Committee at which the resignation is considered. A copy of the majority voting policy may be found on the Postmedia website at www.postmedia.com.

The following table identifies the name and city of residence of the persons proposed to be nominated for election by Shareholders as directors, their current positions with Postmedia, the date on which they first became a director of Postmedia and their principal occupations.

NAME AND RESIDENCE	POSITION HELD WITH POSTMEDIA	DIRECTOR SINCE	PRINCIPAL OCCUPATION IF DIFFERENT FROM POSITION HELD WITH POSTMEDIA
Paul Godfrey Toronto, Ontario Canada	Executive Chair of the Board of Directors	April 26, 2010	-
John Bode ⁽⁴⁾ Naples, Florida USA	Director	October 25, 2018	Chief Operating Officer, ReaderLink Distribution Services, LLC
Janet Ecker ⁽¹⁾⁽²⁾⁽⁴⁾ Ajax, Ontario Canada	Director	May 16, 2017	Corporate Director
Vincent Gasparro ⁽¹⁾ Toronto, Ontario Canada	New Nominee	-	Managing Director, Corporate Development & Clean Energy Finance, Vancity Community Investment Bank
Wendy Henkelman ⁽¹⁾⁽²⁾⁽⁴⁾ Canmore, Alberta Canada	Director	January 13, 2016	Corporate Director
Mary Junck ⁽¹⁾⁽²⁾⁽³⁾ Clayton, Missouri USA	Director	October 5, 2016	Chairman of Lee Enterprises, Incorporated
Andrew MacLeod Kitchener, Ontario Canada	Director and President and Chief Executive Officer	April 11, 2019	-
Daniel Rotstein ⁽³⁾ Plantation, Florida USA	Director	October 5, 2016	Director of Human Resources/Risk Management, City of Pembroke Pines
Graham Savage ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario Canada	Director	July 12, 2010	Corporate Director
Peter Sharpe ⁽¹⁾⁽³⁾⁽⁴⁾ Toronto, Ontario Canada	Lead Director	June 17, 2010	Corporate Director

Notes:

- (1) Independent member of the Board of Directors.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation and Pension Committee.
- (4) Member of the Corporate Governance and Nominating Committee.

Nine of the nominees are currently directors of Postmedia and have been appointed or elected for a term ending on the date of the Meeting. Mr. Gasparro is being nominated as a director of Postmedia for the first time. Each director elected at the Meeting will hold office for a term ending on the date 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, removal or other cause.

It is not expected that any of the nominees will be unable, or for any reason will become unwilling, to serve as a director but should that occur prior to the election, the persons named in the accompanying form of proxy or voting instruction form reserve the right to vote for another nominee in their discretion, unless the Shareholder has specified that his or her Shares be withheld from voting on the election of directors. For more information on our proposed nominees, see “Board of Directors – Director Biographies”.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE NOMINEES PROPOSED FOR ELECTION.

BOARD OF DIRECTORS

DIRECTOR BIOGRAPHIES

The following are brief profiles of persons proposed to be nominated for election by Shareholders as directors of Postmedia, including a description of each individual's principal occupation within the past five years.

PAUL GODFREY (EXECUTIVE CHAIR)

Mr. Godfrey is the Executive Chair of the Board of Directors of Postmedia. Prior to this, he served as Executive Chair and Chief Executive Officer of Postmedia, President and Chief Executive Officer of Postmedia, President and Chief Executive Officer of National Post Inc., President and Chief Executive Officer of the Toronto Blue Jays Baseball Club and spent 16 years with Sun Media Corporation, eventually taking the role of President and Chief Executive Officer. Mr. Godfrey has a proud record of public service including a record four terms (11 years) as the Chairman of the Municipality of Metropolitan Toronto. He served as the Chairman of the Ontario Lottery and Gaming Corporation from 2010 until 2013. He is Chairman of the board of RioCan Real Estate Investment Trust. He also serves on the board of Cargojet Inc. and serves as Vice Chairman of Baycrest Centre for Geriatric Care.

LOCATION	Toronto, Ontario Canada	DIRECTOR SINCE	April 26, 2010	STATUS	Non-Independent ⁽¹⁾
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		8 of 8	100%	Cargojet Inc. RioCan Real Estate Investment Trust	
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	5,034		Options	1,171,965	
Variable Voting Shares	None		RSUs	2,343,930 ⁽²⁾	
Total Number of Shares	5,034				
Total Number of Shares, Options, and RSUs		3,520,929			

Notes:

- (1) Mr. Godfrey is not independent as a result of his position as Executive Chair of Postmedia. For more information on director independence, see "Statement of Corporate Governance Practices – Independence".
- (2) This includes Mr. Godfrey's Tandem Award (as defined below). For more information on the Tandem Award, see "Statement of Executive Compensation – Employment Agreements".

JOHN BODE (DIRECTOR)

Mr. Bode is currently Chief Operating Officer at ReaderLink Distribution Services, LLC and serves on the board of The McClatchy Company, LLC. Previously, Mr. Bode owned and operated a strategic consultancy practice focused on working with companies, primarily legacy print media companies, undertaking major transformation initiatives and transactions. Prior to his consultancy practice, Mr. Bode was Chief Financial Officer at Tribune Publishing.

LOCATION	Naples, Florida USA	DIRECTOR SINCE	October 25, 2018	STATUS	Non-Independent ⁽¹⁾
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		8 of 8	100%	FISION Corporation	
Corporate Governance and Nominating Committee		3 of 3	100%	Proficient Alpha Acquisition Corp.	
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	None		Options RSUs	None	
Variable Voting Shares	None			None	
Total Number of Shares	None				
Total Number of Shares, Options, and RSUs		None			

Notes:

- (1) The Board of Directors has determined that Mr. Bode is not independent as a result of his relationship with Chatham and previous strategic and financial consulting services that he provided to Postmedia management through a third party which is an associated company of Chatham. Mr. Bode ceased providing such services to Postmedia in August 2018. For more information on director independence, see "Statement of Corporate Governance Practices – Independence".

JANET ECKER (DIRECTOR)

Ms. Ecker is a Corporate Director who recently retired from the role of President and Chief Executive Officer of Toronto Financial Services Alliance, having served in the role for nearly 13 years. Ms. Ecker served as a Member of Provincial Parliament in Ontario from 1995 to 2003 and held the portfolios of Minister of Finance, Minister of Education, Minister of Community and Social Services and Government House Leader. In 2002, she was the first woman to deliver a budget in Ontario. In November 2016, Ms. Ecker was named a Member of the Order of Canada for being a leader in the financial industry.

LOCATION	Ajax, Ontario Canada	DIRECTOR SINCE		May 16, 2017	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS		
Board of Directors		8 of 8	100%	None		
Audit Committee		5 of 5	100%			
Corporate Governance and Nominating Committee		3 of 3	100%			
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)						
Voting Shares	None			Options	None	
Variable Voting Shares	None			RSUs	None	
Total Number of Shares	None					
Total Number of Shares, Options, and RSUs		None				

VINCENT GASPARRO (NEW NOMINEE)

Mr. Gasparro is currently the Managing Director, Corporate Development & Clean Energy Finance, at Vancity Community Investment Bank. From November 2018 to March 2020, he was the Principal Secretary in the Office of the Mayor of Toronto where he had specific public policy responsibilities including matters related to Toronto Hydro, Toronto Parking Authority, Toronto Global, and Toronto Community Housing. Prior to that, Mr. Gasparro had various roles in private equity with Lynx Equity Ltd. and affiliates thereof, and from 2003 to 2006, served as Special Assistant in the Office of the Prime Minister of Canada. Mr. Gasparro has a BA from York University, an MSc from the London School of Economics and an MBA from the Villanova School of Business in Philadelphia. He currently sits on the board of Terrace Global Inc. and has previously served on the board of directors and was Chair of the Investment Advisory Committee of Toronto Community Housing Corporation and was a member of the board of the Ontario Angel Network.

LOCATION	Toronto, Ontario Canada	DIRECTOR SINCE	-	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
New Nominee		-	-	Terrace Global Inc.	
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	None		Options	None	
Variable Voting Shares	None		RSUs	None	
Total Number of Shares	None				
Total Number of Shares, Options, and RSUs		None			

WENDY HENKELMAN (DIRECTOR)

Ms. Henkelman is a Corporate Director with extensive experience in finance including accounting, treasury, taxation, information systems, internal controls and risk management. She has held executive positions in major oil and gas companies including Vice President, Treasury and Compliance with Penn West Exploration and Country Tax Manager at Shell Canada Limited. She began her career with KPMG LLP, progressing from the audit function to manager in the income tax group. Ms. Henkelman has chaired major pension trusts of public corporations, is the past President of the Canadian Petroleum Tax Society and is a former member of the Tax Executives Institute and the Canadian Tax Foundation. Ms. Henkelman currently sits on the board of ATB Financial, where she is a member of the Audit Committee and chairs the Human Resources Committee, and Cervus Equipment Corporation, where she chairs the Audit Committee and is a member of the Human Resources and Compensation Committee and Technology and Innovation Committee.

LOCATION	Canmore, Alberta Canada	DIRECTOR SINCE	January 13, 2016	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		8 of 8	100%	Cervus Equipment Corporation	
Audit Committee		5 of 5	100%		
Corporate Governance and Nominating Committee		3 of 3	100%		
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	None		Options	None	
Variable Voting Shares	None		RSUs	None	
Total Number of Shares	None				
Total Number of Shares, Options, and RSUs		None			

MARY JUNCK (DIRECTOR)

Ms. Junck is Chairman of Lee Enterprises, Incorporated, a leading provider of local news, information and advertising in 77 primarily midsize markets in the United States. Ms. Junck began her career at the Charlotte Observer in 1972 as marketing research manager. She later held senior executive positions at the former Times Mirror Company, as Executive Vice President of Times Mirror and President of Times Mirror Eastern Newspapers. Ms. Junck is the retired Chairman of the board of directors of the Associated Press, the world's oldest and largest newsgathering organization, and served on the board of Augustana College in Rock Island, Illinois, a private liberal arts college.

LOCATION	Clayton, Missouri USA	DIRECTOR SINCE	October 5, 2016	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors ⁽¹⁾		6 of 8	75%	Lee Enterprises, Incorporated	
Audit Committee ⁽¹⁾		4 of 5	80%		
Compensation and Pension Committee ⁽¹⁾		6 of 8	75%		
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	None		Options	None	
Variable Voting Shares	None		RSUs	None	
Total Number of Shares	None				
Total Number of Shares, Options, and RSUs		None			

Notes:

- (1) Ms. Junck was unable to attend Board of Director and committee meetings held in January 2020 for medical reasons. Her absence was approved by the Executive Chair.

ANDREW MACLEOD (DIRECTOR)

Mr. MacLeod was appointed President and Chief Executive Officer of Postmedia in January 2019 and a Director of Postmedia in April 2019, after serving as President and Chief Operating Officer since 2017, Executive Vice President and Chief Operating Officer since 2016 and Executive Vice President and Chief Commercial Officer since July 2014. Prior to that, he held a number of senior executive positions in the technology industry, serving as the Senior Vice President and Regional Managing Director of North America at BlackBerry Limited. Mr. MacLeod currently serves as a Director on the board of directors of Waterfront Toronto and Communitech.

LOCATION	Kitchener, Ontario Canada	DIRECTOR SINCE	April 11, 2019	STATUS	Non-Independent ⁽¹⁾
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		8 of 8	100%	None	
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	None		Options	1,130,000	
Variable Voting Shares	None		RSUs	694,365	
Total Number of Shares	None				
Total Number of Shares, Options, and RSUs		1,824,365			

Notes:

- (1) Mr. MacLeod is not independent as a result of his position as President and Chief Executive Officer of Postmedia. For more information on director independence, see "Statement of Corporate Governance Practices – Independence".

DANIEL ROTSTEIN (DIRECTOR)

Mr. Rotstein serves as the Director of Human Resources/Risk Management for the City of Pembroke Pines, Florida and provides human resources, risk management, and administrative consulting services to companies in various industries, including American Media, Inc. Prior to that, Mr. Rotstein was the Executive Vice President, Human Resources and Administration for American Media, LLC. Mr. Rotstein has over 30 years of experience holding human resources management positions in the manufacturing, financial services and retail services industries and has successfully assisted organizations in all facets of human resources, risk management and administration.

LOCATION	Plantation, Florida USA	DIRECTOR SINCE	October 5, 2016	STATUS	Non-Independent ⁽¹⁾
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE	CURRENT PUBLIC BOARD MEMBERSHIPS		
Board of Directors		8 of 8	100%	None	
Compensation and Pension Committee		8 of 8	100%		
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	None			Options	None
Variable Voting Shares	None			RSUs	None
Total Number of Shares	None				
Total Number of Shares, Options, and RSUs		None			

Notes:

- (1) In 2016, Mr. Rotstein was nominated by Chatham pursuant to its nominating rights. For more information on Chatham's nominating rights, see "Board of Directors – Conflicts of Interest". The Board of Directors has determined that Mr. Rotstein is not independent. For more information on director independence, see "Statement of Corporate Governance Practices – Independence".

GRAHAM SAVAGE (DIRECTOR)

Mr. Savage is a Corporate Director and from 1997 to 2007 he was Chairman and Founding Partner of Callisto Capital and its predecessor, both private equity firms. Prior to that, Mr. Savage spent 21 years as a senior officer at Rogers Communications Inc. Mr. Savage is a Director of Primo Water Corporation (formerly, Cott Corporation) and previously served as Chairman of Sears Canada Inc. and Director of Canadian Tire Corp., Rogers Communications Inc., Sun Media Corp., Royal Group Technologies Ltd. and Hollinger International Inc., among others.

LOCATION	Toronto, Ontario Canada	DIRECTOR SINCE	July 12, 2010	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		8 of 8	100%	Primo Water Corporation (formerly, Cott Corporation)	
Audit Committee		5 of 5	100%		
Compensation and Pension Committee		8 of 8	100%		
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	None			Options	None
Variable Voting Shares	None			RSUs	None
Total Number of Shares	None				
Total Number of Shares, Options, and RSUs		None			

PETER SHARPE (LEAD DIRECTOR)

Mr. Sharpe retired as President and Chief Executive Officer of Cadillac Fairview Corporation in 2010, having served with the company for over 25 years. Mr. Sharpe is currently a director of Morguard Corporation, First Industrial REIT (US) and Allied Property REIT. Mr. Sharpe is also a past Chairman and current Trustee of the International Council of Shopping Centers.

LOCATION	Toronto, Ontario Canada	DIRECTOR SINCE	June 17, 2010	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2020 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		8 of 8	100%	Allied Property REIT	
Compensation and Pension Committee		8 of 8	100%	First Industrial REIT (US)	
Corporate Governance and Nominating Committee		3 of 3	100%	Morguard Corporation	
EQUITY OWNERSHIP (BENEFICIALLY OWNED, CONTROLLED OR DIRECTED)					
Voting Shares	166			Options	None
Variable Voting Shares	998			RSUs	None
Total Number of Shares	1,164				
Total Number of Shares, Options, and RSUs		1,164			

CEASE TRADE ORDERS, BANKRUPTCIES OR PLANS OF ARRANGEMENT

Other than as described below, no director, nominee or executive officer of Postmedia is, or within ten years before the date hereof, has been a director, chief executive officer or chief financial officer of any company (including Postmedia) that:

- (a) was subject to an order that was issued while the director, nominee or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director, nominee or officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes of the preceding sentence, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation.

Other than as described below, to the knowledge of the Company, no director, nominee or executive officer, or Shareholder holding a sufficient number of securities to affect materially the control of Postmedia:

- (a) is at the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company (including Postmedia) that, while that person was acting in that capacity, or within a year of that person 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; or
- (b) has, or within ten years before the date hereof, 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 director, executive officer or Shareholder.

Mr. Savage served as Chairman of the board of Sears Canada Inc. (“**Sears**”) when, on June 22, 2017, Sears announced that it and certain of its subsidiaries (“**Sears Group**”) had been granted an order from the Ontario Superior Court of Justice (Commercial List) (“**Court**”) that, among other things, granted the Sears Group protection from their creditors under the *Companies’ Creditors Arrangement Act* (“**CCAA**”). On June 29, 2017, Sears received notice that the Continued Listings Committee of the TSX had determined to delist Sears’ common shares effective at the close of market on July 28, 2017. Sears did not appeal the decision. On October 16, 2017, Sears announced that it had received approval from the Court to proceed with a liquidation of all of its inventory and furniture, fixtures and equipment located at its remaining stores. Currently, the stay of proceedings against the Sears Group has been extended to January 31, 2021.

During Postmedia’s recapitalization transaction which occurred in fiscal 2017 (“**Recapitalization Transaction**”), Messrs. Godfrey, Savage and Sharpe and Ms. Henkelman were directors of the Company and Paul Godfrey, Andrew MacLeod and Gillian Akai were executive officers of the Company. For more information on the Recapitalization Transaction, see “*General Development of the Business – History of the Corporation*” in the Company’s Annual Information Form dated November 26, 2019, which is available on SEDAR at www.sedar.com.

Mr. Godfrey served on the board of directors of Data and Audio-Visual Enterprises Wireless (d/b/a Mobilicity) from November 20, 2008 to April 30, 2013. Mobilicity sought and received CCAA protection on September 30, 2013.

Ms. Junck served as Executive Chairman, President and Chief Executive Officer of Lee Enterprises, Incorporated (“**Lee**”) in 2011 when Lee, and certain of its subsidiaries, filed voluntary, prepackaged petitions for relief under Chapter 11 of the *United States Bankruptcy Code* (“**USBC**”) (“**Lee Chapter 11 Proceedings**”). On January 23, 2012, the United States Bankruptcy Court approved a second amended joint prepackaged plan of reorganization (“**Lee Plan**”) under the USBC and on January 30, 2012, Lee emerged from the Lee Chapter 11 Proceedings. The Lee Plan became effective on January 30, 2012 and the transactions contemplated by the Lee Plan were consummated.

PENALTIES OR SANCTIONS

To the knowledge of the Company, no director, nominee or executive officer or Shareholder holding a sufficient number of securities to affect materially the control of Postmedia, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Chatham is located at 26 Main Street, Suite 204, Chatham, New Jersey, USA 07928. Chatham owns 62,319,049 Variable Voting Shares and a significant portion of Postmedia's outstanding 10.25% second-lien secured notes due 2024. Chatham's combined debt and equity holdings, along with Mr. Rotstein's relationship with Chatham, and in particular, Mr. Rotstein's nomination to the Board of Directors pursuant to Chatham's nominating rights under a support agreement dated July 7, 2016 (which rights have since expired), may give rise to a potential conflict of interest. Mr. Rotstein is also currently engaged as a consultant with an associated company of Chatham. Additionally, the Board of Directors has determined that Mr. Bode is not independent as a result of his relationship with Chatham and previous strategic and financial consulting services that he provided to Postmedia management through a third party which is an associated company of Chatham. Mr. Bode ceased providing such services to Postmedia in August 2018.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis examines the compensation earned by the Company's: (a) President and Chief Executive Officer ("CEO"); (b) Executive Vice President and Chief Financial Officer ("CFO"); and (c) three other most highly compensated individuals, who served as executive officers of the Company, or in a similar capacity, for the year ended August 31, 2020 ("Fiscal 2020") (collectively with the CEO and the CFO, the "NEOs"). In addition, it describes and explains Postmedia's compensation philosophy and objectives and the significant elements of compensation of the Company's NEOs during Fiscal 2020.

NAMED EXECUTIVE OFFICERS

The NEOs for Fiscal 2020 were:

- Paul Godfrey, Executive Chair⁽¹⁾
- Andrew MacLeod, President and Chief Executive Officer
- Brian Bidulka, Executive Vice President and Chief Financial Officer
- Mary Anne Lavallee, Executive Vice President and Chief Operating Officer
- Gillian Akai, Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary

Notes:

- (1) Mr. Godfrey's existing employment agreement expires on December 31, 2020. It is expected that he will thereafter transition to the position of non-executive Chair of the Board of Directors.

COMPENSATION GOVERNANCE

Role of the Compensation and Pension Committee

The current members of the Compensation and Pension Committee are Messrs. Savage (Chair), Rotstein and Sharpe and Ms. Junck, with Messrs. Savage and Sharpe and Ms. Junck being determined independent. Mr. Rotstein is not an independent director. For more information on director independence, see "*Statement of Corporate Governance Practices – Independence*".

Members of the Compensation and Pension Committee have gained relevant skills and experience with respect to their responsibilities for executive compensation through holding a variety of senior executive management roles, including, for certain members, as chief executive officer of a business with the Human Resources and Finance functions reporting directly to them. In connection with their past roles, Compensation and Pension Committee members have managed and implemented a variety of compensation policies and programs. The Compensation and Pension Committee regularly reports to the Board of Directors in carrying out its responsibilities and duties relating to compensation matters of the Company. The Compensation and Pension Committee regularly holds *in camera* sessions exclusive of management, executive directors and non-independent directors and consults with independent advisors in respect of compensation matters. For more information about the Company's independent advisor, see "*Statement of Executive Compensation - Role of the Independent Advisor*".

The Compensation and Pension Committee, through meetings, presentations and reports, understands the key drivers and issues affecting the Company and regularly meets with senior management.

From November 5, 2010 to August 2020, Hugessen Consulting Inc. ("**Hugessen**") was Postmedia's independent advisor engaged by the Compensation and Pension Committee to provide advice and guidance on compensation matters. As of August 2020, the Company engaged Hexarem Inc. ("**Hexarem**") to provide such services.

Consistent with the Compensation and Pension Committee's charter and based on input from management and the Compensation and Pension Committee's then current independent advisor, being Hugessen or Hexarem, the Compensation and Pension Committee reviews executive compensation and awards for each of the NEOs.

As part of the executive compensation review, the Compensation and Pension Committee makes recommendations to the Board of Directors on compensation levels and incentive plan awards for each of the NEOs based on the guiding principles described below, with particular reference to performance measures. The following outlines the principal responsibilities of the Compensation and Pension Committee with respect to compensation matters:

- reviews and assesses the adequacy of the position description for the CEO and recommends to the Board of Directors any improvements to the position description that the Compensation and Pension Committee determines to be appropriate;
- reviews and makes recommendations to the Boards of Directors in consultation with the CEO, at least annually, with respect to the long-term goals and objectives of the Company which are relevant to the CEO's compensation, evaluates the CEO's performance in light of those goals and objectives, determines and recommends to the independent directors, for approval, the CEO's compensation based on that evaluation, and reports to the Board of Directors thereon. In determining the CEO's compensation, the Compensation and Pension Committee considers the Company's performance, the value of similar incentive awards to chief executive officers and presidents at comparable companies, the CEO's existing employment contract and the awards given to the CEO in past years, with a view to maintaining a compensation program for the CEO at a competitive level, consistent with the best interests of the Company;
- reviews and makes recommendations to the Boards of Directors at least annually (and upon appointment), in consultation with the CEO, the compensation of those members of senior management that report directly to the CEO (including incentive-compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change in control arrangements or provisions, and any special or supplemental benefits), with a view to maintaining a compensation program for senior management at a fair and competitive level, consistent with the best interests of the Company;
- reviews all executive compensation packages with annual cash compensation in excess of \$300,000;
- reviews and makes recommendations to the Boards of Directors on the incentive compensation program design and efficacy (including short-term and long-term incentive plans), and equity-based compensation programs for the Company's Board of Directors, officers and employees;
- reviews and makes recommendations to the Board of Directors on awards to employees of stock or stock options or other awards pursuant to any of the Company's equity-based plans and exercises such other power and authority as may be permitted or required under those plans;
- reviews the financial implications of the Company's senior compensation plans, including post-retirement benefits and supplemental employee retirement plan and funding thereof, if any;
- reviews the potential results of the Company's senior compensation programs under a wide variety of scenarios to ensure that the Compensation and Pension Committee has an understanding of the linkage between Shareholder interests and senior management payouts;
- reviews and approves annually, as required in cooperation with senior management, any adjustments and guidelines made in respect of the Company's compensation plans which are of strategic significance to the Company;
- reviews and makes recommendations to the Board of Directors at least annually with respect to compensation of the Board of Directors, the Executive Chair and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming;
- reviews and, as required, makes recommendations to the Board of Directors in co-operation with the Company's senior management with respect to the human resources policies and programs which are of strategic significance to the Company;
- reviews all executive compensation disclosure prior to public disclosure by the Company; and
- reviews and makes recommendations during periodic reviews with the Board of Directors with respect to the succession plans relating to the position of the CEO and other senior positions with respect to the selection of individuals to occupy these positions.

With respect to the Company's Pension Plans (as defined below), the Compensation and Pension Committee's principal duties are to oversee and monitor the management and overall governance of the pension and retirement plans sponsored and administered by the Company.

Risk Mitigation

The Compensation and Pension Committee is aware that compensation programs, policies and practices should not encourage senior executives to take excessive and unnecessary risks, and monitors this on an ongoing basis by reviewing such programs, policies and practices to ensure that executives do not make short-term decisions that could be detrimental to long-term Shareholder returns.

The following measures are used to impose appropriate safeguards to avoid excessive or inappropriate risk-taking:

- the Compensation and Pension Committee reviews the performance-based compensation for senior executives and in doing so, reviews the compensation mix of base salary, short-term and long-term incentives;
- the Company promotes acceptable risk taking through the use of performance targets for its short-term incentive plan which has predefined payout thresholds and maximums which plan is subject to certain discretion of the Board of Directors and is not paid out until the Audit Committee and Board of Directors have approved the Company's financial results;
- risk is mitigated through the granting of long-term incentives such as Options (as defined below), RSUs (as defined below) and cash awards that have multi-year vesting provisions;
- long-term incentives reward executives for taking a balanced focus on long-term performance and the achievement of long-term goals over a three to ten year period; and
- to ensure that risk and pay-for-performance are aligned, Postmedia has adopted an Executive Clawback Policy that applies to the CEO, the CFO and other individuals in the Board of Directors' discretion (collectively, "**Covered Individuals**"). This policy provides for a claw back of short-term and long-term incentive plan awards granted to, vested or earned by Covered Individuals in respect of the most recently completed two fiscal years should financial restatements occur that are due to misconduct.

The Compensation and Pension Committee is satisfied that current programs, policies and practices, combined with the broader risk oversight program of the Company, promote acceptable risk taking with appropriate and reasonable incentive compensation and has not identified any risks with such programs, policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging Policy

The Company has a policy of prohibiting its employees from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange traded funds, that are designed to hedge or offset a decrease in market value of securities of Postmedia held, directly or indirectly, by such employees, including equity securities granted as compensation. Such policy is contained in the Company's Timely Disclosure, Confidentiality and Insider Trading Policy.

Role of the Independent Advisor

From November 5, 2010 to August 2020, Hugessen was Postmedia's independent advisor engaged by the Compensation and Pension Committee to provide advice and guidance on compensation matters. The Independent Advisor provides no other services to Postmedia. As of August 2020, the Company engaged Hexarem to provide such services (Hugessen and Hexarem are each hereinafter referred to as the "**Independent Advisor**", as applicable). All work undertaken by the Independent Advisor is pre-approved by the Chair of the Compensation and Pension Committee. The Independent Advisor is directly retained and ultimately instructed by, and reports to, the Compensation and Pension Committee. The decisions made by the Compensation and Pension Committee are the responsibility of the Compensation and Pension Committee and may reflect other factors and considerations in addition to the information and recommendations from the Independent Advisor.

The following table sets forth the fees paid in aggregate to Hugessen and Hexarem in the years ended August 31, 2020 and 2019 pertaining to professional consulting services. Such services included analysis and support in respect of NEO benchmarking director compensation, long-term incentive plan design and assessment of the equity plan reserve:

YEAR	EXECUTIVE COMPENSATION RELATED FEES (\$)		ALL OTHER FEES (\$)	
	HUGESSEN	HEXAREM	HUGESSEN	HEXAREM
Fiscal 2020	6,894	16,006	-	-
Fiscal 2019	42,162	-	-	-

Executive Compensation Guiding Principles

The newsmedia industry is under significant pressure and Postmedia has been active in transforming its business in response.

The Company's compensation programs must be able to adapt to the changing market environment and continue to be aligned with business results and market best practices.

Within the context of total rewards, the Company seeks to maintain an incentive structure that is attractive to new talent, particularly in the digital and sales areas, while at the same time managing costs and offering equity-based compensation that does not require large cash outlays, wherever possible.

Accountability for compensation program design and administration of such programs is held by appropriate internal stakeholders and overseen by the Compensation and Pension Committee with input from external consultants.

The Company's approach to compensation for all employees, including the NEOs, is guided by the following principles:

- the financial reality to support our compensation programs must be aligned and reward when the business is successfully transformed;
- rewarding our people when meaningful results that support the Company's strategic goals and shareholder interests are achieved;
- attracting and retaining the best talent that will transform the Company's business through programs that reflect its values and consider, but are not dictated by, market practice;
- managing the costs of incentive programs while maintaining their purpose and benefits;
- keeping programs simple to communicate in order to promote understanding by employees and transparency with Shareholders;
- ensuring sufficient flexibility to be able to react to changing market conditions; and
- ensuring good governance by developing compensation programs that do not encourage excessive risk taking.

COMPETITIVE BENCHMARKING

In June 2019, the Compensation and Pension Committee requested that Hugessen assist with reviewing the competitiveness of the compensation levels for the NEOs, using a comparator peer group of publicly listed companies.

The comparator peer group of companies was selected using the following four screening criteria:

COMPARATOR PEER GROUP CRITERIA	
Primary Listing	Toronto Stock Exchange
Geographic Location	Headquartered in Canada
Industry Classification	Media
Size/Financial Criteria	Last Twelve Months Revenue: \$150 million to \$1.7 billion or approximately one third to three times the size of Postmedia. Secondary considerations given to Total Enterprise Value to ensure no potential peers fell too far outside of Postmedia's valuation range.

The screening identified the following seven companies:

- Aimia Inc.
- Cineplex Inc.
- Corus Entertainment Inc.
- DHX Media Ltd.
- Torstar Corporation
- TVA GROUP Inc.
- Yellow Pages Limited

The subsequent review focused on the total direct compensation ("TDC") composed of base salary, short-term incentives and long-term incentives received by the NEOs. For benchmarking purposes, Hugessen matched the CEO and the CFO positions with the counterparts of the comparator peer group companies. The Executive Chair was not benchmarked due to an established contract with established long-term incentive plans provisions which would not be varied for the duration of the contract. For the other NEO positions, Hugessen matched these positions based on their TDC ranking.

HOW POSTMEDIA MAKES EXECUTIVE COMPENSATION DECISIONS

The Board of Directors makes decisions on each element of executive compensation as it pertains to base salaries, annual short-term incentives and long-term incentive compensation of NEOs, based on recommendations made by the Compensation and Pension Committee. The Board of Directors also approves targets and objectives relevant to the compensation of the NEOs. In making recommendations for the Board of Directors' approval, the Compensation and Pension Committee reviews the compensation arrangements for the NEOs based on competitive external benchmarking and comparator peer group information provided by the Independent Advisor.

EXECUTIVE COMPENSATION COMPONENTS AND THEIR OBJECTIVES

Postmedia's executive compensation program is comprised of the following compensation components:

- base salary;
- annual short-term incentives (annual bonuses);
- long-term incentives, which include Options, RSUs and cash awards that have multi-year vesting provisions ("Cash LTIP");
- benefits and perquisites; and
- pension.

Impact of COVID-19 on Compensation

Postmedia's compensation components and incentive plans for Fiscal 2020 were designed prior to and without anticipation of the COVID-19 pandemic. As with many organizations, in making decisions regarding compensation components, the Board of Directors has taken into account a number of factors including the impact of the COVID-19 pandemic on the economy and the Company, the parameters of existing compensation plans and components, government subsidies and the expected temporary nature of the effects of the pandemic.

In addition, in April 2020, in response to the COVID-19 pandemic, Postmedia implemented a number of proactive cost containment measures including temporary salary reductions which ended July 2020. The temporary salary reductions were applied to a range of employees, including all NEO's, as well as Postmedia's directors. After managing through the initial liquidity constraints of the COVID-19 pandemic, such reductions were repaid to directors and employees, subject to limited exceptions, in December 2020. NEO reductions were not repaid.

The primary objective of the Company's executive compensation program is to attract and motivate key executives to carry out business strategies that are aligned with the creation of Shareholder value. The level of compensation paid to each NEO is based on the executive's qualifications, experience, responsibility and performance.

Salary

Base salary remunerates executives for discharging job requirements. Each NEO's base salary represents a fixed level of cash compensation and it is reviewed annually by the Compensation and Pension Committee and the Board of Directors. Any amendment to executive remuneration is also reviewed by the Compensation and Pension Committee for recommendation to the Board of Directors for approval. The goal is to ensure that each NEO is paid competitively, taking into consideration the requirements of the position, the executive's performance, knowledge, skills, experience and equity with other executives within Postmedia and compared to the external market for competitiveness. The Company's general policy is to target base salary for the NEOs at no higher than the median level of the market sample, while also taking into consideration external market conditions and organizational and individual performance. For more information, see *"Statement of Executive Compensation - Competitive Benchmarking"*.

Annual Short-Term Incentive Plan

The annual short-term incentive plan ("**STIP**") represents variable cash compensation for NEOs and other eligible employees. Short-term incentive measures and targets for the NEOs are set based on competitive market practices and intended to incent maximum performance and achieve the Company's goals. The Compensation and Pension Committee recommends for approval by the Board of Directors the STIP design, performance measures, weightings and targets for each fiscal year. As stated above, targets for Fiscal 2020 were set prior to and without anticipation of the COVID-19 pandemic.

In designing the STIP, the goal is to align the payouts with the business strategy and to motivate plan participants to achieve defined goals. The Compensation and Pension Committee sets the performance targets for the STIP based on the Company's organizational strategic plan and budget. Targets reflect the challenges facing the newsmedia industry and are consistent with the newsmedia industry trends.

For Fiscal 2020, the Executive Chair and CEO were each eligible for a STIP payout at equivalent to 100% of base salary at target and all other NEOs were eligible for a STIP payout of 50% of base salary at target.

The STIP design for Fiscal 2020 provides for a payout of 100% when an EBITDA (as defined below) performance target of \$43 million is met. The STIP payout linearly increases or decreases by a fixed amount with each percentage of the EBITDA performance target achieved to a maximum of 125% of target payout when EBITDA performance reaches 112% of the target. The design is consistently applied to the CEO and other NEOs.

For Fiscal 2020, the STIP was measured solely on the achievement of consolidated operating income before depreciation, amortization, impairment and restructuring ("**EBITDA**"). Though Postmedia's EBITDA for Fiscal 2020 exceeded 100% of target, the Board of Directors, upon consultation with management, approved an achievement of 80% which included the application of discretion for downward adjustment to ensure proper pay-performance linkages during this pandemic year.

All NEOs were therefore eligible for an aggregate bonus under the Fiscal 2020 STIP of \$2.2 million.

The following table sets forth the short-term incentive award targets and the payout achievement of these targets in Fiscal 2020 for the NEOs of the Company:

PARTICIPANT NAME	FISCAL 2020 TARGET PAYOUT (as a % of base salary)	FISCAL 2020 TARGET PAYOUT (\$)	FISCAL 2020 ACTUAL PAYOUT (\$)
Paul Godfrey	100%	1,200,000	960,000
Andrew MacLeod	100%	900,000	720,000
Brian Bidulka	50%	225,000	180,000
Mary Anne Lavallee	50%	200,000	160,000
Gillian Akai	50%	212,500	170,000

Long-Term Incentive Plans

The Company has an Option Plan (as defined below), a RSU Plan (as defined below) and Cash Plan (as defined below) that are intended to, among other things, attract, motivate and retain certain executive officers and other grantees and align their interests with the interests of Shareholders. The Company's long-term incentive programs are designed to reward performance over a multi-year period, and are provided to senior leaders in value driven roles and key contributors who are critical to the organization's future. For more information on our Option Plan, RSU Plan and Cash Plan, see "Statement of Executive Compensation – Incentive Plans".

The Compensation and Pension Committee reviews several factors when determining Option, RSU or Cash LTIP grants, including the total target compensation levels of the comparator peer group, the current size of the reserve pool available, the previous years' grants and performance. Additionally, the Compensation and Pension Committee may consider establishing conditions in connection with future grants of Options, RSUs or Cash LTIP. The Compensation and Pension Committee recommends to the Board of Directors the long-term incentive plan design as well as the awards to be granted to the NEOs.

During Fiscal 2020, no Options remained available for issuance under the Company's Option Plan and as such, the Company did not issue any Options. Instead, the Company instituted a long-term incentive plan framework ("LTIP") for the NEOs and other members of senior management, which provided for an RSU component and a performance based deferred Cash LTIP component, in each case representing a certain percentage based on target level of long-term incentive pay.

In respect of Fiscal 2020, a total of 225,370 RSUs were granted to NEOs. Pursuant to the terms of the LTIP, these RSUs vest in equal parts on each of the first, second and third anniversaries of the grant date or approval date, as applicable, with all RSUs expiring six (6) years following the grant date or approval date, as applicable.

Pursuant to the terms of the LTIP, the available Cash LTIP component in respect of services provided in a given fiscal year is awarded and accrued in equal parts over a three-year period, subject to achievement of pre-determined performance criteria in each of the three years, and only payable at the end of the full three year term to LTIP participants who remain employed with the Company as of such payment date. The first third of the Cash LTIP in respect of Fiscal 2020 was conditional upon the Company achieving the same minimum EBITDA target of \$43.0 million applicable to the STIP. The second and third installments of the Cash LTIP in respect of Fiscal 2020 will be evaluated against performance targets set out in fiscal 2021 and 2022, respectively. The total Cash LTIP grants awarded to NEOs in Fiscal 2020 totaled \$397,500 but will not result in a payout until fiscal 2023.

Benefits and Perquisites

Although not considered a primary element of the compensation program, the Company provides a package of benefits and perquisites for the NEOs. The benefits program includes health, dental, life insurance, short-term and long-term disability coverage. Perquisites provided to the NEOs consist of car allowances, parking and club memberships, with a car lease available to the Executive Chair and CEO and a housing allowance available to the CEO. The level of benefits and perquisites are determined based on guidelines that have been established under an executive compensation total rewards framework.

Pension Plans

Postmedia maintains a defined contribution plan (“**DC Plan**”) and six defined benefit pension plans (collectively, the “**DB Plans**”). On January 29, 2019, the Company entered into an agreement with the Colleges of Applied Arts & Technology Pension Plan (“**CAAT Pension Plan**”), a multi-employer defined benefit plan, to merge the DB Plans, with the CAAT Pension Plan. Effective July 1, 2019, the Company received approval from DB Plan members and the Company became a participating employer under the CAAT Pension Plan and all members of the DB Plans, as well as members of the DC Plan began accruing benefits under the DBplus provisions of the CAAT Pension Plan. On October 8, 2020, the Company received consent from the Financial Services Regulatory Authority of Ontario to transfer the DB Plans assets to the CAAT Pension Plan which was completed on November 9, 2020 at which time the CAAT Pension Plan assumed the defined benefit obligations of the DB Plans. The DB Plans and the DC Plan are collectively referred to as, the “**Pension Plans**”. Postmedia does not offer a supplemental executive retirement plan.

Mr. Godfrey is not eligible to participate in any of the Company’s Pension Plans as he has exceeded the maximum age to be eligible to participate in a registered pension plan. All other NEOs currently participate in the CAAT Pension Plan and prior to that participated in the DC Plan. Ms. Akai participated in a DB Plan until August 31, 2017, at which time that DB Plan was closed to non-union employees.

The formulas for the DB Plans take into consideration the member’s pensionable earnings and credited service along with the maximum Canada Pension Plan levels. The formulas are generally 1.25% multiplied by the final average earnings up to the average yearly maximum pensionable earnings multiplied by the credited service plus 1.75% multiplied by the final average earnings in excess of the average yearly maximum pensionable earnings multiplied by the credited service. The final average earnings are calculated using the average of the member’s best five years of pensionable earnings during the last ten years prior to retirement or termination.

The DB Plans also provide an early retirement subsidy to all participants who take early retirement following the attainment of both age 62 and ten years of continuous service. A participant retiring after age 50 but before age 62 can receive an early retirement pension reduced by a factor of $\frac{1}{3}$ of 1% for each complete month by which the early retirement date precedes age 62. A participant with ten or more years of continuous years of service may elect to receive an unreduced deferred retirement income payable at age 62. For a participant retiring after age 50 but before age 65 with less than ten years of continuous employment, the pension is reduced by a factor of $\frac{1}{3}$ of 1% for each complete month by which the early retirement date precedes the normal retirement date which is 65.

The DC Plan formula is based on contributions made by the participating employee and Postmedia and the gains and losses of the investments. The DC Plan includes a 3% employee contribution and Postmedia matches the employee contribution at 100%.

The CAAT Pension Plan is a multi-employer defined benefit pension plan with a fixed contribution rate for members, matched dollar for dollar by employers. For the participating NEOs the contributions were 3% of pensionable earnings for Fiscal 2020. 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 based on the year over year percentage increase in Canada’s Average Industrial Wage (AIV) index. This enhancement is conditional on the funded position of the CAAT Pension Plan. In addition, the CAAT Pension Plan provides conditional inflation protection once pension payments have commenced. For more information on contributions related to the NEOs by the Company to the CAAT Pension Plan, see “*Statement of Executive Compensation - Summary Compensation Table – All Other Compensation*”.

The maximum pension payable under the Pension Plans is as prescribed by the Tax Act.

Defined Contribution Plan Table

The following table sets forth the pension benefits and entitlements under the DC Plan as at August 31, 2020:

PARTICIPANT NAME	ACCUMULATED VALUE AT START OF THE YEAR (\$)	COMPENSATORY ⁽¹⁾ (\$)	ACCUMULATED VALUE AT YEAR END (\$)
Andrew MacLeod	155,593	-	163,883
Brian Bidulka	45,439	-	48,885
Mary Anne Lavallee	100,012	-	114,881
Gillian Akai	43,711	-	45,956

Notes:

(1) There is no compensatory change due to plan amendments including the closure of the DC Plan on July 1, 2019.

Defined Benefit Plan Table

The following table sets forth the pension benefits and entitlements under the DB Plans as at August 31, 2020:

PARTICIPANT NAME	NUMBER OF YEARS CREDITED SERVICE (#)	ANNUAL BENEFITS PAYABLE (\$)		OPENING PRESENT VALUE OF DEFINED BENEFIT OBLIGATION (\$)	COMPENSATORY CHANGE ⁽¹⁾ (\$)	NON-COMPENSATORY CHANGE ⁽²⁾ (\$)	CLOSING PRESENT VALUE OF DEFINED BENEFIT OBLIGATION ⁽³⁾ (\$)
		AT YEAR END	AT AGE 65				
Gillian Akai	5.59	16,300	16,300	163,700	-	15,600	179,300

Notes:

(1) There is no compensatory change due to plan amendments including the closure of the DB Plans on August 31, 2017.

(2) Non-compensatory change includes interest on the present value of the DB Plans obligations and changes to actuarial assumptions.

(3) An actuarial valuation of the DB Plans was completed as at December 31, 2017 for funding purposes and these results were extrapolated to August 31, 2020 for accounting purposes. The present value of the obligation was determined using the Projected Unit Credit Method pro-rated on service. Calculations are made based upon a discount rate assumption of 2.80%.

SUMMARY COMPENSATION TABLE

The following table summarizes the annual compensation provided for services rendered to Postmedia by its NEOs for Fiscal 2020, 2019 and 2018:

NAME AND PRINCIPAL POSITION	FISCAL YEAR	SALARY (\$)	SHARE-BASED AWARDS ⁽¹⁾ (\$)	OPTION-BASED AWARDS ⁽¹⁾ (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)		PENSION VALUE ⁽³⁾ (\$)	ALL OTHER COMPENSATION ⁽⁴⁾ (\$)	TOTAL COMPENSATION (\$)
					ANNUAL SHORT-TERM INCENTIVE PLANS ⁽²⁾	LONG-TERM INCENTIVE PLANS			
Paul Godfrey ⁽⁵⁾ <i>Executive Chair</i>	2020	1,158,462 ⁽⁶⁾	-	-	960,000	-	-	174,472 ⁽⁷⁾	2,292,934
	2019	1,200,000	-	-	1,200,000	-	-	266,059 ⁽⁷⁾	2,666,059
	2018	1,200,000	2,414,248 ⁽⁸⁾	-	1,200,000	-	-	224,860 ⁽⁷⁾	5,039,108
Andrew MacLeod ⁽⁵⁾ <i>President and Chief Executive Officer</i>	2020	855,123 ⁽⁶⁾	187,500 ⁽⁹⁾	-	720,000	187,500 ⁽¹⁰⁾	-	-	1,950,123
	2019	824,615	98,940 ⁽¹¹⁾	137,700 ⁽¹²⁾	900,000	500,000 ⁽¹³⁾	13,315	-	2,474,570
	2018	670,769	515,000 ⁽¹⁴⁾	478,750 ⁽¹⁵⁾	525,000	-	12,115	-	2,201,634
Brian Bidulka <i>Executive Vice President and Chief Financial Officer</i>	2020	434,423 ⁽⁶⁾	90,000 ⁽⁹⁾	-	180,000	70,000 ⁽¹⁰⁾	-	-	774,423
	2019	450,000	44,620 ⁽¹¹⁾	62,100 ⁽¹²⁾	225,000	-	11,173	-	792,893
	2018	450,000	235,613 ⁽¹⁴⁾	198,900 ⁽¹⁵⁾	225,000	-	10,021	-	1,119,534
Mary Anne Lavallee <i>Executive Vice President and Chief Operating Officer</i>	2020	386,154 ⁽⁶⁾	90,000 ⁽⁹⁾	-	160,000	70,000 ⁽¹⁰⁾	-	-	706,154
	2019	317,356	58,457 ⁽¹¹⁾	52,576 ⁽¹²⁾	200,000	-	7,675	110,000 ⁽¹⁶⁾	746,064
	2018	287,600	57,938 ⁽¹⁴⁾	50,250 ⁽¹⁵⁾	144,110	-	8,705	-	548,603
Gillian Akai <i>Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary</i>	2020	410,277 ⁽⁶⁾	90,000 ⁽⁹⁾	-	170,000	70,000 ⁽¹⁰⁾	-	-	740,277
	2019	410,300 ⁽¹⁷⁾	44,620 ⁽¹¹⁾	62,100 ⁽¹²⁾	212,500	-	10,154	-	739,674
	2018	361,442	173,813 ⁽¹⁴⁾	150,750 ⁽¹⁵⁾	200,000	-	9,920	-	895,925

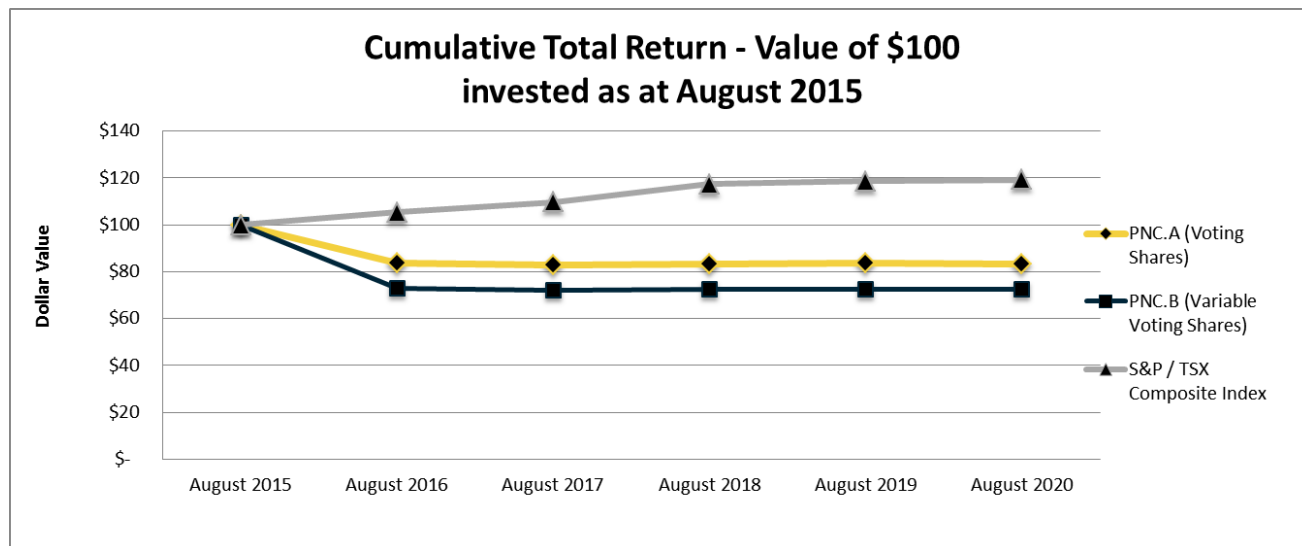
Notes:

- (1) The compensation value represents the estimated value of the RSUs and Options granted during the applicable fiscal periods as determined based on the volume-weighted average closing share price for the five trading days prior to issuance and the Black-Scholes option pricing model, respectively, both acceptable methodologies under International Financial Reporting Standards. Share-based and Option-based awards only represent an estimated value of the RSUs and Options granted and do not represent cash received by the NEOs. Accordingly, the compensation value does not represent the true cash compensation earned by the NEOs.
- (2) The STIP compensation relates to the fiscal year in which it was earned and is normally paid in the following fiscal year. All NEOs were eligible for a Fiscal 2020 STIP payout. For more information on the Fiscal 2020 STIP payout, see "Statement of Executive Compensation – Annual Short Term Incentive Plan".
- (3) For more information, see the "Statement of Executive Compensation – Pension Plans".
- (4) The value of benefits and perquisites for the NEOs, other than Mr. Godfrey, do not exceed either \$50,000 or 10% of the NEO's annual salary, and are therefore not included in "All Other Compensation".
- (5) Messrs. Godfrey and MacLeod do not receive any compensation for serving as director of the Company.
- (6) Base salaries paid to the NEOs in Fiscal 2020 reflect temporary reductions taken as a proactive cost containment measure in light of the COVID-19 pandemic. For more information, see "Statement of Executive Compensation – Impact of COVID-19 on Compensation".
- (7) This amount includes entertainment expenses totaling \$113,476 for Fiscal 2020 (2019: 189,041 and 2018: 147,355).
- (8) Mr. Godfrey was granted RSUs and a Tandem Award of 1,171,965 each during the year ended August 31, 2018. For more information, see "Statement of Executive Compensation – Employment Agreements". The RSUs and Tandem Award had a grant date fair value of \$1.03 which was calculated using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the grant date of February 22, 2018.
- (9) During the year ended August 31, 2020, Messrs. MacLeod and Bidulka and Mmes. Lavallee and Akai were granted 92,365, 44,335, 44,335 and 44,335 RSUs, respectively, for Fiscal 2020. The RSUs had a grant date fair value of \$2.03 which was calculated using the volume-weighted average closing share price for the five trading days in which Shares actually traded immediately preceding the grant date of August 27, 2020.

- (10) This amount reflects the first one-third of Cash LTIP awarded in respect of Fiscal 2020 that has been accrued but is not yet payable. For more information, see *"Statement of Executive Compensation – Long-Term Incentive Plans"*.
- (11) During the year ended August 31, 2019, Messrs. MacLeod and Bidulka and Mmes. Akai and Lavallee were granted 102,000, 46,000, 46,000 and 16,000 RSUs, respectively, for fiscal 2019. The RSUs had a grant date fair value of \$0.97 which was calculated using the volume-weighted average closing share price for the five trading days in which Shares actually traded immediately preceding the grant date of November 6, 2018. Following the end of fiscal 2019, the Company granted 24,258 RSUs to Ms. Lavallee in recognition of her appointment to Executive Vice President and Chief Operating Officer in April 2019 and as part of her compensation for services rendered in such role during fiscal 2019. The RSUs had a grant date fair value of \$1.77 which was calculated using the volume-weighted average closing share price for the five trading days in which Shares actually traded immediately preceding the grant date of November 19, 2019.
- (12) During the year ended August 31, 2019, Messrs. MacLeod and Bidulka and Mmes. Akai and Lavallee were granted 255,000, 115,000, 115,000 and 40,000 Options, respectively, for fiscal 2019. The Options had a grant date fair value of \$0.54 which was determined using the Black-Scholes option pricing model. Key assumptions used in the model were an exercise price for such Shares of \$0.97, risk free rate of interest of 2.42% based on the Bank of Canada five year benchmark bond yield in effect on the date of grant, dividend yield of nil, a volatility factor of 64.14% based on the volatility of the Shares and an expected life of options of five years based partly on contractual terms and a published academic study. For more information, see *"Statement of Executive Compensation - Employment Agreements"*. Following the end of fiscal 2019, the Company granted 29,223 Options to Ms. Lavallee in recognition of her appointment to Executive Vice President and Chief Operating Officer in April 2019 and as part of her compensation for services rendered in such role during fiscal 2019. The Options had a grant date fair value of \$1.06 which was determined using the Black-Scholes option pricing model. Key assumptions used in the model were an exercise price for such Shares of \$1.77, risk free rate of interest of 1.51% based on the Bank of Canada five year benchmark bond yield in effect on the date of grant, dividend yield of nil, a volatility factor of 72.34% based on the volatility of the Shares and an expected life of options of five years based partly on contractual terms and a published academic study.
- (13) Following the end of fiscal 2019, the Company granted Mr. MacLeod a cash incentive award of \$500,000 ("**F19 CEO LTIP**") in recognition of Mr. MacLeod's appointment to Chief Executive Officer in fiscal 2019 and as part of his compensation for services rendered in such role during fiscal 2019. The F19 CEO LTIP is subject to a two-year vesting period, with 50% vesting on November 1, 2020 and the remaining 50% vesting on November 1, 2021 generally subject to Mr. MacLeod's continued active employment in the role of Chief Executive Officer at such time.
- (14) During the year ended August 31, 2018, Mr. MacLeod and Mmes. Akai and Lavallee were granted 150,000, 90,000 and 30,000 RSUs, respectively, for fiscal 2017 and 350,000, 78,750 and 26,250 RSUs, respectively, for fiscal 2018. In addition, during the year ended August 31, 2018, Mr. Bidulka was granted 150,000 RSUs pursuant to his employment agreement and 78,750 RSUs for fiscal 2018. For more information, see *"Statement of Executive Compensation - Employment Agreements"*. Both RSUs grants are included in compensation for fiscal 2018 and had a grant date fair value of \$1.03 which was calculated using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the grant date of February 22, 2018.
- (15) During the year ended August 31, 2018, Mr. MacLeod and Mmes. Akai and Lavallee were granted 225,000, 135,000 and 45,000 Options, respectively, for fiscal 2017 and 650,000, 146,250 and 48,750 and 146,250 Options, respectively, for fiscal 2018. In addition, during the year ended August 31, 2018, Mr. Bidulka was granted 225,000 Options pursuant to his employment agreement and 146,250 Options for fiscal 2018. For more information, see *"Statement of Executive Compensation - Employment Agreements"*. Both Option grants are included in compensation for 2018 and had a grant date fair value of \$0.51 to \$0.56 which was determined using the Black-Scholes option pricing model. Key assumptions used in the model were an exercise price for such Shares of \$1.03, risk free rate of interest of 1.98% based on the Bank of Canada five year benchmark bond yield in effect on the date of grant, dividend yield of nil, a volatility factor of 62.50% based on the volatility of the Shares and an expected life of options of five years based partly on contractual terms and a published academic study.
- (16) This amount represents a discretionary retention bonus for fiscal 2019 of \$110,000.
- (17) Amount previously reported has been amended by \$10,300 for retroactive adjustment of salary.

PERFORMANCE GRAPH

The graph set out below illustrates the cumulative total return over the period from August 31, 2015 to August 31, 2020, of a \$100 investment in the Voting Shares and Variable Voting Shares as compared to the S&P/TSX Composite Index. The year-end values of each investment are based solely on the change in the underlying Share price as no dividends were paid. The calculations exclude brokerage fees and any applicable taxes. The following graph shows the total Shareholder returns from each investment that may be calculated from the applicable year-end investment values shown below the graph.



Notes:

The data points in the performance graph above reflect the investment of \$100 on August 31, 2015 adjusted for the Recapitalization Transaction and the investment's performance for the years ending August 31, 2016, 2017, 2018, 2019 and 2020.

PAY FOR PERFORMANCE

The Company evaluates and considers the compensation of the NEOs with a pay for performance perspective. A portion of the NEOs' aggregate compensation as shown in "Statement of Executive Compensation - Summary Compensation Table" is composed of Option-based awards, RSUs and Cash LTIP, which link part of the NEOs' compensation with the underlying performance of the Shares and thereby with Shareholder returns. Over the period from August 31, 2015 to August 31, 2020, including the Recapitalization Transaction, there is limited correlation between the trading price of the Shares and the Company's compensation to the NEOs except to the extent that the value of Options and/or RSUs held by such NEOs experienced a change in value as a result of the decrease in the trading price of the Shares. Compensation payouts, including the annual STIP, are based on key financial targets that reflect the organizational strategic plan and budgets and do not take into consideration the trading price of the Shares of the Company.

INCENTIVE PLANS

Stock Option Plan

The stock option plan ("**Option Plan**") is intended to assist the Company in attracting, motivating and retaining officers and employees and consultants of the Company or a related entity by granting the right to purchase Shares ("**Options**") under the Option Plan, in order to allow them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Shareholders of the Company.

Under the Option Plan, Options may be granted to participants in respect of unissued Shares. Participants are current full-time or part-time officers, employees or consultants of Postmedia or certain related entities ("**Option Plan Participants**"). The Option Plan is administered by the Board of Directors ("**Option Plan Administrator**"). In administering the Option Plan, the Option Plan Administrator may determine, among other things, Option Plan Participants to whom Options are granted and the amounts, terms and conditions relating to Options, including the exercise price, and the time(s) when and circumstances under which Options become exercisable.

The maximum number of Shares that may be reserved for issuance at any time for the exercise of Options under the Option Plan is 3,748,688 Shares (representing 4.00% of the total number of Shares issued and outstanding). As of August 31, 2020, 3,748,688 Options (representing 100% of the number of Options that are reserved for issuance or 4.00% of the total number of Shares issued and outstanding), including the Tandem Award, have been granted and are outstanding under the Option Plan. Therefore, as at August 31, 2020, no Options remain available for issuance under the Company's Option Plan.

Each Option Plan Participant to date has agreed that he/she will not: (a) receive Voting Shares upon the exercise of such Options; or (b) convert any Variable Voting Shares issued upon the exercise of such Options into Voting Shares. This will ensure that the exercise of Options by any Option Plan Participant will not inadvertently result in such Option Plan Participant receiving a significant portion of voting power and/or control of the Company given the Company's share structure.

All Options will have a fixed exercise price as determined by the Option Plan Administrator at the time of the grant, which shall not be less than the fair market value at the date of grant, being the volume-weighted average closing share price of the applicable Shares on the TSX for the five trading days in which the Shares have actually traded immediately preceding such date, or if the Shares are not listed and posted for trading on any stock exchange, the fair market value of the applicable Shares as determined by the Board of Directors in its sole discretion ("**Fair Market Value**"). At the election of an Option Plan Participant, in lieu of exercising an Option, an Option Plan Participant may instead choose to surrender such Option, in whole or in part, in consideration of: (a) Shares, the number of which is determined by dividing (i) the difference between the Fair Market Value of the applicable Shares subject to the Option on the date of exercise and the exercise price for such Option ("**Option Value**") by (ii) the Fair Market Value of the applicable Shares subject to the Option on the date of exercise; or (b) cash, equal to the Option Value, subject to the consent of Postmedia. The term of any Option shall expire on the tenth anniversary of the date of grant, unless otherwise specified by the Option Plan Administrator at the time of grant, subject to extension of up to ten business days in the event the expiration of an Option would otherwise occur during or within two business days after the end of a Blackout Period (as defined in the Option Plan). All Options granted will vest and be exercisable as determined by the Option Plan Administrator at the time of grant. Options (including the rights attached thereto) are non-assignable and non-transferable except through devolution by death. The terms and conditions of Options granted under the Option Plan are subject to adjustments in certain circumstances, at the discretion of the Option Plan Administrator.

The Option Plan limits insider participation such that: (a) the number of Shares issuable pursuant to the exercise of Options granted to insiders (as such term is used in the TSX Company Manual) of Postmedia under the Option Plan, together with the number of securities issuable to insiders under Postmedia's other security-based compensation arrangements (as such term is used in the TSX Company Manual), at any time, must not exceed 10% of Postmedia's issued and outstanding Shares; and (b) the number of Shares issued to insiders of Postmedia within any one year period pursuant to the exercise of Options, together with the number of securities issued to insiders pursuant to all of Postmedia's other security-based compensation arrangements, shall not exceed 10% of Postmedia's issued and outstanding Shares.

Under the Option Plan, in the case of the death of an Option Plan Participant, all outstanding unvested Options granted to such Option Plan Participant shall immediately and automatically be deemed to be vested and the legal representatives of such Option Plan Participant shall have the right to exercise part or all of the Option Plan Participant's outstanding and vested Options at any time up to and including (but not after) the earlier of the last business day on or prior to: (a) the date that is one year following the date of death of such Option Plan Participant; or (b) the date on which the exercise period of the particular Option expires. In the case of Incapacity (as defined in the Option Plan), all outstanding unvested Options granted to such Option Plan Participant continue to vest and the Option Plan Participant shall have the right to exercise part or all of the Option Plan Participant's outstanding and vested Options at any time up to and including the date on which the particular Option expires. In the case of resignation or cessation of office or employment of the Option Plan Participant with the prior written consent of Postmedia, all outstanding and unvested Options granted to such Option Plan Participant immediately and automatically terminate provided that, the Board of Directors may, but is not obligated to, allow a portion or all of the unvested Options to have an extended time period by which such Options may remain in effect and shall not automatically terminate. Such Option Plan Participant shall have the right to exercise part or all of the Option Plan Participant's outstanding and vested Options at any time up to and including (but not after) the earlier of the last business day on or prior to: (a) the date on which the exercise period of the particular Option expires; or (b) the date that is 90 days following the date of resignation. In the case of Retirement

(as defined in the Option Plan) of an Option Plan Participant, all outstanding unvested Options granted to such Option Plan Participant shall not terminate but shall continue to vest in accordance with their terms and the Option Plan Participant shall have the right to exercise part or all of such Options once vested at any time up to and including (but not after) the earlier of the last business day on or prior to: (a) the date that is three years following the date of Retirement; or (b) the date on which the exercise period of the particular Option expires, and the Option Plan Participant shall have the right to exercise part or all of the Option Plan Participant's outstanding and vested Options as at the date of Retirement at any time up to and including (but not after) the earlier of the last business day on or prior to: (i) the date that is three years following the date of Retirement; or (ii) the date on which the exercise period of the particular Option expires. Where an Option Plan Participant's employment terminates by reason of termination without Cause (as defined in the Option Plan), unless otherwise determined by the Option Plan Administrator, all outstanding and unvested Options granted to such Option Plan Participant will immediately and automatically terminate provided that, the Board of Directors may, but is not obligated to, allow a portion or all of the unvested Options to have an extended time period by which such Options may remain in effect and shall not automatically terminate. The Option Plan Participant will have the right to exercise part or all of the Option Plan Participant's outstanding and vested Options at any time up to and including (but not after) the earlier of the last business day on or prior to: (a) the date on which the exercise period of the particular Option expires; and (b) the date that is 90 days after the Termination Date (as defined in the Option Plan). Where an Option Plan Participant's employment is terminated by Postmedia or certain related entities for Cause, then any Options held by such Option Plan Participant, whether or not exercisable at the Termination Date, immediately expire and are cancelled on such date at a time determined by the Option Plan Administrator, in its sole discretion.

If, before the expiry of an Option in accordance with the terms thereof, a Change of Control (as defined in the Option Plan) occurs and an Option Plan Participant ceases to be an employee of Postmedia or certain related entities by reason of termination: (a) by Postmedia or related entity or by the entity that has entered into a valid and binding agreement with Postmedia and/or its affiliates to effect the Change of Control at any time after such agreement is entered into or during the Control Period (as defined in the Option Plan) and such termination was for any reason other than for Cause; or (b) by the Option Plan Participant within 60 days after an act of Constructive Dismissal (as defined in the Option Plan), the Option Plan Participant's Options become fully vested and may be exercised or surrendered by the Option Plan Participant at any time within 120 days of the Option Plan Participant's Termination Date. In the event of a Change of Control, all outstanding Options shall be replaced with similar options of the entity resulting from the transaction on substantially the same terms and conditions as the Options, unless such replacement is not possible, practical or advisable, as the Board of Directors may, in its sole discretion, determine. If such determination is made that replacement is not possible, practical or advisable, the Option Plan Administrator may, in its sole discretion, accelerate the vesting of any or all outstanding Options to provide that such outstanding Options shall be fully vested and conditionally exercisable upon (or prior to) the completion of the transaction resulting in the Change of Control.

In the event the Option Plan Administrator accelerates the vesting of any outstanding Options, provided at least ten days' notice has been provided to an Optionee (as defined in the Option Plan), all vested Options, unless exercised prior to or at the time of the Change of Control, will expire and be of no further force or effect upon completion of the Change of Control. If, for any reason, the transaction that would result in a Change of Control is not completed, the Option Plan Administrator may cause the acceleration of exercise periods of any Options or acceleration of the time for the fulfillment of any conditions or restrictions on such exercise of Options to be retracted and the vesting of such Options to revert to the manner provided in the applicable Option grant document, unless such Options have already been exercised.

The Board of Directors may amend the Option Plan without Shareholder approval in certain instances, including, without limitation: (a) for the purpose of making formal, minor or technical modifications to any of the provisions of the Option Plan, including amendments of a "housekeeping" nature; (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Option Plan; (c) to amend the vesting provisions of Options; (d) to change the termination provisions of Options or the Option Plan that does not entail an extension beyond the original expiry date; or (e) any other amendment that does not require Shareholder approval under applicable laws or the applicable rules of the TSX, provided that no such amendment may be made without the consent of each affected Optionee if such amendment would adversely affect the rights of such affected Optionee for Options previously granted. Shareholder approval will be required for any amendment to the Option Plan to: (a) reduce the exercise price; (b) extend the term of

Options (other than as set out in the Option Plan); (c) increase the maximum number of Shares which may be issued under the Option Plan, subject to certain exceptions in connection with a reorganization or other event affecting the capital of Postmedia; (d) remove or exceed the insider participation limit; and (e) amend the amendment provisions of the Option Plan.

Restricted Share Unit Plan

The restricted share unit plan (“**RSU Plan**”) provides for the grant of the right to acquire fully paid and non-assessable Shares (“**RSUs**”) in accordance with the terms of the RSU Plan to current part-time or full-time officers, employees or consultants of Postmedia or certain related entities (“**RSU Plan Participants**”). The maximum aggregate number of Shares issuable under the RSU Plan shall not exceed 7,468,688 Shares (representing 8.00% of the total number of Shares issued and outstanding). As of August 31, 2020, 4,392,787 RSUs (representing 58.82% of the number of RSUs that are reserved for issuance or 4.69% of the total number of Shares issued and outstanding), including the Tandem Award, have been granted under the RSU Plan. As at August 31, 2020, there were 3,075,901 RSUs (representing 3.28% of the total number of Shares issued and outstanding) available to be granted under the RSU Plan.

Each RSU Plan Participant to date has agreed that he/she will not: (a) receive Voting Shares upon the exercise of such RSUs; or (b) convert any Variable Voting Shares issued upon the exercise of such RSUs into Voting Shares. This will ensure that the exercise of RSUs by any RSU Plan Participant will not inadvertently result in such RSU Plan Participant receiving a significant portion of voting power and/or control of the Company given the Company’s share structure.

The RSU Plan is administered by the Board of Directors (“**RSU Plan Administrator**”). In administering the RSU Plan, the RSU Plan Administrator may determine, among other things, RSU Plan Participants to whom RSUs are granted and the amounts, terms and vesting dates of RSUs. The vesting terms and vesting date for RSUs are set out in the respective award agreement at the time of grant. As a result of adjustments to the RSU Plan which were adopted by the Board of Directors in fiscal 2016, RSUs which are subject to performance conditions, otherwise known as performance share units, may be granted under the RSU Plan. Each RSU will be settled for one Share, without payment of additional consideration, after such RSU has vested; however, at any time, a RSU Plan Participant may request in writing, in respect of a maximum of 50% of vested RSUs being exercised at such time, subject to the consent of Postmedia, that Postmedia pay an amount in cash equal to the current Fair Market Value of the applicable Shares on the date of such exercise in consideration for the surrender by the RSU Plan Participant to Postmedia of the rights to receive Shares under such RSUs. The Board of Directors may in its sole discretion accelerate the vesting date for all or any RSUs for any RSU Plan Participant at any time and from time to time. RSUs are non-assignable and non-transferable. The terms and conditions of RSUs granted under the RSU Plan will be subject to adjustments in certain circumstances, in the discretion of the Board of Directors.

The RSU Plan limits insider participation such that: (a) the number of Shares issuable to insiders (as such term is used in the TSX Company Manual) at any time, under all security based compensation arrangements (as such term is used in the TSX Company Manual) of Postmedia, shall not exceed 10% of the number of Shares issued and outstanding from time to time; and (b) the number of Shares issued to insiders, within any one year period, under all security based compensation arrangements of Postmedia, shall not exceed 10% of the number of Shares issued and outstanding from time to time.

Under the RSU Plan, in the case of the death of a RSU Plan Participant, all outstanding unvested RSUs granted to such RSU Plan Participant shall immediately and automatically be deemed to be vested and the legal representatives of such RSU Plan Participant shall have the right to exercise part or all of the RSU Plan Participant’s outstanding and vested RSUs at any time up to and including (but not after) the last business day on or prior to the date that is one year following the date of death of such RSU Plan Participant. In the case of Incapacity (as defined in the RSU Plan), all outstanding unvested RSUs granted to such RSU Plan Participant continue to vest and the RSU Plan Participant shall have the right to exercise part or all of the RSU Plan Participant’s outstanding and vested RSUs at any time. In the case of resignation or cessation of office or employment of the RSU Plan Participant with the prior written consent of Postmedia, all outstanding and unvested RSUs granted to such RSU Plan Participant will immediately and automatically terminate provided that, the Board of Directors may, but is not obligated to, allow a portion or all of the unvested RSUs to have an extended time period by which such RSUs may remain in effect and shall not automatically terminate. Such RSU Plan Participant shall have the right to exercise part or all of the RSU Plan Participant’s outstanding and vested RSUs at any time up to and including (but not after) the last business day on or prior to the date that is 90 days following the date of resignation. In the case of Retirement (as defined in the RSU Plan) of a RSU Plan Participant, all outstanding unvested

RSUs granted to such RSU Plan Participant shall not terminate but shall continue to vest in accordance with their terms and the RSU Plan Participant shall have the right to exercise part or all of such RSUs once vested at any time up to and including (but not after) the last business day on or prior to the date that is three years following the date of Retirement, and the RSU Plan Participant shall have the right to exercise part or all of the RSU Plan Participant's outstanding and vested RSUs as at the date of Retirement at any time up to and including (but not after) the last business day on or prior to the date that is three years following the date of Retirement. Where a RSU Plan Participant's employment terminates by reason of termination without Cause (as defined in the RSU Plan), unless otherwise determined by the Board of Directors, all outstanding and unvested RSUs granted to such RSU Plan Participant will immediately and automatically terminate provided that, the Board of Directors may, but is not obligated to, allow a portion or all of the unvested RSUs to have an extended time period by which such RSUs may remain in effect and shall not automatically terminate. The RSU Plan Participant will have the right to exercise part or all of the RSU Plan Participant's outstanding and vested RSUs at any time up to and including (but not after) the date that is 90 days after the Termination Date (as defined in the RSU Plan). Where a RSU Plan Participant's employment is terminated by Postmedia or certain related entities for Cause, then any RSUs held by such RSU Plan Participant, whether or not exercisable at the Termination Date, immediately expire and are cancelled on such date at a time determined by the RSU Plan Administrator, in its sole discretion.

If, before the expiry of a RSU in accordance with the terms thereof, a Change of Control (as defined in the RSU Plan) occurs and a RSU Plan Participant ceases to be an employee of Postmedia or certain related entities by reason of termination: (a) by Postmedia or a related entity or by the entity that has entered into a valid and binding agreement with Postmedia and/or its affiliates to effect the Change of Control at any time after such agreement is entered into or during the Control Period (as defined in the RSU Plan) and such termination was for any reason other than for Cause; or (b) by the RSU Plan Participant within 60 days after an act of Constructive Dismissal (as defined in the RSU Plan), the RSU Plan Participant's RSUs become fully vested and may be exercised or surrendered by the RSU Plan Participant at any time within 120 days of the RSU Plan Participant's Termination Date. In the event of a Change of Control, all outstanding RSUs shall be replaced with similar restricted share units of the entity resulting from the transaction on substantially the same terms and conditions as the RSU Plan, unless such replacement is not possible, practical or advisable, as the Board of Directors may, in its sole discretion, determine. If such determination is made that replacement is not possible, practical or advisable, the Board of Directors may, in its sole discretion, accelerate the vesting of any or all outstanding RSUs to provide that such outstanding RSUs shall be fully vested and conditionally exercisable upon (or prior to) the completion of the transaction resulting in the Change of Control. In the event the Board of Directors accelerates the vesting of any outstanding RSUs: (a) provided at least ten days' notice has been provided to a RSU Plan Participant, all vested RSUs, unless exercised prior to or at the time of the Change of Control, will expire and be of no further force or effect upon completion of the Change of Control; and (b) if, for any reason, the transaction that would result in a Change of Control is not completed, the Board of Directors may cause the acceleration of exercise periods of any RSUs or acceleration of the time for the fulfillment of any conditions or restrictions on such exercise of RSUs to be retracted and the vesting of such RSUs to revert to the manner provided in the applicable RSU agreement, unless such RSUs have already been exercised.

Under the RSU Plan, whenever cash distributions or dividends are paid on the Shares, additional RSUs will automatically be granted to each RSU Plan Participant who holds RSUs on the record date for such distribution or dividend.

The Board of Directors may amend the RSU Plan without Shareholder approval in certain instances, including, but not limited to: (a) for the purpose of making formal, minor or technical modifications to any of the provisions of the RSU Plan, including amendments of a "housekeeping" nature; (b) to correct any ambiguity, defective provision, error or omission in the provisions of the RSU Plan; (c) to amend the vesting, redemption or payment provisions of the RSU Plan or any RSUs; (d) to change the termination provisions of RSUs or the RSU Plan that does not entail an extension beyond the original expiry date; (e) to facilitate a cash payment; or (f) any other amendment that does not require Shareholder approval under applicable laws or the applicable rules of the TSX, provided that no such amendment of the RSU Plan may be made without the consent of each affected RSU Plan Participant if such amendment would adversely affect the rights of such affected RSU Plan Participant for RSUs previously granted. Shareholder approval will be required for any amendment to the RSU Plan to: (a) extend the term of RSUs; (b) increase the maximum number of Shares which may be issued under the RSU Plan, subject to certain exceptions in connection with a reorganization or other event affecting the capital of Postmedia; (c) remove or exceed the insider participation limit; and (d) amend the amendment provisions of the RSU Plan.

Cash Plan

The Company's cash-based long-term incentive plan ("**Cash Plan**") was adopted in Fiscal 2020 and provides for the grant of cash awards to eligible employees of the Company or a related entity, as may be determined by the Board of Directors from time to time. Under the Cash Plan, the Board of Directors has broad discretion to determine in any given fiscal year whether any cash awards will be approved, the aggregate amount of all available cash awards in such year, the amount of any cash award available to any individual employee, the vesting period of any cash award and any time-based, discretionary and/or performance conditions applicable to such award (collectively, "**Cash Plan Award Terms**").

Cash awards are intended to be multi-year, with a portion earned in each year of the applicable vesting period only after the consideration and determination by the Board of Directors of any applicable Cash Plan Award Terms. Payment occurs only after full vesting of cash awards, which may be up to three years following the end of the calendar year in which approval of the cash award occurs.

Under the Cash Plan, if an eligible employee who has been granted a cash award pursuant to the plan (a "**Cash Plan Participant**") is terminated without cause or such Cash Plan Participant resigns from his or her position with the Company or a related entity, the payment of any vested portion of such Cash Plan Participant's outstanding cash award will be accelerated and any unvested portion of such Cash Plan Participant's outstanding cash award will be forfeited. If a Cash Plan Participant is terminated for cause, all outstanding cash awards, whether vested or unvested, are immediately cancelled and forfeited. In the case of the death or Incapacity (as defined in the Cash Plan) resulting in the termination of a Cash Plan Participant, any eligible cash award shall be pro-rated for that portion of the year during which the Cash Plan Participant was actively employed and such pro-rated amount shall be paid to the Cash Plan Participant or the Cash Plan Participant's estate or legal representatives within a reasonable time after the date of termination or death, as applicable, any vested portion of such Cash Plan Participant's outstanding cash award will be accelerated and any unvested portion of such Cash Plan Participant's outstanding cash award will be forfeited. In the case of the Incapacity of a Cash Plan Participant that does not result in termination, any eligible cash award shall be pro-rated for that portion of the year during which the Cash Plan Participant was actively employed and vesting shall continue as provided for under the Cash Plan or any award agreement entered into pursuant to the Cash Plan.

In the event of a Change of Control (as defined in the Cash Plan), the Company shall use commercially reasonable efforts to ensure that the entity resulting from the Change of Control transaction or event adopts the awards approved pursuant to the Cash Plan prior to the date of such Change of Control or a substantially equivalent compensation structure, unless such adoption or replacement is not possible, practical or advisable, as the Board of Directors may, in its sole discretion, determine, in which case, the Board of Directors may, in its sole discretion, accelerate the vesting and payment of any or all outstanding awards. If, for any reason, the transaction or event that would result in a Change of Control is not completed, the Board of Directors may cause such acceleration to be retracted and the vesting and payment of such awards to revert to the manner provided in the Cash Plan and/or in any award agreement entered into pursuant to the Cash Plan.

The Cash Plan is administered by the Board of Directors and may be varied by the Board of Directors or by the terms of an eligible employee's employment agreement with the Company.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information related to Options and RSUs held by the NEOs as at August 31, 2020:

NAME	OPTION-BASED AWARDS					SHARE-BASED AWARDS		
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS ⁽¹⁾ (#)	OPTION EXERCISE PRICE (\$)	CLASS OF SHARES UNDERLYING THE OPTIONS GRANTED	OPTION EXPIRY DATE ⁽²⁾	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS ⁽³⁾ (\$)	NUMBER OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED ⁽⁴⁾ (\$)	MARKET OR PAYOUT VALUE OF VESTED SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED ⁽⁴⁾ (\$)
Paul Godfrey	– ⁽⁵⁾	-	-	-	-	468,789 ⁽⁶⁾	857,878 ⁽⁶⁾	3,431,514 ⁽⁶⁾
Andrew MacLeod	225,000 650,000 255,000	1.03 1.03 0.97	Variable Voting Shares	April 6, 2027 February 22, 2028 November 6, 2028	180,201 520,580 219,527	323,565	592,124	678,564
Brian Bidulka	225,000 146,250 115,000	1.03 1.03 0.97	Variable Voting Shares	July 7, 2027 February 22, 2028 November 6, 2028	180,201 117,130 99,003	133,435	244,186	339,740
Mary Anne Lavallee	45,000 48,750 40,000 29,223	1.03 1.03 0.97 1.77	Variable Voting Shares	April 6, 2027 February 22, 2028 November 6, 2028 November 18, 2029	36,040 39,043 34,436 1,779	89,841	164,410	93,333
Gillian Akai	135,000 146,250 115,000	1.03 1.03 0.97	Variable Voting Shares	April 6, 2027 February 22, 2028 November 6, 2028	108,120 117,130 99,003	121,435	222,226	251,900

Notes:

- (1) Includes both vested and unvested Options.
- (2) Options expire on the tenth anniversary of the grant date of the Options, or, if the grant of Options occurred in a fiscal quarter subsequent to the quarter in which such Options were approved, then the tenth anniversary of the approval date of the Options, subject to the terms of the Option Plan. For more information on the grant and issuance dates of the Options or for more information on the Option Plan, see “Statement of Executive Compensation – Long-Term Incentive Plans” and “Statement of Executive Compensation – Incentive Plans”.
- (3) This column contains the aggregate value of the in-the-money vested and unvested unexercised Options as of August 31, 2020, computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding August 31, 2020, of \$1.83. The Options have not been and may never be exercised and the actual gain, if any, on exercise will depend on the value of the Variable Voting Shares on the date of such exercise.
- (4) The value of the vested and unvested RSUs and the Tandem Award as of August 31, 2020 were calculated using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding August 31, 2020, of \$1.83.
- (5) For the purposes of disclosure, the Tandem Award is excluded on the assumption that Mr. Godfrey would exercise RSUs under the Tandem Award. For more information on the Tandem Award, see “Statement of Executive Compensation - Employment Agreements”.
- (6) This represents the portion of RSUs and the Tandem Award granted to Mr. Godfrey and assumes that Mr. Godfrey would exercise RSUs under the Tandem Award. For more information on the Tandem Award, see “Statement of Executive Compensation - Employment Agreements”.

Value Vested or Earned During the Year

The following table summarizes the value of option-based awards that would have been realized by each NEO during Fiscal 2020 if the option-based awards that vested in Fiscal 2020 had been exercised on their vesting date and share-based awards realized by each NEO upon vesting during Fiscal 2020:

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR ⁽¹⁾ (\$)	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR ⁽²⁾ (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR ⁽³⁾ (\$)
Paul Godfrey	– ⁽⁴⁾	846,766	960,000
Andrew MacLeod	349,240	308,901	907,500
Brian Bidulka	125,755	126,802	250,000
Mary Anne Lavallee	33,552	13,725	230,000
Gillian Akai	99,819	97,152	240,000

Notes:

- (1) For Mr. MacLeod and Mmes. Akai and Lavallee the value of the in-the-money Options which vested in Fiscal 2020 was computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the vesting dates of November 6, 2019 of \$1.81, February 22, 2020 of \$3.15 and April 6, 2020 of \$1.72. For Mr. Bidulka the value of the in-the-money Options which vested in Fiscal 2020 was computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the vesting dates of November 6, 2019 of \$1.81, February 22, 2020 of \$3.15 and July 7, 2020 of \$2.02. The Options have not been and may never be exercised and the actual gain, if any, on exercise will depend on the value of the Variable Voting Shares on the date of such exercise.
- (2) For Mr. Godfrey the value of the RSUs granted which vested in Fiscal 2020 was computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the vesting date of November 1, 2019 of \$1.81. For Mr. MacLeod and Ms. Akai the value of the RSUs granted which vested in Fiscal 2020 was computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the vesting dates of February 22, 2020 of \$3.15 and April 6, 2020 of \$1.72. For Mr. Bidulka the value of the RSUs granted which vested in fiscal 2019 was computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the vesting dates of February 22, 2020 of \$3.15 and July 7, 2020 of \$2.02. For Ms. Lavallee the value of the RSUs granted which vested in Fiscal 2020 was computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding the vesting dates of November 18, 2019 of \$1.77, February 22, 2020 of \$3.15 and April 6, 2020 of \$1.72. The NEOs have not yet exercised the vested RSUs. There are no exercise prices for RSUs issued under the RSU Plan and no expiry date.
- (3) Figures in this column represent the aggregate of STIP awards and Cash LTIP awards earned in Fiscal 2020. For more information, see “*Statement of Executive Compensation – Summary Compensation Table*”.
- (4) For the purposes of disclosure, the Tandem Award is excluded on the assumption that Mr. Godfrey would exercise RSUs under the Tandem Award. For more information on the Tandem Award, see “*Statement of Executive Compensation – Employment Agreements*”.

EMPLOYMENT AGREEMENTS

The following table summarizes key details of the employment agreement for the Executive Chair:

NAME OF NEO	Paul Godfrey
EFFECTIVE DATE	November 1, 2016 (as amended, expiring on December 31, 2020) ⁽¹⁾
ANNUAL BASE SALARY (\$)	1,200,000
INCENTIVE COMPENSATION (ANNUAL CASH BONUS)	The employment agreement for Mr. Godfrey provides him with an annual cash incentive target opportunity of 100% of his base salary, based on full achievement of the targets (as discussed in <i>"Statement of Executive Compensation – Annual Short-Term Incentive Plan"</i>) as fixed by the Board of Directors.
EMPLOYEE BENEFITS AND PERQUISITES	Mr. Godfrey is entitled to receive various employee benefits and perquisites. For more information about benefits and perquisites, see <i>"Statement of Executive Compensation – Summary Compensation Table"</i> .
EQUITY AND NON-EQUITY INCENTIVE AWARDS	Pursuant to the terms of the amended and restated employment agreement, Mr. Godfrey was eligible to receive a one-time grant of RSUs to acquire 1,171,965 Variable Voting Shares and an additional grant of 1,171,965 RSUs/Options as the tandem award (the "Tandem Award"). Upon the exercise of any or all Options comprising the Tandem Award, the corresponding number of RSUs will be automatically forfeited by Mr. Godfrey for no consideration and Mr. Godfrey will, upon payment of the exercise price, receive one Share per Option in accordance with the terms of the Option Plan. Upon the exercise of any or all RSUs underlying the Tandem Award, the corresponding number of Options will be automatically forfeited by Mr. Godfrey for no consideration and Mr. Godfrey will receive one Share per RSU without payment of additional consideration. In no event will Mr. Godfrey receive more than 1,171,965 share entitlements (either in the form of Shares or the value of a Share, as applicable) in respect of the Tandem Award. The RSUs and Tandem Award will vest, as to 20% of the Shares subject to each award immediately upon grant and, as to the balance of the Shares subject to each award, equally on each of the first four anniversaries of the approval date (as defined in the grant documents). For more information about equity ownership and share-based awards, see <i>"Statement of Executive Compensation – Summary Compensation Table"</i> and <i>"Statement of Executive Compensation – Long-Term Incentive Plans"</i> .
PENSION	Mr. Godfrey is not eligible for any pension and/or post-retirement income from Postmedia Network Inc.
TERMINATION OF EMPLOYMENT WITHOUT CAUSE	The employment agreement provides that if Mr. Godfrey's position is terminated without cause by Postmedia Network Inc. or by Mr. Godfrey for <i>"good reason"</i> or by <i>"change of control"</i> , Mr. Godfrey will be paid an amount equal to the base salary that would have been payable to him until the expiry of the term of his employment agreement as if it had not been terminated. Mr. Godfrey's termination clause also provides for an amount equal to the average of annual cash incentive bonuses paid to Mr. Godfrey for each fiscal year during which Mr. Godfrey was employed with Postmedia Network Inc. prorated for any partial year to the expiry of the term, together with continuation of benefits, perquisites and allowances to which Mr. Godfrey was entitled at the date of termination for the same period.
TERMINATION OF EMPLOYMENT BY REASON OF INCAPACITY	In the event of a termination of employment by reason of incapacity, Mr. Godfrey is entitled to the base salary, benefits and perquisites and allowances to which he was entitled at the date of termination to the end of the term.
NON-COMPETE OR NON-SOLICITATION	Mr. Godfrey's employment agreement also includes non-competition and non-solicitation covenants effective during the term of employment and post-termination (until the later of 12 months following termination and the entirety of the term of the agreement) in favour of Postmedia Network Inc.

Notes:

- (1) Mr. Godfrey's existing employment agreement expires on December 31, 2020. It is expected that he will thereafter transition to the position of non-executive Chair of the Board of Directors.

The following table summarizes key details of the employment agreement for the CEO:

NAME OF NEO	Andrew MacLeod
EFFECTIVE DATE	October 19, 2017 (as amended)
ANNUAL BASE SALARY (\$)	900,000
INCENTIVE COMPENSATION (ANNUAL CASH BONUS)	Pursuant to the terms of the employment agreement, Mr. MacLeod was eligible for an annual cash incentive target opportunity of 100% of base salary, based on full achievement of the targets (as discussed in “ <i>Statement of Executive Compensation – Annual Short-Term Incentive Plan</i> ”) as fixed by the Board of Directors.
EMPLOYEE BENEFITS AND PERQUISITES	Mr. MacLeod is entitled to receive various employee benefits and perquisites. For more information about benefits and perquisites, see “ <i>Statement of Executive Compensation – Summary Compensation Table</i> ”.
EQUITY AND NON-EQUITY INCENTIVE AWARDS	Prior to November 2019, Options and RSUs that were granted to Mr. MacLeod were granted pursuant to the Company’s long-term incentive plans. Mr. MacLeod’s amended employment agreement contemplates his entitlement to: (a) a long-term cash incentive award of \$500,000 in recognition of his appointment to Chief Executive Officer in fiscal 2019 and as part of his compensation for services rendered in such role during fiscal 2019, which award is subject to a two-year vesting period and conditional upon Mr. MacLeod’s continued active employment in the role of Chief Executive Officer at the end of such period; and (b) LTIP awards beginning in Fiscal 2020 comprised of: (i) a cash award that represents 75% of annual supplemental pay with a portion subject to time vesting, a portion subject to an EBITDA target and a portion subject to pre-determined discretionary criteria of the Compensation and Pension Committee and the Board of Directors each year; and (ii) an RSU award that represents 25% of annual supplemental pay. The vesting periods are similar to the LTIP offered to other NEOs, with RSUs vesting in equal parts over four years and the cash component vesting in equal parts over three years and only payable at the end of such three year period.
PENSION	Mr. MacLeod participates in the Company’s Pension Plans. For more information about Mr. MacLeod’s participation in the Company’s Pension Plans, see “ <i>Statement of Executive Compensation – Pension Plans</i> ”.
TERMINATION OF EMPLOYMENT WITHOUT CAUSE	Mr. MacLeod will be paid a lump sum severance payment equivalent to 24 months base salary and 24 months average annual bonus. ⁽¹⁾ Mr. MacLeod is also entitled to an acceleration of payment of any portion of Cash LTIP already vested as of the date of termination or resignation.
CONTINUATION OF BENEFITS	Mr. MacLeod will continue to receive benefits for a period of 24 months.
TERMINATION OF EMPLOYMENT BY REASON OF INCAPACITY	In the event of a termination of employment by reason of incapacity, Mr. MacLeod is entitled to the base salary, benefits and perquisites and allowances to which he was entitled at the date of termination for a period of two years, as well as an acceleration of payment of any portion of Cash LTIP already vested as of the date of termination.
NON-COMPETE OR NON-SOLICITATION	Mr. MacLeod’s employment agreement includes non-competition and non-solicitation clauses in favour of Postmedia Network Inc. Mr. MacLeod’s non-competition and non-solicitation clauses are in effect for 12 months following the date of the termination.

Notes:

(1) The average annual bonus will be calculated based on what was paid, or payable, under the STIP for the last two fiscal years.

The following table summarizes key details of the employment agreements for the following NEOs:

NAME OF NEO	BRIAN BIDULKA	MARY ANNE LAVALLEE	GILLIAN AKAI
EFFECTIVE DATE	July 17, 2017	August 14, 2014 (as amended)	May 24, 2016 (as amended)
ANNUAL BASE SALARY (\$)	450,000	400,000	425,000
INCENTIVE COMPENSATION (ANNUAL CASH BONUS)	The employment agreements for each of the NEOs listed above provide them with an annual cash incentive target opportunity of 50% of base salary, based on full achievement of the targets (as discussed in “ <i>Statement of Executive Compensation – Annual Short-Term Incentive Plan</i> ”) as fixed by the Board of Directors.		
EMPLOYEE BENEFITS AND PERQUISITES	The NEOs listed above are entitled to receive various employee benefits and perquisites. For more information about benefits and perquisites, see “ <i>Statement of Executive Compensation – Summary Compensation Table</i> ”.		
EQUITY AND NON-EQUITY INCENTIVE AWARDS	Pursuant to his employment agreement, Mr. Bidulka received Options to acquire 225,000 Variable Voting Shares and 150,000 RSUs. Additional grants of Options and/or RSUs that have been granted to Mr. Bidulka have been granted pursuant to the Company’s long-term incentive plans. Neither Mmes. Akai’s nor Lavallee’s employment agreements contemplate equity ownership or share-based awards. Any Options and RSUs that have been granted to Mmes. Akai and Lavallee have been granted pursuant to the Company’s long-term incentive plans. For more information about equity ownership and share-based awards, see “<i>Statement of Executive Compensation – Summary Compensation Table</i>” and “<i>Statement of Executive Compensation – Long-Term Incentive Plans</i>”.		
PENSION	Mr. Bidulka and Mmes. Akai and Lavallee participate in the Company’s Pension Plans and the CAAT Pension Plan. For more information about the NEOs participation in the Company’s Pension Plans and the CAAT Pension Plan, see “ <i>Statement of Executive Compensation – Pension Plans</i> ”.		
TERMINATION OF EMPLOYMENT WITHOUT CAUSE	For each full year of service completed, the NEO will be paid a lump sum severance payment equivalent to one month’s base salary and one month’s average annual bonus ⁽¹⁾ for a minimum of 12 months up to a maximum of 24 months.	For each full year of service completed, the NEO will be paid a lump sum severance payment equivalent to one month’s base salary and one month’s average annual bonus ⁽¹⁾ for a minimum of 12 months up to a maximum of 24 months.	The NEO will be paid a lump sum severance payment equivalent to 24 months base salary and 24 months average annual bonus. ⁽¹⁾
CONTINUATION OF BENEFITS	The NEO will continue to receive benefits for a minimum period of 12 months up to a maximum of 24 months.	The NEO will continue to receive benefits for a minimum period of 12 months to a maximum of 24 months.	The NEO will continue to receive benefits for a period of 24 months.
TERMINATION OF EMPLOYMENT BY REASON OF INCAPACITY	None of the NEOs are entitled to receive benefits in the event of termination of employment by reason of incapacity.		
NON-COMPETE OR NON-SOLICITATION	The employment agreements for the NEOs include non-competition and non-solicitation clauses in favour of Postmedia Network Inc. For all NEOs, the non-competition clause is in effect for a period of six months following termination and the non-solicitation clause is in effect for a period of 12 months following termination.		

Notes:

(1) The average annual bonus will be calculated based on what was paid, or payable, under the STIP for the last two fiscal years.

Termination and Change of Control Benefits

The following table summarizes the estimated incremental payments to each NEO in the event of termination without cause, termination due to incapacity or death. The payments are calculated as at August 31, 2020. For more information, see “Statement of Executive Compensation – Employment Agreements”.

NAME	COMPENSATION COMPONENT	ESTIMATED INCREMENTAL PAYMENTS FOR TERMINATION WITHOUT CAUSE (\$)	ESTIMATED INCREMENTAL PAYMENTS DUE TO INCAPACITY (\$)	ESTIMATED INCREMENTAL PAYMENTS DUE TO DEATH (\$)
Paul Godfrey ⁽¹⁾	Base Salary	400,000	400,000	-
	STIP	48,541	-	-
	Unvested Tandem Award	-	-	389,092
	Unvested RSUs	-	-	389,092
	Continuation of Benefits	74,792	74,792	-
	Total	523,333	474,792	778,184
Andrew MacLeod	Base Salary	1,800,000	1,800,000	-
	STIP	1,620,000	-	-
	Cash LTIP	-	395,833	395,833
	Unvested Options	-	-	727,200
	Unvested RSUs	-	-	537,118
	Continuation of Benefits	113,042	11,042	-
	Total	3,533,042	2,206,875	1,660,151
Brian Bidulka	Base Salary	450,000	-	-
	STIP	202,500	-	-
	Cash LTIP	-	70,000	70,000
	Unvested Options	-	-	313,238
	Unvested RSUs	-	-	221,502
	Continuation of Benefits	5,521	-	-
	Total	658,021	70,000	604,740
Mary Anne Lavallee	Base Salary	400,000	-	-
	STIP	180,000	-	-
	Cash LTIP	-	70,000	70,000
	Unvested Options	-	-	83,448
	Unvested RSUs	-	-	149,137
	Continuation of Benefits	5,521	-	-
	Total	585,521	70,000	302,585
Gillian Akai	Base Salary	850,000	-	-
	STIP	425,000	-	-
	Cash LTIP	-	70,000	70,000
	Unvested Options	-	-	256,538
	Unvested RSUs	-	-	201,582
	Continuation of Benefits	11,042	-	-
	Total	1,286,042	70,000	528,120

Notes:

- (1) In the event of the resignation by Mr. Godfrey of his employment due to “good reason” or “change of control” (as defined in his employment agreement), Mr. Godfrey will be entitled to the same payments as he would be entitled to receive in respect of a termination without cause as described in the table above.

Except for those payments to Mr. Godfrey described in note 1 to the table above, no incremental payments to the NEOs are triggered upon the event of resignation for “good reason” or “change of control”.

DIRECTOR COMPENSATION

Annual Fees

The compensation of the Board of Directors is designed to attract and retain highly talented and experienced individuals. This requires that the Board of Directors of the Company be fairly and competitively compensated. The Board of Directors, through the Compensation and Pension Committee, periodically reviews the compensation paid to the Company's directors, taking into account the complexity of the Company's operations, the risks and responsibilities involved in being a director of the Company, the requirement to participate in scheduled and special Board of Directors meetings, expected participation on the Board of Directors' standing committees and the compensation paid to directors of comparable entities.

The following table sets out the annual fees payable to the Board of Directors of the Company for Fiscal 2020:

BOARD OR COMMITTEE	ANNUAL CASH RETAINER (\$)
Board of Directors (Member)	100,000
Audit Committee (Chair)	142,000
Compensation and Pension Committee (Chair)	142,000
Corporate Governance and Nominating Committee (Chair)	125,000
Committee Membership (per committee, excluding Chair positions)	8,300

Neither Mr. Godfrey nor Mr. MacLeod received additional compensation for serving as a director of the Company. The Lead Director is not entitled to any additional compensation as a result of assuming such role.

Annual retainers are paid 100% in cash. Directors are reimbursed for reasonable travel and other expenses properly incurred by the director in attending meetings of the Board of Directors or any board committee meeting. Directors do not receive a fee for each meeting attended unless it is determined by the Board of Directors that an extraordinary number of meetings are being held.

Director Compensation Table

The following table describes the compensation that was paid by the Company to its non-executive directors during the year ended August 31, 2020. Messrs. Godfrey and MacLeod did not receive any compensation for serving as directors of the Company. Their compensation for serving as executives of the Company is included in "Statement of Executive Compensation - Summary Compensation Table". The total compensation received by the Company's non-employee directors in Fiscal 2020 was \$883,700. Directors were subject to a temporary reduction in fees as part of the Company's cost containment measures implemented in response to the COVID-19 pandemic. After managing through the initial liquidity constraints of the COVID-19 pandemic, such reductions were repaid in December 2020. For more information, see "Statement of Executive Compensation - Impact of COVID-19 on Compensation".

NAME	FEES EARNED (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
John Bode	108,300	-	108,300
Janet Ecker	116,600	-	116,600
Wendy Henkelman	150,300	-	150,300
Mary Junck	116,600	-	116,600
Daniel Rotstein	108,300	-	108,300
Graham Savage	150,300	-	150,300
Peter Sharpe	133,300	-	133,300
Total	883,700	-	883,700

INSURANCE COVERAGE FOR DIRECTORS AND OFFICERS AND INDEMNIFICATION

Postmedia has obtained a directors and officers liability insurance policy, which covers indemnification of directors and officers of Postmedia in certain circumstances. In addition, Postmedia has entered into indemnification agreements with its directors and officers for liabilities and costs in respect of any action or suit against them in connection with the execution of their duties, subject to customary limitations prescribed by applicable law.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Option Plan and the RSU Plan were not approved by Shareholders as they were each adopted by the Company prior to being listed on the TSX.

The following table provides a summary of securities issued and issuable under all equity compensation plans of Postmedia as at August 31, 2020.

EQUITY COMPENSATION PLAN	NUMBER OF SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS AND RSUS (#)	WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS AND RSUS (\$)	NUMBER OF SHARES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (#)
Option Plan	3,748,688	1.02	-
RSU Plan	4,392,787	-	3,075,901

BURN RATE

The following table sets forth the annual burn rate, expressed as a percentage, for each of the Company's security-based compensation arrangements for Fiscal 2020, 2019 and 2018:

EQUITY COMPENSATION PLAN	ANNUAL BURN RATE ⁽¹⁾ FOR THE FISCAL YEAR ENDED AUGUST 31		
	2020	2019	2018 ⁽²⁾
Option Plan	0.00%	0.69%	3.38%
RSU Plan	0.71%	0.28%	3.76%

Notes:

- (1) The annual burn rate is calculated as the number of securities granted under the arrangement during the applicable fiscal year divided by the weighted average number of securities outstanding for the applicable year.
- (2) Options and RSUs granted in fiscal 2018 were approved in two tranches in each of fiscal 2017 and fiscal 2018 and intended to be granted in each of fiscal 2017 and fiscal 2018. For more information on the grants, see "Statement of Executive Compensation – Long-Term Incentive Plans".

For more information about the Company's equity compensation plans, see "Statement of Executive Compensation – Incentive Plans".

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. Set forth below is certain disclosure by Postmedia of its corporate governance practices.

BOARD OF DIRECTORS

In fulfilling its statutory mandate and discharging its duty of stewardship of Postmedia, the Board of Directors assumes responsibility for, among other things:

- reviewing and approving the strategic plan and business objectives of Postmedia that are submitted by senior management and monitoring the implementation by senior management of the strategic plan. During at least one meeting each year, the Board of Directors will review Postmedia's long-term strategic plans and the principal issues that Postmedia expects to face in the future;
- assessing, monitoring and managing the principal strategic risks, reviewing the operational, reporting and compliance risks for Postmedia and overseeing, with the assistance of the Audit Committee, the implementation and monitoring of appropriate risk management systems;
- ensuring, with the assistance of the Corporate Governance and Nominating Committee, the effective functioning of the Board of Directors and its committees ("**Committees**") in compliance with applicable corporate governance requirements of applicable legislation, and that such compliance is reviewed periodically by the Corporate Governance and Nominating Committee;
- assessing whether internal controls and management information systems for Postmedia are in place and ensuring they are evaluated and reviewed periodically on the initiative of the Audit Committee, including, Postmedia's Timely Disclosure, Confidentiality and Inside Trading Policy;
- assessing the performance of Postmedia's senior management, including monitoring the establishment of appropriate systems for succession planning (including the development of policies and principles for CEO selection and performance reviews, and policies regarding succession in an emergency or upon retirement of the CEO) and periodically monitoring the compensation levels of the members of senior management based on the determinations and recommendations made by the Compensation and Pension Committee;
- ensuring that Postmedia has in place a policy for effective communication with Shareholders, other stakeholders and the public generally; and
- reviewing and, where appropriate, approving the recommendations made by the various Committees, including, without limitation, the selection of nominees for election to the Board of Directors, appointment of directors to fill vacancies on the Board of Directors, appointment of members of the various Committees and establishing the form and amount of director compensation.

The text of the Board of Directors Charter is attached as **Schedule "A"**.

Board of Directors Composition and Nomination Process

As of August 31, 2020, the Board of Directors was composed of nine directors. The Board of Directors will be, upon election of all nominees, composed of ten directors.

The Corporate Governance and Nominating Committee: (a) develops and recommends to the Board of Directors criteria for selecting new directors; (b) assists the Board of Directors in identifying individuals qualified to become directors; and (c) recommends to the Board of Directors nominees for election to the Board of Directors and directors to be appointed to each Committee and as the Chair of each Committee. In attending to the above matters, the Corporate Governance and Nominating Committee applies a number of criteria in assessing individuals that may be qualified to become directors and members of Committees, 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 Postmedia.

These criteria are to be applied in respect of each individual director, and in respect of the Board of Directors and each Committee as a whole.

Our Corporate Governance Guidelines do not restrict the number of boards on which our directors may sit. However, our Code of Business Conduct and Ethics ("**Code of Conduct**") requires that the Executive Chair approve any other directorships held by our directors and officers. In considering such requests, the Executive Chair will consider a number of factors, including any conflicts of interest that such directorship may raise. The Chair of the Corporate Governance and Nominating Committee is responsible for approving any other directorship held by the Executive Chair. In addition, directors are expected to devote the required time and effort to discharge their obligations as members of the Board of Directors. None of the members of the Audit Committee may serve on the audit committee of more than three public companies in addition to Postmedia without the prior approval of the Audit Committee, the Corporate Governance and Nominating Committee and the Board of Directors.

Board Interlocks

Although the Board of Directors does not set a formal limit on the number of public company interlocking board and committee memberships that directors may have, the Corporate Governance and Nominating Committee reviews any public company interlocks as part of its annual evaluation of director independence.

There are currently no board interlocks.

Diversity at the Board Level

The Board of Directors recognizes the value that diversity brings to both the boardroom and workplace. The Company is a member of The Canadian Board Diversity Council, which is a self-funded organization advancing diversity on Canada's boards.

As referenced above, the Board of Directors and the Corporate Governance and Nominating Committee consider diversity in the broadest sense, including gender and individuals from other designated groups (as such term is defined in the *Employment Equity Act*) ("**Designated Groups**"), in selecting potential director candidates. The Board of Directors and the Corporate Governance and Nominating Committee consider the representation of women and individuals from the Designated Groups in identifying and nominating board candidates in a variety of ways, including by actively seeking these candidates for inclusion in its list of potential candidates for future vacancies. For instance, the committee reviews resources, such as those provided by the Canadian Board Diversity Council, that profile women and members of the Designated Groups who are currently on or have an interest in serving on public Canadian boards. This ensures that there is a broad pool of candidates to draw upon in the event of a vacancy on the Board of Directors.

The Board of Directors has not adopted a written policy relating to the identification and nomination of female directors or directors from the Designated Groups or set targets for representation of women or individuals from the Designated Groups on the Board of Directors, as it has incorporated consideration of diversity into its practices as described above. Further, the Board of Directors believes that it is a combination of the skills, experience and character of an individual that are the most important qualities in assessing the value that such individual can bring to the Board of Directors.

The Board of Directors currently has three female directors. If all the nominee directors for this year are elected, the Board of Directors will continue to have three female directors, which will represent approximately 30% of the Board of Directors and approximately 50% of the Company's independent directors. The Board of Directors does not have any directors from other Designated Groups.

Diversity at the Executive Level

Postmedia is committed to a fair and inclusive work environment where diversity is valued. The Company has two female executive officers out of five, which includes one visible minority. Women currently represent 40%, and visible minorities represent 20%, of the Company's executive officers. At the vice president level and above, women represent 42%, and visible minorities represent 28%, of existing positions. The Company considers the representation of individuals of the Designated Groups in executive officer appointments as a normal practice. In addition, Postmedia is developing and implementing a comprehensive diversity and inclusion program that will include the establishment of a diversity council, mentorship programs to support the advancement of individuals in designated groups and educational programs.

Specific targets for gender or individuals of the Designated Groups at the executive level have not been adopted as the Company is of the view that gender is one factor of many to be considered in advancement and hiring decisions, but emphasis should be placed on hiring or advancing the most qualified individuals.

Attendance

The following table outlines the attendance record of directors at Board and Committee meetings in Fiscal 2020:

NAME	BOARD OF DIRECTORS MEETINGS ATTENDED	AUDIT COMMITTEE MEETINGS ATTENDED	COMPENSATION AND PENSION COMMITTEE MEETINGS ATTENDED	CORPORATE GOVERNANCE AND NOMINATING COMMITTEE MEETINGS ATTENDED
Paul Godfrey	8 of 8	-	-	-
John Bode	8 of 8	-	-	3 of 3
Janet Ecker	8 of 8	5 of 5	-	3 of 3
Wendy Henkelman	8 of 8	5 of 5	-	3 of 3
Mary Junck ⁽¹⁾	6 of 8	4 of 5	6 of 8	-
Andrew MacLeod	8 of 8	-	-	-
Daniel Rotstein	8 of 8	-	8 of 8	-
Graham Savage	8 of 8	5 of 5	8 of 8	-
Peter Sharpe	8 of 8	-	8 of 8	3 of 3

Notes:

- (1) Ms. Junck was unable to attend Board of Director and committee meetings held in January 2020 for medical reasons. Her absence was approved by the Executive Chair

Independence

For a director to be considered independent under the policies of the Canadian Securities Administrators, he or she must have no direct or indirect material relationship with the Company, being a relationship that could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of his or her independent judgment, and must not be in any relationship deemed to be not independent pursuant to such policies.

The Board of Directors has determined that a majority of its current directors are independent as defined in *National Instrument 58-101-Disclosure of Corporate Governance Practices*. The five independent directors are Messrs. Savage and Sharpe and Mmes. Ecker, Henkelman and Junck. If Mr. Gasparro is elected, there will be six independent directors. Messrs. Godfrey, Bode, MacLeod and Rotstein have been determined not independent. Specifically, Messrs. Godfrey and MacLeod are not independent as a result of their executive positions at Postmedia. The Board of Directors has determined that Mr. Bode is not independent as a result of his relationship with Chatham (which owns a significant amount of the Company's outstanding debt and equity) and previous strategic and financial consulting services that he provided to Postmedia management through a third party which is an associated company of Chatham. Mr. Bode ceased providing such services to Postmedia in August 2018. In light of Mr. Rotstein's relationship with Chatham, and in particular, Mr. Rotstein's nomination to the Board of Directors pursuant to Chatham's nominating rights in 2016, the Board of Directors has determined that Mr. Rotstein is not independent. Mr. Rotstein is also currently engaged as a consultant with an associated company of Chatham. For more information on Messrs. Bode's and Rotstein's independence, see "*Board of Directors – Conflicts of Interest*".

Independent directors meet informally each quarter without non-independent directors in attendance. In addition, *in camera* sessions are held at each regularly scheduled Board of Directors meeting exclusive of management and non-independent directors, including directors who are members of management, for the purpose of facilitating open and candid discussion amongst its members.

Board of Directors Process

In addition to having the majority of the Board of Directors composed of independent directors, the Board of Directors has adopted a variety of procedures to allow for the independent functioning of the Board of Directors from management. Those procedures include having an Executive Chair or Lead Director who is an independent director with a formal mandate to assist the Board of Directors in fulfilling its duties effectively, efficiently and independent of management, members of the Board of Directors having the opportunity to initiate discussions with senior management without the Executive Chair or CEO present so that they may freely discuss any concerns they may have and the ongoing monitoring of the relationship between the Board of Directors and senior management by the Corporate Governance and Nominating Committee.

The Board of Directors exercises its responsibility for oversight through the approval of all material decisions and initiatives affecting Postmedia.

CODE OF BUSINESS CONDUCT AND ETHICS

Postmedia 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 Postmedia 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. We have also established additional procedures for confidential and anonymous reporting of complaints concerning accounting, internal accounting controls, auditing matters and breaches of the Code of Conduct. The Board of Directors requires every director and executive officer to disclose any direct or indirect conflict of interest that he or she has, and obtains formal confirmation of compliance with the Code of Conduct annually from directors, officers and a group of senior managers from across the Company that includes employees with direct reports.

Any waivers of the Code of Conduct for directors or members of senior management may only be granted by the Board of Directors (or a Committee to whom that authority has been delegated), while any waiver for all other employees may only be made by the CEO.

In order to help ensure that directors exercise independent judgment in considering any transaction or agreement in which a director or executive officer has a material interest, any director or executive officer with such an interest is expected to declare the interest and would generally not be present for any substantive discussion or vote regarding the matter.

POSITION DESCRIPTIONS

The Executive Chair of the Board of Directors, Lead Director and Committee Chairs

The Board of Directors has approved a position description for each of the Executive Chair and Lead Director. The Lead Director position description provides that the Lead Director is appointed where the Executive Chair is not an independent director, to assist the Executive Chair in fulfilling his or her duties and the Board of Directors in fulfilling its duties independent of senior management and to ensure that directors have an independent leadership contact.

The current Executive Chair is Mr. Godfrey who is not an independent director as he is an executive of the Company. Mr. Sharpe is an independent director and is currently the Lead Director of the Board of Directors.

The position description for the Executive Chair delegates to him or her the responsibility for, among other things, taking a leadership role in ensuring effective communication and relationships between Postmedia, Shareholders, stakeholders, promoting an understanding by members of the Board of Directors and senior management of the duties and responsibilities of the Board of Directors and recommending procedures to enhance the work of the Board of Directors and cohesiveness among directors. Further, the position description for the Executive Chair delegates to him or her, or where the Executive Chair is not an independent director, the Lead Director, the responsibility for, among other things, acting as a liaison between the Board of Directors and the CEO and facilitating the annual performance review and evaluation of the Board of Directors and its members, as well as the CEO and presenting findings in accordance with the Board of Directors and Committee charters and facilitating the assessment and adequacy of the Charter of the Board of Directors.

The position description for the Lead Director delegates to him or her the responsibility for, among other things, assisting the Executive Chair in promoting the proper flow of information to the members of the Board of Directors to keep the members of the Board of Directors fully apprised of all matters which are material to members of the Board of Directors at all times, providing leadership to the Board of Directors if circumstances arise in which the Executive Chair may, or may be perceived to, have a conflict of interest and presiding over meetings of the members of the Board of Directors or the Company's Shareholders when the Executive Chair is absent or when the Board of Directors determines the Lead Director should do so.

The Board of Directors has also approved position descriptions for the Chair of the Audit Committee, the Chair of the Compensation and Pension Committee and the Chair of the Corporate Governance and Nominating Committee that delegate to such Chairs the responsibility for, among other things, recommending procedures to enhance the work of each respective Committee, facilitating performance reviews and evaluating each such Committee and its members in accordance with the respective Charter and facilitating the assessment and adequacy of the Charter for each Committee. Each Chair will be the liaison between the Committee and the Board of Directors and senior management of Postmedia.

The Chief Executive Officer

The Board of Directors has approved a position description for the CEO that delegates to him or her the responsibility for providing strategic leadership and vision by working with the Board of Directors and the senior management team to establish, implement and oversee our long-term goals, strategies, plans and policies, subject to the direction and oversight of the Board of Directors. The CEO shall be Postmedia's primary person to communicate news pertaining to the Company to the public, with the CFO communicating financial information. The CEO reports formally to the Board of Directors, as well as less formally through discussions with members of the Board of Directors, to advise the Board of Directors on a timely basis of matters material to the directors relevant to the discharge of their duties.

ORIENTATION AND CONTINUING EDUCATION

Senior management, working with the Corporate Governance and Nominating Committee, provides appropriate orientation and education for new directors to familiarize them with Postmedia and its business and the role of the Board of Directors, the Committees and directors. 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 and the Board of Directors' advisors 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.

The Board of Directors is to meet at least four times a year, and more frequently as circumstances require. All members of the Board of Directors are expected to be at all meetings.

BOARD OF DIRECTORS RENEWAL, ANNUAL EVALUATION AND SKILLS MATRIX REVIEW

Postmedia has not adopted term limits as the Board of Directors ensures adequate board renewal through a variety of initiatives, including an annual review of a skills matrix reflecting the skills of the Board of Directors ("**Skills Matrix**") and an annual evaluation.

The Board of Directors and the Corporate Governance and Nominating Committee review the Skills Matrix to ensure that the Board of Directors possesses the requisite experience, expertise and business and operational insight for the effective stewardship of the Company.

In addition, under the supervision of the Corporate Governance and Nominating Committee, the directors conduct a formal written evaluation at least once every two years (and an informal evaluation each year in which a written evaluation has not been conducted) of: (a) the performance and effectiveness of the Board of Directors as a whole and of each Committee; and (b) individual directors, by way of peer evaluation and self-evaluation. As part of such process, each director completes a detailed questionnaire which requires them to assess the performance of the Board of Directors or the applicable Committee. The questionnaires require input on the role, responsibilities and effectiveness of the Board of Directors and each Committee, its membership, the conduct of meetings, the performance of the Executive Chair, and any improvements that could be made to enhance its effectiveness. The results of the evaluations are then reviewed by the Executive Chair and the Corporate Governance and Nominating Committee, and the Corporate Governance and Nominating Committee reports thereon to the Board of Directors.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has established three standing Committees to assist it in discharging its mandate. 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, has the authority to retain special legal, accounting or other advisors and, is chaired by an independent director.

Composition of Committees

The members of the Board of Directors' Committees have been appointed by the Board of Directors and will in the future be appointed by the Board of Directors upon the recommendation of the Corporate Governance and Nominating Committee.

Audit Committee

The current members of the Audit Committee are Mmes. Henkelman (Chair), Ecker and Junck and Mr. Savage. The Audit Committee assists the Board of Directors in, among other things, its oversight and evaluation of: (a) the quality and integrity of the financial statements of Postmedia; (b) the compliance by Postmedia with legal and regulatory requirements in respect of financial disclosure; (c) the qualification, independence and performance of the independent auditor; (d) the assessment, monitoring and management of the financial, reporting and compliance risks involved with Postmedia's business; (e) the enterprise risk management process; and (f) the performance of the CFO.

The text of the Audit Committee's Charter may be found in the Company's latest Annual Information Form which is available on SEDAR at www.sedar.com.

All members of the Audit Committee are independent and “*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. For more information on the relevant education and experience of the members of the Audit Committee, see “*Board of Directors – Director Biographies*” in this document and “*Audit Committee Information – Relevant Education and Experience*” in the Annual Information Form which is available on SEDAR at www.sedar.com.

The following table summarizes fees billed by the Company’s external auditor for the years ended August 31, 2020 and 2019 for audit and non-audit related services provided to the Company and its subsidiaries:

YEAR	AUDIT FEES (\$)	AUDIT RELATED FEES (\$)	TAX FEES (\$)	ALL OTHER FEES (\$)
Fiscal 2020	515,000	71,500 ⁽¹⁾	102,850	-
Fiscal 2019	528,000	68,500 ⁽¹⁾	30,000	-

Notes:

- (1) Includes fees incurred in connection with the audit of the Pension Plan financial statements and fees incurred with respect to specified procedures on internal controls and for the year ended August 31, 2020 fees incurred in connection with the adoption of new accounting standards.

The Audit Committee charter provides that the Audit Committee is to meet at least quarterly and is to meet separately with senior management periodically, and with the independent auditor as appropriate. The Audit Committee will also meet *in camera* at each of its regularly scheduled meetings.

None of the members of the Audit Committee may serve on the audit committee of more than three public companies in addition to Postmedia without the prior approval of the Audit Committee, the Corporate Governance and Nominating Committee and the Board of Directors. None of the members of the Audit Committee serve on the audit committee of more than three other public companies.

Compensation and Pension Committee

The current members of the Compensation and Pension Committee are Messrs. Savage (Chair), Rotstein and Sharpe and Ms. Junck. The Compensation and Pension Committee is not composed entirely of independent directors. The Board of Directors has determined that Mr. Rotstein is not an independent director. For more information, see “*Statement of Corporate Governance Practices – Independence*”. However, the Board of Directors has ensured that there is an objective process for determining compensation by ensuring a majority of the members of the Compensation and Pension Committee are independent directors.

The Compensation and Pension Committee assists the Board of Directors in discharging its responsibilities relating to: (a) recruitment, development and retention of senior management; (b) appointment and compensation of senior management; (c) senior management succession planning; (d) compensation structure for the Board of Directors and senior management, including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards; and (e) the Pension Plans and other retirement arrangements of Postmedia. The Compensation and Pension Committee makes recommendations to the Board of Directors and reviews the adequacy and form of directors’ compensation annually to ensure that such compensation reflects the responsibilities and risks involved in being an effective director.

The Compensation and Pension Committee charter provides that the Compensation and Pension Committee is to meet at least quarterly, and is to meet separately with senior management periodically, and with outside advisors as appropriate. The Compensation and Pension Committee will also meet *in camera* at each of its regularly scheduled meetings.

Corporate Governance and Nominating Committee

The current members of the Corporate Governance and Nominating Committee are Messrs. Sharpe (Chair) and Bode and Mmes. Ecker and Henkelman. The Corporate Governance and Nominating Committee is not composed entirely of independent directors. Mr. Bode is not an independent director. For more information on director independence, see “*Statement of Corporate Governance Practices – Independence*”. However, the Board of Directors has ensured that there is an objective nomination process by ensuring a majority of the members of the Corporate Governance and Nominating Committee are independent directors. In addition to making recommendations as to the size of the Board of Directors, nominees for election as directors and the composition of Committees, the Corporate Governance and Nominating Committee is intended to: (a) enhance Postmedia’s corporate governance process through the development and recommendation to the Board of Directors of appropriate corporate governance guidelines; (b) administer the Code of Business Conduct; (c) assist the Board of Directors and the Committees in their annual review of their performance and their charters; and (d) undertake such other initiatives that may be necessary or desirable to enable the Board of Directors to provide effective corporate governance. The Corporate Governance and Nominating Committee has been granted the authority and direction to take such other initiatives as are needed to help the Board of Directors address corporate governance issues.

The Corporate Governance and Nominating Committee charter provides that the Corporate Governance and Nominating Committee is to meet at least twice a year, and is to meet separately with senior management periodically, and with outside counsel as appropriate. The Corporate Governance and Nominating Committee will also meet *in camera* at each of its regularly scheduled meetings.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, to the knowledge of the Board of Directors and executive officers of Postmedia, no “*informed person*” (as defined in *National Instrument 51-102 – Continuous Disclosure Obligations*) or any associate or affiliate of any informed person, has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction with Postmedia since September 1, 2019 or has any such interest in any proposed transaction that has materially affected or would materially affect Postmedia or our subsidiaries.

REFINANCING TRANSACTION

On September 9, 2019, the Company completed a refinancing transaction. As part of the refinancing transaction, the Company extended the maturity of its 10.25% Second Lien Secured Notes due 2023 by six months to January 15, 2024 pursuant to a second supplemental indenture (“**Second Supplemental Indenture**”) between, among others, the Company and Chatham. For more information on the refinancing transaction, see “*General Development of the Business – History of the Corporation*” in the Company’s latest Annual Information Form which is available on SEDAR at www.sedar.com.

The full text of the Second Supplemental Indenture is available on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to Postmedia is available on SEDAR at www.sedar.com and financial information relating to the Company is provided in Postmedia’s audited consolidated financial statements and management’s discussion and analysis for the years ended August 31, 2020 and 2019.

To request copies of Postmedia’s audited consolidated financial statements, management’s discussion and analysis, Annual Information Form, or its Code of Business Conduct and Ethics, Shareholders may contact Postmedia’s Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary, Gillian Akai, at Postmedia Place, 365 Bloor Street East, 12th Floor, Toronto, Ontario M4W 3L4, telephone number (416) 383-2300.

DIRECTORS' APPROVAL

The contents of this Circular and the sending thereof to our Shareholders have been approved by the Board of Directors of Postmedia Network Canada Corp.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'P. Godfrey', written in a cursive style.

**PAUL GODFREY
EXECUTIVE CHAIR OF THE BOARD OF DIRECTORS**

December 17, 2020

SCHEDULE “A”

POSTMEDIA NETWORK CANADA CORP.

(the “Company”)

BOARD OF DIRECTORS CHARTER

PURPOSE

The board of directors of the Company (“**Board of Directors**”) is elected by the Company’s shareholders to supervise the management of the business and affairs of the Company, in the best interests of the Company. The Board of Directors shall:

- Review and approve the strategic plan and business objectives of the Company that are submitted by senior management and monitor the implementation by senior management of the strategic plan. During at least one meeting each year, the Board of Directors will review the Company’s long-term strategic plans and the principal issues that the Company expects to face in the future;
- Assess, monitor and manage the principal strategic risks, and review the operational, reporting and compliance risks (together with the strategic risks, the “**Risks**”) for the Company and oversee, with the assistance of the Audit Committee, the implementation and monitoring of appropriate risk management systems;
- Ensure, with the assistance of the Corporate Governance and Nominating Committee, the effective functioning of the Board of Directors and its committees in compliance with the corporate governance requirements of applicable legislation, and that such compliance is reviewed periodically by the Corporate Governance and Nominating Committee;
- Assess whether internal controls and management information systems for the Company are in place and ensure they are evaluated and reviewed periodically on the initiative of the Audit Committee, including, the Timely Disclosure, Confidentiality and Insider Trading Policy;
- Assess the performance of the Company’s senior management, including monitoring the establishment of appropriate systems for succession planning (including the development of policies and principles for President and Chief Executive Officer selection and performance review and policies regarding succession in an emergency or upon retirement of the President and Chief Executive Officer) and for periodically monitoring the compensation levels of such senior management based on determinations and recommendations made by the Compensation Committee;
- Ensure that the Company has in place a policy for effective communication with shareholders, other stakeholders and the public generally; and
- Review and, where appropriate, approve the recommendations made by the various committees of the Board of Directors, including, without limitation, to: select nominees for election to the Board of Directors; appoint directors to fill vacancies on the Board of Directors; appoint members of the various committees of the Board of Directors; and, establish the form and amount of director compensation.

COMPOSITION

The Board of Directors collectively should possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Company’s business. The Board of Directors should be comprised of that number of individuals which will permit the Board of Directors’ effective functioning. The appointment and removal of directors shall occur in accordance with the Company’s by-laws and any existing resolutions. A majority of the Board of Directors should meet the independence requirements of any applicable legislation, regulatory requirements and policies, including, but not limited to, the independence requirements set out in section 1.4 of *National Instrument 52-110 – Audit Committees*. The Board of Directors, upon the recommendation of the Corporate Governance and Nominating Committee, shall designate the Executive Chair of the Board of Directors (the “**Chair**”) by majority vote of the Board of Directors and, where the Executive Chair is not independent, designate a Lead Director by a majority vote of the Board of Directors.

At least 25% of the Board of Directors shall be "*resident Canadians*", as contemplated by the *Canada Business Corporations Act*. Additionally, more than 51% of the directors, including the Executive Chair, shall be Canadian citizens.

MEETINGS

The Board of Directors shall meet at least four times each year and more frequently as circumstances require. All members of the Board of Directors should strive to be at all meetings. The Board of Directors shall meet separately, periodically, without senior management, and may request any member of the Company's senior management or the Company's outside counsel or independent auditor to attend meetings of the Board of Directors or with advisors thereto.

A majority of the number of directors of the Company shall constitute a quorum for the transaction of business. Subject subsections 111(1), 114(4) and 117(1) of the *Canada Business Corporations Act*, no business shall be transacted by the directors except at a meeting of the Board of Directors at which quorum is present and at which at least 25% of the directors present are "*resident Canadians*", as contemplated by the *Canada Business Corporations Act*. Additionally, more than 51% of the directors present shall be Canadian citizens.

RISKS

The Board of Directors shall:

- Approve a policy that sets out the Risks philosophy of the Company and the expectations and accountabilities for identifying, assessing, monitoring and managing Risks ("**ERM Policy**") that is developed and is to be implemented by senior management.
- Meet with senior management to review and discuss senior management's timely identification of the most significant Risks, including those Risks related to or arising from the Company's weaknesses, threats to the Company's business and the assumptions underlying the Company's strategic plan ("**Principal Risks**").
- Approve a formalized, disciplined and integrated enterprise risk management process, upon recommendation of the Audit Committee, that is developed by senior management to monitor, manage and report Principal Risks.
- Review management policies (and changes thereto) setting out the framework within which each identified Principal Risk of the Company shall be managed.
- At least semi-annually, obtain from senior management a report specifying the management of the Principal Risks of the Company including compliance with the ERM Policy and other policies of the Company for the management of Principal Risks.

COMMITTEES

The Board of Directors may delegate authority to individual directors and committees where the Board of Directors determines it is appropriate to do so. The Board of Directors expects to accomplish a substantial amount of its work through committees and shall form at least the following three committees: the Audit Committee, the Compensation and Pension Committee, and the Corporate Governance and Nominating Committee. The Board of Directors may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate. Each committee should have a written charter and should report regularly to the Board of Directors, summarizing the committee's actions and any significant issues considered by the committee.

INDEPENDENT ADVICE

In discharging its mandate, the Board of Directors shall have the authority to retain (and authorize the payment by the Company of) and receive advice from special legal, accounting or other advisors as the Board of Directors determines to be necessary to permit it to carry out its duties.

EVALUATION

At least once in each two year period in the case of (a) below and annually in the case of (b) below, or more frequently at the request of the Executive Vice President, Chief Administrative Officer and General Counsel and Corporate Secretary as a result of legislative or regulatory changes, the Board of Directors through the Corporate Governance and Nominating Committee shall, in a manner it determines to be appropriate:

- a) conduct a review and evaluation of the performance of the Board of Directors and its members and committees, including the compliance of the Board of Directors with this Charter. This evaluation will focus on the contribution of the Board of Directors to the Company and specifically focus on areas in which the directors and senior management believe that the contribution of the Board of Directors could be improved; and
- b) Review and assess the adequacy of this Charter and the position description for the Executive Chair and make any improvements the Board of Directors determines to be appropriate, except for minor technical amendments to this Charter, authority for which is delegated to the Executive Vice President, Chief Administrative Officer and General Counsel and Corporate Secretary, who will report any such amendments to the Board of Directors at its next regular meeting.