



POSTMEDIA

MANAGEMENT INFORMATION CIRCULAR

December 17, 2021

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
POSTMEDIA NETWORK CANADA CORP. TO BE HELD ON FEBRUARY 10, 2022

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, 2022, 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, 2021;
2. to re-appoint PricewaterhouseCoopers LLP as Postmedia's auditor for the year ending August 31, 2022 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.

AS A RESULT OF THE ONGOING 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 IN PERSON. 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, 2021 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, 2022 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 Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

DATED at Toronto, Ontario this 17th day of December, 2021.

BY ORDER OF THE BOARD OF DIRECTORS



PAUL GODFREY
CHAIR OF THE BOARD OF DIRECTORS

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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, 2022 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 13, 2021 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, 2022 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, 2021. 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.

AS A RESULT OF THE ONGOING 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 IN PERSON. 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, 2022 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, 2022 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, 2022 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 THE CHAIR OF OUR BOARD OF DIRECTORS ("CHAIR") OR, FAILING HIM, OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER, 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, 2022 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, 2022, 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 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.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except for any interest arising from the ownership of Shares of Postmedia where the Shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of Shares in the capital of Postmedia, or as otherwise disclosed herein, no: (a) director or executive officer of Postmedia at any time since the beginning of Postmedia's last financial year; (b) proposed nominee for election as a director of Postmedia; or (c) any associate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in the matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

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 13, 2021, 64,821 Voting Shares and 93,675,478 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 13, 2021, 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 66.53% of the outstanding Variable Voting Shares and approximately 33.20% 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, 2021 and 2020, 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, 2022 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 ten directors, which number will remain the same 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 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	Chair of the Board of Directors ⁽¹⁾	April 26, 2010	Corporate Director
John Bode ⁽²⁾⁽⁵⁾ Naples, Florida USA	Director	October 25, 2018	Chief Operating Officer, ReaderLink Distribution Services, LLC
Janet Ecker ⁽²⁾⁽³⁾⁽⁵⁾ Ajax, Ontario Canada	Director	May 16, 2017	Corporate Director
Vincent Gasparro ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario Canada	Director	February 10, 2021	Managing Director, Corporate Development & Clean Energy Finance, Vancity Community Investment Bank
Wendy Henkelman ⁽²⁾⁽³⁾⁽⁵⁾ Canmore, Alberta Canada	Director	January 13, 2016	Corporate Director
Mary Junck ⁽²⁾⁽³⁾⁽⁴⁾ 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 ⁽⁴⁾ Plantation, Florida USA	Director	October 5, 2016	Director of Human Resources/Risk Management, City of Pembroke Pines
Graham Savage ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario Canada	Director	July 12, 2010	Corporate Director
Peter Sharpe ⁽²⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario Canada	Lead Director	June 17, 2010	Corporate Director

Notes:

- (1) Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021.
- (2) Independent member of the Board of Directors.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation and Pension Committee.
- (5) Member of the Corporate Governance and Nominating Committee.

All of the nominees are currently directors of Postmedia and have been appointed or elected for a term ending on the date of the Meeting. 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 (CHAIR)

Mr. Godfrey is the Chair of the Board of Directors of Postmedia. Previously, Mr. Godfrey served as Executive Chair, President and Chief Executive Officer of Postmedia and President and Chief Executive Officer of National Post Inc. Mr. Godfrey was named interim CEO of Bragg Gaming Group Inc. in November 2021 and currently sits on a number of corporate boards including as Chairman of Bragg Gaming Group Inc., Interim Chairman and Lead Director of Cargojet Inc. and is Vice Chairman of Baycrest Centre for Geriatric Care. Mr. Godfrey served as President and Chief Executive Officer of the Toronto Blue Jays baseball club from 2000 to 2008, and spent 16 years with Sun Media Corporation, eventually taking the role of President and Chief Executive Officer. He also served as Chairman of the Ontario Lottery and Gaming Corporation from 2010 until 2013. Mr. Godfrey has a distinguished background in public service having served a record four terms over 11 years as the Chairman of the Municipality of Metropolitan Toronto.

LOCATION	Toronto, Ontario Canada	DIRECTOR SINCE	April 26, 2010	STATUS	Non-Independent ⁽¹⁾
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		10 of 10	100%	Bragg Gaming Group Inc. Cargojet Inc.	
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 prior executive positions with 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	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		10 of 10	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			

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		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		9 of 10	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 (DIRECTOR)

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 to name a few. Prior to that, Mr. Gasparro had various roles in private equity with Lynx Equity Ltd. and affiliates thereof, and from 2003 to 2006, he 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 previously served on the board of directors of The Flowr Corporation and Toronto Community House where he was Chair of the Investment Advisory Committee. He was also a member of the board of the Ontario Angel Network.

LOCATION	Toronto, Ontario Canada	DIRECTOR SINCE	February 10, 2021	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		3 of 3 ⁽¹⁾	100%	None	
Audit Committee		N/A ⁽²⁾	N/A ⁽²⁾		
Compensation and Pension Committee		N/A ⁽²⁾	N/A ⁽²⁾		
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) Mr. Gasparro was appointed to the Board of Directors on February 10, 2021, partway through Fiscal 2021.
- (2) Mr. Gasparro was appointed as a member of each of the Audit Committee and Compensation and Pension Committee in July 2021. Therefore he did not begin to attend committee meetings as a member until after the end of Fiscal 2021.

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.

LOCATION	Canmore, Alberta Canada	DIRECTOR SINCE	January 13, 2016	STATUS	Independent
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2021 ATTENDANCE	CURRENT PUBLIC BOARD MEMBERSHIPS		
Board of Directors		10 of 10	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			

MARY JUNK (DIRECTOR)

Ms. Junk 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. Junk 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. Junk 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		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		8 of 10 ⁽¹⁾	80%	Lee Enterprises, Incorporated	
Audit Committee		5 of 5	100%		
Compensation and Pension Committee		6 of 6	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) The two Board of Directors meetings for which Ms. Junk was absent were not regularly scheduled quarterly meetings. Ms. Junk was briefed and consulted with following each of the two meetings.

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, Communitech and Invest Ontario.

LOCATION	Kitchener, Ontario Canada	DIRECTOR SINCE	April 11, 2019	STATUS	Non-Independent ⁽¹⁾
CURRENT BOARD & COMMITTEE MEMBERSHIPS		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		10 of 10	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 a360media, LLC (formerly, 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		F2021 ATTENDANCE	CURRENT PUBLIC BOARD MEMBERSHIPS		
Board of Directors		9 of 10	90%	None	
Compensation and Pension Committee		6 of 6	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		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		10 of 10	100%	Primo Water Corporation (formerly, Cott Corporation)	
Audit Committee		5 of 5	100%		
Compensation and Pension Committee		6 of 6	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 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		F2021 ATTENDANCE		CURRENT PUBLIC BOARD MEMBERSHIPS	
Board of Directors		10 of 10	100%	Allied Property REIT	
Compensation and Pension Committee		6 of 6	100%		
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 that was in effect for a period of more than 30 consecutive days.

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. On October 25, 2021, the Court issued an order extending the stay period until such time as remaining matters related to the proceedings (including, but not limited to, the resolution of remaining disputed claims and completion of final distributions) are completed, at which time the termination of the CCAA proceedings of Sears is expected to be effective.

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 current engagement as a consultant with an associated company of Chatham, may give rise to a potential conflict of interest.

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"); (c) each of three other most highly compensated executive officers of the Company, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, for the year ended August 31, 2021 ("Fiscal 2021"); and (d) each individual who would have satisfied the conditions in (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of Fiscal 2021 (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 2021.

NAMED EXECUTIVE OFFICERS

The NEOs for Fiscal 2021 were:

- Paul Godfrey, Executive Chair⁽¹⁾
- Andrew MacLeod, President and Chief Executive Officer
- Brian Bidulka, Executive Vice President and Chief Financial Officer⁽²⁾
- Mary Anne Lavallee, Executive Vice President and Chief Operating Officer⁽³⁾
- Gillian Akai, Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary
- Craig Barnard, Senior Vice President, Print Operations

Notes:

- (1) Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021.
- (2) Mr. Bidulka departed from his role of Executive Vice President and Chief Financial Officer of Postmedia effective August 31, 2021.
- (3) Ms. Lavallee was appointed Interim Chief Financial Officer effective September 1, 2021 in addition to her existing roles.

COMPENSATION GOVERNANCE

Role of the Compensation and Pension Committee

The current members of the Compensation and Pension Committee are Messrs. Savage (Chair), Gasparro, Rotstein and Sharpe and Ms. Junck, with Messrs. Savage, Gasparro 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.

Consistent with the Compensation and Pension Committee's charter and based on input from management and the Compensation and Pension Committee's independent advisor, Hexarem Inc. ("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 Board of Directors in consultation with the CEO, at least annually, 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 Board 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 Board 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 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 cooperation 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. In January 2019 the Company entered into an agreement with the Colleges of Applied Arts & Technology ("**CAAT**") pension plan and, as a result, the Company's Pension Plans are in the process of being closed. Upon completion, the Compensation and Pension Committee will not have any responsibility in respect of pension plans. For more information on the CAAT Pension Plan merger, see "*Statement of Executive Compensation – Pension Plans*".

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 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

The Compensation and Pension Committee engaged Hexarem since August 2020 to act as its independent advisor to provide advice and guidance on compensation matters (the "**Independent Advisor**"). The Independent Advisor provides no other services to Postmedia. 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 Hexarem in the years ended August 31, 2021 and 2020 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 (\$)
Fiscal 2021	41,185	-
Fiscal 2020	6,894 ⁽¹⁾	-

Notes:

(1) This amount reflects only a portion of fees paid to compensation consultants in fiscal 2020 related to executive compensation as Hexarem was engaged by Postmedia near the end of fiscal 2020 in August 2020 as its Independent Advisor. In addition and previous to that, Hugessen Consulting Inc. ("Hugessen") provided such services and was paid \$16,006 for fees related to executive compensation in fiscal 2020.

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:

- rewarding our people when meaningful results that support the Company's strategic goals and shareholder interests are achieved while taking into account financial cost of supporting compensation programs;
- 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 its then current independent advisor, 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 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. Mr. Barnard was not benchmarked due to the fact that he was not a NEO at the time of benchmarking. 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 an 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.

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. In Fiscal 2021, the Board of Directors took a similar approach as in fiscal 2020 to the consideration of these factors in decisions regarding compensation components and incentive plan payouts.

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.

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 take into account newsmedia industry trends.

For Fiscal 2021, the 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. Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021. As a result, the Chair's STIP payout was prorated for services he provided in the role of Executive Chair for part of Fiscal 2021.

The Board of Directors took the COVID-19 pandemic into account in the Fiscal 2021 STIP design by: (a) setting an EBITDA target which accounted for both a challenging economic environment and government subsidies arising from the pandemic; and (b) preserving the discretion of the Board of Director in determining STIP payouts which would allow the Board of Directors to use such discretion to account for unforeseen factors arising from the COVID-19 pandemic, if necessary. The STIP design for Fiscal 2021 provides for a payout of 100% when an EBITDA (as defined below) performance target of \$23 million is met, subject to adjustment based on the Board of Directors. For the purpose of STIP, "**EBITDA**" is defined as consolidated operating income before depreciation, amortization, impairment and restructuring adjusted for certain items, such as non-cash items and/or non-recurring items. 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 126% of the target. The design is consistently applied to the CEO and other NEOs.

Postmedia's EBITDA for Fiscal 2021 exceeded 126% of target resulting in a payout of 125%. After review of the STIP results, the Board of Directors determined that there were no additional variables which would require adjustment to the EBITDA calculation for Fiscal 2021 and corresponding STIP payout.

All NEOs were therefore eligible for an aggregate bonus under the Fiscal 2021 STIP of \$2.5 million.

The following table sets forth the short-term incentive award targets and the payout achievement of these targets in Fiscal 2021 for the NEOs of the Company:

PARTICIPANT NAME	FISCAL 2021 TARGET PAYOUT (as a % of base salary)	FISCAL 2021 TARGET PAYOUT (\$)	FISCAL 2021 ACTUAL PAYOUT (\$)
Paul Godfrey	100%	400,000	500,000 ⁽¹⁾
Andrew MacLeod	100%	900,000	1,125,000
Brian Bidulka	50%	225,000	125,000 ⁽²⁾
Mary Anne Lavallee	50%	225,000	281,250
Gillian Akai	50%	225,000	281,250
Craig Barnard	50%	150,000	187,500

Notes:

- (1) Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021. As a result, Mr. Godfrey's STIP payout was prorated for services he provided in the role of Executive Chair for part of Fiscal 2021.
- (2) Mr. Bidulka departed from his role of Executive Vice President and Chief Financial Officer of Postmedia effective August 31, 2021. This amount represents a Fiscal 2021 bonus payable in January 2022 pursuant to the terms of his separation agreement.

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.

In fiscal 2020, 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 level of seniority.

During Fiscal 2021, the Company did not approve or issue any Options. However, the Company approved the issuance of RSUs to the NEOs, which RSUs will be priced and granted when permitted by and in compliance with the Company's Timely Disclosure, Confidentiality and Insider Trading Policy. Pursuant to the terms of the LTIP, RSUs vest in equal parts on each of the first, second and third anniversaries of the grant date or approval date, as applicable and expire 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 each of the full three year terms to LTIP participants who remain employed with the Company as of such payment date. In Fiscal 2021, both the first tranche of the Cash LTIP in respect of Fiscal 2021 and the second tranche of the cash LTIP in respect of fiscal 2020 were awarded, upon the Company achieving the same minimum EBITDA target of \$23 million applicable to the STIP. The second and third tranches of the Cash LTIP in respect of Fiscal 2021 will be evaluated against performance targets set out in fiscal 2022 and 2023, respectively. The total Cash LTIP grants awarded to NEOs in Fiscal 2021 totaled \$688,334 but the first payout of the Cash LTIP will not occur 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 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 had 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. On July 26, 2021 the Company received consent from the Financial Services Regulatory Authority of Ontario to wind up the DC plan and distribute balances to its members. The DB Plans and the DC Plan (collectively, the “**Pension Plans**”) are in the process of being permanently closed. Postmedia does not offer a supplemental executive retirement plan.

Mr. Godfrey was 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. Upon completion of the CAAT merger, the DB Plan obligation of \$179,300 related to Ms. Akai was assumed by the CAAT Pension Plan.

The formulas for the DB Plans took into consideration the member’s pensionable earnings and credited service along with the maximum Canada Pension Plan levels. The formulas were 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 were 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 provided an early retirement subsidy to all participants who took 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 could have received 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 could have elected to receive an unreduced deferred retirement income payable at age 62. For a participant that retired after age 50 but before age 65 with less than ten years of continuous employment, the pension was reduced by a factor of $\frac{1}{3}$ of 1% for each complete month by which the early retirement date preceded the normal retirement date which is 65.

The DC Plan formula was based on contributions made by the participating employee and Postmedia and the gains and losses of the investments. The DC Plan included 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 2021. 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".

Defined Contribution Plan Table

The following table sets forth the pension benefits and entitlements under the DC Plan as at August 31, 2021:

PARTICIPANT NAME	ACCUMULATED VALUE AT START OF THE YEAR (\$)	COMPENSATORY ⁽¹⁾ (\$)	ACCUMULATED VALUE AT YEAR END (\$)
Andrew MacLeod	163,883	-	195,748
Brian Bidulka	48,885	-	56,540
Mary Anne Lavallee	114,881	-	129,000
Gillian Akai	45,956	-	56,644
Craig Barnard	32,347	-	36,195

Notes:

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

SUMMARY COMPENSATION TABLE

The following table summarizes the annual compensation provided for services rendered to Postmedia by its NEOs for Fiscal 2021, 2020 and 2019:

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⁾⁽⁶⁾ <i>Executive Chair</i>	2021	438,462	-	-	500,000	-	-	-	938,462
	2020	1,158,462 ⁽⁶⁾	-	-	960,000	-	-	174,472 ⁽⁸⁾	2,292,934
	2019	1,200,000	-	-	1,200,000	-	-	266,059 ⁽⁸⁾	2,666,059
Andrew MacLeod ⁽⁶⁾ <i>President and Chief Executive Officer</i>	2021	900,000	187,500 ⁽⁹⁾	-	1,125,000	375,000 ⁽¹⁰⁾	-	900,000 ⁽¹¹⁾	3,487,500
	2020	855,123 ⁽⁷⁾	187,500 ⁽¹²⁾	-	720,000	187,500 ⁽¹³⁾	-	-	1,950,123
	2019	824,615	98,940 ⁽¹⁴⁾	137,700 ⁽¹⁵⁾	900,000	500,000 ⁽¹⁶⁾	13,315	-	2,474,570
Brian Bidulka <i>Executive Vice President and Chief Financial Officer</i>	2021	450,000	90,000 ⁽⁹⁾	-	125,000	-	-	-	665,000
	2020	434,423 ⁽⁷⁾	90,000 ⁽¹²⁾	-	180,000	70,000 ⁽¹³⁾	-	-	774,423
	2019	450,000	44,620 ⁽¹⁴⁾	62,100 ⁽¹⁵⁾	225,000	-	11,173	-	792,893
Mary Anne Lavallee <i>Executive Vice President and Chief Operating Officer</i>	2021	431,194	90,000 ⁽⁹⁾	-	281,250	140,000 ⁽¹⁰⁾	-	150,000 ⁽¹¹⁾	1,092,444
	2020	386,154 ⁽⁷⁾	90,000 ⁽¹²⁾	-	160,000	70,000 ⁽¹³⁾	-	-	706,154
	2019	317,356	58,457 ⁽¹⁴⁾	52,576 ⁽¹⁵⁾	200,000	-	7,675	110,000 ⁽¹⁷⁾	746,064
Gillian Akai <i>Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary</i>	2021	445,769	90,000 ⁽⁹⁾	-	281,250	140,000 ⁽¹⁰⁾	-	150,000 ⁽¹¹⁾	1,107,019
	2020	410,277 ⁽⁷⁾	90,000 ⁽¹²⁾	-	170,000	70,000 ⁽¹³⁾	-	-	740,277
	2019	410,300	44,620 ⁽¹⁴⁾	62,100 ⁽¹⁵⁾	212,500	-	10,154	-	739,674
Craig Barnard <i>Senior Vice President, Print Operations</i>	2021	300,000	70,000 ⁽⁹⁾	-	187,500	33,334 ⁽¹⁰⁾	-	70,000 ⁽¹⁸⁾	660,834
	2020	290,914 ⁽⁷⁾	70,000 ⁽¹²⁾	-	120,000	16,667 ⁽¹³⁾	-	10,000 ⁽¹⁸⁾	507,581
	2019	298,479	15,520 ⁽¹⁴⁾	21,600 ⁽¹⁵⁾	150,000	-	7,570	-	493,169

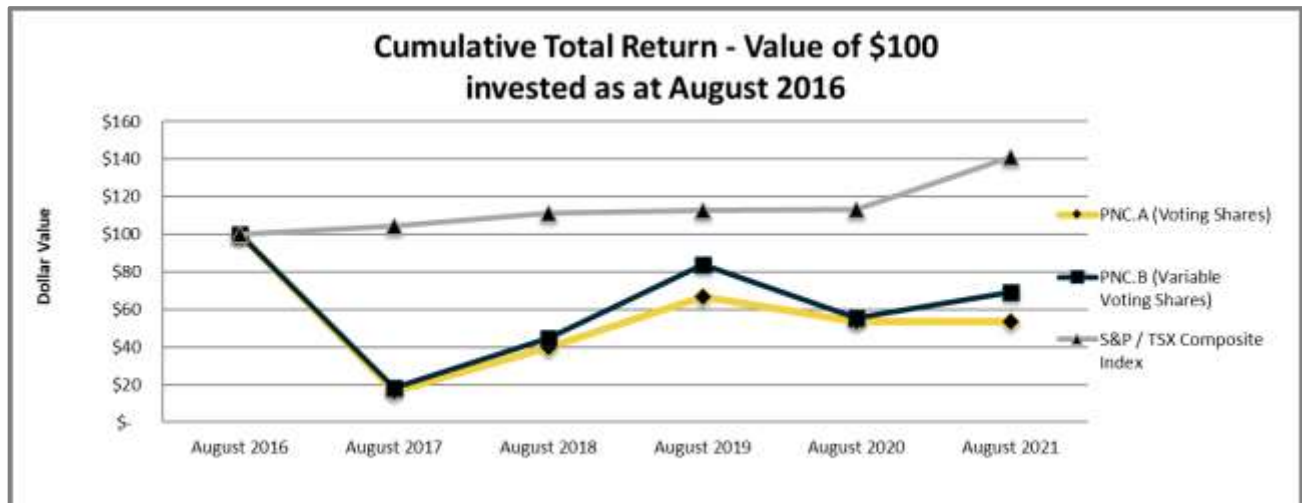
Notes:

- 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.
- 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 2021 STIP payout. For more information on the Fiscal 2021 STIP payout, see *"Statement of Executive Compensation – Annual Short-Term Incentive Plan"*.
- For more information, see the *"Statement of Executive Compensation – Pension Plans"*.
- 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"*.
- Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021. This amount reflects Mr. Godfrey's compensation from September 1, 2020 to December 31, 2020, and he received no compensation related to his role as a director during such period. Mr. Godfrey also received compensation as a director from January 1, 2021 to August 31, 2021. For more information on Mr. Godfrey's director compensation, see *"Director Compensation – Director Compensation Table"*.
- Mr. MacLeod did not receive any compensation for serving as director of the Company. Mr. Godfrey did not receive any compensation for serving as a director of Postmedia until his employment agreement expired on December 31, 2020.

- (7) 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 – Annual Short-Term Incentive Plan"*.
- (8) This amount includes entertainment expenses totaling \$113,476 for fiscal 2020 and \$189,041 for fiscal 2019.
- (9) During the year ended August 31, 2021, Messrs. MacLeod, Bidulka and Barnard and Mmes. Lavallee and Akai were approved RSUs for these amounts which have not yet been granted.
- (10) This amount reflects the first tranche of a Cash LTIP awarded in respect of Fiscal 2021 and the second tranche of a 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) This amount represents a discretionary bonus for Fiscal 2021 awarded by the Board of Directors in recognition of the extraordinary financial success and contribution to shareholder value of specific digital initiatives. These awards were made to Mr. MacLeod and Mmes. Akai and Lavallee and represent a fair and competitive sharing and recognition to the magnitude of the value created and to come.
- (12) During the year ended August 31, 2020, Messrs. MacLeod, Bidulka and Barnard and Mmes. Lavallee and Akai were granted 92,365, 44,335, 34,483, 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.
- (13) This amount reflects the first tranche 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"*.
- (14) During the year ended August 31, 2019, Messrs. MacLeod, Bidulka and Barnard and Mmes. Akai and Lavallee were granted 102,000, 46,000, 16,000, 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.
- (15) During the year ended August 31, 2019, Messrs. MacLeod, Bidulka and Barnard and Mmes. Akai and Lavallee were granted 255,000, 115,000, 40,000, 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.
- (16) 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 was 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.
- (17) This amount represents a discretionary retention bonus for fiscal 2019 of \$110,000.
- (18) These amounts represent discretionary bonuses for Fiscal 2021 of \$70,000 and fiscal 2020 of \$10,000 in recognition of exceptional effort relating to special projects in each of these fiscal years.

PERFORMANCE GRAPH

The graph set out below illustrates the cumulative total return over the period from August 31, 2016 to August 31, 2021, 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.

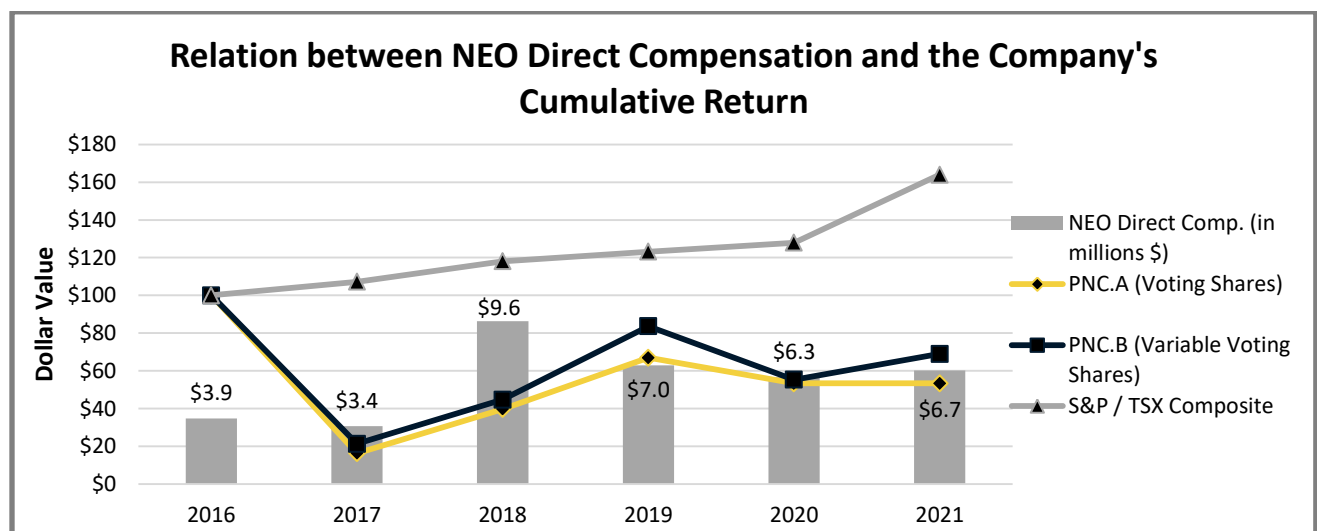


Notes:

The data points in the performance graph above reflect the investment of \$100 on August 31, 2016 adjusted for the Recapitalization Transaction and the investment's performance for the years ending August 31, 2017, 2018, 2019, 2020 and 2021.

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. The graph set out below presents the relation between the Company's cumulative return and NEOs' direct compensation for years ended August 31, 2016 to August 31, 2021. Over this period, which includes the recapitalization transaction, NEOs compensation has generally been consistent with the evolution of total shareholder return, with the exception of a number of special equity awards issued in fiscal 2018 (instead of the intended fiscal 2017 due to blackout periods) which were designed to motivate and retain NEOs over several years after the recapitalization transaction. In the graph below, note that the sum of NEOs compensation includes six incumbents in 2017 and 2021, and five incumbents all other years.



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, 2021, 3,539,688 Options (representing 94.42% of the number of Options that are reserved for issuance or 3.78% of the total number of Shares issued and outstanding), including the Tandem Award, have been granted and are outstanding under the Option Plan. As at August 31, 2021, there were 209,000 Options (representing 0.22% of the total number of Shares issued and outstanding) available to be granted under the 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, 2021, 4,192,788 RSUs (representing 56.14% of the number of RSUs that are reserved for issuance or 4.47% of the total number of Shares issued and outstanding), including the Tandem Award, have been granted under the RSU Plan. As at August 31, 2021, there were 3,275,900 RSUs (representing 3.49% 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, 2021:

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⁾	–	–	–	–	– ⁽⁶⁾	– ⁽⁶⁾	4,992,571 ⁽⁶⁾
Andrew MacLeod	225,000	1.03	Variable Voting Shares	April 6, 2027	247,500	172,380	367,169	1,111,829
	650,000	1.03		February 22, 2028	715,000			
	255,000	0.97		November 6, 2028	295,800			
Brian Bidulka ⁽⁷⁾	225,000	1.03	Variable Voting Shares	July 7, 2027	247,500	63,708	135,698	543,953
	146,250	1.03		February 22, 2028	160,875			
	115,000	0.97		November 6, 2028	133,400			
Mary Anne Lavallee	45,000	1.03	Variable Voting Shares	April 6, 2027	49,500	49,363	118,775	181,221
	48,750	1.03		February 22, 2028	53,625			
	40,000	0.97		November 6, 2028	46,400			
	29,223	1.77		November 18, 2029	10,520			
Gillian Akai	135,000	1.03	Variable Voting Shares	April 6, 2027	148,500	63,708	135,698	416,153
	146,250	1.03		February 22, 2028	160,875			
	115,000	0.97		November 6, 2028	133,400			
Craig Barnard	45,000	1.03	Variable Voting Shares	April 6, 2027	49,500	34,640	107,863	153,558
	48,750	1.03		February 22, 2028	53,625			
	40,000	0.97		November 6, 2028	46,400			

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, 2021, computed using the volume-weighted average closing share price for the five trading days in which Shares have actually traded immediately preceding August 31, 2021, of \$2.13. 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, 2021, of \$2.13.
- (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”*.
- (7) Pursuant to his separation agreement with the Company, Mr. Bidulka is entitled to exercise any Options or RSUs which have vested as of March 31, 2021, subject to certain conditions, when permitted by and in compliance with the Company’s Timely Disclosure, Confidentiality and Insider Trading Policy. In any event, the aforementioned Options and RSUs shall be cancelled and no longer available for exercise after March 31, 2023.

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 2021 if the option-based awards that vested in Fiscal 2021 had been exercised on their vesting date and share-based awards realized by each NEO upon vesting during Fiscal 2021:

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⁾	779,712	500,000 ⁽⁵⁾
Andrew MacLeod	150,101	404,579	2,400,000
Brian Bidulka	77,407	203,087	125,000
Mary Anne Lavallee	18,645	76,144	571,250
Gillian Akai	55,242	153,784	571,250
Craig Barnard	18,645	62,627	220,834

Notes:

- (1) For Messrs. MacLeod and Barnard and Mmes. Akai and Lavallee the value of the in-the-money Options which vested in Fiscal 2021 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, 2020 of \$1.66, February 22, 2021 of \$1.64 and April 6, 2021 of \$1.83. For Mr. Bidulka the value of the in-the-money Options which vested in Fiscal 2021 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, 2020 of \$1.66, February 22, 2021 of \$1.64 and July 7, 2021 of \$2.00. 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 2021 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, 2020 of \$1.66. For Messrs. MacLeod and Barnard 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 November 11, 2020 of \$1.66, February 22, 2021 of \$1.64, and April 6, 2021 of \$1.83. For Mr. Bidulka the value of the RSUs granted which vested in Fiscal 2021 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 11, 2020 of \$1.66, February 22, 2021 of \$1.64 and July 7, 2020 of \$2.00. For Ms. Lavallee the value of the RSUs granted which vested in Fiscal 2021 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 11, 2020 of \$1.66, November 18, 2020 of \$1.66, February 22, 2021 of \$1.64 and April 6, 2021 of \$1.83. 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, Cash LTIP awards and special awards earned in Fiscal 2021. 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*”.
- (5) Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021. As a result, the value of option-based awards that would have been realized by Mr. Godfrey during Fiscal 2021 was prorated for services he provided in the role of Executive Chair for part of Fiscal 2021.

EMPLOYMENT AGREEMENTS

The following table summarizes key details of the employment agreement for the Executive Chair, which expired on December 31, 2020:

NAME OF NEO	Paul Godfrey
EFFECTIVE DATE	November 1, 2016 (as amended). This agreement expired on December 31, 2020. ⁽¹⁾
ANNUAL BASE SALARY (\$)	1,200,000
INCENTIVE COMPENSATION (ANNUAL CASH BONUS)	The employment agreement for Mr. Godfrey provided 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 was 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 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 was not eligible for any pension and/or post-retirement income from Postmedia Network Inc.
TERMINATION OF EMPLOYMENT WITHOUT CAUSE	The employment agreement provided that if Mr. Godfrey's position was 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 would have been 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 provided 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 was 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 included 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 was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021.

The following table summarizes key details of the employment agreement for the CEO as at August 31, 2021:

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	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 are 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 as at August 31, 2021:

NAME OF NEO	BRIAN BIDULKA	MARY ANNE LAVALLEE	GILLIAN AKAI	CRAIG BARNARD
EFFECTIVE DATE	July 17, 2017 ⁽¹⁾	August 14, 2014 (as amended)	May 24, 2016 (as amended)	September 4, 2018
ANNUAL BASE SALARY (\$)	450,000	450,000	450,000	300,000
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 nor Mr. Barnard’s employment agreements contemplate equity ownership or share-based awards. Any Options and RSUs that have been granted to Mmes. Akai and Lavallee and Mr. Barnard 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	Messrs. Bidulka and Barnard 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 ⁽²⁾ 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 ⁽²⁾ 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. ⁽²⁾	The NEO will be paid a 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 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- SOLICIATION	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) Mr. Bidulka departed from his role of Executive Vice President and Chief Financial Officer of Postmedia effective August 31, 2021.

(2) 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, 2021. For more information, see “Statement of Executive Compensation – Employment Agreements”.

NAME ⁽¹⁾	COMPENSATION COMPONENT	ESTIMATED INCREMENTAL PAYMENTS FOR TERMINATION WITHOUT CAUSE (\$)	ESTIMATED INCREMENTAL PAYMENTS DUE TO INCAPACITY (\$)	ESTIMATED INCREMENTAL PAYMENTS DUE TO DEATH (\$)
Andrew MacLeod	Base Salary	1,800,000	1,800,000	-
	STIP	1,845,000	-	-
	Cash LTIP	-	562,500	562,500
	Unvested Options	-	-	247,400
	Unvested RSUs	-	-	356,826
	Continuation of Benefits	113,042	11,042	-
	Total	3,758,042	2,373,542	1,166,726
Mary Anne Lavallee	Base Salary	400,000	-	-
	STIP	236,250	-	-
	Cash LTIP	-	210,000	210,000
	Unvested Options	-	-	33,000
	Unvested RSUs	-	-	115,429
	Continuation of Benefits	5,521	-	-
	Total	641,771	210,000	358,429
Gillian Akai	Base Salary	900,000	-	-
	STIP	500,000	-	-
	Cash LTIP	-	210,000	210,000
	Unvested Options	-	-	81,020
	Unvested RSUs	-	-	131,876
	Continuation of Benefits	11,042	-	-
	Total	1,411,042	210,000	422,896
Craig Barnard	Base Salary	600,000	-	-
	STIP	300,000	-	-
	Cash LTIP	-	50,001	50,001
	Unvested Options	-	-	27,740
	Unvested RSUs	-	-	104,824
	Continuation of Benefits	11,042	-	-
	Total	911,042	50,001	182,565

Notes:

- (1) Mr. Godfrey and Mr. Bidulka are not included in this table as a result of: (a) Mr. Godfrey’s employment agreement expiring on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021; and (b) Mr. Bidulka’s employment with the Company ending on August 31, 2021, without additional compensation excluding continuation of benefits that will end on December 31, 2022.

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 2021:

BOARD OR COMMITTEE	ANNUAL CASH RETAINER (\$)
Board of Directors (Chair)	395,000
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

Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021, at which time he received compensation for serving as a director of the Company. Mr. MacLeod did not receive 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, including the Chair of the Board of 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, including the Chair of the Board of 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, 2021. Mr. MacLeod did not receive any compensation for serving as a director of the Company. His compensation for serving as an executive 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 2021 was \$1,386,213.

NAME	FEES EARNED (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
Paul Godfrey ⁽¹⁾	288,659	68,922 ⁽²⁾	357,581
John Bode	108,300	20,000 ⁽³⁾	128,300
Janet Ecker	116,600	-	116,600
Vincent Gasparro ⁽⁴⁾	54,932	-	54,932
Wendy Henkelman	150,300	20,000 ⁽³⁾	170,300
Mary Junck	116,600	20,000 ⁽³⁾	136,600
Daniel Rotstein	108,300	-	108,300
Graham Savage	150,300	-	150,300
Peter Sharpe	133,300	30,000 ⁽³⁾	163,300
Total	1,227,291	158,922	1,386,213

Notes:

- (1) Mr. Godfrey was the Executive Chair of the Board of Directors of Postmedia until his employment agreement expired on December 31, 2020 at which time he transitioned to the position of non-executive Chair of the Board of Directors pursuant to the terms of his Board Chair Agreement effective January 1, 2021, at which time he received compensation for serving as a director of the Company.
- (2) Represents the value of benefits and perquisites received by Mr. Godfrey during Fiscal 2021.
- (3) This amount represents fees paid to directors for special committee work related to potential transaction opportunities.
- (4) Mr. Gasparro was elected to the Board of Directors on February 10, 2021 and was appointed to each of the Audit Committee and the Compensation and Pension Committee in July 2021. His fees were prorated for Fiscal 2021, accordingly.

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, 2021.

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	3,614,938	1.02	133,750
RSU Plan	4,256,496	-	3,212,192

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 2021, 2020 and 2019:

EQUITY COMPENSATION PLAN	ANNUAL BURN RATE ⁽¹⁾ FOR THE FISCAL YEAR ENDED AUGUST 31		
	2021	2020	2019
Option Plan	0.00%	0.00%	0.69%
RSU Plan	0.00%	0.71%	0.28%

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. During Fiscal 2021, the Company did not approve or issue any Options however the Company approved the issuance of RSUs to the NEOs, which RSUs will be priced and granted when permitted by and in compliance with the Company's Timely Disclosure, Confidentiality and Insider Trading Policy.

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, 2021, the Board of Directors was composed of ten 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 Chair approve any other directorships held by our directors and officers. In considering such requests, the 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 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. Postmedia is also the national media partner of the Women's Executive Network (WXN) Canada's Most Powerful Women: Top 100™ and a platinum partner of its Diversity Council which is committed to gender diversity, female professional and personal advancement, recognition of powerful female leaders and workplace equity.

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 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 three, which includes one visible minority. Women currently represent 67%, and visible minorities represent 33%, of the Company's executive officers. At the vice president level and above, women represent 43%, and visible minorities represent 14%, 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 informed by the recommendations of its diversity council to support the advancement of individuals in designated groups.

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 standing Committee meetings in Fiscal 2021:

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	10 of 10	-	-	-
John Bode	10 of 10	-	-	3 of 3
Janet Ecker	9 of 10	5 of 5	-	3 of 3
Vincent Gasparro	3 of 3 ⁽¹⁾	-	-	-
Wendy Henkelman	10 of 10	5 of 5	-	3 of 3
Mary Junck	8 of 10 ⁽²⁾	5 of 5	6 of 6	-
Andrew MacLeod	10 of 10	-	-	-
Daniel Rotstein	9 of 10	-	6 of 6	-
Graham Savage	10 of 10	5 of 5	6 of 6	-
Peter Sharpe	10 of 10	-	6 of 6	3 of 3

Notes:

(1) This individual was appointed to the Board of Directors on February 10, 2020.

(2) The two Board of Directors meetings for which Ms. Junck was absent were not regularly scheduled quarterly meetings. Ms. Junck was briefed and consulted with following each of the two meetings.

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 seven independent directors are Messrs. Bode, Gasparro, Savage and Sharpe and Mmes. Ecker, Henkelman and Junck. Messrs. Godfrey, MacLeod and Rotstein have been determined not independent. Specifically, Mr. Godfrey is not independent as a result of his relationship with Postmedia. Mr. Godfrey ceased to be an executive of Postmedia in January 2021. Mr. MacLeod is not independent as a result of his executive position at Postmedia. In light of Mr. Rotstein's current engagement with an associated company of 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. For more information on Mr. 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 a 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 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 Chair of the Board of Directors, Lead Director and Committee Chairs

The Board of Directors has approved a position description for each of the Chair and Lead Director. The Lead Director position description provides that the Lead Director is appointed where the Chair is not an independent director, to assist the 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 Chair is Mr. Godfrey who is not an independent director as a result of holding an executive position at the Company until December 31, 2020. Mr. Sharpe is an independent director and is currently the Lead Director of the Board of Directors.

The position description for the Chair delegates to him, or her, the responsibility for, among other things:

- with the assistance of the Lead Director, facilitating the effective operation and management of, and providing strong leadership to, the Board of Directors, including taking steps to foster the Board of Directors' understanding of its responsibilities and boundaries with management;
- presiding over meetings of the Board of Directors and, unless the Board of Directors determines otherwise, shareholder meetings, ensuring that both are conducted in an efficient and effective manner;
- taking the principal initiative in scheduling meetings of the Board of Directors and, with the assistance of the Lead Director:
 - organizing and presenting the agenda for Board of Directors meetings such that all of the responsibilities assigned to the Board of Directors under the terms of its Charter are discharged on a timely and diligent basis, and the CEO and members of the Board of Directors have input into the agendas;
 - monitoring the adequacy of materials provided to the Board of Directors by senior management in connection with the Board of Directors deliberations; and
 - ensuring that members of the Board of Directors have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board of Directors;
- together with the Lead Director and the Corporate Governance and Nominating Committee, overseeing the responsibilities and functions delegated to Committees of the Board of Directors;
- attending and participating in board committee meetings in an ex-officio capacity;
- in collaboration with the Lead Director, keeping the Board of Directors current in a timely and candid fashion on major developments, and providing the Board of Directors with sufficient information to enable it to fulfill its mandate;
- as requested by the Corporate Governance and Nominating Committee, assisting in the recruitment of new Board of Directors;
- assisting the Lead Director who will lead the performance evaluation of the CEO and in presenting recommendations therewith to the Compensation and Pension Committee and, subsequently, to the Board of Directors;

- in collaboration with the Lead Director, communicating to the CEO (and other members of management as warranted) any matters arising from the Board of Directors, shareholders and other stakeholders that require management's attention;
- recommending procedures to enhance the work of the Board of Directors and cohesiveness among directors;
- supporting the development of succession plans for senior management as required by the Corporate Governance and Nominating Committee; and
- performing such other functions as may be ancillary to the duties and responsibilities described above and as may be delegated to the Chair by the Board of Directors from time to time.

The position description for the Lead Director delegates to him or her the responsibility for, among other things, assisting the 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 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 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 Chair, and any improvements that could be made to enhance its effectiveness. The results of the evaluations are then reviewed by the 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 Messrs. Gasparro and 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, 2021 and 2020 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 2021	500,000	30,000 ⁽¹⁾	66,874	-
Fiscal 2020	515,000	71,500 ⁽²⁾	102,850	-

Notes:

- (1) Includes fees incurred in connection with specified procedures on internal controls for the year ended August 31, 2021.
- (2) 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), Gasparro, 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 Board of Directors has ensured that there is an objective nomination process by ensuring all 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, 2020 or has any such interest in any proposed transaction that has materially affected or would materially affect Postmedia or our subsidiaries.

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, 2021 and 2020.

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, email gakai@postmedia.com.

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



PAUL GODFREY
CHAIR OF THE BOARD OF DIRECTORS

December 17, 2021

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 Chair of the Board of Directors (the “**Chair**”) by majority vote of the Board of Directors and, where the 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 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 to 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: (i) the Audit Committee; (ii) the Compensation and Pension Committee; and (iii) 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 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.