
AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

**DATED AS OF
January 11 , 2018**

BETWEEN:

POSTMEDIA NETWORK CANADA CORP.

- and -

COMPUTERSHARE INVESTOR SERVICES INC.

as Rights Agent

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AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT dated as of January 11, 2018 (amending and restating the Shareholder Rights Plan agreement dated as of November 8, 2010, as amended and restated on October 5, 2016), between Postmedia Network Canada Corp. (the “**Corporation**”), a corporation existing under the laws of Canada, and Computershare Investor Services Inc., a company existing under the laws of Canada (the “**Rights Agent**”).

RECITALS:

1. Effective November 8, 2010, the Board of Directors determined that it was advisable and in the best interests of the Corporation to adopt the Rights Plan to ensure, to the extent

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, subject to such covenants and agreements, the parties hereby agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Certain Definitions

For the purposes of this Agreement, the following terms have the meanings indicated:

- (a) **“Acquiring Person**

person and provided that the Person does not thereby acquire a greater percentage of Voting Shares, Variable Voting Shares or Convertible Securities so offered than the Person's percentage of Voting Shares, Variable Voting Shares or Convertible Securities Beneficially Owned immediately prior to such acquisition or exercise; or (4) pursuant to a distribution by the Corporation of Voting Shares, Variable Voting Shares or Convertible Securities made pursuant to a prospectus or a private placement, provided that the Person does not thereby acquire (or is not thereby deemed to Beneficially Own) a greater percentage of Voting Shares or Variable Voting Shares so offered than the Person's percentage of Voting Shares or Variable Voting Shares Beneficially Owned immediately prior to such acquisition ("**Exempt Acquisitions**");

(D) acquisitions by a Person of Voting Shares, Variable Voting Shares or Convertible Securities:

(i) as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Voting Shares, Variable Voting Shares or Convertible Securities on the same *pro rata* basis as all other holders of securities of the same class or series of the Corporation;

(ii) pursuant to a regular dividend reinvestment or other plan of the Corporation made available by the Corporation to all holders of Voting Shares and Variable Voting Shares (other than holders resident in any jurisdiction where participation in any such plan is restricted or impractical as a result of applicable law), where such plan permits the holder to direct that the dividends paid in respect of such Voting Shares and Variable Voting Shares be applied to the purchase from the Corporation of Voting Shares, Variable Voting Shares or Convertible Securities; or

(iii) pursuant to the receipt or exercise of rights (other than the Rights) issued by the Corporation to all of the holders of Voting Shares and Variable Voting Shares (other than holders resident in any jurisdiction where participation in any such plan is restricted or impractical as a result of applicable law) on a *pro rata* basis to subscribe for or purchase Voting Shares, Variable Voting Shares or Convertible Securities,

provided, however, that such Person does not thereby acquire a greater percentage of Voting Shares or Variable Voting Shares, as applicable, than the percentage of Voting Shares or Variable Voting Shares Beneficially Owned by that Person immediately prior to such acquisition ("**Pro Rata Acquisitions**"); or

- (E) the acquisition of Voting Shares or Variable Voting Shares upon the exercise, conversion or exchange of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition (“**Convertible Security Acquisitions**”);

not on condition or occurrence or the happening of any contingency or the making of one or more payments (other than (1) customary agreements with and between underwriters or banking group or selling group members with respect to a distribution of securities to the public or pursuant to a prospectus or by way of a private placement, or (2) pursuant to a pledge of securities in the ordinary course of the pledgee's business); provided, however, that, for greater clarity, a Non-Canadian who holds Variable Voting Shares will not be deemed to be the "Beneficial Owner" of, have "Beneficial Ownership" of or "Beneficially Own" any Voting Shares into which the Variable Voting Shares owned by such Person are convertible pursuant to the Corporation's Constating Documents and the share provisions contained therein, and

- (iii) any securities which are Beneficially Owned within the meaning of clauses 1.1(e)(i) or (ii) above by any other Person with which such Person or any of such Person's Affiliates or Associates is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "**Beneficial Owner**" of, or to have "**Beneficial Ownership**" of, or to "**Beneficially Own**", any security:

- (iv) where such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii) until the earliest time at which any such deposited or tendered security is accepted unconditionally for payment or exchange or is taken up and paid for;
- (v) where such Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii), holds such security provided that (A) the ordinary business of any such Person (the "**Investment Manager**") includes the management of investment funds for others and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person, including the acquisition or holding of securities for non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable securities laws; provided, however, that for greater certainty, Investment Manager does not include a hedge fund, a private equity fund or other similar fund or entity or any Person who manages any of the foregoing, or (B) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estates of deceased or incompetent Persons or for such other accounts, or (C) such Person (the "**Plan Trustee**") is the administrator or trustee of one or more pension funds or plans (each a "**Plan**");

established by statute (the “**Statutory Body**”) for purposes that include, and the ordinary business or activity of such Person includes, the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies, or (E) such Person is a Crown agent or agency; provided in any of the above cases, no one of the Investment Manager, Trust Company, the Plan Trustee, the Plan, the Statutory Body or the Crown agent or agency, makes or announces an intention to make a Take-over Bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Voting Shares or Variable Voting Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange, securities quotation system or organized over-the-counter market;

- (vi) where such Person is a client of or has an account with the same Investment Manager as another Person on whose account the Investment Manager holds such security, or where such Person is a client of or has an account with the same Trust Company as another Person on whose account the Trust Company holds such security, or where such Person is a Plan and has a Plan Trustee for another Plan on whose account the Plan Trustee holds such security;
- (vii) where such Person is: (A) a client of an Investment Manager and such

amount determined by multiplying such amount by the U.S. – Canadian Exchange Rate in effect on such date;

- (i) “**Canso**” shall mean Canso Investment Counsel Ltd., in its capacity as portfolio

Shares and, for clarity, the Voting Shares shall be Convertible Securities in respect of the Variable Voting Shares and the Variable Voting Shares shall be Convertible Securities in respect of the Voting Shares, and “**Convertible Security**” means any such security;

(q) “

- (iii) such other time as is determined by the Board of Directors in its sole discretion.
- (aa) “**Fiduciary**” shall mean a trust company registered under the trust company legislation of Canada or any province thereof or a portfolio manager registered under the securities legislation of one or more provinces of Canada;
- (bb) “**Flip-in Event**” shall mean a transaction or event in, or pursuant to, which any Person becomes an Acquiring Person;
- (cc) “**holder**” shall have the meaning ascribed thereto in Section 2.8 hereof;
- (dd) “**Independent Shareholders**” shall mean Shareholders excluding: (i) any Acquiring Person; (ii) any Offeror (other than a Person who pursuant to Section 1.1(e)(v) is not deemed to Beneficially Own

- (ii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on the principal stock exchange or national quotation system on which the securities are listed and posted, the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each security as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal stock exchange or national quotation system on which the securities are listed and posted, or
- (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a securities exchange or national quotation system in Canada or the United States, the last quoted price, or if not so quoted, the average of the high bid and low asked prices for each of such securities in the over-the-counter market, as reported by any reporting system then in use (as selected by the Board of Directors), or
- (iv) if on any such date the securities are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;

provided, however, that if on any such date none of such prices is available, the closing price per security of such securities on such date shall mean the fair value

provided that if a Take-over Bid constitutes a Competing Permitted Bid, the term “Permitted Bid” shall also mean the Competing Permitted Bid;

- (mm) “**Permitted Bid Acquisitions**” has the meaning set forth in the definition of “**Acquiring Person**”;
- (nn) “**Person**” shall mean an individual, firm, body corporate, partnership, syndicate, trust, trustee, personal representative or other form of unincorporated association, government and its agencies or instrumentalities, entity or group whether or not having legal personality and any of the foregoing acting in any derivative, representative or fiduciary capacity;
- (oo) “**Plan**” shall have the meaning ascribed thereto in the definition of “**Beneficial Owner**” herein;
- (pp) “**Plan Trustee**” shall have the meaning ascribed thereto in the definition of “**Beneficial Owner**” herein;
- (qq) “**Pro Rata Acquisitions**” shall have the meaning set forth in the definition of “**Acquiring Person**” herein;
- (rr) “**Record Time**” shall mean 12:01 a.m. (Toronto time) on November 8, 2010;
- (ss) “**Redemption Price**” shall have the meaning ascribed thereto in subsection 5.1(a) hereof;
- (tt) “**Right**” shall mean a right issued pursuant to this Agreement;
- (uu) “**Rights Certificate**” shall have the meaning ascribed thereto and be in the form provided in subsection 2.2(c) herein;
- (vv) “**Rights Plan**” shall mean the shareholder rights plan as provided for in this Agreement;
- (ww) “**Rights Register**” shall have the meaning ascribed thereto in subsection 2.6(a) hereof;
- (xx) “**Rights Registrar**” shall have the meaning ascribed thereto in subsection 2.6(a) hereof;
- (yy) “**Securities Act (Ontario)**” shall mean the *Securities Act* (Ontario), as amended, and the rules and regulations made thereunder, as now in effect or as the same may from time to time be amended, re-enacted or replaced;
- (zz) “**Separation Time**” shall mean the close of business on the tenth Business Day (or such later date as may be determined by the Board of Directors acting in good faith) after the earlier of:
 - (i) the Share Acquisition Date;

- (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence, a Take-over Bid (other than a Permitted Bid), provided that, if any Take-over Bid referred to in this clause (ii) expires, is

transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day;

- (iii) “**Trust Company**” shall have the meaning ascribed thereto in the definition of “

1.7 Control

A Person is “**controlled**” by another Person or two or more other Persons acting jointly or in concert if:

- (a) in the case of a body corporate, securities entitled to vote in the election of Board of Directors of such body corporate carrying more than 50% of the votes for the election of Board of Directors are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert and the votes carried by such securities are entitled, if exercised, to elect a majority of the board directors of such body corporate; or
- (b) in the case of a Person which is not a body corporate, more than 50% of the voting or equity interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert.

and “**controls**”, “**controlled by**” and “**under common control with**” shall be interpreted accordingly.

1.8 Interpretation of Agreement

The Board of Directors shall have the right to interpret and construe the Agreement and to determine all questions arising out of the Agreement or any Right, and any such interpretation, construction or determination made by the Board of Directors shall be final, binding and conclusive for all purposes.

ARTICLE 2 THE RIGHTS

2.1 Legend on Share Certificates

Certificates representi9(y)2(rtific)4(a7c0hrtific)4(a7c0hrtific)4(a7c0hr.89 Tm[)JTJET)4(m)-114-279(or)-276(JT

substantially the form of **Exhibit A** hereto appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule, regulation or judicial or administrative order or with any rule or regulation made pursuant thereto or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and (B) a disclosure statement describing the Rights, provided that a Nominee shall be sent the materials provided for in (A) and (B) in respect of all Voting Shares and Variable Voting Shares held of record by it which are not Beneficially Owned by an Acquiring Person and the Corporation may require any Nominee or suspected Nominee to provide such information and documentation as the Corporation may reasonably require for such purpose.

- (d) Rights may be exercised in whole or in part on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent the Rights Certificate evidencing such Rights with an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate duly completed and executed, accompanied by payment by certified cheque, banker’s draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Voting Shares or Variable Voting Shares in a name other than that of the holder of the Rights being exercised.

(iv) when appropriate, after receipt of such cash, deliver such payment to or to the order of the registered holder of the Rights Certificate; and

(v)

- (vi) after the Separation Time, except as permitted by Section 5.1, Section 5.2 or Section 5.5 hereof, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonable

Variable Voting Shares as may be practicable and appropriate under the circumstances and, notwithstanding anything to the contrary in this Agreement, the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment and will not consolidate with, amalgamate with or into or enter into an arrangement with, any other Person unless such Person agrees to be bound by the terms of an amendment effecting such treatment.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Voting Shares or Variable Voting Shares otherwise than in a transaction referred to in the preceding paragraph, each such share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such share.

- (b) If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1 hereof, the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 3.1 hereof.

- (c) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the issuance of rights, options or warrants to all holders of Voting Shares and Variable Voting Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Voting Shares or Variable Voting Shares (or Convertible Securities) at a price per share (or, if a Convertible Security having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per security) less than the Market Price per Voting Share or Variable Voting Share, as the case may be, on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Voting Shares or Variable Voting Shares, as the case may be, outstanding on such record date, plus the number of Voting Shares or Variable Voting Shares, as the case may be, that the aggregate offering price of the total number of Voting Shares or Variable Voting Shares, as the case may be, so to be offered (or the aggregate initial conversion, exchange or exercise price of the Convertible Securities so to be offered, including the price required to be paid to purchase such Convertible Securities) would purchase at such Market Price per share, and the denominator of which shall be the number of Voting Shares or Variable Voting Shares, as the case may be, outstanding on such record date,

- (k) Each adjustment to the Exercise Price made pursuant to this Section 2.3 shall be calculated to the nearest cent or the nearest hundredth of a share. Whenever an adjustment to the Exercise Price or the securities purchasable upon exercise of the Rights is made pursuant to this Section 2.3, the Corporation shall:
 - (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and
 - (ii) promptly file with the Rights Agent and with the transfer agent for the Voting Shares and Variable Voting Shares a copy of such certificate and mail a brief summary thereof to each holder of Rights who requests a copy.

Failure to file such certificate or cause such summary to be mailed as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

- (l) Notwithstanding anything else contained herein, the consolidation of the Voting Shares and Variable Voting Shares on October 5, 2016 shall be deemed to not have resulted in an adjustment to the Exercise Price pursuant to the terms of Section 2.3 or Section 3.1 and, for greater certainty, each outstanding share as of the date hereof has exactly one Right associated with it.

2.4 Date on Which Exercise is Effective

Each Person in whose name any certificate for Voting Shares, Variable Voting Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to

- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver the disclosure statement referred to in subsection 2.2(c), together with Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign manually or by facsimile and send such Rights Certificates to the holders of the Rights pursuant to subsection 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Transfer and Exchange

- (a) Following the Separation Time, the Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the “**Rights Registrar**”) for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of subsections 2.6(c) and 3.1(b) below, the Corporation will execute, and the Rights Agent will countersign manually or by facsimile and deliver and register, in the name of the holder of such Rights or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange, provided, however, that a Right to acquire Voting Shares shall, automatically and without any further action by the Corporation upon the transfer and exchange of such Right to a non-Canadian, represent a Right to acquire Variable Voting Shares;
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and

any other expenses (including the fees and expenses of the Rights Agent) in connection therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and (ii) such security or indemnity as may be reasonably required by each of them to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a *bona fide* purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence a contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued by the Corporation.

2.8 Persons Deemed Owners

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purpose

may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled or provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

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preliminary or permanent injunction or other decree, order or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

2.11 Rights Certificate Holder not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever a holder of any Voting Shares or Variable Voting Shares or any other share or security of the Corporation which may at any time be issued on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Rights or Rights Certificate, as such, any of the rights, titles, benefits or privileges of a holder of Voting Shares or Variable Voting Shares or any other shares or securities of the Corporation or any right to vote at any meeting of Shareholders whether for the election of the Board of Directors or otherwise or upon any matter submitted to Shareholders at any meeting thereof, or to give or withhold consent to any corporate action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Voting Shares or Variable Voting Shares or any other shares or securities of the Corporation except as expressly provided herein, or to receive notice of any meeting or other action affecting any holder of Voting Shares or Variable Voting Shares or any other shares or securities of the Corporation except as expressly provided herein, or to receive distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3 FLIP-IN EVENT

3.1 Flip-in Event

- (a) Subject to subsection 3.1(b) and Section

“The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Amended and Restated Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (including, without limitation, a Person who has entered into an agreement or arrangement to sell Voting Shares or Variable Voting Shares to an Acquiring Person). This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in subsection 3.1(b) of the Amended and Restated Shareholder Rights Plan Agreement,”

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-rights agents (“**Co-Rights Agents**”) as it may deem necessary or desirable. In the event the Corporation wishes to appoint one or more Co-Rights Agents, it shall provide reasonable notice of such appointment to the Rights Agent and the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the consent of the Rights Agent (and Co-Rights Agent). The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements reasonably incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent and its officers, directors a1Cexec ssaroffati(r)-3f3ati(r)-3f3ati(r)-3f3ati(r)-3f3

Certificate or certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by

- (a) the Rights Agent may consult with legal counsel (who may be legal counsel for the Corporation) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion;
- (b) whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be specifically prescribed herein) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be a Director, the Chief Executive Officer, the President, the Chief Financial Officer, or the Executive Vice President, General Counsel and Corporate Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;
- (c) the Rights Agent will be liable hereunder only for its own negligence, bad faith or wilful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, and all such statements and recitals are and will be deemed to have been made by the Corporation only;
- (e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to subsection 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or

Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;

- (g) the Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any individuals believed by the Rights Agent to be a Director or the Chief Executive Officer, the President, the Chief Financial Officer, or the Executive Vice President, General Counsel and Corporate Secretary of the Corporation, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be for liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual;
- (h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity; and
- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 90

appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, following payment of all outstanding fees and expenses owed

- (c) Where a Take-over Bid that is not a Permitted Bid or a Competing Permitted Bid expires, is terminated or is otherwise withdrawn after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all of the outstanding Rights at the Redemption Price.
- (d) If the Board of Directors elects or is deemed to have elected to redeem the Rights (i) the right to exercise the Rights will thereupon, without further action and without notice, terminate and each Right will after redemption be null and void and the only right thereafter of the holders of Rights shall be to receive the Redemption Price, and (ii) subject to Section 5.1(f), no further Rights shall thereafter be issued.
- (e) Within 10 Business Days of the Board of Directors electing or having been deemed to have elected to redeem the Rights the Corporation shall give or cause to be given notice of redemption to the holders of the outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the Rights Register or, prior to the Separation Time, on the register of Voting Shares maintained by the Corporation's transfer agent or transfer agents. Each such notice of redemption shall state the method by which the payment of the Redemption Price shall be made.
- (f) Upon the Rights being redeemed pursuant to Section 5.1(d), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Voting Shares and Variable Voting Shares as of the Separation Time had not been mailed to each such holder and, for all purposes of this Agreement, the Separation Time shall be deemed not to have occurred and Rights shall remain attached to the outstanding Voting Shares and Variable Voting Shares, subject to and in accordance with the provisions of this Agreement.
- (g) The Corporation shall not be obligated to make a payment of the Redemption Price to any holder of Rights unless such holder is entitled to receive at least \$10.00 in respect of all Rights held by such holder.

5.2 Waiver of Flip-In Events

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5.3 Expiration

No Person shall have any rights whatsoever pursuant to or arising out of this Agreement or in respect of any Right after the Expiration Time, except with respect of any rights to receive cash, securities or other property which has arisen on or prior to the Expiration Time and except the Rights Agent as specified in Section 4.1 of this Agreement.

5.4 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.5 Supplements and Amendments

- (a) The Corporation may at any time amend, supplement, vary or delete any of the provisions of this Agreement and the Rights in its sole discretion by resolution of the Board of Directors (whether or not such action would materially adversely affect the interests of the holders of Rights generally); provided that no such amendment, supplement, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent. Any such amendment, supplement, variation or deletion shall be effective from the date of the resolution of the Board of Directors adopting such amendment, supplement, variation or deletion or such earlier or later date as the Board of Directors may otherwise determine. The implementation of any such amendment, supplement, variation or deletion will be subject to receipt of any necessary regulatory approval including that of any securities regulatory authority or stock exchange.
- (b) The Corporation shall be required to provide the Rights Agent with notice in writing of any such amendment, supplement, variation or deletion to this Agreement as referred to in this Section 5.5 within 5 days of effecting such amendment, supplement, variation or deletion.

5.6 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights and no amount shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable.
- (b) The Corporation shall not be required to issue fractions of shares upon exercise of the Rights or to distribute certificates which evidence fractional shares. In lieu of issuing fractional shares, the Corporation may pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Voting Share or Variable Voting Share, as the case may be, at the date of such exercise.

5.7 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective registered holders of the Rights; and any registered holder of any Rights, without the consent of the Rights Agent or of the registered holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.8 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority.

5.9 Declaration as to Non-Cy n2eve

Postmedia Network Canada Corp.
Postmedia Place, 12th Floor
365 Bloor Street East
Toronto, Ontario
M4W 3L4

Telephone: (416) 383-2550
Facsimile: (416) 443-6046

Attention: Gillian Akai, Executive Vice President, General Counsel and Corporate Secretary

and a copy to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario
M5H 2S7

Telephone: (416) 597-5140
Facsimile: (416) 979-1234

Attention: Mark Spiro

Any notice or demand authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to the Rights Agent shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, by facsimile or by other similar means of telecommunications addressed (until another address is filed in writing with the Corporation) as follows:

Computershare Trust Company of Canada
100 University Avenue
9th Floor, North Tower
Toronto, Ontario
M5J 2Y1

Telephone: (416) 263-9200
Facsimile: (416) 981-9777

Attention: Manager, Client Relations

Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to the holder of any Rights shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, by facsimile or by other similar means of telecommunications addressed to such holder at the address of such holder as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the Corporation for its Voting Shares and Variable Voting Shares. Any notice which is mailed or

reconfirmation at the annual meeting of the Corporation to be held in 2020 and at every third annual meeting of the Corporation thereafter. If the Agreement is not so reconfirmed or is not presented for reconfirmation at each such annual meeting, then this Agreement and all outstanding Rights will terminate and be void and of no further force and effect on and from the date of termination of any such annual meeting; provided that termination will not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 5.2 hereof) prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.16(b).

5.17 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors pursuant to this Agreement, in good faith, shall not subject any of the members of the Board of Directors to any liability whatsoever to the holders of the Rights.

5.18 Time of the Essence

Time shall be of the essence in this Agreement.

5.19 Execution in Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

[Execution Page Follows]

IN WITNESS WHEREOF

EXHIBIT A

(Form of Rights Certificate)

Certificate No. _____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF SUCH AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREES OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) MAY BECOME VOID WITHOUT FURTHER ACTION.

Rights Certificate

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the amended and restated shareholder rights plan agreement dated as of January 11, 2018 (the “**Rights Agreement**”) between Postmedia Network Canada Corp., a corporation existing under the laws of Canada (the “**Corporation**”) and Computershare Investor Services Inc., a company existing under the laws of Canada, as right agent (the “**Rights Agent**”) (which term shall include any successor Rights Agent under the Rights Agreement); to purchase from the Corporation, at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Expiration Term (as such term is defined in the Rights Agreement), one fully paid class C voting share of the Corporation (a “**Voting Share**”) or one fully paid Class NC variable voting share of the Corporation (a “**Variable Voting Share**” as applicable at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise duly executed and submitted to the Rights Agent at its principal office in Toronto, Ontario. The Exercise Price shall be an amount equal to three times the Market Price (as such term is defined in the Rights Agreement) per share and shall be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, each Right evidenced hereby may entitle the registered holder thereof to purchase or receive assets, debt securities or other securities of the Corporation other than Voting Shares and Variable Voting Shares or more or less than one Voting Share or Variable Voting Share (or a combination thereof), all as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the principal office of the Corporation.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights

(to be completed if true)

The undersigned hereby represents, for the benefit of the Corporation and all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of any such other Person (as such terms are defined in the Rights Agreement) (as defined in the Rights Agreement).

Signature

(Print Name)

NOTICE

In the event the certification set forth above in the Form of Assignment OR Form of Election to Exercise is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement). No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof.

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

POSTMEDIA NETWORK CANADA CORP.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Voting Shares, Variable Voting Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of and delivered to:

name: _____

address: _____

Social Insurance,
Social Security or other _____

(to be completed if true)

The undersigned hereby represents, for the benefit of the Corporation and all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of any such other Person (as such terms are defined in the Rights Agreement) (as defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth above in the Form of Assignment OR Form of Election to Exercise is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement). No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof.