OSPREY PENSION PLAN

ACTUARIAL VALUATION AS AT SEPTEMBER 1, 2014 FOR FUNDING PURPOSES

Report prepared on April 17, 2015

Registration number: Ontario and Canada Revenue Agency #1077023

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INTRODUCTION

This report presents the results of the actuarial valuation as at September 1, 2014 of the Osprey Pension Plan (“Plan”). Sun Media Corporation (“Employer”) retained the services of Morneau Shepell Ltd (“Morneau Shepell”) to perform this actuarial valuation. The last complete valuation that was filed with the Financial Services Commission of Ontario and the Canada Revenue Agency was performed as at September 1, 2013.

This report was prepared for Sun Media Corporation, the Financial Services Commission of Ontario and the Canada Revenue Agency for the following purposes:

- to determine the funded status of the Plan on the going-concern basis;
- to determine the funded status of the Plan on both solvency and hypothetical wind-up bases;
- to estimate the employer contributions required under the Plan during the period from this valuation date up to the next valuation in accordance with the Ontario *Pension Benefits Act*; and
- to provide the information and the actuarial opinion required by the Ontario *Pension Benefits Act* and the *Income Tax Act* (Canada).

The solvency and hypothetical wind-up bases have been updated to reflect market conditions as at the valuation date. In addition, changes were made to the actuarial assumptions on the going-concern basis as outlined in Appendix A.

As at April 12, 2015, a transaction was concluded with another employer, Postmedia Network Canada Corporation, that affects members of the Plan. This transaction will impact the financial situation as at that date but has no incidence to the actuarial valuation as at September 1, 2014. An actuarial valuation will be completed in the coming months to reflect this transaction.

TERMS OF ENGAGEMENT

This report takes into account discussions with the client on the terms of engagement, especially concerning the margin for adverse deviation to use in the September 1, 2014 actuarial valuation. Given that in the "Actuarial Guidance Note - Actuarial Assumptions for Filed Actuarial Valuation Reports", Financial Services Commission of Ontario generally expects that the actuary preparing a report on the plan filing under Ontario *Pension Benefits Act* and Regulations will include appropriate margins for adverse deviations when choosing prudent economic and other actuarial assumptions, the client considered appropriate to use a margin of 0.20% in the discount rate for the going-concern actuarial basis.

RESTRICTION ON USE OF THIS REPORT

This report was prepared for Sun Media Corporation. It will also be filed with the Financial Services Commission of Ontario and the Canada Revenue Agency. This report and any of its content may not be distributed, published, made available or relied upon by any other person, without the express written permission of Morneau Shepell, unless and only to the extent otherwise provided by applicable law.

SECTION 1 – ACTUARIAL OPINION

This opinion is given with respect to the Osprey Pension Plan, registration number 1077023 (Ontario). We performed a valuation of the Plan as at September 1, 2014, based on the Plan provisions and data as at that date. The Employer has confirmed that, between September 1, 2014 and April 17, 2015, no subsequent events, modifications or extraordinary changes to the membership or the Plan that would materially affect the results of this actuarial valuation have occurred, except as indicated in this report.

We hereby certify that, in our opinion, as at September 1, 2014:

- The Plan has a prior year credit balance of $393,900 as at December 31, 2014.
- The Plan is fully funded on the going-concern basis. The actuarial value of the assets exceeds the actuarial liabilities by $8,383,500 prior to reflecting the prior year credit balance and $7,989,600 after reflecting the prior year credit balance.
- According to the solvency test required under the Ontario *Pension Benefits Act*, the Plan is not funded. On the solvency basis, the actuarial liabilities exceed the value of assets by $4,638,700 after reflecting the prior year credit balance.
- The Plan assets would have been less than the actuarial liabilities by $4,638,700 after reflecting the prior year credit balance if the Plan had been wound up on the valuation date.
- The transfer ratio of the Plan, as defined under the Ontario *Pension Benefits Act*, is equal to 0.916. The Employer may have to make additional contributions if ex-participants transfer the commuted value of their accrued benefits out of the Plan. The Plan actuary should be consulted on this matter.
- The residual normal cost (i.e. normal cost less employee required contributions) is shown in the following table:

Table 1.1 – Residual Normal Cost by Group

	% of employee contributions
Division 1	394.3
Division 2	236.7

- The minimum employer contribution is equal to the percentages indicated in table 1.1 plus amortization payments. These amounts (in dollars) can be estimated as shown in the table below:

Table 1.2 – Estimated Residual Normal Cost and Minimum Annual Amortization Payments

Plan year[1]	Residual normal cost[2]	Amortization payments
	$	$
2014-2015	717,200	1,691,400
2015-2016	736,900	1,292,500

1 *Period starting on September 1 and ending on August 31 of the following year.*
2 *Prior to application of any prior year credit balance*

The minimum amortization payments should be the dollar amounts indicated in the above table. Higher amortization payments are acceptable but they cannot exceed $4,244,800 plus interest in aggregate. The Plan actuary should be consulted if the amortization payments in any year are greater than the minimum required.

These contributions conform to the eligibility requirements of the *Income Tax Act* (Canada) if contributed within the fiscal year or remitted within 120 days after the end of the fiscal year. They also conform to the Ontario *Pension Benefits Act*. This Act requires that the current service employer contributions and the employee contributions be remitted to the fund monthly, within 30 days of the month to which they pertain. It also requires that amortization payments be made at least monthly.

The first amount payable after this report is filed with the Financial Services Commission of Ontario shall be increased by the difference between the amounts paid and the amounts that should have been paid according to this report, taking into account, if applicable, letters of credit and interest. If the monthly amounts paid are in excess of those that should have been paid according to this report, the future employer contributions may be adjusted. In this case, the actuary should be consulted.

In our opinion, for the purposes of this report:

- The membership data on which the valuation is based are sufficient and reliable for the purposes of the valuation.
- The assumptions are appropriate for the purposes of the valuation.
- The methods employed in the valuation are appropriate for the purposes of the valuation.

This report has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada.

The assumptions that form the going-concern basis used in this report were reasonable at the time this actuarial valuation report was prepared and contributions were determined.

This actuarial valuation was performed in accordance with the going-concern and solvency standards prescribed under the Ontario *Pension Benefits Act*.

The calculations in the actuarial valuation report have been prepared in accordance with subsection 147.2(2) of the *Income Tax Act* (Canada).

The recommendations and opinions are given exclusively from a financial viewpoint. This valuation report does not constitute a legal opinion on the rights and duties of the Plan administrator, the Employer or the members over the pension fund.

Actuarial valuation results are only estimates. Actuarial valuations are performed based on assumptions and methods that are in accordance with sound actuarial principles. Emerging experience differing from these assumptions may result in gains or losses, which may affect future contribution levels. These gains or losses will be revealed in future actuarial valuations.

The next actuarial valuation will have to be performed not later than as at September 1, 2017.

The undersigned are available to provide supplementary information and explanation, as appropriate, concerning this report.

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April 17, 2015

SECTION 2 – GOING-CONCERN FUNDED STATUS

GOING-CONCERN FUNDED STATUS

The funded status of the Plan on the going-concern basis is determined by comparing the actuarial value of the assets to the actuarial liabilities. The actuarial liabilities are based on the benefits earned up to the valuation date assuming the Plan continues indefinitely.

Table 2.1 – Going-Concern Funded Status

	September 1, 2014	**September 1, 2013**
	$	**$**
Actuarial value of assets		
Market value	51,372,400	43,017,900
Actuarial liabilities		
Division 1		
Active Members	14,848,400	16,517,100
Suspended Members	675,500	931,900
Deferred Vested Members	3,340,200	2,904,500
Retired Members	15,733,700	12,628,800
Subtotal	34,597,800	32,982,300
Division 2		
Active Members	2,788,600	3,235,000
Suspended Members	729,200	844,800
Deferred Vested Members	1,483,700	1,410,800
Retired Members	3,389,600	2,656,900
Subtotal	8,391,100	8,147,500
Total	42,988,900	41,129,800
Assets less liabilities on the going-concern basis	8,383,500	1,888,100
Prior year credit balance (PYCB)	(393,900)	—
Actuarial surplus (unfunded liability)	7,989,600	1,888,100
Funding Ratio	118.6%	104.6%

PRIOR YEAR CREDIT BALANCE

The excess of the cumulative employer contributions over the minimum required contributions is recorded as a prior year credit balance (PYCB). The Employer may use a PYCB to offset its future required normal cost contributions and amortization payments.

Table 2.2 – Reconciliation of Prior Year Credit Balance (PYCB)

	$
PYCB, September 1, 2013	—
Plus: Company contributions	3,534,000
Less: Normal cost	(716,100)
Less: Required special payments	(2,424,000)
PYCB, September 1, 2014	393,900

RECONCILIATION OF GOING-CONCERN FUNDED STATUS

The table below describes the change in the Plan's going-concern funded status since the last valuation:

Table 2.3 – Reconciliation of Going-Concern Funded Status

	$	$
Actuarial surplus (unfunded liability) as at September 1, 2013		1,888,100
Expected changes in funded status		
Interest on surplus (unfunded liability)	108,600	
Required amortization payments with interest	2,493,700	
Employer contributions paid in excess of required minimum with interest	405,200	
Total		3,007,500
Expected surplus (unfunded liability) as at September 1, 2014		4,895,600
Actuarial gains (losses) due to the following factors		
Investment return on actuarial value of assets	5,489,200	
Salary increases	154,400	
Retirements	71,400	
Terminations	(84,200)	
Mortality	(88,200)	
Other factors	84,000	
Total		5,626,600
Other gains (losses)		
Changes in actuarial assumptions		(2,138,700)
Actuarial surplus (unfunded liability) as at September 1, 2014		8,383,500

SENSITIVITY ANALYSIS ON THE GOING-CONCERN BASIS

The table below illustrates the effect of 1% decrease in the discount rate on the going-concern actuarial liabilities. With the exception of the discount rate, all other assumptions and methods used for this valuation were maintained.

Table 2.4 – Sensitivity of Actuarial Liabilities on the Going-Concern Basis

	September 1, 2014	**Discount rate 1% lower**
	$	**$**
Actuarial liabilities		
Division 1		
Active Members	14,848,400	17,568,200
Suspended Members	675,500	800,500
Deferred Vested Members	3,340,200	3,896,600
Retired Members	15,733,700	17,332,400
Subtotal	34,597,800	39,597,700
Division 2		
Active Members	2,788,600	3,264,700
Suspended Members	729,200	870,100
Deferred Vested Members	1,483,700	1,720,200
Retired Members	3,389,600	3,739,700
Subtotal	8,391,100	9,594,700
Total	42,988,900	49,192,400
Increase in actuarial liabilities		6,203,500

SECTION 3 – SOLVENCY AND HYPOTHETICAL WIND-UP FUNDED STATUS

SOLVENCY FUNDED STATUS

A solvency valuation is a hypothetical valuation prescribed by the Ontario *Pension Benefits Act* and which imposes a floor on required contributions and a ceiling on what may be transferred out of the pension fund upon termination of membership. A solvency valuation may, however, differ from the valuation required on plan wind-up. Please, see the **Hypothetical Wind-up Funded Status** below.

Table 3.1 – Solvency Funded Status

	September 1, 2014	September 1, 2013
	$	$
Solvency assets		
Market value of assets	51,372,400	43,017,900
Provision for expenses	(270,000)	(270,000)
Total	51,102,400	42,747,900
Solvency liabilities		
Division 1		
Active Members	19,401,900	20,872,200
Suspended Members	868,800	1,253,300
Deferred Vested Members	4,590,500	3,646,700
Retired Members	19,375,900	15,078,800
Subtotal	44,237,100	40,851,000
Division 2		
Active Members	3,847,000	4,386,300
Suspended Members	1,049,100	1,192,800
Deferred Vested Members	2,013,600	1,811,200
Retired Members	4,200,400	3,183,400
Subtotal	11,110,100	10,573,700
Total	55,347,200	51,424,700
Assets less liabilities on the solvency basis	(4,244,800)	(8,676,800)
Prior year credit balance (PYCB)	(393,900)	—
Solvency asset adjustment		
Present value of amortization payments	6,593,500	9,633,000
New solvency surplus (deficiency)	1,954,800	956,200
Transfer ratio	0.916	0.831

TRANSFER RATIO

The transfer ratio is equal to the ratio of the solvency assets (prior to the solvency asset adjustment but after reflecting the prior year credit balance) to the solvency liabilities as indicated in table 3.1.

SOLVENCY ASSET ADJUSTMENT

As defined under the Ontario *Pension Benefits Act*, the solvency asset adjustment represents the present value of amortization payments established at the preceding valuation, adjusted to take into account the current going-concern valuation, and due to be paid during the prescribed period following the valuation date.

The solvency asset adjustment as at September 1, 2014 is determined as follows:

Table 3.2 – Solvency Asset Adjustment

Nature of liability or deficiency	Start date	End date	Annual amortization payment	Solvency asset adjustment[1]
	mm-dd-yyyy	mm-dd-yyyy	$	$
Solvency	12-31-2010	12-31-2015	375,000	490,100
Solvency (12-31-2011)	12-31-2012	12-31-2017	878,700	2,792,300
Solvency (12-31-2012)	12-31-2013	12-31-2018	812,700	3,311,100
Total			2,066,400	6,593,500

1 *Value of amortization payments discounted as at September 1, 2014 (at a discount rate of 2,86%)*

HYPOTHETICAL WIND-UP FUNDED STATUS

Since all benefits have been valued, if the Plan had been liquidated as at September 1, 2014 and assuming that the asset liquidation value had been equal to the market value, the hypothetical wind-up funded status would have been similar to the solvency funded status shown in table 3.1.

PENSION BENEFITS GUARANTEE FUND (PBGF) ASSESSMENT

The PBGF Assessment is the annual premium toward the Pension Benefits Guarantee Fund. As the following table shows, the assessment depends on the size of the deficit for Ontario Plan beneficiaries (active and inactive members).

Table 3.3 – PBGF Assessment Base

	$
Ontario portion of solvency assets (before provision for expenses)	51,372,400
PBGF liabilities	55,347,200
PBGF assessment base	3,974,800
Additional liability for plant closure and/or permanent layoff benefits not funded	—

SENSITIVITY ANALYSIS ON THE SOLVENCY BASIS

The table below illustrates the effect on the actuarial liabilities of using discount rates 1% lower than those used for the solvency valuation. All other assumptions and methods, as used in this valuation, were maintained.

Table 3.4 – Sensitivity of Actuarial Liabilities on the Solvency Basis

	September 1, 2014	**Discount rates 1% lower**
	$	**$**
Actuarial liabilities		
Division 1		
Active Members	19,401,900	22,640,500
Suspended Members	868,800	1,038,100
Deferred Vested Members	4,590,500	5,443,700
Retired Members	19,375,900	21,649,600
Subtotal	44,237,100	50,771,900
Division 2		
Active Members	3,847,000	4,558,200
Suspended Members	1,049,100	1,260,000
Deferred Vested Members	2,013,600	2,378,100
Retired Members	4,200,400	4,708,600
Subtotal	11,110,100	12,904,900
Total	55,347,200	63,676,800
Increase in actuarial liabilities		8,329,600

INCREMENTAL COST ON THE SOLVENCY BASIS

The incremental cost on the solvency basis represents the present value of the expected aggregate change in the solvency liabilities from September 1, 2014 to September 1, 2015, adjusted for expected benefit payments in the inter-valuation period. This incremental cost is $1,432,500 as at September 1, 2014.

SECTION 4 – NORMAL COST AND AMORTIZATION PAYMENTS

NORMAL COST

The table below summarizes the estimated going-concern cost of pension benefits being earned in the twelve-month period after the valuation date (the normal cost).

Table 4.1 – Normal Cost

	As at September 1, 2014		As at September 1, 2013	
	$	**% of payroll**	**$**	**% of payroll**
Normal cost				
Division 1	763,200	(13.9)	905,800	(12.4)
Division 2	154,200	(3.7)	167,700	(3.0)
Total	917,400	(9.5)	1,073,500	(8.4)
Less employee contributions				
Division 1	154,400	(2.8)	214,400	(2.9)
Division 2	45,800	(1.1)	53,700	(1.0)
Total	200,200	(2.1)	268,100	(2.1)
Residual normal cost				
Division 1	608,800	(11.1)	691,400	(9.5)
Division 2	108,400	(2.6)	114,000	(2.0)
Total	717,200	(7.4)	805,400	(6.3)
Residual normal cost as a % of employee contributions				
Division 1	394.3%		322.5%	
Division 2	236.7%		212.3%	
Average	358.2%		300.4%	

RECONCILIATION OF NORMAL COST

The factors contributing to the change in the normal cost are shown below:

Table 4.2 – Reconciliation of Normal Cost

	% of payroll
Normal cost as at September 1, 2013	8.4
Demographic changes	0.4
Changes in actuarial assumptions	0.7
Normal cost as at September 1, 2014	9.5

SENSITIVITY ANALYSIS ON THE GOING-CONCERN BASIS

The table below illustrates the effect on the normal cost of using a discount rate 1% lower than the one used for the going-concern valuation. All other assumptions and methods, as used in this valuation, were maintained.

Table 4.3 – Sensitivity of normal cost on the going-concern basis

	As at September 1, 2014		Discount rate 1% lower	
	$	% of payroll	$	% of payroll
Normal cost				
Division 1	763,200	(13.9)	918,700	(16.7)
Division 2	154,200	(3.7)	188,600	(4.5)
Total	917,400	(9.5)	1,107,300	(11.4)
Increase in normal cost			189,900	(1.9)

AMORTIZATION PAYMENTS

The amortization schedule as determined in the previous actuarial report is as follows:

Table 4.4 – Amortization Payments – Previous Valuations

Nature of liability or deficiency	Start date	End date	Annual amortization payment	Balance solvency[1]
	mm-dd-yyyy	**mm-dd-yyyy**	**$**	**$**
Solvency	12-31-2010	12-31-2015	375,000	490,100
Solvency (12-31-2011)	12-31-2012	12-31-2017	878,700	2,792,300
Solvency (12-31-2012)	12-31-2013	12-31-2018	812,700	3,311,100
Total			2,066,400	6,593,500

1 *Value of amortization payments discounted as at September 1, 2014 (at a discount rate of 2.86%)*

Based on the funded status of the Plan shown in Sections 2 and 3, the previous amortization schedule must therefore be adjusted in the manner and order set out by the Ontario *Pension Benefits Act*.

The employer minimum required contributions to finance deficiencies as of this valuation date are thus as follows:

Table 4.5 – Amortization Payments – Current Valuation

Nature of liability or deficiency	Start date	End date	Annual amortization payment	Balance solvency[1]
	mm-dd-yyyy	**mm-dd-yyyy**	**$**	**$**
Solvency (12-31-2011)[2]	12-31-2012	03-31-2016	878,700	1,327,600
Solvency (12-31-2012)	12-31-2013	12-31-2018	812,700	3,311,100
Total			1,691,400	4,638,700

1 *Value of amortization payments discounted as at September 1, 2014 (at a discount rate of 2.86%)*
2 *The value of last monthly payment for this schedule is reduced to $40,400 as at March 31, 2016.*

These amortization payments are in addition to amounts required to cover the residual normal cost. Higher amortization payments are acceptable but they cannot exceed the greater of the excess of the actuarial liabilities over the assets on the going-concern basis and the excess of the actuarial liabilities over the assets on a hypothetical wind-up basis, plus interest in aggregate.

APPENDIX A – GOING-CONCERN ACTUARIAL BASIS

ASSET VALUATION METHOD

The actuarial value of the assets used to determine the going-concern funded status is equal to the market value. This method is the same as the one used in the last valuation.

ACTUARIAL COST METHOD

The actuarial liabilities and the normal cost on the going-concern basis were calculated using the projected accrued benefit (or projected unit credit) actuarial cost method.

The actuarial liabilities are equal to the actuarial present value of benefits earned by members for services prior to the valuation date, taking into account the assumptions as indicated hereafter.

The normal cost is equal to the actuarial present value of benefits expected to be earned by members in the year following the valuation date. The residual normal cost is the excess of the normal cost over employees' required contributions.

The valuation method for determining the actuarial liabilities and the normal cost is the same as the one used in the last valuation.

In accordance with the Ontario *Pension Benefits Act*, the employee contributions cannot be used to finance more than 50% of the value of the benefits (50% employer cost-sharing rule). To determine more realistically the cost of this provision, it was calculated using the projected benefit method prorated on services. This method is the same as the one used in the last valuation.

We assumed that all members who have reached the retirement age assumption would retire immediately. For normal cost calculation purposes, we did not include the actuarial present value of benefits that would have accrued if these members would have continued their membership in the Plan in the year following the valuation date. This method is the same as the one used in the last valuation.

The disabled members are valued as active members; however, we did not assume any employee contributions on their part. This method is the same as the one used in the last valuation.

The ratio of the total normal cost to the covered payroll for the period will tend to stabilize over time if the demographic characteristics of the active and disabled members remain stable. All other things being equal, an increase in the average age of the active and disabled members will result in an increase in this ratio.

For valuation purposes, to determine eligibility for benefits and for any other use, the age used is the age on the date of the nearest birthday. This method is the same as the one used in the last valuation.

No explicit provision for adverse deviations has been calculated for the going-concern valuation.

ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the going-concern valuation are summarized in the following table. Some assumptions used in this valuation are different from those used in the previous valuation. For comparison purposes, the assumptions used in the last valuation are also included in the table. All rates and percentages are annualized unless otherwise noted.

Table A.1 – Going-Concern Actuarial Assumptions

	September 1, 2014	**September 1, 2013**
Discount rate	5.35%	5.75%
Inflation	2.25%	2.25%
Salary increases (productivity)	2.75%	2.75%
Seniority and promotional salary increases	None	None
Increases in maximum pensionable earnings	2.75%	2.75%
Maximum pension	$2,818.89 in 2015 increasing by 2.75% thereafter	$2,770.00 in 2014 increasing by 2.75% thereafter
Interest credited on employee contributions	3.20%	3.20%
Mortality	CPM-RPP2014Priv Table with generational projection using improvement scale CPM-B with size adjustment factors of 1.067 for men and 1.034 for women	CPM-RPP2014Priv Table with generational projection using improvement scale CPM-B with size adjustment factors of 1.067 for men and 1.034 for women
Termination (membership)	Ontario Medium	Ontario Medium
Disability	None assumed	None assumed
Retirement	Age 62	Age 62

Table A.2 – Ontario Medium Termination Rates

Age	Male	Female
20	15.0%	37.5%
25	10.0%	22.5%
30	7.0%	15.0%
35	4.9%	10.5%
40	2.9%	7.4%
45	1.8%	4.4%
50	0.6%	2.8%
55	0.0%	1.3%

CHOICE OF ASSUMPTIONS

The assumptions have been reviewed in light of current economic conditions.

Inflation rates

As stated in its monetary policy, the Bank of Canada aims to keep inflation at the 2% target, i.e. the midpoint of the 1% to 3% inflation-control target range. Given historical increases in consumer prices in Canada, the rates expected by the market, portfolio managers' expectations and the Bank of Canada policy, an expected rate of inflation of 2.25% has been maintained.

Discount rate

The elements considered in the development of the discount rate assumption for going-concern purposes are summarized in the table below:

Table A.2 – Discount Rate

	%
Expected inflation	2.25
Expected real return	3.37
Value added for rebalancing and diversification effect	0.45
Value added for active management	0.10
Margin for adverse deviations	(0.20)
Expected expenses	(0.60)
Discount rate	5.37[1]

1 *Rounded to 5.35*

The elements shown above are based on the new investment policy according to which the asset allocation will evolve 40% in bonds and 60% in equities to 70% in bonds and 30% in equities.

The return assumptions for bonds have been determined mainly (but not totally) on current market conditions while the return assumptions for equities are based more on long-term expectations.

Portfolio rebalancing will affect the portfolio's expected long-term return. In other words, realigning portfolio's weightings to the target determined in the investment policy from time to time will have an impact on the long-term return. The impact of portfolio rebalancing depends on its frequency, the weightings between asset classes, the level of diversification in the portfolio and the investment horizon. The expected return is also influenced by the level of diversification of the portfolio (this is independent of rebalancing). The expected impact of rebalancing and diversification on the portfolio's return (weighed average of returns of asset classes) was estimated on the basis of stochastic projections.

A provision has been considered in the discount rate to take into account the added value associated with active management. Note that this provision has been limited to the estimated fees corresponding to active management.

Discount rates have been adjusted to take into account fees related to asset management and plan administration.

The margin for adverse deviations chosen is based on a log-normal distribution and takes into account the specific aspects of the plan, the risk tolerance of the employer, the portfolio's risk level and the investment horizon. This margin has been chosen such that the expected return (the fund's total return minus the margin) may be obtained with a probability of at least 55% over a period of about 25 years. The terms of mandate specifies the use and level of such margin.

The pension fund is invested in fixed income and equity securities. As a result, although measures have been taken in this regard, the Plan is exposed to various risks that could jeopardize the realization of its objectives. These risks relate to the following items:

- credit (a financial instrument which fails to meet its obligations);
- currency (foreign currency fluctuations);
- liquidity (inability to sell a security when one wishes to do so);
- interest rates (fluctuations in the value and cash flows of a financial instrument due to changes in interest rates);
- markets (volatility in equity prices); and
- matching of the Plan's actuarial assets and liabilities.

Increases in salary and maximum pensionable earnings

Considering the historically high correlation between inflation, salary increases and return on investment, the YMPE and salary increases have been determined accordingly. Thus the general salary increases has been determined at 0.5% over the inflation rate.

Interest credited on employee contributions

We assumed an interest rate on employee contributions of 3.20% to reflect the average yield on personal 5-year term deposits. This assumption is the same as the one used in the last actuarial valuation.

Mortality

In order to take into account the improvements in life expectancy recently substantiated by the Canadian Institute of Actuaries in its report on Canadian Pensioners Mortality (published on February 13, 2014), we used the CPM-2014Priv Mortality Table, and the CPM-B Improvement Scale, which varies by gender, age and calendar year. Adjustment factors of 1.067 and 1.034 for males and females, respectively, were also applied to the mortality table to take into account the level of pensioner benefits. The same adjustments were used for other participants before and after retirement.

Disability

Disabled members are valued as active members; however no disability rates are applied. There are no recovery rates for them and their salaries are excluded from payroll for the calculation of the normal cost as a percentage of the payroll.

APPENDIX B – SOLVENCY AND HYPOTHETICAL WIND-UP ACTUARIAL BASIS

ASSET VALUATION METHOD

The actuarial value of the assets used to determine the solvency and hypothetical wind-up funded status is equal to the market value of assets, adjusted for amounts payable and receivable, minus a provision for expenses. This valuation method is the same as the one used in the last valuation.

ACTUARIAL COST METHOD

The solvency liabilities are determined using the accrued benefit (or unit credit) actuarial cost method. The solvency liabilities are equal to the actuarial present value of all benefits earned by members for services prior to the valuation date assuming the Plan is wound up on the valuation date. This method is the same as the one used in the last valuation.

For valuation purposes, to determine eligibility for benefits and for any other uses, the age used is the age on the date of the nearest birthday. This method is the same as the one used in the last valuation.

ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the solvency and hypothetical wind-up valuations correspond to those prescribed by the applicable legislation.

These assumptions are summarized in the following table. For comparison purposes, the assumptions used in the last valuation are also included. All rates and percentages are annualized unless otherwise noted.

Table B.1 – Solvency and Hypothetical Wind-Up Actuarial Assumptions

	September 1, 2014	**September 1, 2013**
Discount rates (settlement by transfer of values)	2.6% for the next 10 years and 4.0% thereafter	3.2% for the next 10 years and 4.4% thereafter
Discount rates (settlement by purchase of annuities)	2.93%	3.61%
Inflation	None	None
Salary increases (productivity)	None	None
Increases in maximum pensionable earnings	None	None
Maximum pension	None ($2,770.00 in 2014)	None ($2,696.67 in 2013)
Interest credited on employee contributions	2.6% for the next 10 years and 4.0% thereafter	3.2% for the next 10 years and 4.4% thereafter
Mortality		
Annuity purchase	Full generational UP-94 Table projected with scale AA sex distinct	Full generational UP-94 Table projected with scale AA sex distinct
Transfer value	Unisex rates based on: 60% Full generational UP-94 Male Table projected with scale AA and 40% Full generational UP-94 Female Table projected with scale AA.	Unisex rates based on: 60% Full generational UP-94 Male Table projected with scale AA and 40% Full generational UP-94 Female Table projected with scale AA.
Termination (membership)	None	None
Retirement	Age that maximises the value of the pension	Age that maximises the value of the pension
Provision for expenses	$270,000	$270,000

Vesting of benefits

In conformity with the Ontario *Pension Benefits Act*, each member's pension benefits subject to this legislation as at the valuation date shall be determined as if the member had satisfied all eligibility conditions for a deferred pension. Moreover, all grow-in rights attributable to these members have been included in the accrued benefits, specifically:

- Members with 55 points (age plus service) were assumed to grow into a subsidized early retirement benefit.
- For the purposes of determining eligibility for unreduced pension, we assumed that the Plan remained in effect to the member's retirement date and that the member remained employed to that date.

Settlement of benefits

We have assumed that 100% of all active and terminated vested members that are less than 55 years old would opt for the transfer value of their rights. We have also assumed that the rights of all other members would be settled by the purchase of annuities from an insurance company. This approach is the same as the one used in the last valuation.

Average salaries

The average salaries have been calculated as at the valuation date, using actual past salaries.

Termination scenario

The termination scenario used in the solvency and hypothetical wind-up valuations includes the following assumptions:

- Plan wind-up would not result from employer insolvency.
- All assets could be realized at their reported market value.

This approach is the same as the one used in the last valuation.

Discounted value of payments

The rates used to discount the amortization payments for the purposes of calculating the solvency asset adjustment and the solvency balance correspond to the weighted discount rates obtained from the rates used for the valuation of the members' benefits settled by a lump sum transfer (non-indexed pensions) and the rates used for benefits settled by the purchase of non-indexed annuities with an insurance company, taking into account the respective actuarial liabilities.

Margin for adverse deviations

As specified by the Standards of Practice of the Canadian Institute of Actuaries, the solvency assumptions do not include a margin for adverse deviations.

CHOICE OF ASSUMPTIONS

Settlement of benefits

The assumptions used on the solvency basis to value the members' benefits settled by a lump sum transfer are in accordance with the Plan provisions, the applicable legislation as well as the Canadian Institute of Actuaries' standards of practice for pension commuted values.

The assumptions used to value the benefits of members and beneficiaries settled by the purchase of annuities with an insurance company are in conformity with the educational note dated August 12, 2014 prepared by the Canadian Institute of Actuaries. These assumptions are based on an estimate of the premium that would be required by an insurer to guarantee payment of the pensions. The duration of the liabilities expected to be settled through the purchase of non-indexed annuities is equal to 11.7 years.

Provision for fees

Allowance has been made for administrative, actuarial and legal costs which would be incurred if the Plan were to be wound up, based on sufficient and reliable data. It is assumed that the wind-up date, the calculation date and the settlement date are coincident. Expenses related to the resolution of surplus and deficit issues are not taken into account. The amount of expenses is only an approximation and may differ significantly from real expenses incurred on plan wind-up, for example, in case of litigation, bankruptcy and eventual replacement by a third-party administrator.

INCREMENTAL COST

The incremental cost on the solvency basis is based on the actuarial method and assumptions described below.

Actuarial Cost Method

The method used to calculate the incremental cost may be described as follows:

1. Present value of expected benefit payments between September 1, 2014 and September 1, 2015, discounted to September 1, 2014;

   Plus

2. Projected solvency liabilities as at September 1, 2015, discounted to September 1, 2014;

   Less

3. Solvency liabilities as at September 1, 2014.

The projected liabilities as at September 1, 2015 take into account:

- accrual of service to September 1, 2015;
- expected changes in benefits to September 1, 2015; and
- projection of pensionable earnings to September 1, 2015.

Expected terminations, deaths, retirements before the normal retirement age as well as new entrants between September 1, 2014 and September 1, 2015, have not been taken into account as the impact on the incremental cost on the solvency basis is not considered material.

Actuarial Assumptions

The actuarial assumptions used to calculate the incremental cost may be described as follows:

- The assumptions used to calculate the expected benefit payments in item 1. above and service accruals, projected changes in benefits and projected changes in the pensionable earnings in item 2. above correspond to those used in the going-concern valuation as at September 1, 2014.
- The assumptions used to calculate the projected solvency liabilities as at September 1, 2015 in item 2. above correspond to those used for the solvency valuation as at September 1, 2014, taking into account the method of settlement applicable to each member as at September 1, 2015.

  However, we assume that the discount rates remain at the levels applicable as at September 1, 2014 and that the select period is reset as at September 1, 2015 for discount rate assumptions that are select and ultimate.

  We also assume that the standards of practice for the calculation of commuted values and the guidance for estimated annuity purchase costs in effect as at September 1, 2014 remain in effect as at September 1, 2015.
- The projected solvency liabilities as at September 1, 2015 in item 2. above is calculated using the same postulated scenario as is used for the solvency valuation as at September 1, 2014.
- The rates used to discount items 1. and 2. above from September 1, 2015 to September 1, 2014 correspond to those used for the solvency valuation as at September 1, 2014. However, these rates are adjusted to take into account the applicable method of settlement applicable to each member as at September 1, 2015.

APPENDIX C – ASSETS

SOURCE OF INFORMATION

As at September 1, 2014 the invested assets were held by Fiducie Desjardins. We have relied upon the information contained in the trustee's financial statements prepared by Fiducie Desjardins following the tests of reasonableness with respect to contributions, benefit payments and investment income. There was no indication of any problem with the assets in the financial statements.

Furthermore, we have adjusted the market value of assets to take into account amounts receivable and payable based on the information available.

STATEMENT OF NET ASSETS (MARKET VALUE)

The following table shows the asset allocation as at September 1, 2014. For comparison purposes, the asset allocation as at September 1, 2013 is also shown.

Table C.1 – Net Assets (Market Value)

	September 1, 2014	**September 1, 2013**
	$	**$**
Invested assets		
Cash and notes	441,100	1,136,000
Bonds	21,521,300	15,246,300
Equities	29,333,100	26,219,100
Total	51,295,500	42,601,400
Other assets		
Contributions receivable	62,600	391,100
Other accounts receivable	14,300	25,400
Total	76,900	416,500
Net assets	51,372,400	43,017,900

CHANGES IN NET ASSETS

The following tables show changes to the Plan assets held by Fiducie Desjardins during the intervaluation period, based on the market values. The reconciliation is based on the statements issued by Fiducie Desjardins, adjusted to take into account amounts receivable and payable.

Table C.2 – Reconciliation

	2014-2013
	$
Assets at beginning of the year	43,017,900
Receipts	
Contributions	
– Employee	243,200
– Employer	767,100
– Special contributions	2,766,900
– Total	3,777,200
Investment income	8,327,300
Total	12,104,500
Disbursements	
Benefits	
– Benefit payments	1,338,500
– Payments to members on termination	2,057,900
– Total	3,396,400
Expenses (fees)	353,600
Total	3,750,000
Net assets – end of period	51,372,400

RETURN ON ASSETS

The annual rates of return achieved on assets, after investment management fees and other fees charged to the fund, are as follows:

Table C.3 – Return on Assets after expenses

Year	Market Value Basis
	%
2011	0.69
2012	10.40
2013[1]	8.39
2014[2]	18.45

1 This period is from January 1, 2013 to September 1, 2013.
2 This period is from September 1, 2013 to September 1, 2014.

APPENDIX D – MEMBERSHIP DATA

DESCRIPTION OF MEMBERSHIP DATA

Our valuation is based on data provided to us by the Plan Administrator, was compiled as at December 31, 2013 and then projected to September, 2014. We have also adjusted the data to account for new and terminated employees between December 31, 2013 and September 1, 2014 as provided by the Employer. We have taken the following steps to review the data to ensure sufficiency and reliability:

- the records of each member were reconciled with the data of the previous valuation, and the results of this reconciliation were submitted to the employer;
- individual benefit statements were distributed by the Plan Administrator to the members, who were instructed to report any errors;
- a reconciliation was performed in order to follow the changes in the number of active members, retirees and vested members;
- basic data checks were performed to ensure that age, salary and service data were reasonable for the purposes of the valuation;
- the contributions and pensions paid since the last valuation shown in the financial statements were compared with the equivalent values drawn from the data.

SUMMARY OF MEMBERSHIP DATA

The following tables were prepared using data provided by the Plan Administrator regarding its active members, retirees and former members.

These tables show the following:

D.1 - A summary of membership data.

D.2 - Changes in Plan membership.

D.3 - Distribution of active members according to age and service as at September 1, 2014 (Division 1).

D.4 - Distribution of active members according to age and service as at September 1, 2014 (Division 2).

Table D.1 – Active Members

		September 1, 2014	September 1, 2013
Active members			
Division 1	Number	107	138
	Total payroll for the following year[1]	$5,494,700[3]	$7,316,500
	Average salary	$55,500	$57,200
	Average age	52.6	52.3
	Average credited service	18.7	17.1
Division 2	Number	90	124
	Total payroll for the following year[2]	$4,200,100[3]	$5,534,300
	Average salary	$52,500	$47,700
	Average age	52.1	51.3
	Average credited service	13.8	12.8
	Average annual pension	3,800	3,500
Retirees and beneficiaries	Number	186	162
	Total annual pensions	$1,468,800	$1,216,500
	Average annual pension	$7,900	$7,500
	Average age	66.9	66.7
Suspended	Number	56	63
	Total annual pensions	$112,000	$155,600
	Average annual pension	$2,000	$2,500
	Average age	48.9	47.9
Terminated vested members	Number	107	94
	Total annual pensions	$526,800	$439,300
	Average annual pension	$4,900	$4,700
	Average age	53.5	53.6
Terminated members awaiting payment	Number	8	12
	Total amount	$175,800[4]	$537,800

1 *Excluding 8 disabled members with total salaries of $367,700 as at September 1, 2014 and 10 disabled members with total salaries of $447,000 as at September 1, 2013.*

2 *Excluding 10 disabled members with total salaries of $365,100 as at September 1, 2014 and 8 disabled members with total salaries of $274,800 as at September 1, 2013.*

3 *Salaries as at September 1, 2014 estimated by increasing the salaries as at December 31, 2013 by an annual rate of 1.5% applied over an eight month period.*

4 *Present value of payments as at September 1, 2014.*

Table D.2 – Changes in Plan Membership

	Active and Disabled	Suspended Members	Terminated vested members	Retirees and Beneficiaries	Awaiting payments	Total
Members as at September 1, 2013	262	63	94	162	12	593
New members	—	—	—	—	—	—
Retirements	(18)	(1)	(7)	26	—	—
Terminations:						
Deferred pensions	(22)	(2)	24	—	—	—
Awaiting payments	(6)	—	(1)	—	7	—
Transfer or Lump sum	(20)	(2)	(3)	—	(10)	(35)
Suspended: Return from leave of absence	2	(2)	—	—	—	—
Deaths:						
With no death benefit	—	—	—	(1)	—	(1)
Awaiting payments	—	—	—	—	—	—
Transfer or lump sum	(1)	—	—	(1)	(1)	(3)
Members as at September 1, 2014	197	56	107	186	8	554

Table D.3 – Division 1 – Distribution of active members according to age and service as at September 1, 2014

Years of service		Age									
		20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60 and +	Total
0-4	**Number**			1	1			2	2	2	**8**
	Tot. Sal.										**355,415**
	Avg. Sal.										**44,427**
5-9	**Number**			2	2	1	1	4	4		**14**
	Tot. Sal.							241,574	156,202		**724,076**
	Avg. Sal.							60,393	39,050		**51,720**
10-14	**Number**				3	3	3	1	2	2	**14**
	Tot. Sal.				160,219	163,016	186,625				**758,396**
	Avg. Sal.				53,406	54,339	62,208				**54,171**
15-19	**Number**					1	6	8	5	1	**21**
	Tot. Sal.						355,958	514,098	286,145		**1,256,319**
	Avg. Sal.						59,326	64,262	57,229		**59,825**
20-24	**Number**					1	4	5	4	2	**16**
	Tot. Sal.						223,919	274,057	215,581		**845,115**
	Avg. Sal.						55,980	54,811	53,895		**52,820**
25-29	**Number**						1	6		1	**8**
	Tot. Sal.							365,848			**510,345**
	Avg. Sal.							60,975			**63,793**
30-34	**Number**							3	9	3	**15**
	Tot. Sal.							182,540	517,906	176,860	**877,306**
	Avg. Sal.							60,847	57,545	58,953	**58,487**
35-39	**Number**									3	**3**
	Tot. Sal.									167,742	**167,742**
	Avg. Sal.									55,914	**55,914**
Total	**Number**			**3**	**6**	**6**	**15**	**29**	**26**	**14**	**99**
	Tot. Sal.			**145,263**	**340,491**	**297,535**	**909,135**	**1,724,345**	**1,369,310**	**708,636**	**5,494,714**
	Avg. Sal.			**48,421**	**56,748**	**49,589**	**60,609**	**59,460**	**52,666**	**50,617**	**55,502**

Average age : *52.1*
Average number of years of service : *18.2*

Notes:

- *The age is computed at the nearest birthday.*
- *Years of service means the number of years of participation for pension plan purposes, fractional parts being rounded to the nearest integer.*
- *The salary used is the salary as at September 1, 2014 estimated by increasing the salaries as at December 31, 2013 by an annual rate of 1.5% applied over an eight month period.*

Table D.4 – Division 2 – Distribution of active members according to age and service as at September 1, 2014

Years of service		Age									
		20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60 and +	Total
0-4	**Number**			1		1		1	1		**4**
	Tot. Sal.										**333,143**
	Avg. Sal.										**83,286**
5-9	**Number**					2	3	3	2		**10**
	Tot. Sal.						111,069	214,971			**538,784**
	Avg. Sal.						37,023	71,657			**53,878**
10-14	**Number**				3	3	5	9	6	3	**29**
	Tot. Sal.				157,167	214,198	204,767	370,458	217,813	279,430	**1,443,832**
	Avg. Sal.				52,389	71,399	40,953	41,162	36,302	93,143	**49,787**
15-19	**Number**					5	8	6	10	8	**37**
	Tot. Sal.					212,629	395,369	335,096	525,182	416,079	**1,884,355**
	Avg. Sal.					42,526	49,421	55,849	52,518	52,010	**50,929**
20-24	**Number**										
	Tot. Sal.										
	Avg. Sal.										
25-29	**Number**										
	Tot. Sal.										
	Avg. Sal.										
30-34	**Number**										
	Tot. Sal.										
	Avg. Sal.										
35-39	**Number**										
	Tot. Sal.										
	Avg. Sal.										
Total	**Number**			**1**	**3**	**11**	**16**	**19**	**19**	**11**	**80**
	Tot. Sal.				**157,167**	**675,988**	**711,204**	**977,987**	**877,889**	**695,509**	**4,200,113**
	Avg. Sal.				**52,389**	**61,453**	**44,450**	**51,473**	**46,205**	**63,228**	**52,501**

Average age : *51.5*
Average number of years of service : *13.5*

Notes:

- *The age is computed at the nearest birthday.*
- *Years of service means the number of years of participation for pension plan purposes, fractional parts being rounded to the nearest integer.*
- *The salary used is the salary as at September 1, 2014 estimated by increasing the salaries as at December 31, 2013 by an annual rate of 1.5% applied over an eight month period.*

APPENDIX E – SUMMARY OF PLAN PROVISIONS

The following is a summary of the Plan provisions which materially affect the costs of the Plan.

EFFECTIVE DATE

The effective date of the Plan is July 31, 2001.

ELIGIBILITY

Each Employee who was part of the purchase and sale effective July 31, 2001, and who was a member of one of the Hollinger plans automatically became a member of the Plan on that date and commenced to accrue benefits in either Division 1 or Division 2, depending on the former plan in which they participated.

Each Employee who was part of the purchase and sale effective February 13, 2003, and who was a member of one of the CanWest plans automatically became a member of the Plan on that date and commenced to accrue benefits in either Division 1 or Division 2, depending on the former plan in which they participated.

Each full-time salaried employee of the Company is eligible to join the Plan following three months of Continuous Service (Division 1 members) or on the first day of January following his date of hire (Division 2 members). Part time employees may join the Plan after completing 24 months of Continuous Service and either earning at least 35% of the YMPE in two consecutive plans years or working at least 700 hours in two consecutive plan years.

Effective December 24, 2010, the following employees are not eligible to participate in the Plan:

a) Employees hired or rehired on or after December 24, 2010, except a person who is hired or rehired by the Employer as a unionized employee member of one of the groups specified in Schedule C of the plan text.

b) Employees transferred on or after December 24, 2010 to the employment of the Employer from the employment of a subsidiary, affiliated or associated company not designated as a participating employer under the Plan, except an employee transferred to one of the groups specified in Schedule C of the plan text.

CONTRIBUTIONS

Division 1 Members

Members are required to contribute 2.5% of the earnings not in excess of the YMPE, plus 5% of earnings in excess of the YMPE; or

Division 2 Members

In each Plan year, members are required to contribute 5.0% of earnings less the amount contributed to the Canada Pension Plan.

RETIREMENT DATES

Normal retirement date is the first day of the month coincident with or next following the Member's 65^{th} birthday.

A member may retire early provided he has attained age fifty-five.

AMOUNT OF PENSION ON NORMAL RETIREMENT

Each member who retires on his normal retirement date will receive an annual pension determined as the sum of:

Division 1 Members

Division 1 members are entitled to the sum of (i) plus (ii) as follows:

(i) either (A) or (B) as follows:

  (A) a specified annual retirement income for credited service before a specified date, if the member was not a former member of the Kingston Plan; or

  (B) 40% of the member's required contributions for credited service up to and including April 30, 1988, if the member was a former member of the Kingston Plan.

(ii) either (A) or (B) as follows:

  (A) 1.25% of the member's final average earnings up to the average YMPE plus 1.75% of the member's final average earnings over the average YMPE multiplied by the member's credited service after a specified date, if the member was not a former member of the Kingston Plan; and

  (B) the annual retirement income, if any, as set out in Schedule A of plan text in respect of member's credited service before November 1, 1991 plus 1.25% of the member's final average earnings up to the average YMPE plus 1.75% of the member's final average earnings over the average YMPE multiplied by the member's credited service from November 1, 1991, if the member was a former member of the Kingston Plan.

Division 2 Members

Division 2 members are entitled to an annual pension equal to 2.0% of the member's earnings in each Plan year less the greater of (i) or (ii) as follows:

(i) zero;

(ii) The sum of (A) minus (B) minus (C) where:

- (A) is {2% of the member's earnings in the Plan year less [(5.0% - the employee's contribution rate to the Canada Pension Plan in the Plan Year) ÷ 2]} multiplied by the Member's earnings in the Plan year in excess of the Year's Basic Exemption, as defined under the Canada Pension Plan, but less than the YMPE in the Plan year;
- (B) is 0.5% of the member's earnings up to the Year's Basic Exemption in the Plan Year, as defined under the Canada Pension Plan; and
- (C) is 0.5% of the member's earnings in excess of the YMPE in the Plan Year, if any;

on and after October 5, 1995.

The above pension is equal to 50% of the member's required contributions made on and after October 5, 1995, in respect of the member's credited service on and after October 5, 1995.

AMOUNT OF PENSION ON EARLY RETIREMENT

Each member who retires on his early retirement date will receive a pension determined as above, but with any pension reduced by:

Division 1 Members

1/3 of 1% for each month by which his early retirement date precedes the earliest of:

(i) his normal retirement date

(ii) completion of 10 years of service and the attainment of age 62.

Division 2 Members

The sum of:

(i) 1/2 of 1% for each complete month by which his early retirement date precedes age 60.

(ii) 1/3 of 1% for each complete month by which his early retirement date precedes normal retirement date to a maximum of 60 months.

NORMAL FORM

The normal form of pension is payable for the lifetime of the retired member with payments guaranteed for 60 months. Optional forms of pension, including the automatic form of pension applicable under pension legislation to a member with an eligible spouse, are available on an actuarial equivalent basis.

DEATH BENEFIT BEFORE RETIREMENT

If a member should die, the death benefit payable under the Plan is either (A) or (B) as follows:

(A) The commuted value of the member's accrued pension, if the member was not a former member of the Kingston Plan; or

(B) The sum of (i) plus (ii) as follows:

(i) A refund of the member's required contributions, plus interest, made prior to January 1, 1987;

(ii) The commuted value of the member's accrued pension in respect of credited service after December 31, 1986;

if the member was a former member of the Kingston Plan.

TERMINATION BENEFITS

If a member should terminate his employment with the Company for any reason other than death, disability of retirement, the member will receive a deferred pension equal to his accrued pension to commence on his normal retirement date. The Member may transfer the lump-sum value of his benefit out of the plan to a registered retirement vehicle.

DISABILITY

A member is exempt from the requirement to make contributions to the Plan during a leave of absence attributable to a disability. For the purpose of determining the member's retirement pension, the member shall be deemed to have made required contributions during the period of disability. For the purpose of contributions and accruals the member's earnings are deemed to be equal to the rate of earnings received by the member immediately before the commencement of disability.

APPENDIX F – EMPLOYER CERTIFICATION

With respect to the actuarial valuation report of Osprey Pension Plan as at September 1, 2014, we hereby confirm that to the best of our knowledge:

- the contributions have been paid to the fund in conformity with the previous actuarial report;
- the data regarding Plan members and beneficiaries provided to Morneau Shepell constitutes a complete and accurate description of the information contained in our files;
- copies of the official text of the Plan and all amendments to date were provided to Morneau Shepell and the summary of Plan provisions contained in this report is accurate;
- there are no subsequent events nor any extraordinary changes to the membership other than those listed in this actuarial report on the Plan, which would materially affect the results.

Sun Media Corporation

Signature

BENOÎT DESMARAIS

Name (printed)

Director - Pension and Benefits

Title

21 Avril 2015

Date

MORNEAU SHEPELL