

POSTMEDIA NETWORK CANADA CORP.

Company

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

Code

procedures. It does not cover every issue that may arise, but sets out basic principles to guide all directors, officers and employees of the Company or any of its subsidiaries or affiliates¹ (collectively, **Postmedia Network** , such as

contractors or consultants (collectively, with the directors, officers and employees of Postmedia **Postmedia Personnel** Postmedia is committed to maintaining the highest standards of honesty, integrity and ethical conduct. All Postmedia Personnel must conduct themselves accordingly and seek to avoid improper behaviour or even the appearance of improper behavior. This Code also

advisors.

FRAUD

Postmedia Network has adopted the following provisions related to fraud to ensure consistent and effective investigation, reporting and disclosure of fraud occurrences within or related to Postmedia Network. These provisions apply to any suspected fraud involving Postmedia Personnel as well as shareholders, consultants, vendors, contractors, customers and any other parties with a business relationship with Postmedia Network.

Fraud is defined as the intentional, false representation or concealment of facts for the purpose of personal gain or inducing another to act upon it to his, her or its injury or financial loss. Actions constituting fraud include, but are not limited to:

- forgery or alteration of any document or account belonging to Postmedia Network;
- forgery or alteration of a cheque, bank draft, or any other financial document;
- theft of funds, securities, supplies or other assets (including those procured pursuant to contra arrangements);
- impropriety in the handling or reporting of money or financial transactions;
- profiteering as a result of insider knowledge of Postmedia Network activities;
- providing or accepting gifts or material value to/from customers, contractors, vendors or other persons doing or attempting to do business with Postmedia Network that are intended to influence a business decision or selection process;
- destruction, removal or inappropriate use of Postmedia Network records, property, fixtures and equipment; or
- any similar or related inappropriate conduct.

The prevention, detection and reporting of fraud is the responsibility of all Postmedia Personnel. Management employees are further expected to be familiar with the types of improprieties that might occur within their areas of responsibility and be alert for any indication of fraud or irregularity.

Fraud, in any form, will not be tolerated. This includes acts of fraud committed against Postmedia Network as well as acts committed against outside parties for the benefit of Postmedia Network. Postmedia Network will pursue full recovery of all losses resulting from an act of fraud.

Postmedia Personnel who detect or suspect a fraud has occurred must report the incident immediately. Specific procedures for the confidential reporting of an incident are provided in the *Whistleblower Policy*.

Any employee who suspects dishonest or fraudulent activity should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act or contact the suspected individual in an effort to determine facts or demand restitution. All information received will be treated confidentially to the extent possible while still allowing a full investigation to be conducted into the suspected fraud. Postmedia Network reserves the right to pass on any information to the proper law enforcement agency in order that such entity may determine whether criminal charges are warranted. All Postmedia Personnel involved in an investigation of suspected fraud or irregularity

nominal gifts and entertainment, such as logo items, pens, calendars, caps, shirts and mugs are acceptable;

r

Similarly, other governments have laws regarding business gifts that may be accepted by government personnel. The promise, offer or delivery to an official or employee of various governments of a gift, favor or other gratuity in violation of these laws would not only violate Company policy but could also be a criminal offense.

No employee, director or officer may offer improper or illegal payments to government officials or government personnel when acting on behalf of Postmedia Network.

Company funds must not be used to make payment or provide anything of value, directly or indirectly, in money, property, services or any other form to a government official, political party or candidate for political office in consideration for the recipient agreeing to:

- exert influence to assist Postmedia Network in obtaining or retaining business or secure any advantage; or

- commit any act in violation of a lawful duty or otherwise influence an official act.

If you are in doubt about the legitimacy of a payment to be made, refer such situations to the

Postmedia Network will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely with Postmedia Network. Postmedia Personnel from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anticompetitive behaviour.

In the event that any Postmedia Personnel plans to engage in discussion with or involving a direct or indirect competitor in respect of the product/business line in which they compete with Postmedia Network, for instance, in respect of a potential partnership or new commercial arrangement, such Postmedia Personnel should promptly, and in any case, before any such discussions take place, contact the Legal Department for advice.

Directorship

Postmedia Personnel, other than directors and officers of the Company, shall not act as directors or officers of any other corporate entity or organization, public or private, without the prior written approval of their department head. Directors and officers of the Company shall obtain written approval of the chair of the Board of Directors **Chair** prior to acting as directors or officers of any other corporate entity or organization. The Chair of the Board of Directors shall obtain written approval from the chair of the Corporate Governance and Nominating Committee prior to acting as a director or officer of any other corporate entity or organization. Directorships or officerships with such entities will not be authorized if they are considered to be contrary to the interest of Postmedia Network. Department heads or the Chair of the Board of Directors, as applicable, may provide authorizations for directorships/officerships that are necessary for business purposes or for directorships/officerships

community.

Execution of Agreements

All agreements entered into by Postmedia Network must be reviewed and approved by Postmedia signing officers, as set out in *Signing Policy*.

Personal information

In the course of its operations, Postmedia Network accumulates a great deal of information about its customers and employees, and has an obligation to limit the collection, access, use and disclosure of *Privacy Policy*. All Postmedia Personnel should read *Privacy Policy*.

Financial Reporting and Records

Postmedia Network requires honest and accurate recording and reporting of information to make

Postmedia Network
legitimate business purposes

Intellectual Property

of proprietary information include intellectual property (such as trade secrets, patents, trademarks (such as logos), copyrights and exclusive photo images), business, marketing and service plans, policies and procedures manuals, designs, databases, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy and could be illegal and result in civil or criminal penalties. The obligation to preserve the confidentiality of proprietary information

known or should reasonably be known to be unwelcome, and which negatively affects Postmedia environment for Postmedia Personnel.

Sexual Harassment

Sexual harassment is illegal and all Postmedia Personnel are prohibited from engaging in any form of sexually harassing behaviour. Sexual harassment means unwelcome sexual conduct, either visual, verbal or physical, and may include, but is not limited to, unwanted sexual advances, unwanted touching and suggestive touching, language of a sexual nature, telling sexual jokes, innuendoes, sexual propositions, suggestive looks and displays, sexually suggestive visual materials

Substance Abuse

Postmedia Network is committed to maintaining a safe and healthy work environment free of substance abuse. Postmedia Personnel are expected to perform their responsibilities in a professional manner and must report to work and remain fit for duty and free from the influence and effects of alcohol, recreational cannabis, illegal drugs, non-prescription drugs, prescribed drugs including medical cannabis, or any other substance situation or issue that may impair judgement or performance. These same expectations apply in any circumstance where Postmedia Personnel are representing Postmedia Network.

Where a medical necessity is established to the satisfaction of the Postmedia Network that Postmedia Personnel require prescription or over-the-counter

Postmedia Confidential and Anonymous Whistleblower Hotline: 1-866-285-9520

Web Reporting: <https://www.whistleblowerservices.com/post>

Mail to: **POSTMEDIA NETWORK INC.**
Postmedia Place
365 Bloor Street East, 12th Floor
Toronto, Ontario, M4W 3L4

Attention: Chair of the Audit Committee

COMPLIANCE PROCEDURES

All Postmedia Personnel must work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know how to deal with a situation. Since we cannot anticipate every situation that will arise, it is important that Postmedia Network have a way to approach a new question or problem. These are the steps to keep in mind:

MAKE SURE YOU HAVE ALL THE FACTS. In order to reach the right solutions, we must be as fully informed as possible.

ASK YOURSELF: WHAT SPECIFICALLY AM I BEING ASKED TO DO? DOES IT SEEM UNETHICAL OR IMPROPER? This will help you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense - if something seems unethical or improper, it probably is.

CLARIFY YOUR RESPONSIBILITY AND ROLE. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

DISCUSS THE PROBLEM WITH YOUR DEPARTMENT HEAD. This is the basic guidance for all situations. In many cases, your department head will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that to help solve problems.

SEEK HELP FROM POSTMEDIA NETWORK RESOURCES. In the rare case where it may not be appropriate to discuss an issue with your department head, or where you do not feel comfortable approaching your department head with your question, discuss it locally with your *manager's manager*. If that is not appropriate for any reason, contact any member of senior management.

YOU MAY REPORT ETHICAL VIOLATIONS IN CONFIDENCE AND WITHOUT FEAR OF RETALIATION. If your situation permits that your identity be kept confidential, your anonymity will be protected. Postmedia Network does not permit retaliation of any kind against employees for good faith reports of ethical violations.

ALWAYS ASK FIRST, ACT LATER: If you are unsure of what to do in any situation, seek guidance before you act.

APPLICABLE LAW

The provisions of this Code may be modified, as and to the extent necessary, to comply with applicable laws, regulations or policies imposed by the various jurisdictions in which Postmedia Network and Postmedia Personnel operate or as otherwise deemed appropriate by Postmedia Network