Corus Entertainment Inc.

Notice and Management Information Circular

For the Annual and Special Meeting of Shareholders
January 16, 2019
CORUS ENTERTAINMENT INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders (the “Meeting”) of CORUS ENTERTAINMENT INC. (the “Company”) will be held at The Westin Calgary, Bow Valley Room, 320 4th Avenue SW, Calgary, Alberta, T2P 2S6, Canada on Wednesday, the 16th day of January, 2019, at 2:00 p.m. (Mountain Time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for its financial year ended August 31, 2018, together with the report of the auditors thereon;
2. to fix the number of directors, within the minimum and maximum number, at 11;
3. to elect directors for the ensuing year;
4. to appoint auditors for the ensuing year and authorize the directors to fix the auditors’ remuneration;
5. to consider and, if deemed appropriate, pass a special resolution approving the reduction in the stated capital of the Class A participating shares and Class B non-voting participating shares in the capital of the Company;
6. to ratify and approve the amendment and restatement of the Company’s By-Law No.1; and
7. to transact such further and other business as may properly be brought before the Meeting and any adjournment(s) or postponement(s) thereof.

A copy of the Management Information Circular accompanies this Notice. Details of all matters proposed to be put before the Meeting are set forth in the accompanying Management Information Circular. This year, the Company has adopted the notice-and-access method of delivering materials to both registered and non-registered Shareholders. As such, the Company has posted copies of the Management Information Circular and the Company’s 2018 Annual Report (which includes its audited consolidated financial statements for the fiscal year ended August 31, 2018 and related management’s discussion and analysis) on the Investor Relations section of the Company’s website at www.corusent.com, in addition to on the Company’s page on SEDAR at www.sedar.com and on www.meetingdocuments.com/ASTCJR. Paper copies of the Management Information Circular and the Company’s 2018 Annual Report may still be obtained upon request, or if you have any questions about the notice-and-access method, please contact AST Trust Company (Canada) at 1-888-433-6443 (toll-free Canada and U.S.) or 416-682-3801 outside of Canada and the U.S., or by e-mail at fulfilment@astfinancial.com.

Only Class A participating shareholders of record at the close of business on November 23, 2018 will be entitled to vote at the Meeting, except to the extent that a shareholder of record has transferred any shares after that date and the transferee of such shares establishes proper ownership and requests, not later than 10 days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote at the Meeting.

Class A participating shareholders who do not expect to attend the Meeting in person are requested to complete the accompanying proxy and mail it to AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1. A self-addressed envelope is provided for this purpose. Alternatively, shareholders may, with the control number listed on the form of proxy, vote online at www.astvotemyproxy.com, by telephone at 1-888-489-5760 (toll-free Canada and U.S.) or by smartphone using the QR code provided. The form of proxy must be in the possession of the Company not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment or postponement thereof, to be used at the Meeting or an adjournment or postponement thereof. Holders of Class A participating shares of the Company will be entitled to vote separately as a class on any resolution put forward at the Meeting. Holders of Class B non-voting participating shares are entitled to attend and speak at the Meeting, but are not entitled to vote on any matter proposed for consideration.

DATED at Toronto, Ontario, this 10th day of December, 2018.

By Order of the Board of Directors

GARY A. MAAVARA, Corporate Secretary
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FORWARD-LOOKING INFORMATION

To the extent any statements made in this Circular contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, “forward-looking information”).

Forward-looking information relates to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook, including advertising, distribution, merchandising and subscription revenues, operating costs and tariffs, taxes and fees, currency value fluctuations, and interest rates. In this Circular, specific forward-looking statements include the expected timing for roll-out of the Company’s “Cynch” platform. Forward-looking information is predictive in nature and can generally be identified by the use of words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “will,” “may” and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances may be considered forward-looking information.

Although Corus believes that the expectations reflected in such forward-looking information are reasonable, such statements involve assumptions, risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied with respect to the forward-looking information, including without limitation, factors and assumptions regarding general market conditions and general outlook for the industry, stability of the advertising, distribution, merchandise and subscription markets, operating costs and tariffs, taxes and fees, currency value fluctuations and interest rates, technology developments and assumptions regarding the stability of laws and governmental regulations and policies and the interpretation or application of those laws and regulations, and actual results may differ materially from those expressed or implied in such statements.

Important factors that could cause actual results to differ materially from these expectations include, among other things: our ability to attract and retain advertising and subscriber revenues; audience acceptance of our television programs and cable networks; our ability to recoup production costs; the availability of tax credits and the existence of co-production treaties; our ability to compete in any of the industries in which we do business; the opportunities (or lack thereof) that may be presented to and pursued by us; conditions in the entertainment, information and communications industries and technological developments therein; changes in laws or regulations or the interpretation or application of those laws and regulations, and policies; our ability to integrate and realize anticipated benefits from our acquisitions and to effectively manage our growth; our ability to successfully defend ourselves against litigation matters arising out of the ordinary course of business; and changes in accounting standards. Additional information about these factors and about the material assumptions underlying such forward-looking statements are set out in the Company’s Annual Management’s Discussion and Analysis under the heading “Risks and Uncertainties” and in the Company’s Annual Information Form under the heading “Risk Factors”. Corus cautions that the foregoing list of important factors that may affect future results is not exhaustive.

When relying on our forward-looking information to make decisions with respect to Corus, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document. Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to publicly update or revise any forward-looking statements whether as a result of new information, events or circumstances that arise after the date thereof or otherwise.

NON-IFRS MEASURES

Corus’ financial statements are prepared in accordance with IFRS as prescribed by the International Accounting Standards Board. In the section under “Compensation Discussion and Analysis”, the Company presents certain non-IFRS measures, specifically, segment profit and free cash flow, net debt to segment profit, as well as other measures discussed elsewhere in the section. Non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Company believes these non-IFRS measures are frequently used by securities analysts, investors and other interested parties as measures of financial performance and to provide supplemental measures of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on IFRS financial measures.

For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measures calculated in accordance with IFRS, please refer to the management’s discussion and analysis of the Company for the year ended August 31, 2018 and the disclosure under “Compensation Discussion and Analysis”.

CURRENCY

Corus Entertainment Inc. reports in Canadian dollars. Unless otherwise specified, all amounts contained within this Circular are reported in Canadian dollars.
CORUS ENTERTAINMENT INC.
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS - JANUARY 16, 2019
MANAGEMENT INFORMATION CIRCULAR

VOTING

PROXY SOLICITATION

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by or on behalf of management of CORUS ENTERTAINMENT INC. (the “Company” or “Corus”) for use at the Annual and Special Meeting (the “Meeting”) of Shareholders of the Company to be held at 2:00 p.m. (Mountain Time) on Wednesday, January 16, 2019, at The Westin Calgary, Bow Valley Room, 320 4th Avenue SW, Calgary, Alberta, T2P 2S6, or any postponement(s) or adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting. Except as otherwise stated, the information contained herein is given as of November 23, 2018. This solicitation is made by management of the Company.

The Company will deliver materials to its shareholders for the Meeting using the notice-and-access method. This method aligns with the Company’s efforts to minimize its impact on the environment through a reduction in paper use, while also reducing printing and mailing costs. Instead of mailing this Circular to shareholders, the Company has posted the Circular (and other proxy-related materials, including its annual financial statements for the financial year ended August 31, 2018, together with the auditor’s report therein, and related management’s discussion and analysis, collectively, the “proxy-related materials”) on www.meetingdocuments.com/ASTca/CJR, and on its website at www.corusent.com in addition to being filed under the Company’s profile on SEDAR at www.sedar.com.

Under notice-and-access, holders of Class A participating shares (“Class A Voting Shares”) will receive a form of proxy or voting instruction form (“VIF”) enabling them to vote at the Meeting; however, instead of a paper copy of the Circular, they will receive a notice with information on how to access the Circular and other proxy-related materials online. Holders of Class B non-voting participating shares (“Class B Non-Voting Shares”, and together with the Class A Voting Shares, the “Shares”) will also receive this notice with information on how to access the Circular and other proxy-related materials online.

Should you wish to receive paper copies of the Circular or proxy-related materials for the Meeting, or if you have any questions about notice-and-access, please contact AST Trust Company (Canada) at 1-888-433-6443 or 416-682-3801 outside of Canada or the U.S. or by e-mail at fulfillment@astfinancial.com. Shareholders will not receive a paper copy of the Circular or these proxy-related materials unless they contact AST Trust Company (Canada) at 1-888-433-6443 or 416-682-3801 outside of Canada or the U.S. or fulfillment@astfinancial.com. The Company estimates that your request for materials will need to be received prior to January 2, 2019 in order for you to receive your paper copies in advance of the deadline for submission of your voting instructions and the date of the Meeting. AST Trust Company (Canada) will mail the materials within three business days of any request(s), provided the request is made prior to the Meeting. All shareholders may also request that paper copies of the Circular or proxy-related materials be mailed to them at no cost for up to one year from the date the Circular was filed on SEDAR.

The solicitation will be primarily by mail, but proxies may also be solicited personally by regular employees of the Company, for which no additional compensation will be paid. The cost of preparing, assembling and distributing this Circular, the Notice of Meeting, the form of proxy or VIF and any other material relating to the Meeting, has been or will be borne by the Company.

Distribution to NOBOs

The Company is taking advantage of provisions of National Instrument 54-101 - Communication with Beneficial Holders of Securities of a Reporting Issuer (“NI 54-101”) that permit it to deliver proxy-related materials directly to you as a NOBO. This Circular, together with proxy-related materials, is being sent to both registered and non-registered holders of Shares of the Company. If you are a non-registered shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your Shares have been obtained according to applicable securities regulatory requirements from the intermediary that holds your Shares on your behalf.

By choosing to send these materials to you directly, the Company (not the intermediary) has assumed responsibility for:

i. delivering these materials to you; and
ii. completing your proper voting instructions.

Please return your voting instructions as specified in the VIF that was mailed to you as a NOBO.
Distribution to OBOs

The Company has caused or will cause AST Trust Company (Canada) to deliver copies of its proxy-related Meeting materials to clearing agencies and other intermediaries for onward distributions to objecting beneficial owners (“OBOs”). These intermediaries are required to forward the materials to OBOs unless that OBO has waived its right to receive them. Generally, those OBOs that have not waived the right to receive proxy-related Meeting materials will either:

i. be given a form of proxy that has already been signed by the intermediary as the Registered Shareholder (usually by a stamped fax signature) that is restricted as to the number of Shares owned by that OBO but is otherwise not completed. This form of proxy does not have to be signed by you (as an OBO) but is used to instruct the intermediary on how to vote the Shares. You should properly complete the form of proxy and deposit it with AST Trust Company (Canada) as described in this Circular; OR

ii. more typically, be given a VIF that has not been signed by the intermediary but must be properly completed and signed by the OBO and then returned to the intermediary. In Canada, most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically mails a scannable VIF instead of the form of proxy. The VIF will name the same persons as the Company’s proxy to represent the OBOs’ Shares at the Meeting. As an OBO, you have the right to appoint a person (who does not have to be a Beneficial Shareholder) other than the person designated in the VIF to represent your Shares. The person that you appoint as a proxy may be yourself. To exercise this right, you should insert the name of the designated representative (which could be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile. Alternatively, you can follow specific telephone or other voting procedures to vote the Shares held by you as an OBO. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting.

APPOINTMENT OF PROXIES

The persons named in the form of proxy or VIF are officers of the Company and will represent management of the Company at the Meeting. A shareholder desiring to appoint some other person to represent him or her at the Meeting may do so either by inserting the name of such other person, who need not be a shareholder, in the space provided in the form of proxy or VIF and striking out the names of the specified persons, or by completing another form of proxy or VIF. In either case, the shareholder must deliver or send the form of proxy to: Proxy Department, AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1. Alternatively, shareholders may, with the control number listed on the form of proxy, vote online at www.astvotemyproxy.com, by telephone at 1-888-489-5760 (toll-free Canada and U.S.) or by smartphone using the QR code provided. The form of proxy must be received not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment or postponement thereof, but prior to the use of the proxy at the Meeting or an adjournment or postponement thereof.

REVOCATION OF PROXIES

A shareholder who has submitted a proxy or VIF may revoke it at any time insofar as it has not been exercised. If you are a registered shareholder and have submitted a proxy, a proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by instrument in writing executed by the shareholder or by his or her attorney duly authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized in writing and deposited with the Company, as the case may be, at any time up to and including the last business day preceding the date of the Meeting or with the Chair of the Meeting on the date of the Meeting prior to the commencement of the Meeting and upon either of such deposits the proxy is revoked. A proxy may also be revoked if a shareholder personally attends the Meeting and votes his or her shares, or in any other manner permitted by law.

If you are a non-registered shareholder, you should contact your intermediary through which you hold Shares and obtain instructions regarding the procedure for the revocation of any voting instructions that you have previously provided to your intermediary.
VOTING OF PROXY

The management representatives designated in the form of proxy or VIF will vote or withhold from voting the shares in respect of which they are appointed by proxy on any matter that may be called for in accordance with the instructions of the shareholder as indicated on the proxy or VIF and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. In the absence of such directions, it is intended that such Shares will be voted FOR the adoption of all resolutions referred to in the Notice of Meeting, including the fixing of the number of directors at 11, the election of directors, the appointment of auditors and the authorization of the directors to fix the remuneration of such auditors, the special resolution approving the proposed reduction in the stated capital of the Class A Voting Shares and Class B Non-Voting Shares, and the resolution to ratify and approve the amendment and restatement of the Company’s By-Law No. 1.

The form of proxy or VIF confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any such amendment, variation or other matter which is not now known should properly come before the Meeting, then the persons named in the form of proxy or VIF will vote on such matters in accordance with their best judgment with respect to the Shares represented by such proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only the holders of Class A Voting Shares of record at the close of business on November 23, 2018, the record date fixed by the directors of the Company, will be entitled to vote on all matters at the Meeting. Each holder of Class A Voting Shares is entitled to one vote for each such share held. As at November 23, 2018, there were 3,415,192 Class A Voting Shares and 208,581,866 Class B non-voting participating shares (“Class B Non-Voting Shares”) outstanding. The Class B Non-Voting Shares are publicly traded on the Toronto Stock Exchange (the “TSX”) under the symbol CJR.B.

Voting control of the Company is held by the Shaw Family Living Trust (“SFLT”) and its subsidiaries. The sole trustee of SFLT is a private company owned by JR Shaw and having a board comprised of seven directors, including as at November 23, 2018, JR Shaw as Chair, Heather Shaw, Julie Shaw, three other members of JR Shaw’s family and one independent director. As at November 23, 2018, SFLT and its subsidiaries hold 2,885,530 Class A Voting Shares, representing approximately 84% of the outstanding Class A Voting Shares, for the benefit of descendants of JR and Carol Shaw. JR Shaw controls these shares and controls 4,500 additional Class A Voting Shares. SFLT also exercises voting control over Shaw Communications Inc., which holds approximately 38% of the outstanding Class B Non-Voting Shares. The only other person or company, to the knowledge of the Company, its directors or executive officers, who owns beneficially, directly or indirectly, or exercises control or direction, over in excess of 10% of any class of the voting securities of the Company is Cathton Investments Ltd., a company controlled by Catherine Roozen, a director of Corus. Cathton Investments Ltd. holds 343,332 Class A Voting Shares, representing approximately 10% of the outstanding Class A Voting Shares.

The Company has been advised that all of such Class A Voting Shares will be voted FOR the adoption of all the resolutions referred to in the Notice of Meeting, including the fixing of the number of directors at 11, the election of directors, the appointment of auditors and the authorization of the directors to fix such auditors’ remuneration, the special resolution approving the proposed reduction in the stated capital of the Class A Voting Shares and Class B Non-Voting Shares, and the resolution to ratify and approve the amendment and restatement of the Company’s By-Law No. 1.

RESTRICTED SECURITIES

Holders of Class B Non-Voting Shares are not entitled to vote at meetings of shareholders of the Company except as provided by law and will not be entitled to vote on any matter at the Meeting. In certain circumstances (an “Exclusionary Offer” as detailed in the Company’s most recently filed Annual Information Form), if a takeover bid is made for the Class A Voting Shares of the Company, exclusive of the Class B Non-Voting Shares, a holder of Class B Non-Voting Shares may, at his or her option, and only for the purpose of such takeover bid, convert any or all Class B Non-Voting Shares then held by such holder into Class A Voting Shares on the basis of one Class A Voting Share for each Class B Non-Voting Share so converted during a specified period of time. Under the Company’s Articles of Incorporation, the Company is required to give notice of the occurrence of an event entitling the holders of Class B Non-Voting Shares to exercise such conversion right not later than 14 days prior to the expiry of the period relating to such event.
BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended August 31, 2018, together with the auditor’s report therein and related management’s discussion and analysis are included in the Company’s 2018 Annual Report, which is available on the Investor Relations section of the Company’s website at www.corusent.com, in addition to on the Company’s page on SEDAR at www.sedar.com and on www.meetingdocuments.com/ASTca/CJR. The Company’s 2018 Annual Report will be placed before the Shareholders at the Meeting. Paper copies of the Company’s 2018 Annual Report may also be obtained upon request by writing to the Company at the following address: Corus Entertainment Inc., Corus Quay, 25 Dockside Drive, Toronto, Ontario, M5A 0B5.

NUMBER OF DIRECTORS

The Articles of Incorporation of the Company provide for a minimum of three and a maximum of 15 directors. It is proposed that the number of directors to be elected at the Meeting be fixed at 11. Management recommends voting in favour of the fixing of the number of directors at 11. Unless specified in a form of proxy that the Class A Voting Shares represented by the proxy shall be voted otherwise, the management representatives designated in the enclosed form of proxy intend to vote FOR the fixing of the number of directors at 11.

ELECTION OF DIRECTORS

PROPOSED NOMINEES

The following are the nominees proposed for election as directors of the Company (each, a “Director Nominee”) to hold office until the next Annual Meeting of Shareholders or until their successors are elected or appointed. Management recommends voting in favour of each nominee. The Shareholders will elect each nominee separately based on a majority of votes cast at the Meeting. Unless specified in a form of proxy that the Class A Voting Shares represented by the proxy shall be voted otherwise, the management representatives designated in the enclosed form of proxy intend to vote FOR the election as directors the proposed nominees whose names are set out below.

The term of office for each person will be until the next Annual Meeting or until his or her successor is elected or appointed. In the event that, prior to the Meeting, any of the nominees listed below decline, or are unable to stand for election as directors, it is intended that discretionary authority shall be exercised to vote the proxy hereby solicited (unless otherwise directed as aforesaid) for the election of any other person or persons as directors. Management is not now aware that any of such nominees would be unwilling or unable to serve as a director if elected.

Table 1 sets out certain information about the Director Nominees and outlines their securities personally held in the Company for the fiscal years ended August 31, 2018 and 2017, including Class A Voting Shares, Class B Non-Voting Shares and Director’s Deferred Share Units (“DSUs”).
Table 1 — Director Nominees

<table>
<thead>
<tr>
<th>Name</th>
<th>Background and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fernand Bélisle, BA</td>
<td>Mr. Bélisle is an independent consultant to Canadian broadcast companies. Mr. Bélisle served as Vice Chair (Broadcasting) of the Canadian Radio-television and Telecommunications Commission (CRTC). This followed a series of senior positions at the CRTC and the Department of Communications which is now known as the Department of Canadian Heritage. Mr. Bélisle’s business career has included positions with Télémedia Communications Ltd. and in audit and tax specialist roles at Coopers &amp; Lybrand. Mr. Bélisle previously served as a Director of Corus Entertainment Inc. from December, 2003 to February, 2005.</td>
</tr>
</tbody>
</table>

Breckenridge, Quebec, Canada

<table>
<thead>
<tr>
<th>Age: 73</th>
<th>Corporate Directorships</th>
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</thead>
<tbody>
<tr>
<td>Director Since: January, 2009</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Board/Committee Memberships</th>
<th>Fiscal 2018 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors (Independent Lead Director)</td>
<td>7 of 7 100%</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee</td>
<td>4 of 4 100%</td>
</tr>
<tr>
<td>Special Committee</td>
<td>6 of 6 100%</td>
</tr>
</tbody>
</table>

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
<th>Class B Non-Voting Shares (#)</th>
<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($) (1)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15,273</td>
<td>35,312</td>
<td>50,585</td>
<td>187,165</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>13,155</td>
<td>29,854</td>
<td>43,009</td>
<td>592,664</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Michael T. Boychuk, FCPA, FCA(2) | Mr. Boychuk is a corporate director. A chartered professional accountant since 1979, Mr. Boychuk became a Fellow of the Ordre des comptables professionnels agréés du Québec in 2012. From July 2009 until his retirement in June 2015, he was President of Bimcor Inc., the pension fund investment manager for the BCE Inc./Bell Canada group of companies. From 1999 to 2009, he was Senior Vice-President and Treasurer of BCE Inc./Bell Canada, responsible for all treasury, corporate security as well as environment and sustainability activities, and for the BCE Group of companies' pension plans. Mr. Boychuk is a member of the Board of Governors and Chair of McGill University's Audit Committee. He also serves on the International Advisory Committee of McGill University’s Faculty of Management. Mr. Boychuk is a member of the Board of Directors of Laurentian Bank of Canada, GDI Integrated Facility Services, Telesat Inc. and Cadillac Fairview Corporation Limited. |

Baie d’Urfé, Quebec, Canada

<table>
<thead>
<tr>
<th>Age: 63</th>
<th>Corporate Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director Since: New nominee</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Board/Committee Memberships</th>
<th>Fiscal 2018 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
<th>Class B Non-Voting Shares (#)</th>
<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($) (1)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>—</td>
<td>1,050</td>
<td>—</td>
<td>1,050</td>
<td>3,885</td>
<td>n/a</td>
</tr>
<tr>
<td>2017</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Jean-Paul Colaco, BA, HBA, MBA

San Francisco, California, USA

Mr. Colaco is the President, Revenue and Media, Fresno Unlimited Inc., a digital media and technology start-up that uses data and insights to reinvent the creation of premium video content and identification of relevant audiences. He was previously Chief Revenue Officer for Jaunt LLC, a global cinematic virtual reality company. Prior to this, Mr. Colaco was Senior Vice President of Advertising, Content and Business Development at Vessel LLC, Senior Vice-President, Advertising at Hulu from 2007-2013 and served for 12 years in various senior positions at The Walt Disney Company including Senior Vice President, Corporate Business Development and President of Radio Disney. Mr. Colaco holds an MBA from Harvard Business School, a BA in Economics and an HBA in Business from the Ivey Business School, University of Western Ontario.

Director Since: January, 2018
Age: 50

Corporate Directorships

<table>
<thead>
<tr>
<th>Board/Committee Memberships</th>
<th>Fiscal 2018 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors (Jan’18 - present)</td>
<td>5 of 5 100%</td>
</tr>
<tr>
<td>Corporate Governance Committee (Jan’18 - present)</td>
<td>2 of 2 100%</td>
</tr>
</tbody>
</table>

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
<th>Class B Non-Voting Shares (#)</th>
<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>—</td>
<td>1,270</td>
<td>11,776</td>
<td>13,046</td>
<td>48,270</td>
<td>On track to meet within 3 years</td>
</tr>
<tr>
<td>2017</td>
<td>—</td>
<td>1,270</td>
<td>—</td>
<td>1,270</td>
<td>17,501</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Michael D’Avella, BA(2)

Calgary, Alberta, Canada

Mr. D’Avella served most recently as Senior Vice President of Planning for Shaw Communications Inc. (“Shaw”) until his retirement in September 2013. During his 22 years at Shaw, Mr. D’Avella was involved in every aspect of Shaw’s business strategy, growth, acquisitions, new product and service launches and technology planning. He has over 30 years of experience in the Canadian communications industry and has extensive knowledge of the regulatory and public policy environment in Canada. Mr. D’Avella led Shaw’s programming and content licensing negotiations including the licensing of content for a variety of delivery platforms. In 2008, Mr. D’Avella led Shaw’s successful acquisition of Advanced Wireless Services spectrum and the overall development of Shaw’s wireless strategy. Mr. D’Avella has served as a Director on several public and private companies including Terayon Communications Systems, GT Group Telecom, and Canadian Satellite Communications (Cancom). Mr. D’Avella graduated from St. Michael’s College (the University of Toronto) with a BA (Hons.).

Director Since: April, 2016
Age: 60

Corporate Directorships

<table>
<thead>
<tr>
<th>Board/Committee Memberships</th>
<th>Fiscal 2018 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>7 of 7 100%</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>5 of 5 100%</td>
</tr>
</tbody>
</table>

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
<th>Class B Non-Voting Shares (#)</th>
<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>—</td>
<td>70,000</td>
<td>13,937</td>
<td>83,937</td>
<td>310,567</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>—</td>
<td>70,000</td>
<td>6,378</td>
<td>76,378</td>
<td>1,052,489</td>
<td>Yes</td>
</tr>
</tbody>
</table>
John Frascotti, BA, J.D.
Needham, Massachusetts, USA

Mr. Frascotti is President and Chief Operating Officer of Hasbro, Inc., a global play and entertainment company. He previously held the positions of President, Hasbro Inc. from 2017 to 2018, President, Hasbro Brands from 2014 to 2017, and was the Executive Vice President and Chief Marketing Officer of Hasbro from 2008 to 2014. Mr. Frascotti was appointed to the board of Hasbro, Inc. in July, 2018 and continues to serve on the board of Discovery Family Channel, a joint venture between Hasbro and Discovery Communications. He is also Chair of Hasbro’s IP Security Committee, a member of Hasbro’s Global Information Systems Steering Committee, and serves on the board of SeriousFun Children’s Network and the advisory board of Newman’s Own Foundation. Mr. Frascotti received a Bachelor of Arts (Economics) from Yale, where he graduated Phi Beta Kappa and Summa Cum Laude, and a law degree from Harvard.

Director Since: January, 2016
Age: 57
Corporate Directorships
Independent

Board/Committee Memberships

<table>
<thead>
<tr>
<th>Fiscal 2018 Attendance</th>
<th>Hasbro, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>5 of 7</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee (Jan’18 - present)</td>
<td>2 of 2</td>
</tr>
<tr>
<td>Corporate Governance Committee (to Jan’18)</td>
<td>1 of 2</td>
</tr>
</tbody>
</table>

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
<th>Class B Non-Voting Shares (#)</th>
<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>—</td>
<td></td>
<td>38,233</td>
<td>38,233</td>
<td>141,462</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>—</td>
<td></td>
<td>15,110</td>
<td>15,110</td>
<td>208,216</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Mark Hollinger, BA, J.D.
Washington, DC, USA

Mr. Hollinger was an executive at Discovery Communications for 24 years, serving as the President and CEO of Discovery Networks International, Chief Operating Officer, General Counsel and head of international business development. Mr. Hollinger continues to serve on the board of the Discovery Learning Alliance, a non-profit focused on media-based educational opportunities in developing countries. He is also the Chairman of Sugar Films, a television and film production company based in London. Prior to joining Discovery, Mr. Hollinger practiced entertainment law at the New York law firm Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Hollinger is a graduate of Colgate University and obtained his law degree from the Yale Law School.

Director Since: July, 2014
Age: 59
Corporate Directorships
Independent

Board/Committee Memberships

<table>
<thead>
<tr>
<th>Fiscal 2018 Attendance</th>
<th>—</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>7 of 7</td>
</tr>
<tr>
<td>Corporate Governance Committee (Chair)</td>
<td>4 of 4</td>
</tr>
<tr>
<td>Audit Committee (Jan’18 - present)</td>
<td>2 of 2</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>n/a</td>
</tr>
<tr>
<td>Special Committee</td>
<td>6 of 6</td>
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Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
<th>Class B Non-Voting Shares (#)</th>
<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>—</td>
<td>23,245</td>
<td>—</td>
<td>23,245</td>
<td>86,007</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>—</td>
<td>23,245</td>
<td>—</td>
<td>23,245</td>
<td>320,316</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Barry L. James, B. Comm, FCPA, FCA, ICD.D

Edmonton, Alberta, Canada

Director Since: January, 2014
Age: 60
Corporate Directorships
Independent
ATB Financial
AutoCanada Inc.

Board/Committee Memberships

<table>
<thead>
<tr>
<th>Board/Committee</th>
<th>Fiscal 2018 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>7 of 7 100%</td>
</tr>
<tr>
<td>Audit Committee (Chair)</td>
<td>5 of 5 100%</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
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<th>DSUs (#)</th>
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<th>Total Shares, DSUs ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>—</td>
<td>16,555</td>
<td>—</td>
<td>16,555</td>
<td>61,254</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>—</td>
<td>13,055</td>
<td>—</td>
<td>13,055</td>
<td>179,898</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Doug Murphy, HBA, MBA

Toronto, Ontario, Canada

Director Since: April, 2015
Age: 55
Corporate Directorships
Non-Independent

Board/Committee Memberships

<table>
<thead>
<tr>
<th>Board/Committee</th>
<th>Fiscal 2018 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>7 of 7 100%</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
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<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,000</td>
<td>100,160</td>
<td>359,307</td>
<td>461,467</td>
<td>1,707,428</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>2,000</td>
<td>89,693</td>
<td>267,747</td>
<td>359,440</td>
<td>4,953,083</td>
<td>Yes</td>
</tr>
</tbody>
</table>
### Catherine Roozen, BComm, LL.D. (hon)

**Edmonton, Alberta, Canada**

Ms. Roozen is a corporate director who previously worked with the North West Trust Company until 1981 in the area of Branch Operations and as Vice-President, Investments, following graduation in 1977 from the University of Alberta with a Bachelor of Commerce degree. In 1981, Mrs. Roozen joined Cathton Holdings Ltd., a private investment company with interests in banking, broadcasting, ranching and real estate development. Currently, Mrs. Roozen is a Director and Secretary of the Allard Foundation Ltd., Chair and Director of Cathton Investments Ltd., Director of Epcor Utilities Inc. and Director of Melcor Developments Ltd. Mrs. Roozen previously served as a Director of Corus Entertainment Inc. from July, 2001 to January, 2010.

**Director Since:** June, 2011

**Corporate Directorships**

<table>
<thead>
<tr>
<th>Board/Committee Memberships</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>7 of 7 100%</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>n/a</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee (Chair)</td>
<td>4 of 4 100%</td>
</tr>
<tr>
<td>Special Committee</td>
<td>6 of 6 100%</td>
</tr>
</tbody>
</table>

**Securities Held**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
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<th>DSUs (#)</th>
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<th>Total Shares, DSUs($) ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>343,332</td>
<td>365,726</td>
<td>63,540</td>
<td>772,598</td>
<td>2,858,613</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>343,332</td>
<td>372,734</td>
<td>38,999</td>
<td>755,065</td>
<td>10,404,796</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### Heather A. Shaw, BComm, MBA

**Calgary, Alberta, Canada**

Ms. Shaw is the Executive Chair of Corus and has held the position since its inception in September 1999. Ms. Shaw holds a Bachelor of Commerce degree from the University of Alberta and an MBA from the Ivey Business School, University of Western Ontario. Ms. Shaw is a Director of several private companies and past Director of Shaw Communications Inc. and Shawcor Ltd. Ms. Shaw is the founder and Managing Director of The Shawana Foundation, a Calgary-based philanthropic organization.

**Director Since:** September, 1999

**Corporate Directorships**

<table>
<thead>
<tr>
<th>Board/Committee Memberships</th>
<th>Fiscal 2018 Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Independent</td>
<td>——-</td>
</tr>
</tbody>
</table>

**Securities Held**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
<th>Class B Non-Voting Shares (#)</th>
<th>DSUs ($) (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs($) ($)</th>
<th>Meets Share Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4,000</td>
<td>3,299,882</td>
<td>365,141</td>
<td>3,669,023</td>
<td>13,575,385</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>4,000</td>
<td>3,299,882</td>
<td>308,717</td>
<td>3,612,599</td>
<td>49,781,614</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Julie M. Shaw, BSD, ICD.D

Ms. Shaw is the Vice Chair of Corus and has held the position since April 2008. Ms. Shaw is a graduate of the Institute of Corporate Directors and holds a Bachelor of Design Science degree from Arizona State University. Ms. Shaw is a Director and Secretary of Shaw Family Foundation, also sitting on its Investment Committee. Shaw Family Foundation is a philanthropic organization founded in 1970. Ms. Shaw is the founder and Managing Director of The Jules Foundation, a Calgary-based philanthropic organization.

Director Since: September, 1999
Age: 57

Corporate Directorships

<table>
<thead>
<tr>
<th>Non-Independent</th>
</tr>
</thead>
</table>

Board/Committee Memberships

| Fiscal 2018 Attendance | |
| --- | --- | --- |
| Board of Directors (Vice-Chair) | 7 of 7 | 100% |
| Corporate Governance Committee | 4 of 4 | 100% |

Securities Held

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Class A Voting Shares (#)</th>
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<th>DSUs (#)</th>
<th>Total Shares, DSUs (#)</th>
<th>Total Shares, DSUs ($)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4,800</td>
<td>2,166,998</td>
<td>22,288</td>
<td>2,196,086</td>
<td>8,125,518</td>
<td>Yes</td>
</tr>
<tr>
<td>2017</td>
<td>4,800</td>
<td>2,166,317</td>
<td>14,804</td>
<td>2,185,921</td>
<td>30,121,991</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(1) The total value of the Shares and DSUs held in fiscal 2018 is calculated based on the TSX closing share price of $3.70 as at August 31, 2018 and, in fiscal 2017 is calculated based on the TSX closing share price of $13.78 as at August 31, 2017.

(2) Director nominee of Shaw Communications Inc. pursuant to the Governance and Investor Rights Agreement. For further information, please refer to the Company’s Annual Information Form. Shaw recently informed the board of directors of the Company, would not be standing for re-election to the Corus board of directors at the 2019 annual meeting of shareholders. On November 21, 2018, Shaw confirmed the nomination of Mr. Michael D’Avella as a Shaw Nominee to the Corus board of directors. Shaw reserved the right to nominate future Shaw nominees to the board of directors of Corus in accordance with the terms and conditions of the Governance and Investor Rights Agreement.

(3) Includes Senior Management DSUs held by Mr. Murphy and Ms. H. Shaw as NEOs under the Company’s Long-Term Incentive Plan and Mr. Murphy’s special DSU grants from fiscal 2011 and 2010.

(4) Includes Directors’ DSUs held by Mr. Murphy as a result of the allocation of a portion of the NEO’s annual Short-Term Incentives paid in fiscal 2008 pursuant to the Directors’ DSU Plan as permitted under the terms of the Plan.

(5) In fiscal 2018, Ms. Roozen ceased to have deemed control or direction over 7,008 Class B Non-Voting Shares over which Ms. Roozen was previously deemed to have control or direction.

**DIRECTOR NOMINEES — SKILLS AND EXPERIENCE MATRIX**

The Company maintains a skills matrix for its Directors, with the goal of ensuring that key areas of expertise are represented on its board of directors (“Board”), both for current and future members. The current composition of skills and experience for the Company’s Director Nominees is as follows:

<table>
<thead>
<tr>
<th>Board of Directors: Skills and Experience Matrix</th>
<th>Number of Directors with Experience (out of 11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Management — experience as a President or CEO leading an organization.</td>
<td>9</td>
</tr>
<tr>
<td>Business Development / M&amp;A / Strategic Planning — management or executive experience with responsibility for identifying value creation opportunities.</td>
<td>9</td>
</tr>
<tr>
<td>Financial Literacy — ability to critically read and analyze financial statements.</td>
<td>11</td>
</tr>
<tr>
<td>Financial Expertise — executive experience in finance or accounting, or professional certification in accounting, or other comparable experience that results in financial sophistication.</td>
<td>7</td>
</tr>
<tr>
<td>Corporate Governance — understanding of the requirements of good corporate governance, usually gained through experience as a senior executive officer or a board member of a public organization.</td>
<td>10</td>
</tr>
<tr>
<td>Board of Directors: Skills and Experience Matrix</td>
<td>Number of Directors with Experience (out of 11)</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Change Management — experience leading a major organizational change or managing a significant merger.</td>
<td>10</td>
</tr>
<tr>
<td>Operations — management or executive experience with IT, entertainment or media companies.</td>
<td>10</td>
</tr>
<tr>
<td>Health, Safety &amp; Environment Management — understanding of the regulatory environment surrounding workplace health, safety, environment and social responsibility.</td>
<td>2</td>
</tr>
<tr>
<td>Global Experience — management or executive experience in a multi-national organization, providing an understanding of the challenges faced in a different cultural, political or regulatory environment.</td>
<td>7</td>
</tr>
<tr>
<td>Human Resources — management or executive experience with responsibility for human resources and compensation.</td>
<td>9</td>
</tr>
<tr>
<td>Risk Evaluation — management or executive experience in evaluating and managing the variety of risks faced by an organization.</td>
<td>7</td>
</tr>
<tr>
<td>Legal and Regulatory — direct experience in the regulatory environment, for example, with CRTC, OSC, SEC or other such regulated environments which require an understanding of public administration regulation and policy. Member of a provincial or state bar.</td>
<td>6</td>
</tr>
<tr>
<td>Sales and Marketing — senior executive experience in the advertising or marketing sector.</td>
<td>5</td>
</tr>
</tbody>
</table>

**COMMITMENT TO DIVERSITY**

The Company has a strong track record of providing a diverse and inclusive work environment, both at the Board level and throughout the organization. This is reflective of a standing commitment to engage highly qualified candidates with a diverse set of skills, experience and expertise which are relevant to the Company’s operations, ensuring there is strong stewardship in the development and achievement of long-term goals and strategies. The Company has several policies in place and senior executives responsible for ensuring that these policies are applied uniformly across the organization.

The Company’s broadcasting assets in radio and television are federally regulated by statute and by related policies governing on air depiction and employment diversity.

**Board Diversity**

The Corporate Governance Committee has the mandate to recommend new candidates for the Board and conducts an annual review of the composition, size, structure and expertise required by the Board and its Committees, taking into consideration age, racial and cultural backgrounds, geography and gender. In identifying candidates for election or appointment to the Board, the Corporate Governance Committee follows its policies, recognizes the benefits of diversity and carefully considers all aspects of the candidates’ qualifications to ensure the needs of the Board and its Committees are fulfilled. The candidates must demonstrate noteworthy accomplishments in their business or professional careers, and significant experience and ability in those areas of business expertise identified by the Corporate Governance Committee as required to meet the objectives of its diverse Board skills matrix. The Board does not have a formal policy or targets in place for the specific identification and nomination of women directors, as the processes that are currently in place have successfully encouraged strong historical representation of women on the Company’s Board. The Executive Chair and Vice Chair of the Board are both women, contributing to 25% representation of women on the current Board, or three of the 12 directors at August 31, 2018, while women represent 27% or three of the 11 Director Nominees. The Board has not adopted formal term limits for Board members as the Company is family controlled, but aims to ensure that there is an appropriate balance of longer-term, experienced directors who have in-depth knowledge of the business and newer directors who can bring fresh ideas and perspectives to the stewardship of the Company. The Board believes that this philosophy is more effective than term limits as it ensures there is continuity from strong long-term contributors while at the same time providing a mechanism for Board renewal. For fiscal 2019, the term length of the Director Nominees represents a strong mix of tenure and experience:

- One director is a new Director Nominee;
- Four directors have served on the Board for one to three years;
- Two directors have served on the Board for four to seven years; and
- Four directors have served on the Board for more than seven years.

The Corporate Governance Committee assesses the need for new directors during its annual review and may retain any such external director recruitment firm it deems appropriate to assist in fulfilling its objectives. Candidates undergo a rigorous interview process with the Executive Chair, the Chair of the Corporate Governance Committee and other stakeholders to ensure that only the most qualified candidate that can fulfill the Board’s needs is engaged.
Management Diversity

The Company is federally regulated and has a comprehensive program in place to promote diversity at the executive officer level, including the representation of women. This program is grounded in the Company’s policies such as the Respect in the Workplace Policy, the Code of Business Conduct and the Diversity and Inclusiveness guidelines. As this program has been highly successful in encouraging diversity in the workforce, particularly with respect to the development and recruitment of strong female employees for executive officer positions, the Company has not adopted a formal target in this regard. As at August 31, 2018, 2 of 8 members of the Executive Leadership Team were women, as was the Executive Chair, for a total of 33% women at the executive level. At the senior management level, 48% of these employees were women at August 31, 2018. Initiatives in place to promote diversity within the Company and the advancement of women, both internally and externally, are as follows:

- The Company has a rigorous annual succession planning process, with emphasis on the most senior levels and a focus on diversity, which identifies high potential candidates and their development needs. This ensures that there is a strong pool of internal candidates with ongoing opportunities for career growth. The key metrics which are monitored include the number of women in senior level roles and in the high-potential development pipeline.
- Recruitment practices require a diverse slate of candidates, including women.
- The Company is committed to the career progression of women of all cultures and backgrounds through its support of the Corus Entertainment Chair in “Women in Management” at the Ivey Business School at the University of Western Ontario.
- The Company actively promotes networking and development opportunities for all female employees.
- The Company funds bursaries for five senior leaders to attend the Women in Film and Television Convergent Media Program, an in-depth training opportunity.
- The Company has leadership programs in place for high potential leaders, including women at various career stages. In fiscal 2018, the Company had in place an “Accelerator” program for high potential employees at the early stage of their career, a “Connectors” program for high performing management and a “Peer Mentorship” program designed to facilitate the professional development of Corus employees.
- The Company maintains an ongoing Job Evaluation Program which illustrates Corus’ commitment to the principle of equal pay for work of equal value.

The Company has been recognized, for eight of the past eleven years, as one of Canada’s Best Diversity Employers, a testament to its strong track record in this area.

The Company also sponsors a number of diversity initiatives which include:

- Women in Communications & Technology – Corus sponsors the Corus Mentorship program which is designed to help women advance to senior roles within the communications industries. The Company also sponsors The Protégé Project which partners up-and-coming women with C-level “sponsors” who mentor and network to help them advance into executive positions.
- Women in Film & Television – Toronto – The Company sponsors the Corus Media Management Accelerator program which is designed for screen-based professionals and entrepreneurs with less than five years of management experience. Developed in conjunction with the Raymond C. Chang School of Business at Ryerson University, this program focuses on essential management principles required for future leaders.
- Indspire Awards – Corus funds bursaries for indigenous students pursuing their post-secondary education within Canada and also provides an internship opportunity to a student pursuing a career in media and broadcasting.
- At the Banff World Media Festival, Corus jointly hosts a Global Women in Power Luncheon with A+E Networks which includes a diverse panel of women leaders discussing the challenges and opportunities facing women in the broadcasting industry.
- As a founding partner, Corus sponsored a Focus on Scripted: Women in Power Tell All panel at Content Canada’s inaugural conference that featured world-renowned female creators sharing their successes and stories leading globally-recognized television series such as Vikings, Mary Kills People, Private Eyes, etc.

SHARE OWNERSHIP GUIDELINE

Directors are required to meet the Company’s share ownership threshold, to be attained within three years of the date of their appointment as a Director, equal in value to three times the annual Directors’ retainer. The share ownership threshold value is to be calculated at the higher of the current share price or the cost base of the Company’s shares. The share ownership threshold is to be retained thereafter during such Director’s term and may be revised by a change in the
amount of the annual Director’s retainer. In the event that the retainer is increased so that the threshold is not met, the Director is to acquire additional shares within one year.

Information as to shares beneficially owned by each Director Nominee or over which each Director Nominee exercises control or direction, directly or indirectly, not being within the Company’s knowledge, has been furnished by the respective Director Nominees individually.

INTERLOCKING DIRECTORSHIPS
As at November 23, 2018, no directors served together on the board of directors of other publicly traded companies.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS
To the knowledge of the Company and based upon information furnished to it by the proposed Director Nominee, no Director Nominee is or has been, within the 10 years before the date of this Circular, a director, a chief executive officer or a chief financial officer of any company that, (a) was subject to an order that was issued while the Director Nominee was acting in that capacity; or (b) was subject to an order that was issued after the Director Nominee ceased to be acting in such capacity and which resulted from an event which occurred while the director or executive officer was acting in such capacity.

To the knowledge of the Company and based upon information furnished to it by the proposed Director Nominee, no Director Nominee is or has been, within the 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, with the following exceptions: Mr. Douglas Murphy, until November 9, 2015, was a director of Danier Leather Inc., which on February 4, 2016 commenced insolvency proceedings under the Bankruptcy and Insolvency Act (Canada) (the “BIA”) and on March 21, 2016, made an assignment in bankruptcy pursuant to the provisions of the BIA. Mr. Michael Boychuk was a director of Yellow Media Inc., when the corporation announced a recapitalization on July 23, 2012. The recapitalization was implemented and became effective on December 20, 2012 and was implemented in accordance with a court-approved plan of arrangement under the Canada Business Corporations Act (the “CBCA”).

To the knowledge of the Company and based upon information furnished to it by the proposed Director Nominee, no Director Nominee has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

APPOINTMENT AND REMUNERATION OF AUDITORS
Management has nominated Ernst & Young LLP, Chartered Accountants, the Company’s present auditors, as the auditors of the Company to hold office until the close of the next Annual Meeting of Shareholders. Ernst & Young LLP have been the auditors of the Company since its inception and no portion of their annual fees are for consulting services. It is intended that on any vote that may be called for relating to the appointment of auditors, the Class A Voting Shares represented by proxies in favour of management nominees will be voted FOR the appointment of Ernst & Young LLP as auditors of the Company to hold office until the next Annual Meeting of Shareholders, unless authority to do so is withheld.

Information on the Company’s auditors can also be found in the “Audit Committee” section of the Company’s most recently filed Annual Information Form.
PRINCIPAL ACCOUNTING FEES AND SERVICES — INDEPENDENT AUDITORS

Fees payable to the Company’s independent auditor, Ernst & Young LLP, for the years ended August 31, 2018 and 2017 totaled $2,270,000 and $2,315,200, respectively, as detailed in the following table:

<table>
<thead>
<tr>
<th>Year Ended August 31</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>$2,124,000</td>
<td>$2,212,000</td>
</tr>
<tr>
<td>Audit-Related Fees</td>
<td>$98,000</td>
<td>$ —</td>
</tr>
<tr>
<td>Tax Fees</td>
<td>$48,000</td>
<td>$103,200</td>
</tr>
<tr>
<td>All Other Fees</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,270,000</strong></td>
<td><strong>$2,315,200</strong></td>
</tr>
</tbody>
</table>

The nature of the services provided by Ernst & Young LLP under each of the categories indicated in the table is described below:

**Audit Fees**
Audit fees were for professional services rendered by Ernst & Young LLP for the audit of the Company’s annual consolidated financial statements and services provided in connection with regulatory filings or engagements.

**Audit-Related Fees**
Audit-related fees were for assurance and related services reasonably related to the performance of the audit of the statutory financial statements for certain of the Company’s subsidiaries and are not reported under “Audit Fees” above.

**Tax Fees**
Tax fees were for tax compliance, tax advice and tax-planning professional services. These services consisted of tax planning and advisory services relating to common forms of domestic and international taxation as well as assistance with various tax audit matters.

**All Other Fees**
Fees disclosed in the table on this page under the item “all other fees” represent products and services other than the audit fees, audit-related fees and tax fees described above, including transaction-related services.

The Company’s Audit Committee has implemented a policy restricting the services that may be provided by the auditors and the fees paid to the auditors. Prior to the engagement of the auditors, the Audit Committee pre-approves the provision of the service. In making their determination regarding non-audit services, the Audit Committee considers the compliance with the policy and the provision of non-audit services in the context of avoiding impact on auditor independence. Each quarter, the Audit Committee reviews the non-audit services performed by the auditors on a year-to-date basis, and any proposed assignments’ pre-approval, if appropriate.

**Auditor Assessment**
Each year the Audit Committee performs an assessment of the performance of Ernst & Young LLP as part of their reappointment recommendation. In assessing their performance, the Committee is focused on three key areas:

- Independence, objectivity and professional skepticism
- Quality of the engagement team
- Quality of communication and interaction with the external auditors

The assessment process includes interviews with all Audit Committee members and senior management of the Company, to ensure that service quality levels and areas of audit focus meet with the expectations of the Audit Committee.

In addition, the Audit Committee meets quarterly with the external and internal auditors and Management to ensure that appropriate audit quality and timeliness of reporting is maintained on a consistent basis.

As a result of this assessment process, the Audit Committee has recommended the reappointment of Ernst & Young LLP as the auditors of the Company.

For more information about the Audit Committee as required by Part 5 of National Instrument 52-110 - Audit Committees, see the Annual Information Form dated November 23, 2018 of the Company (the “Annual Information Form”) which is available on SEDAR at www.sedar.com.
APPROVAL OF REDUCTION IN STATED CAPITAL

At the Meeting, shareholders eligible to vote will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution to approve a reduction in the stated capital account of the Class A Voting Shares in the capital of the Company from $26 million to $9 million and the stated capital account of the Class B Non-Voting Shares in the capital of the Company from $2,304 million to $821 million, (the “Reduction of Stated Capital Resolution”). If approved, the Reduction of Stated Capital Resolution is expected to become effective as of January 16, 2019.

Reasons for the Reduction in Stated Capital

Under the Canada Business Corporations Act (the “Act”), a corporation must maintain a separate capital account for each class of shares it issues and, subject to certain limited exceptions, to add to each stated capital account the full amount of any consideration it receives for any shares it has issued. In addition, under the Act, a corporation is prohibited from taking certain actions, including declaring or paying dividends on its shares, if, among other things, there are reasonable grounds for believing that the realizable value of the corporation’s assets would, as a result of the declaration or payment of the dividend, be less than the aggregate of its liabilities and the stated capital of all classes of shares.

The Board monitors the realizable value of the Company’s assets, its liabilities and the existing level of the stated capital account for all classes of its shares. In order to provide the Board with flexibility in managing the Company’s capital structure and dividend declarations and payments going forward, the Board has decided to submit a special resolution to shareholders to approve the Stated Capital Reduction. The proposed reduction in stated capital would have no impact on the day-to-day operations of the Company and will not, on its own, alter the financial condition of the Company. Approval of the Reduction of Stated Capital Resolution will not change the outstanding share capital in any way. If the Reduction of Stated Capital Resolution is approved, the Board has authorized the aggregate amount of the reduction to be added to the Company’s contributed surplus amount.

Canadian Federal Income Tax Consequences

The following is a summary of certain Canadian federal income tax considerations relating to the proposed reduction of stated capital of the Class A Voting Shares and Class B Non-Voting Shares. This summary is based upon the current provisions of the Income Tax Act (Canada) (the “Tax Act”), the regulations to the Tax Act, all amendments to the Tax Act proposed by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Tax Proposals”) and the current published administrative policies of the Canada Revenue Agency (the “CRA”). This summary assumes that all Tax Proposals will be enacted in the form proposed. However, there can be no assurance that the Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or administrative practice, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

This summary is not exhaustive of all Canadian federal income tax considerations related to the proposed reduction of stated capital, nor does it take into account any provincial or territorial tax laws of Canada or any tax laws of any jurisdiction outside of Canada. This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any particular shareholder. Each shareholder should consult with his, her or its own independent tax advisors with respect to his, her or its particular tax position, as such consequences can vary depending upon the particular circumstances of each shareholder.

The proposed reduction of the stated capital of the Class A Voting Shares and the Class B Non-Voting Shares is not expected to result in any immediate Canadian income tax consequences to the holders of Class A Voting Shares or Class B Non-Voting Shares. Since no amount will be paid by the Company on the reduction, none of the shareholders will be deemed to have received a dividend and there will not be any reduction in the adjusted cost base of the Class A Voting Shares nor the Class B Non-Voting Shares to the respective holders as a result of the reduction of stated capital.

The Reduction will reduce the “paid-up capital” (“PUC”) of the Class A Voting Shares and Class B Non-Voting Shares for purposes of the Tax Act by an amount equal to the reduction of stated capital to the Class A Voting Shares and the Class B Non-Voting Shares, respectively. The reduction in PUC of the Class A Voting Shares and Class B Non-Voting Shares may have future Canadian federal income tax consequences to holders of Class A Voting Shares and Class B Non-Voting Shares in certain circumstances, including, but not limited to, if the Company repurchases Class A Voting Shares or Class B Non-Voting Shares, distributes assets to holders of Class A Voting Shares or Class B Non-Voting Shares, or is wound-up.
Reduction of Stated Capital Resolution

The text of the Reduction of Stated Capital Resolution to be submitted to the shareholders at the Meeting is set forth below:

"RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The stated capital maintained in respect of the Class A Participating Shares ("Class A Voting Shares") in the capital of Corus Entertainment Inc. (the "Company") be reduced by $17 million, or such lesser amount as may be determined by the board of directors of the Company, by deducting that amount from the stated capital account maintained by the Company for the Class A Voting Shares.

2. The stated capital maintained in respect of the Class B Non-Voting Participating Shares ("Class B Non-Voting Shares") in the capital of the Company be reduced by $1,483 million, or such lesser amount as may be determined by the board of directors of the Company, by deducting that amount from the stated capital account maintained by the Company for the Class B Non-Voting Shares.

3. Any director or officer of the Company is authorized and directed to do all things and to execute and deliver or to cause to be executed and delivered any documents considered to be necessary or desirable, in such director's or officer's sole discretion, to give effect to these resolutions.

4. Notwithstanding that this resolution has been passed by the shareholders of the Company, the board of directors of the Company may, at its sole discretion and without further approval of the shareholders of the Company, revoke this special resolution at any time prior to effecting any reductions of stated capital, if such revocation is considered necessary or desirable by the directors."

In order to be effective, the Reduction of Stated Capital Resolution must be approved by not less than two-thirds of the votes cast by the shareholders present in person or represented by proxy at the Meeting. Management recommends voting in favour of the Reduction of Stated Capital Resolution. Unless specified in a form of proxy that the Class A Voting Shares represented by the proxy shall be voted otherwise, the management representatives designated in the enclosed form of proxy intend to vote FOR the reduction in stated capital.

RATIFICATION OF AMENDED AND RESTATED BY-LAW NO. 1

In early 2018, the Company conducted a review and revised its by-laws to reflect regulatory changes, other new developments and changes in corporate governance practices. On April 4, 2018, the Company’s Board approved the adoption of the Amended and Restated By-Law No. 1, subject to confirmation by shareholders at the Meeting. The Amended and Restated By-Law No. 1 will be confirmed upon approval by the shareholders of an ordinary resolution at the Meeting. If the amendments to the Company’s by-laws are not approved by ordinary resolution at the Meeting, the Amended and Restated By-Law No. 1 will be of no force and effect and the Company will continue to be governed by its prior by-law.

The full text of the Amended and Restated By-Law No. 1 is attached as Schedule C to this Circular. The following is a summary of the key changes enacted by the Amended and Restated By-Law No. 1.
<table>
<thead>
<tr>
<th>Improvement</th>
<th>Description of Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernized and Enhanced Changes</td>
<td>The Company’s by-laws were originally approved in September 1999 and since that time have only been subject to minor revision. The language of the Company’s by-laws were generally amended to streamline and improve consistency, clarity and alignment with the current version of the Act. Certain clarifying interpretative sentences were added for flexibility and to make clear that provisions referring to the Act do not become obsolete if the Act is subsequently amended, supplemented or superseded.</td>
</tr>
</tbody>
</table>
| Advance Notice                      | The changes to the by-laws include introducing an advance notice requirement for certain matters to be considered at a shareholder meeting, including director nominations and shareholder proposals.  
• The purpose of the advance notice requirements is to treat all shareholders fairly by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and sufficient time and information to evaluate the proposed nominees’ qualifications and suitability as directors, which allows shareholders to exercise their voting rights in an effective and informed manner.  
• Shareholders seeking to nominate candidates for election must provide timely notice in writing to the Company’s Secretary. To be timely, the Company must receive the shareholder’s notice containing prescribed information about a nominated director: (i) in the case of an annual and general meeting of shareholders, not less than 30 days prior to the date of such meeting; provided, however, that in the event the first public announcement of the date of such meeting is less than 50 days prior to the meeting date, notice may be made not later than the 10th day following the date on which public announcement of the date of such annual meeting was first made by the Company; and (ii) in the case of a special meeting called for the purpose of electing directors, not later than the 15th day following the day on which the first public announcement of the date of the special meeting was first made by the Company. Shareholders who failed to comply with the advance notice requirements would not be entitled to make nominations for directors at the annual and general or special meeting of shareholders.  
• Shareholder proposals for business to be transacted at a meeting of shareholders must be submitted to the Company for inclusion in the Company’s management proxy circular in accordance with the timing requirements set out in the Act (subject to shareholder nominations for directors which will be conducted as described above). At a special meeting of shareholders of the Company, only business brought before the shareholders pursuant to the Company’s notice of meeting shall be conducted. |
| Quorum                              | Changes were made to increase the quorum requirement to require that one or more persons holding 25% of the outstanding shares entitled to vote at a meeting of shareholders be present in person or by proxy. |
| Uncertificated Securities           | Changes were made throughout the by-laws that confirm the Company’s ability to issue uncertificated securities (in place of physical share certificates) through an electronic, book-based direct registration service or other non-certificated registration system that may be adopted from time to time. |
| Non-Canadian Ownership              | The by-laws were updated to acknowledge that the articles of the Company contain certain constrained share provisions (that ensure the Company does not issue shares in contravention of the legal requirements relating to Canadian ownership and control issued under the Broadcasting Act (Canada). The changes indicate that the directors of the Company are empowered to take such actions as are required to administer the constrained share provisions set out in the Articles, including undertaking measures to confirm the Canadian or non-Canadian status of shareholders, or placing required limits on non-Canadian share ownership. |
| Use of Technology                   | Various changes were made throughout the by-laws to facilitate the use of technology and electronic signatures. Among other items, the changes:  
• provide the optionality for directors to attend, participate and vote at Board meetings by telephonic or other electronic means;  
• provide the optionality to hold electronic shareholder meetings, where shareholders may attend, participate, and vote through telephonic or other electronic means;  
• recognize and permit the use of electronic signatures as a manner in which written instruments may be executed; and  
• permit the Company to electronically make payment for dividends to shareholders. |
| Access to Proxies                   | Unless otherwise determined by the Board, no shareholders will be provided with proxy materials relating to a meeting of the shareholders prior to one day following the meeting. |
At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the following resolution, with or without variation:

“RESOLVED THAT:

a) The Amended and Restated By-Law No. 1, in the form set out in Schedule C to the management information circular dated December 10, 2018 of the Company, is ratified and confirmed.

b) Any director or officer of the Company is authorized and directed to do all things and to execute and deliver or to cause to be executed and delivered any documents considered to be necessary or desirable, in such director’s or officer’s sole discretion, to give effect to these resolutions.”

In order to be effective, the resolution to confirm and ratify the Amended and Restated By-Law No. 1 must be approved by not less than a majority of the votes cast by the shareholders present in person or represented by proxy at the Meeting. Management recommends voting in favour of the amendments to the by-laws. Unless specified in a form of proxy that the Class A Voting Shares represented by the proxy shall be voted otherwise, the management representatives designated in the enclosed form of proxy intend to vote FOR the ratification, confirmation and approval of the amendments to the by-laws.

SHAREHOLDER PROPOSALS

There were no proposals brought forward by shareholders of Corus Entertainment Inc. for consideration at the 2018 Annual Meeting of Shareholders.
COMPENSATION

DIRECTOR COMPENSATION

The Corporate Governance Committee (the “CG Committee”) is responsible for reviewing and recommending the level of non-executive director compensation to the Board for approval, generally on a biennial basis. The CG Committee ensures director remuneration is reflective of the responsibilities and time commitment required, competitive with the Company’s peer group, and sufficient to attract and retain qualified directors. The CG Committee reviews publicly disclosed compensation and general trends, as well as average director compensation of corporations with similar market capitalization from third party compensation surveys, but does not use a specific benchmark as a guideline.

In fiscal 2018, the CG Committee conducted a review of director’s compensation based on the same peer group that is used for benchmarking the Company’s executive level compensation. See “Compensation Benchmarking” on page 32 for further details on the benchmarking peer group. The comprehensive benchmarking peer group analysis which was considered by the CG Committee took into account general trends from third party compensation surveys and such other criteria as it deemed appropriate. It was determined that there would be no changes to the fee schedule in fiscal 2018 as a result of this review. As of the date of this Circular, a review of director’s compensation had not been scheduled for fiscal 2019.

Table 2 — Director Compensation Schedule for Non-Executive Directors in Fiscal 2018 and Fiscal 2019

<table>
<thead>
<tr>
<th>Retainers and Fees</th>
<th>Fiscal 2018 Fee Schedule</th>
<th>Fiscal 2019 Fee Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Board Retainer (all Directors)</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Independent Lead Director / Vice-Chair Retainer</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Audit Committee Chair Retainer</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Corporate Governance Committee Chair Retainer</td>
<td>$8,500</td>
<td>$8,500</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee Chair Retainer</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Board/Committee Meeting Attendance Fixed Annual Fee (all Directors)</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Committee Member Retainer</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>DSU top-up on any portion of the Annual Board Retainer which a director elects to have paid in the form of DSUs (up to a maximum of 25% of the value of the Annual Board Retainer)</td>
<td>Up to $12,500</td>
<td>Up to $12,500</td>
</tr>
</tbody>
</table>

Note: Directors may elect to receive their compensation in the form of DSUs, cash or a combination of the two.

The Company does not set aside funds for pension benefits or health costs and there are no retirement plans, mandatory retirement requirements or term limits in place for its non-executive directors. Furthermore, the Company does not provide compensation by way of options or non-equity incentive plans to its non-executive directors.

During fiscal 2018, in order to facilitate the review of certain proposed transactions, the Board struck a special committee of independent directors to review and make recommendations with respect to any such transactions. The Special Committee consisted of Fernand Bélisle (Chair), Mark Hollinger and Catherine Roozen. The Special Committee was subsequently dissolved in October 2018, having met six times in fiscal 2018 and once in fiscal 2019, prior to the date of this Circular. Members of the Special Committee will be entitled to additional compensation for their participation on the Special Committee. At the time of formation of the Special Committee, the Board determined to defer the compensation payable to members of the Special Committee until a later date. As of the date of this Circular, the Board has not yet made a determination regarding such compensation and no compensation has been paid.

Directors’ Deferred Share Unit Plan

On July 26, 2001, the Board adopted a Deferred Share Unit Plan for the directors of the Company (the “Directors’ DSU Plan”), effective September 1, 2001. The purpose of the Directors’ DSU Plan is to promote a greater alignment of interests between the individual directors and the shareholders of the Company.

Each director may elect to have his or her annual retainer(s) and attendance fees paid entirely in cash or up to 100% paid in DSUs under the terms of the Directors’ DSU Plan. Effective September 1, 2010, directors are eligible to receive a top-up of up to 25% of the value of their annual board retainer they elect to be paid in DSUs in the form of additional DSUs; an incentive designed to promote greater DSU ownership.

DSUs are accumulated on a quarterly basis by directors who participate in the Directors’ DSU Plan. The number of DSUs that a director is entitled to receive in any particular quarter is based upon the percentage that the director has elected.
to receive in DSUs multiplied by one quarter of such director’s annual retainer(s), meeting attendance fees plus DSU top-up, as applicable for the quarter, divided by the closing price on the TSX of the Class B Non-Voting Shares on the last trading day of the fiscal quarter. The value of a DSU when converted to cash is equivalent to the closing market value of the Company’s Class B Non-Voting Shares on the TSX on the date of redemption. DSUs accrue notional dividends in the form of additional DSUs at the same rate as dividends on the Company’s Class B Non-Voting Shares as if they were enrolled in the Dividend Reinvestment Plan ("DRIP"). The DSUs are redeemable in cash only upon the director ceasing to be a member of the Board, an employee, and/or an officer of the Company and its affiliates. In fiscal 2018, seven eligible directors were enrolled in the Directors’ DSU Plan and received either a portion of, or all compensation, in DSUs.

Table 3 — Summary of Board and Committee Meetings for Directors in Fiscal 2018

<table>
<thead>
<tr>
<th>Board / Committee Meetings</th>
<th>Number of Meetings Held</th>
<th>In-Camera Sessions Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Board — Independent Directors</td>
<td>4</td>
<td>n/a</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Corporate Governance Committee</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>—</td>
<td>n/a</td>
</tr>
<tr>
<td>Human Resources and Compensation Committee</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Special Committee</td>
<td>6</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total Number of Meetings Held</strong></td>
<td><strong>30</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

Table 4a — Directors’ Compensation for Fiscal 2018

<table>
<thead>
<tr>
<th>Director Name(1)</th>
<th>Fees Received in Cash</th>
<th>Share-Based Awards — Fees Received in DSUs(2)</th>
<th>Option-Based Awards</th>
<th>Non-Equity Incentive Plan Compensation</th>
<th>Pension Value</th>
<th>All Other Compensation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fernand Bélisle(3)</td>
<td>$90,000</td>
<td>$</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$90,000</td>
</tr>
<tr>
<td>Peter Bissonnette</td>
<td>—</td>
<td>$87,500</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$87,500</td>
</tr>
<tr>
<td>Michael D’Avella</td>
<td>$42,500</td>
<td>$46,875</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$89,375</td>
</tr>
<tr>
<td>Jean-Paul Colaco(3)</td>
<td>$28,975</td>
<td>$60,683</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$89,658</td>
</tr>
<tr>
<td>Trevor English</td>
<td>—</td>
<td>—</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>—</td>
</tr>
<tr>
<td>John Frascotti(3)</td>
<td>—</td>
<td>$119,638</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$119,638</td>
</tr>
<tr>
<td>Mark Hollinger(3)(5)</td>
<td>$112,150</td>
<td>—</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$112,150</td>
</tr>
<tr>
<td>Barry James</td>
<td>$90,000</td>
<td>—</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$90,000</td>
</tr>
<tr>
<td>Catherine Roozen(5)</td>
<td>—</td>
<td>$102,500</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$102,500</td>
</tr>
<tr>
<td>Terrance Royer(4)</td>
<td>—</td>
<td>$24,375</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$24,375</td>
</tr>
<tr>
<td>Julie Shaw</td>
<td>$67,500</td>
<td>$28,125</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$95,625</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$431,125</td>
<td>$469,696</td>
<td>$</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$900,821</td>
</tr>
</tbody>
</table>

(1) Mr. Murphy and Ms. H. Shaw are officers of the Company and receive no compensation for serving on the Board. Mr. English, an employee of Shaw, receives no compensation for serving on the Board.

(2) Directors may elect to receive up to 100% of their remuneration in DSUs and are eligible to receive a top-up of up to 25% of the value of the portion of their Annual Board Retainer they elect to be paid in DSUs in the form of additional DSUs. The DSUs are credited to a director’s DSU account based on the TSX closing price of the Class B Non-Voting Shares on the payment date. The amount shown reflects the aggregate of the amounts credited to DSU accounts, as applicable, on the dates for payment of directors’ fees during fiscal 2018.

(3) Compensation for Mr. Colaco, Mr. Hollinger and Mr. Frascotti, residents of the U.S., is payable in U.S. dollars and has been translated into Canadian dollars based on the exchange rates at the time of payment.

(4) Mr. Royer did not stand for re-election to the Board at the January 10, 2018 Annual General Meeting.

(5) During fiscal 2018, the Board struck a committee of independent directors to review and make recommendations with respect to certain proposed transactions involving the Company. Mr. Bélisle, Mr. Hollinger and Ms. Roozen will be entitled to additional compensation for their participation on the Special Committee. At the time of formation of the Special Committee, the Board determined to defer the compensation payable to members until a later date. As of the date of this Circular, the Board has not yet made a determination regarding such compensation and no compensation has been paid.
Table 4b — Outstanding Option-Based and Share-Based Awards (Directors Fees paid as DSUs)

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-Based Awards</th>
<th>Share-Based Awards (Fees)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Securities Underlying Unexercised Options</td>
<td>Option Exercise Price</td>
</tr>
<tr>
<td>Fernand Bélisle</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Peter Bissonnette</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Jean-Paul Colaco</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Michael D’Avella</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Trevor English</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>John Frascotti</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Mark Hollinger</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Barry James</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Catherine Roozen</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Terrance Royer</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Julie Shaw</td>
<td>$ —</td>
<td>$ —</td>
</tr>
</tbody>
</table>

(1) Based on the TSX closing share price of $3.70 per Class B Non-Voting Share as at August 31, 2018. Reflects all cumulative fees and notional dividends paid to directors in the form of DSUs which have not been paid out as at August 31, 2018. These amounts are reflected in Canadian dollars.

There are no vesting criteria for fees paid as DSUs to non-executive directors, as these DSUs are simply an elective form of payment. As such, the value vested in fiscal 2018 for DSUs held by each individual non-executive director is equivalent to their respective individual directors fees paid in the form of DSUs. The market value of all vested DSUs not paid out or distributed are then valued based on the TSX closing share price per Class B Non-Voting Share as at August 31, 2018. The non-executive directors have no outstanding option-based awards, nor have they received any form of non-equity incentive plan compensation up to and including August 31, 2018.

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

The following highlights the Company’s fiscal 2018 key performance accomplishments and decisions made in respect of the compensation of Named Executive Officers (“NEOs”). The remainder of the Compensation Discussion & Analysis (“CD&A”) provides additional detail on the Company’s executive compensation program and approach to compensation governance.

FISCAL 2018 KEY PERFORMANCE HIGHLIGHTS

Background

The Company adopted a strategic plan with priorities designed to increase shareholder value through organic growth initiatives and acquisitions. There is an ongoing shift in media consumption habits driven by consumers’ appetite for more high quality content across a variety of platforms. Advertisers require access to these audiences across platforms with increasingly targeted, relevant and engaging advertising solutions. To achieve its growth objectives, the Company must ensure its brands and content reach its audiences where they are, while deploying advanced advertising products across these platforms. The Company expected to focus on optimizing and monetizing these audiences, both at home and abroad, by pursuing key strategic priorities as follows:
1. **Own and Control More Content**
   Increase production of owned content and secure rights to world-class branded content to compete effectively in the domestic and international marketplace.

2. **Engage Our Audiences**
   Build a two-way relationship with audiences, both viewers and listeners.

3. **Expand into New and Adjacent Markets**
   Pursue growth in unregulated and regulated businesses, domestically and internationally. Leverage expertise into new categories and markets.

The Company expects to balance these strategic priorities by continuing to deepen many of the Company’s extensive domestic and global partnerships and through ongoing excellence in execution. Corus is focused on strengthening and diversifying its financial profile with a particular emphasis on generating free cash flow (“FCF”) and achieving its financial leverage goals to support further progress on its strategic priorities.

**Key Performance Highlights**

In fiscal 2018, Corus focused on internal growth initiatives over acquisitions, as it targeted the maximization of FCF and reduction of its financial leverage. These initiatives aligned with a number of Corus’ strategic priorities:

1. **Strengthened Free Cash Flow and Revised Capital Allocation Policy**
   On June 27, 2018, Corus announced a revised Capital Allocation Policy, including a new dividend framework. The annual dividend rate was adjusted to $0.24 per Class B Non-Voting Share and $0.235 per Class A Voting Share, down from $1.14 and $1.135, respectively, effective fiscal 2019. Concurrent with this change, the payment schedule was adjusted from monthly to quarterly, with the new payment schedule to commence in December 2018. Reallocated FCF from the revised Capital Allocation Policy is expected to be directed primarily to debt repayment.

   As part of the revised Capital Allocation Policy, the Company’s stated long-term objective for financial leverage (net debt to segment profit) was decreased to below 3.0 times, which is revised from the previous financial leverage objective of 3.0 to 3.5 times.

   FCF was significantly increased to $349 million in fiscal 2018 from $293 million in fiscal 2017. As at August 31, 2018, the Company’s financial leverage was 3.28 times net debt to segment profit as compared to 3.46 times at August 31, 2017, reflecting progress on Corus’ efforts to pay down its debt.

2. **Own and Control More Content**
   In fiscal 2018, the Company’s Nelvana subsidiary announced a new venture with Discovery Communications and partnered with Sumitomo Corporation to co-produce original content for the global children’s animation market. Nelvana had 14 series in various stages of production at the end of fiscal 2018.

   The Company’s Corus Studios subsidiary added to its slate of original lifestyle programming with four new series in fiscal 2018 and greenlit 11 new series for fiscal 2019. Corus Studios also expanded into new lifestyle content categories, featuring home renovation, real estate, fashion and travel series.

3. **Engage Audiences Across Platforms and Innovate with Advanced Advertising Solutions**
   The Company expanded its video-on-demand content offerings with a number of its broadcasting distribution undertakings customers in fiscal 2018. These new offerings serve to enhance the value proposition for subscribers and provide Corus with a new source of subscriber revenue as well as advertising revenue from dynamic ad insertion on video-on-demand content where dynamic ad insertion technology is available.

   The Company formed a dedicated Data Analytics and Advanced Advertising team with the goal of accelerating Corus’ efforts to increase the efficiency and targeting capabilities of its advertising offerings as well as improve the ease of transacting for advertisers. For example, in fiscal 2018, the Company developed and introduced “Cynch” in beta trial, the first automated television advertising platform in Canada. The Company is working towards a full roll-out of this new product in late fiscal 2019.

   In fiscal 2018, the Company’s efforts were also focused on expanding across new platforms. For example, the Company launched its own social digital agency known as so.da in June 2018. so.da produces short form content for distribution on social media platforms and offers data analytics, advertising integrations, sponsorships and creative services to customers.

   These initiatives, combined with an ongoing focus on operational efficiencies, are expected to contribute to an enhanced ability to compete in the evolving media landscape.
The Company’s executive compensation program is designed to ensure alignment between compensation and the Company’s performance against key financial performance indicators, including Segment Profit, FCF, Total Shareholder Return (TSR) and a consolidated revenue performance measure. For the Chief Revenue Officer (“CRO”), these key financial performance indicators include certain Revenues of the Company or “CRO Revenue” in place of Segment Profit. Fiscal 2018 performance results and NEO compensation were closely aligned as follows:

- Achieved 99% of the Segment Profit budget target of $580 million, which would have resulted in a 96% payout for this performance measure. An adjustment to the Segment Profit target was approved by the Human Resources and Compensation Committee (“HRC Committee”) to remove any impact driven by short-term or long-term incentive award actual results as compared to budget, resulting in a reduced payout of 81% on short-term incentives for this performance measure for the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Executive Chair and Chief Operating Officer (“COO”);
- Achieved 95% of the CRO Revenue budget target of $1,612 million, resulting in a 55% payout for this performance measure for the CRO;
- Achieved 107% of the FCF\(^{(1)}\) budget target of $325 million, resulting in a 173% payout of short-term incentives for this performance measure for all NEOs; and
- Did not meet the minimum threshold for the consolidated revenue performance measure budget target of $1,718 million, resulting in a 0% payout of short-term incentives for this individual performance measure for the CEO, CFO, COO and Executive Chair.

**FISCAL 2018 COMPENSATION DECISIONS**

The following pay decisions were made in respect of NEO compensation for fiscal 2018:

- Base salaries were not increased in fiscal 2018 due to a freeze in base salary for the NEOs.
- To demonstrate commitment to the Company’s cost reduction efforts, the Executive Chair voluntarily reduced her base salary by $50,000 to $900,000, capped her short-term incentive payout (target is 100% of base salary) at a maximum payout level of $500,000 and significantly reduced her eligibility for long-term incentive (“LTI” awards to $300,000 in stock options from 200% as a percentage of base salary (comprised of PSUs, DSUs and stock options) effective September 1, 2017.
- A consolidated revenue performance measure (50%) was introduced for fiscal 2018 within the individual performance component of the short-term incentive (“STI”) award for the CEO, CFO, Executive Chair and COO, to maintain focus on a key financial measure, replacing the previous earnings per share (“EPS”) measure (35%) for the CEO, CFO and Executive Chair. Accordingly, the individual performance measure within the individual performance component of the STI award for the CEO, CFO and Executive Chair was reduced to 50% from the previous 65% and to 50% from the previous 100% for the COO.
- Minimum and maximum payout thresholds for the CRO revenue performance metric were set at 95% and 105% of target, compressed from 90% and 110%, respectively, in the prior year.
- Actual short-term incentive compensation ranged between 110% - 111% of target based on the Company’s performance against fiscal 2018 financial objectives and the individual performance of NEOs.
- Long-term incentives were granted to NEOs at target levels, the eventual value of which will depend on future share price and TSR performance.

For additional detail on these compensation decisions, see “2018 Compensation Decisions” on page 35.

**FISCAL 2018/2019 PROGRAM CHANGES**

The Company continually evolves its compensation programs to ensure alignment with its corporate strategy and competitiveness with its peer group, which is accomplished by a strict focus on pay-for-performance as well as on peer benchmarking and compensation governance practices. The HRC Committee undertook a review of its executive compensation program in fiscal 2018 and proposed changes which were approved by the Board and will be effective for fiscal 2019, include:

\(^{(1)}\)FCF is a key metric used by the investment community that measures the Company’s ability to repay debt, finance strategic business acquisitions and investments, pay dividends, and repurchase shares. FCF does not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”) and is not necessarily comparable to similar measures presented by other companies. FCF should not be considered in isolation or as a substitute for cash flows prepared in accordance with IFRS as issued by the International Accounting Standards Board.
• Change the minimum payout threshold to 100% of target for the revenue performance measure within the individual performance component of the STI award for the CEO, CFO, Executive Chair and COO;
• Effective fiscal 2018, adjust the segment profit achievement target for STI performance purposes to remove any impact driven by short-term incentive or long-term incentive actual results as compared to budget;
• Maintain the level of base salary for the CEO and CFO in support of the Company’s cost reduction efforts;
• Increase the level of base salary for the CRO from $400,000 per year to $500,000 per year effective November 1, 2018 and enroll the CRO in the Company’s Defined Benefit Supplementary Executive Retirement Plan (“DB SERP”) effective September 1, 2018. With reference to the Company’s benchmarking peer group and the Willis Towers Watson 2018 Media Executive Compensation Survey - United States, the salary change reflects the increased scope and scale of this role in a rapidly evolving advertising market and the unique skills of the CRO as the Company works to expand its advanced advertising and data analytics capabilities. The enhanced retirement benefits provide increased long-term retention for this NEO.
• As a temporary measure for fiscal 2019, the HRC Committee accepted the Executive Chair’s voluntary offer to reduce the level of compensation for her base salary from $900,000 to $500,000, which is to be reassessed in fiscal 2020. There will be no change to the “at risk” component of the compensation, consistent with the voluntary changes introduced in fiscal 2018. Namely, the level of annual STI award will continue to be calculated on a deemed base salary of $900,000 to a capped maximum payout level of $500,000 and the annual long-term incentive will continue to be comprised of $300,000 awarded in the form of stock options.

INTRODUCTION

NAMED EXECUTIVE OFFICERS

The Company believes its executive team brings extraordinary breadth of knowledge, expertise and leadership experience to Corus. These leaders are firmly committed to demonstrating the Company’s core values and delivering on the Company’s strategic priorities.

The NEOs for fiscal 2018 are as follows:

<table>
<thead>
<tr>
<th>NEO</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>President and CEO</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>Executive Vice President and CFO</td>
</tr>
<tr>
<td>Heather A. Shaw</td>
<td>Executive Chair</td>
</tr>
<tr>
<td>Barbara L. Williams(1)</td>
<td>Executive Vice President and Chief Operating Officer</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>Executive Vice President and Chief Revenue Officer</td>
</tr>
</tbody>
</table>

(1) Ms. Williams retired effective October 31, 2018

COMPENSATION GOVERNANCE

ROLE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Purpose: The HRC Committee has a mandate to oversee the effectiveness of the Company’s compensation policies and processes in fostering equitable and competitive compensation.

Accountability: The HRC Committee is responsible for reviewing the design and competitiveness of the Company’s overall compensation and benefits program, including compensation risk oversight, and for reviewing and recommending executive compensation policies to the Board for approval. The HRC Committee specifically reviews, approves and reports the compensation of the Company’s senior executives to the Board. Additionally, the HRC Committee is responsible for reviewing the Company’s management development and succession plans for senior executives and recommending the appointment of all executive officers to the Board.

Members: All members of the HRC Committee are independent within the meaning of applicable securities laws. Members all have relevant expertise in human resources, compensation governance and risk management as well as a strong financial acumen, which enables them to evaluate and make decisions on the suitability of the Company’s compensation policies and practices.

The members of the HRC Committee are Catherine Roozen (Chair), Fernand Bélisle and John Frascotti.
Catherine Roozen (Chair)

Mrs. Roozen has served as a member of the Human Resources Committee of several Boards over the past 16 years, including in her capacity as Governor of the University of Alberta, as a director of the Alberta Cancer Board, and as former Vice Chair of the Alberta Health Services Board, which employs approximately 100,000 workers. In these capacities, Mrs. Roozen has developed expertise in the area of executive compensation policy oversight, including pensions and pay-at-risk programs, recruitment of senior executives and setting strategic targets for the respective presidents. These roles also developed her expertise in employee human resources oversight matters such as setting the mandate for negotiations with union employees, reviewing employee benefit and pension plans, staff engagement and human resources policies.

Fernand Bélisle

Mr. Bélisle has gained broad expertise in human resources and compensation during his past roles as Secretary General of the CRTC, Chairman of Cabovisa-Televisão por Cabo, SA (Portugal) and as Trustee on a number of occasions for various entities. In these positions, he developed in-depth knowledge in government compensation, negotiations with unionized employees, and implementation of staff hiring and human resources policies.

John Frascotti

Mr. Frascotti has gained extensive human resources and compensation experience over the past 18 years in his capacity as President and Chief Operating Officer, Hasbro, Inc.; President, Hasbro Brands; Chief Marketing Officer, Hasbro; Senior Vice President, Reebok International, Ltd.; and President/COO of myteam.com. In these roles, Mr. Frascotti was responsible for oversight of a broad range of human resources and compensation matters, including negotiating employment agreements, recruiting and retaining high performance senior executives, reviewing incentive compensation programs, and implementing diversity and inclusion initiatives.

The full Charter of the HRC Committee is available in Schedule B on page 65 of this Circular.

EXECUTIVE COMPENSATION CONSULTING FEES

In fiscal 2015, Management retained Willis Towers Watson Inc. (“Towers”) to provide advice to the HRC Committee on executive compensation matters, including competitive trends, benchmarking comparative analysis and proxy circular development.

The table below summarizes the key activities performed by Towers in each of fiscal 2018 and 2017, and the fees incurred by the Company in respect of these consulting services.

<table>
<thead>
<tr>
<th>Key Activities</th>
<th>Fiscal 2018</th>
<th>Fiscal 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Annual executive LTI award valuations</td>
<td>• Annual executive LTI award valuations</td>
<td></td>
</tr>
<tr>
<td>• Executive compensation disclosure review and recommendations</td>
<td>• Executive compensation disclosure review and recommendations</td>
<td></td>
</tr>
<tr>
<td>• Benchmarking Peer Group review and recommendations</td>
<td>• Benchmarking Peer Group review and recommendations</td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td>Fees</td>
<td></td>
</tr>
<tr>
<td>Executive Compensation: $20,615</td>
<td>Executive Compensation: $70,059</td>
<td></td>
</tr>
<tr>
<td>All Other Fees:</td>
<td>All Other Fees: $25,657</td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes fees related to an independent review of sales incentive programs at the Company’s request

COMPENSATION DECISION MAKING — REVIEW AND APPROVAL PROCESS

To inform compensation decisions for NEOs, the HRC Committee generally conducts a comprehensive review of peer group benchmarks and compensation trends on an annual basis, and also considers the achievement of performance objectives over the performance period. Pay decisions in respect of the CEO and Executive Chair are made by the HRC Committee and approved by the Board of Directors. The compensation of the CEO and Executive Chair is reviewed and benchmarked by the Board of Directors on a biennial basis. The biennial review of the CEO compensation was scheduled for fiscal 2018, but was not completed due to a salary freeze, which will continue into fiscal 2019, other than noted below. The Executive Chair voluntarily reduced all elements of her compensation effective September 1, 2017, in support of the Company’s cost reduction efforts and further reduced her base salary on a voluntary basis for a temporary one year period effective September 1, 2018. The CEO is responsible for conducting performance evaluations for other NEOs and providing compensation recommendations to the HRC Committee on an annual basis. In fiscal 2018, the base salaries for all NEOs remained unchanged due to an NEO salary freeze and in fiscal 2019, the base salary of the CEO and CFO continued to be frozen, while the salary level was increased for the CRO. The HRC Committee is ultimately responsible
for determining all pay decisions in respect of NEOs and will consult compensation consultants, as required, to provide an external market perspective.

The NEOs do not participate in or vote on HRC Committee or Board decisions regarding any element of their individual compensation arrangements.

The Board is responsible for ensuring that there are processes in place to effectively identify, assess, monitor and manage the principal risks of the Company, including potential risks arising from the design of the compensation program. The Company has designed its compensation programs to appropriately incent employees and discourage excessive risk taking, recognizing that some level of risk is necessary to increase long-term shareholder value. To assist the Board in fulfilling its mandate, the HRC Committee regularly reviews the inherent risks as they relate to compensation, in consideration of the Company’s overall risk. The Company has not identified any risks arising from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company has the following features in place to oversee, manage and mitigate risks associated with its compensation plans:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Multi-year Plan</td>
<td>The compensation program is designed to align with the Company’s Board-approved long-term strategic operating plan, which incorporates a thorough review of operating and industry risks.</td>
</tr>
<tr>
<td>Entity Level Controls</td>
<td>The Board-approved Authorization Policy provides pre-determined limits to the authority of individuals to make financial and operating decisions, which contributes to the mitigation of undue risk-taking by any individual.</td>
</tr>
<tr>
<td>Balanced Pay Mix</td>
<td>On average, at least two-thirds of NEO compensation is “at-risk” based on metrics aligned with strategic goals, with the exception of the Executive Chair, who voluntarily reduced her overall level of compensation in fiscal 2018 and fiscal 2019. Of this variable at-risk compensation, between approximately 50% and 70% is based on long-term performance for the CEO, CFO, COO and CRO to discourage undue reliance on short-term decision making.</td>
</tr>
<tr>
<td>Compensation Benchmarking</td>
<td>Compensation plans and pay levels are regularly benchmarked to the external market by an independent third-party consultant.</td>
</tr>
<tr>
<td>Stress Testing and HRC Committee Discretion</td>
<td>Pay outcomes are regularly reviewed in the context of Company performance to ensure there is a strong link between pay and performance. The HRC Committee can use its discretion to ensure payouts are not overly influenced by significant one-time events.</td>
</tr>
<tr>
<td>Multiple Performance Metrics</td>
<td>Short-term performance is measured using several financial and individual performance metrics to determine incentive payouts, which balances the risks associated with relying on any one performance metric.</td>
</tr>
<tr>
<td>Payout Caps and Minimum Performance Thresholds</td>
<td>Payouts under the Company’s STI plan and Performance Share Unit (“PSU”) plan are capped at 200% and 150% of target, respectively, and a 0% payout is possible if minimum performance thresholds are not achieved.</td>
</tr>
<tr>
<td>Balanced Mix of Long-term Incentive Vehicles</td>
<td>NEOs receive long-term incentive awards based on a combination of stock options, DSUs and PSUs, all of which are linked to long-term shareholder value, with the exception of the Executive Chair who voluntarily reduced the level of her long-term compensation, which is now awarded solely in the form of stock options.</td>
</tr>
<tr>
<td>Long-term Vesting of LTI Awards</td>
<td>Stock options vest over a 4 year period with a 7.5 year term, while DSUs vest over a 5 year period and cannot be redeemed until termination of employment. This focuses executives on creating and sustaining long-term shareholder value.</td>
</tr>
<tr>
<td>Relative Performance Measurement</td>
<td>The PSU long-term incentives include a relative performance component to strengthen alignment between pay and performance relative to the external market.</td>
</tr>
<tr>
<td><strong>Feature</strong></td>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>-----------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Share Ownership Guidelines</strong></td>
<td>Aligns NEO interests with those of shareholders by requiring that they maintain a high level of personal financial commitment to the Company. The Company has established specific ownership guidelines as a percentage of base salary (5x for Executive Chair and CEO, 2x for CFO and COO, 1x for executive vice presidents including the CRO, and 0.75x for senior vice presidents and vice presidents). For the NEOs, this guideline must be attained within five years. At the date of this Circular, the NEOs have met or exceeded their applicable share ownership guideline except for Mr. Gossling and Mr. McLelland, who joined the Company in fiscal 2016 and are currently working towards meeting their requirements and Ms. Williams, who retired in October 2018. For the purposes of the guideline, share ownership may include shares owned through personal holdings and/or the Company’s Employee Share Purchase Plan as well as Company-issued DSUs. In addition, executives can elect to receive a portion of their STI award in DSUs, which facilitates additional alignment with shareholders over the long-term. These units have no vesting criteria and can only be paid out upon termination.</td>
</tr>
<tr>
<td><strong>Equity Compensation Hedging Policy</strong></td>
<td>The Company’s Code of Conduct, which applies to all Directors and Employees, expressly prohibits the purchase of financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, units of exchange funds, puts, options or calls) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by a Director or Employee.</td>
</tr>
</tbody>
</table>

**COMPENSATION BENCHMARKING**

The benchmarking peer group (“peer group”) is used uniformly for all senior management, including the NEOs, with the exception of the Executive Chair, based on benchmark matches which are most closely reflective of each role. For the Executive Chair, the benchmarking peer group represents a broader range of companies given the limited number of industry-related peers with an Executive Chair role. The HRC Committee consults with a third-party consultant to review the ongoing appropriateness of the peer groups and conduct benchmarking analysis, generally on an annual basis.

The following selection criteria are used to develop the peer group for all NEOs, except the Executive Chair:
- Canadian companies participating in the S&P/TSX Consumer Discretionary Index to September 2018
- Comparable size as measured by revenue, segment profit, enterprise value and market capitalization
- Similar business operations and industry focus
- Competitors for talent

The following selection criteria are used to develop the peer group for the Executive Chair:
- Canadian companies participating in the S&P/TSX Composite Index
- Comparable size within a range as measured by market capitalization

The compensation data and general trends from third-party compensation surveys are used as one input to formulate compensation recommendations, given there are limited direct peers that meet the peer group criteria. In April 2018, the peer group used to assess NEO pay levels for purposes of determining fiscal 2018 compensation was updated from fiscal 2017 to remove Sirius XM Holdings Canada Inc., as that company announced a go-private transaction. In fiscal 2018, a full compensation benchmarking analysis was not completed due to a freeze in NEO base salaries. In addition, in fiscal 2018, the Executive Chair voluntarily reduced all components of her remuneration in support of the Company’s cost reduction efforts.
NEO Peer Group, excluding Executive Chair:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aimia Inc.</td>
<td>Hudson’s Bay Company</td>
</tr>
<tr>
<td>Cineplex Inc.</td>
<td>IMAX Corporation</td>
</tr>
<tr>
<td>Cogeco Cable Inc.</td>
<td>Quebecor Inc.</td>
</tr>
<tr>
<td>Dollarama Inc.</td>
<td>TVA Group Inc.</td>
</tr>
</tbody>
</table>

NEO Peer Group for Executive Chair only:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aecon Group Inc.</td>
<td>Hudson’s Bay Company</td>
</tr>
<tr>
<td>Bombardier Inc.</td>
<td>Just Energy Group Inc.</td>
</tr>
<tr>
<td>CCL Industries Inc.</td>
<td>Keyera Corp</td>
</tr>
<tr>
<td>CI Financial Corp.</td>
<td>New Gold, Inc.</td>
</tr>
<tr>
<td>Genworth MI Canada Inc.</td>
<td>Paramount Resources Inc.</td>
</tr>
</tbody>
</table>

TARGET TOTAL DIRECT COMPENSATION

The Company targets base salary levels for all NEOs between the 50th and 75th percentiles of the peer group. Overall total direct compensation (i.e. base salary, STI and the expected value of LTI awards) is targeted at or above the 75th percentile. This targeted position reflects the Company’s focus on driving superior performance and is designed to attract strong talent with media-industry specific skills that are not necessarily found within the peer group. As well, the personal skill set and background of many of the NEOs is unique, particularly in light of the fact that the Company is the only large pure play media company in Canada.

Target Compensation Mix — Percentage of Total Direct Compensation for Fiscal 2018

A significant percentage of NEO compensation is based on “at-risk” compensation to ensure strong pay-for-performance alignment. The target pay mix for NEOs in fiscal 2018 is listed in the table below.

<table>
<thead>
<tr>
<th>NEO</th>
<th>Fixed Base Salary</th>
<th>Fixed Short-term Incentives</th>
<th>Fixed Long-term Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>23.5%</td>
<td>23.5%</td>
<td>53.0%</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>28.2%</td>
<td>22.5%</td>
<td>49.3%</td>
</tr>
<tr>
<td>Heather A. Shaw(1)</td>
<td>52.9%</td>
<td>29.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>28.2%</td>
<td>22.5%</td>
<td>49.3%</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>32.3%</td>
<td>32.3%</td>
<td>35.4%</td>
</tr>
</tbody>
</table>

(1) In fiscal 2018, Ms. Shaw voluntarily reduced elements of her compensation in support of the Company’s cost reduction efforts.
**COMPENSATION PROGRAM OVERVIEW**

**Key Elements of the 2018 Compensation Program**

The following table provides an overview of the key elements of NEO compensation in fiscal 2018. This compensation mix is reviewed on an annual basis to ensure continued alignment with market and best governance practices.

<table>
<thead>
<tr>
<th>Compensation Element</th>
<th>Program Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed</strong></td>
<td></td>
</tr>
<tr>
<td>Base Salary</td>
<td>• Attract and retain&lt;br&gt;• Motivate and reward for individual contributions and growth in role</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At Risk</strong></td>
<td></td>
</tr>
<tr>
<td>Short-Term Incentive Awards (STI) (1)</td>
<td>• Attract and retain&lt;br&gt;• Motivate and reward&lt;br&gt;• Supports pay-for-performance philosophy&lt;br&gt;• Focus on consistent improvement in profitability and shareholder value creation</td>
</tr>
<tr>
<td>• Annual cash award based on achievement of annual targets&lt;br&gt;• Consolidated budgeted segment profit (40%), adjusted to remove any impact driven by short-term or long-term incentive actual performance as compared to budget - all NEOs except CRO&lt;br&gt;• CRO budgeted revenue (40%) - only the CRO based on the portion of revenue which falls directly under his purview&lt;br&gt;• Consolidated budgeted free cash flow (40%)&lt;br&gt;• Individual performance objectives (20%) capped at 150% of target&lt;br&gt;• CEO/CFO/COO/Executive Chair individual performance component is weighted 50% to budgeted consolidated revenue and 50% to individual performance for fiscal 2018</td>
<td></td>
</tr>
<tr>
<td>Long-Term Incentive Awards (LTI) (1)</td>
<td>• Attract and retain&lt;br&gt;• Align interests of executives and shareholders&lt;br&gt;• Supports pay-for-performance philosophy&lt;br&gt;• Motivate and reward&lt;br&gt;• Reward for growth in shareholder value through share price</td>
</tr>
<tr>
<td>• PSUs (50%)&lt;br&gt;• 3 year vesting period based on achievement of an annualized Compound Annual Growth (CAGR) target of 9% (50% of PSUs) and relative TSR as compared to the TSX composite index (50% of PSUs) at the end of the performance period&lt;br&gt;• Payout capped at 150% of target and value is dependent on share price at the time of payment&lt;br&gt;• Stock Options (25%)&lt;br&gt;• 7.5 year term&lt;br&gt;• 4 year ratable vesting period (25% per year)&lt;br&gt;• DSUs (25%)&lt;br&gt;• 5 year vesting period&lt;br&gt;• Can only be redeemed at cessation of employment and value is dependent on share price at the time of payout</td>
<td></td>
</tr>
<tr>
<td>Employee Share Purchase Plan (ESPP)</td>
<td>• Provides cost effective means of acquiring company shares&lt;br&gt;• Facilitates shareholder alignment</td>
</tr>
<tr>
<td>• NEOs are eligible to participate in the ESPP on the same basis as all other employees&lt;br&gt;• The Company contributes an amount equal to 25% of the Participant’s contributions each month, up to a maximum of 5% of base salary</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>• Attract and retain&lt;br&gt;• Perquisites are linked to business need</td>
</tr>
<tr>
<td>Retirement Arrangements and Perquisites</td>
<td></td>
</tr>
<tr>
<td>• Defined Contribution Registered Retirement Plan (&quot;DC Plan&quot;) on the same basis as all other employees&lt;br&gt;• DB SERP for designated participants&lt;br&gt;• Select perquisites consistent with market practice</td>
<td></td>
</tr>
</tbody>
</table>

(1) Executive Chair STI target is 100% of base salary, with maximum payout capped at $500,000 and LTI target is $300,000 in stock options, due to a voluntary reduction in compensation.
2018 COMPENSATION DECISIONS

BASE SALARY

Fair and competitive salaries are determined following an analysis of peer group benchmarks, internal equity, general compensation trends and individual experience, expertise and performance, including contributions to financial results. Base salary reviews are generally conducted on an annual basis. In fiscal 2018, an annual review was not conducted due to a freeze in base salary.

The following table provides the fiscal 2018 NEO salaries as well as the salaries determined for fiscal 2019:

(For the year ended August 31)

<table>
<thead>
<tr>
<th>NEO</th>
<th>2018</th>
<th>2019</th>
<th>2018 Change</th>
<th>2019 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy (1)</td>
<td>$900,000</td>
<td>$900,000</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>John R. Gossling (1)</td>
<td>$555,000</td>
<td>$555,000</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Heather A. Shaw (1)</td>
<td>$900,000</td>
<td>$500,000</td>
<td>-5%</td>
<td>-44%</td>
</tr>
<tr>
<td>Barbara L. Williams (1)</td>
<td>$800,000</td>
<td>$800,000</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Gregory G. McLelland (1)</td>
<td>$400,000</td>
<td>$500,000</td>
<td>0%</td>
<td>25%</td>
</tr>
</tbody>
</table>

(1) No change in compensation due to base salary freeze in fiscal 2018 and fiscal 2019
(2) Ms. Shaw voluntarily reduced her base salary in fiscal 2018 and fiscal 2019 in support of the Company’s cost reduction efforts.
(3) Ms. Williams retired from the Company in October 2018
(4) Mr. McLelland’s base salary was increased in fiscal 2019 to reflect the increased scope and scale of this role in a rapidly evolving advertising market and the unique skills of the CRO as the Company works to expand its advanced advertising and data analytics capabilities.

SHORT-TERM INCENTIVES

The STI rewards NEOs for the achievement of certain financial performance targets as outlined in the Company’s annual operating plan (the “Operating Plan”) and individual performance results. The Operating Plan is approved annually by the Board in July of each year, based on the economic outlook and business conditions at that time. The HRC Committee also concurrently approves and reports to the Board the STI financial objectives for the upcoming year in alignment with the Operating Plan.

Individual performance objectives for NEOs are based on Company or specific business segment plans, targets and strategies in the areas of Organizational Development, Business Development, Long-Term Strategic Initiatives, Corporate Governance and Other Initiatives. At least one of the STI financial thresholds must be met in order for any bonus to be paid under the individual performance component. In fiscal 2018, the individual performance component was subject to a maximum payout factor of 150% of target, however, the HRC Committee may use its discretion at any time to increase or decrease the weighting on the amount based on individual performance measures.

STI Targets as a Percentage of Base Salary

The HRC Committee annually reviews and determines target STI award levels for NEOs, expressed as a percentage of base salary. In fiscal 2018, the target STI as a percentage of base salary remained unchanged for the CEO, CFO, Executive Chair, COO and CRO, but the Executive Chair payout was voluntarily capped at $500,000. Actual STI awards can range from 0% — 190% of target based on financial and individual performance, as illustrated below.

<table>
<thead>
<tr>
<th>Participant</th>
<th>Minimum Payout % of Base Salary</th>
<th>Threshold Payout % of Base Salary</th>
<th>Target Payout % of Base Salary</th>
<th>Maximum Payout % of Base Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>0%</td>
<td>50%</td>
<td>100%</td>
<td>190%</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>0%</td>
<td>40%</td>
<td>80%</td>
<td>150%</td>
</tr>
<tr>
<td>Heather A. Shaw (1)</td>
<td>0%</td>
<td>50%</td>
<td>100%</td>
<td>190%</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>0%</td>
<td>40%</td>
<td>80%</td>
<td>150%</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>0%</td>
<td>50%</td>
<td>100%</td>
<td>190%</td>
</tr>
</tbody>
</table>

(1) The Executive Chair maximum payout was voluntarily capped at $500,000
2018 STI Performance Measures

For fiscal 2018, STI awards were determined based on the following performance measurement approach:

For all NEOs, except the CRO:

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted consolidated segment profit</td>
<td>40%</td>
</tr>
<tr>
<td>Budgeted consolidated FCF</td>
<td>40%</td>
</tr>
<tr>
<td>Individual Performance</td>
<td>20%</td>
</tr>
</tbody>
</table>

For the CRO:

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted CRO Revenue</td>
<td>40%</td>
</tr>
<tr>
<td>Budgeted consolidated FCF</td>
<td>40%</td>
</tr>
<tr>
<td>Individual Performance</td>
<td>20%</td>
</tr>
</tbody>
</table>

In fiscal 2018, the Company selected STI financial objectives of budgeted consolidated segment profit for all NEOs except the CRO, who is measured on budgeted CRO Revenue instead of segment profit, budgeted free cash flow for all NEOs and consolidated revenues as an additional individual performance measure for the CEO, CFO, COO and Executive Chair, as it believes that these measures are strong indicators of performance and shareholder value creation. Segment profit does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. It is calculated as revenues less direct cost of sales, general and administrative expenses as reported in the Company’s annual Management’s Discussion and Analysis for the year ended August 31, 2018. In addition, for the purposes of calculating the short-term compensation performance level in fiscal 2018, the segment profit target was adjusted to remove any impact driven by short-term incentive or long-term incentive actual costs as compared to budget, which resulted in a reduced level of payout for the year. CRO Revenue is the portion of consolidated revenue deemed to be directly under the purview of the CRO in any given year based on the Operating Plan. The calculation of CRO Revenue is competitively sensitive information and could impact investment community estimates and projections with respect to the financial performance of the Company. FCF is a non-GAAP measure and is defined by the Company as cash provided by operating activities less cash used in investing activities, as reported in the Company’s consolidated statements of cash flows, and then adding back cash used specifically for business combinations and strategic investments. The Company provides reconciliation of FCF to GAAP in its annual Management’s Discussion and Analysis for the year ended August 31, 2018.

Fiscal 2018 STI Awards

The Board of Directors approved annual budgeted consolidated financial STI targets during its review of the Operating Plan. At the completion of the fiscal year, performance is assessed against these financial targets to determine an overall payout factor for the financial component, which can range from 0% to 200%. No payout is earned for a given measure if threshold performance is not achieved.
Financial Performance

Actual performance results are provided in the tables below:

For all NEOs, except the CRO:

<table>
<thead>
<tr>
<th>Measures</th>
<th>Weight</th>
<th>Threshold (90% of Target)</th>
<th>Target (1)</th>
<th>Maximum (110% of Target)</th>
<th>Fiscal 2018 Actual Performance Achieved (% of Target)</th>
<th>Payout Factor (% of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit (Millions) - CEO/CFO/COO/Executive Chair</td>
<td>40%</td>
<td>$542.5</td>
<td>$602.8</td>
<td>$663.1</td>
<td>$579.4</td>
<td>80.5%</td>
</tr>
<tr>
<td>FCF (Millions)</td>
<td>40%</td>
<td>$292.8</td>
<td>$325.3</td>
<td>$357.8</td>
<td>$349.0</td>
<td>173.0%</td>
</tr>
</tbody>
</table>

Payout Factor - Financial Component for all NEOs except CRO 126.8%

(1) The HRC Committee used their discretion to adjust the segment profit target to $602.8 million. The purpose of this adjustment was to remove any impact driven by short-term or long-term incentive award actual results as compared to budget. The budgeted segment profit target of $580 million compared to actual segment profit of $575.6 million, which would have resulted in a payout of 99.2% for this performance measure had it not been adjusted.

For the CRO:

<table>
<thead>
<tr>
<th>Measures</th>
<th>Weight</th>
<th>Threshold (95% of Target for CRO Revenue, 90% of Target for FCF)</th>
<th>Target</th>
<th>Maximum (105% of Target for CRO Revenue, 110% of Target for FCF)</th>
<th>Fiscal 2018 Actual Performance Achieved (% of target)</th>
<th>Payout Factor (% of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRO Revenue (Millions) - CRO</td>
<td>40%</td>
<td>$1,531.7</td>
<td>$1,612.3</td>
<td>$1,692.9</td>
<td>$1,538.9</td>
<td>54.5%</td>
</tr>
<tr>
<td>FCF (Millions)</td>
<td>40%</td>
<td>$292.7</td>
<td>$325.3</td>
<td>$357.8</td>
<td>$349.0</td>
<td>173.0%</td>
</tr>
</tbody>
</table>

Payout Factor - Financial Component for CRO 113.8%

Individual Performance

NEO individual performance objectives in fiscal 2018 were generally tied to initiatives related to the delivery of ratings in the Television and Radio segments, increasing the Company’s slate of owned and controlled content, roll out of new product offerings for advertisers and distribution clients, and organizational design, development and succession management. The HRC Committee considered the performance reviews and recommendations of the CEO in respect of his direct reports in determining awards under the individual performance component.

In respect of the CEO, CFO, COO and Executive Chair, 50% of the individual performance objective for the year was based on consolidated revenue performance relative to target. For fiscal 2018, the threshold for the consolidated revenue target was not met, resulting in a payout of 0% under this financial component. Other personal objectives, which comprise the remaining 50% of the individual award for these NEOs and 100% of the individual award for the CRO, were achieved at 90% of target for the CEO, CFO, COO and Executive Chair and 100% of target for the CRO. At the discretion of the HRC Committee, the total individual component was deemed to have been achieved at 45% of target for the CEO, CFO, COO and Executive Chair and 100% of target for the CRO.

<table>
<thead>
<tr>
<th>Measures</th>
<th>Weight</th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum (110% of Target)</th>
<th>Fiscal 2018 Actual Performance Achieved (% of target)</th>
<th>Payout Factor (% of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenues (Millions) - CEO, CFO, COO and Executive Chair only</td>
<td>50%</td>
<td>$1,681.00</td>
<td>$1,718.00</td>
<td>$1,889.80</td>
<td>$1,647.30</td>
<td>96%</td>
</tr>
</tbody>
</table>
Based on financial and individual performance results, fiscal 2018 STI awards were as follows:

<table>
<thead>
<tr>
<th>Participant</th>
<th>Financial Component (% of Target)</th>
<th>Individual Component (% of Target)</th>
<th>Weighted Total Score (% of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>127%</td>
<td>45%</td>
<td>110%</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>127%</td>
<td>45%</td>
<td>110%</td>
</tr>
<tr>
<td>Heather A. Shaw (1)</td>
<td>127%</td>
<td>45%</td>
<td>110%</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>127%</td>
<td>45%</td>
<td>110%</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>114%</td>
<td>100%</td>
<td>111%</td>
</tr>
</tbody>
</table>

(1) For Ms. Shaw, the STI payout was overachieved but payout was voluntarily capped at $500,000

<table>
<thead>
<tr>
<th>Participant</th>
<th>Target LTI (% of base salary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>225%</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>175%</td>
</tr>
<tr>
<td>Heather A. Shaw (1)</td>
<td>200%</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>175%</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>110%</td>
</tr>
</tbody>
</table>

(1) For Ms. Shaw, target LTI has been voluntarily capped at $300,000 and is to be issued in the form of stock options

**LONG-TERM INCENTIVES**

**STOCK OPTIONS**

The Company’s Stock Option Plan was originally implemented on November 23, 1999, the key terms of which are outlined in further detail on page 50. In fiscal 2018, the NEOs, except the Executive Chair were granted Stock Options based on each NEOs’ target award level, expressed as a percentage of base salary. The Executive Chair’s Stock Option grant was voluntarily capped at a value of $300,000. The number of Stock Options granted is based on each NEOs’ target award level divided by the estimated grant date fair value of the award, calculated in accordance with standard stock option valuation methodology. See the “Summary Compensation Table” on page 42 for the value of Stock Options granted to each NEO and additional detail on the Company’s valuation methodology.

**PERFORMANCE SHARE UNITS**

The PSU Plan was implemented and effective September 1, 2007. In fiscal 2016, the HRC Committee approved and the Company implemented a change to the performance measurement system for the PSUs to ensure that pay outcomes are balanced from an internal and external perspective. The vesting of PSU awards is now dependent upon the Company achieving absolute Compound Annual Growth (“CAGR”) hurdles (50% weight) and a relative performance hurdle (50% weight) based on the Company’s TSR performance compared to the median of the S&P/TSX Composite Index at the end of the three year performance period. If performance is below threshold on both measures at the end of the three year performance period, the PSUs are forfeited. Vested PSUs (if any) are paid out to Participants at the end of the three year performance period. The maximum payout for the PSU Plan is 150% of target for fiscal 2018 awards.

The performance vesting criteria for fiscal 2018 awards are as follows:

**Absolute CAGR Performance (50% weight)**

<table>
<thead>
<tr>
<th>Annualized CAGR%</th>
<th>Payout Factor(% of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>50%</td>
</tr>
<tr>
<td>9%</td>
<td>100%</td>
</tr>
<tr>
<td>13%</td>
<td>150%</td>
</tr>
</tbody>
</table>

**Relative TSR performance (50% weight)**

<table>
<thead>
<tr>
<th>Annualized TSR%</th>
<th>Payout Factor(# of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index -10%</td>
<td>50%</td>
</tr>
<tr>
<td>Index -5%</td>
<td>75%</td>
</tr>
<tr>
<td>Meet Index Return</td>
<td>100%</td>
</tr>
<tr>
<td>Index +5%</td>
<td>125%</td>
</tr>
<tr>
<td>Index +10%</td>
<td>150%</td>
</tr>
</tbody>
</table>
PSU grants are eligible to accrue “dividend equivalent” units over the life of the PSU, when a cash dividend is paid on Class B Non-Voting Shares, as if they were enrolled in the DRIP of the Company, subject to the same performance and vesting conditions as original granted units. The PSU Plan is not considered a security-based compensation arrangement under Section 613 of the TSX Company Manual, as awards are settled solely in cash and payable only if the vesting criteria are achieved.

In fiscal 2018, the NEOs, except for the Executive Chair, were granted PSUs based on each NEOs’ target award level, expressed as a percentage of base salary. The number of PSUs granted is based on each NEOs’ target award level divided by the estimated grant date fair value of the award, which is calculated based on the 20 day volume weighted average price (“VWAP”) on the TSX of the Class B Non-Voting Shares for the period ended August 31 of the prior fiscal year. See the “Summary Compensation Table” on page 42 for the value of PSUs granted to each NEO and details on the Company’s valuation methodology.

DEFERRED SHARE UNITS

The Senior Management DSU Plan was implemented and effective September 1, 2007. The DSUs vest 100% on the earlier of (a) the fifth anniversary of the date of the grant or (b) the date on which the Participant turns 65, and are not eligible for redemption until termination of employment or retirement occurs.

DSU grants are eligible to accrue “dividend equivalent” units over the life of the DSU, when a cash dividend is paid on Class B Non-Voting Shares, as if they were enrolled in the DRIP of the Company. The senior management DSU Plan is not considered a security-based compensation arrangement under Section 613 of the TSX Company Manual, as vested awards are settled solely in cash and payable only if the vesting criteria are achieved.

In fiscal 2018, the NEOs, except for the Executive Chair, were granted DSUs based on each NEOs’ target award level, expressed as a percentage of base salary. The number of DSUs granted is based on each NEOs’ target award level divided by the estimated grant date fair value of the award, which is calculated based on the 20 day VWAP on the TSX of the Class B Non-Voting Shares for the period ended August 31 of the prior fiscal year. See the “Summary Compensation Table” on page 42 for the value of DSUs granted to each NEO and details on the Company’s valuation methodology.

In addition to annual DSU awards, as part of the LTI program, senior officers may voluntarily participate in the Director’s DSU Plan, as described in further detail on page 24 under “Directors’ Deferred Share Unit Plan”. The Plan was first implemented for Directors and was expanded to allow senior officers to elect, prior to the beginning of the fiscal year, to receive a portion of their annual STI payout (if any) in the form of DSUs. For fiscal 2018, no NEOs elected to be paid a portion of their annual incentive awards in the form of DSUs.

EMPLOYEE SHARE PURCHASE PLAN

Under the Employee Share Purchase Plan (“ESPP”), NEOs may contribute a maximum of 5% of their monthly base salary to purchase Class B Non-Voting Shares. Participants receive a Company contribution equal to 25% of their contributions for that month. Solium Capital, as trustee under the ESPP, acquires Class B Non-Voting Shares solely at market price for the benefit of NEOs through the facilities of the TSX using monies contributed to the ESPP. NEOs may withdraw up to 100% of the shares vested in his or her account once in any 12-month period without penalty.

PENSION PLANS

NEOs are members of a DC Plan which is available to all employees. In addition, designated NEOs participate in the Company’s DB SERP. The DB SERP benefits for Participants are offset by contributions with interest made by the Company to the DC Plan once the DB SERP vests. Additional detail on each of these plans is provided below.

DC PLAN

The Company provides Participants, including the NEOs and certain members of executive management who participate in the DB SERP until such time as their DB SERP vests (collectively, the “DB SERP Participants”), with a defined contribution pension plan (also known as a money purchase plan). Under this plan, once Participants have reached their second anniversary of employment, the Company begins making annual contributions equal to 3% and matches each Participant’s voluntary contributions up to 3%, for a maximum total contribution of 6% of each Participant’s eligible earnings. These contributions are made up to the annual maximum as determined under the Income Tax Act and vest immediately. Funds are accumulated and invested in a personalized choice of funds under the Participant’s name. On retirement, the funds are used to purchase one of several types of financial instruments at the option of the Participant.

The Company’s contributions to the Participant’s DC Plan, which includes contributions made following the date of entry into the plan and after factoring in the past service credits dates, where applicable for the purposes of the DB SERP, are used to fund the individual Participant’s DB SERP once vested.
DB SERP

The key purpose of the DB SERP is to provide retirement benefits and to assist in retaining key executives. This latter goal is achieved through early retirement reductions of 5% per year before age 65 and the vesting schedule, as described below.

<table>
<thead>
<tr>
<th>Eligible NEOs</th>
<th>Original Participants (Effective September 1, 2007)</th>
<th>New Participants (Effective on or after September 1, 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heather Shaw</td>
<td>Doug Murphy, John Gossling, Barbara Williams</td>
<td></td>
</tr>
</tbody>
</table>

- **Vesting**
  - On the later of age 55 or September 1, 2010
  - On the later of 10 years of service as a member of executive management (for Ms. Williams, includes prior service with Shaw Media), age 55 or after September 1, 2013, but in any event, no later than age 65

- **Calculation**
  - Product of 2.0% of the participant’s highest average earnings times credited service.

- **Maximum Pension Earnings**
  - Maximum pension earnings will be capped at 40% of the highest average earnings.
  - The normal form of payment in a lifetime pension guaranteed for ten years.

(1) Effective September 1, 2018, Mr. McLelland became a participant in the DB SERP.

(2) Highest average base salary earnings defined as the highest average base monthly earnings over 36 consecutive months within the last 120 months or, for Ms. Williams only, defined as the highest average base monthly earnings plus actual annual STI bonus paid over 36 consecutive months within the last 120 months.

2018 CORPORATE PERFORMANCE

PERFORMANCE GRAPH

The Class B Non-Voting Shares of the Company are listed on the TSX under the symbol “CJR.B”. The following chart compares the cumulative TSR on $100 invested in Class B Non-Voting Shares of the Company on September 1, 2013 with the cumulative TSR of the S&P/TSX Composite Index over a five year period and assumes the reinvestment of dividends.

TSR Performance: Corus vs. S&P/TSX Composite Index
September 1, 2013 to August 31, 2018

- Corus
- S&P/TSX Composite Index
The TSR for the Company over the five year period ended August 31, 2018 decreased 25.4% compared to a TSR increase of 5.1% from the S&P/TSX Composite Index. The Company was impacted by macroeconomic and regulatory factors that resulted in a significant share price decline over the period. On the macroeconomic front, soft advertising market conditions and increased pressure from digital competitors, as well as changing consumer habits resulted in lower advertising demand, and the content and media marketplace continues to evolve. On the regulatory front, the CRTC’s “Let’s Talk TV” decisions, released in March 2015, resulted in a substantial pullback in the share price due to the perceived negative impact of the new regulations on the Company’s business. The Company has been able to offset the potential impact of “Let’s Talk TV” through effective management of its television channel brand portfolio and the introduction of new television product offerings, as demonstrated by the relatively flat television subscriber revenue for the year ended August 31, 2018. The Company worked diligently to deliver modest improvements in its financial results following the April 1, 2016 acquisition and subsequent integration of Shaw Media Inc., resulting in share price improvement in fiscal 2017. The television advertising market trends reversed in fiscal 2018 due to persistent soft advertising conditions and lower audience levels, which was partially offset by growth in other areas of the business, resulting in a 2% decline in consolidated revenues for the year ended August 31, 2018. The Company’s focus on cost control resulted in relatively flat consolidated segment profit, a modest improvement in consolidated segment profit margin and significant growth in FCF ($349 million as compared to $293 million in the prior year), for the year ended August 31, 2018.

The share price was impacted by a number of factors in fiscal 2018, including a changing media landscape, uncertainty in the regulatory environment and market speculation concerning the Company’s dividend. The Company introduced a revised Capital Allocation Policy and “Optimize the Core” strategy in fiscal 2018, in support of the Company’s long term strategic and financial goals. The Company’s focus heading into fiscal 2019 is to pay down debt to create future financial flexibility, diversify its sources of revenue from initiatives such as its Own More Content strategy, and to improve its advertising revenues through innovative data analytics and advanced advertising solutions, supported by great content across its linear channels and a growing presence across platforms.

The Company believes that its compensation policies support a strong relationship between the compensation earned by NEOs and the Company’s financial performance, including shareholder returns. The following table compares financial performance on key performance indicators and NEO compensation over the last five fiscal year periods, and also provides fiscal 2013 as a base year.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Change[(1)]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corus</td>
<td>$100</td>
<td>$101</td>
<td>$63</td>
<td>$59</td>
<td>$73</td>
<td>$23</td>
<td>-25.4%</td>
</tr>
<tr>
<td>S&amp;P/TSX Composite Index</td>
<td>$100</td>
<td>$123</td>
<td>$110</td>
<td>$115</td>
<td>$120</td>
<td>$129</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

[(1)]Change reflects the compound annualized growth rate over the five year period.

Financial performance reflects actual results as reported in the Company’s Annual Report for each fiscal year.

Change reflects the compound annualized growth rate over the five year period.

Total Direct Compensation reflects Total Compensation as reported in the Summary Compensation Table, excluding Pension and All Other Compensation. Total compensation for fiscal 2015 reflects changes in two of the NEOs, including the transition of the CEO position (includes Mr. Murphy, who transitioned from COO to CEO in March 2015, excludes Mr. John Cassaday, former CEO), and a meaningfully below target achievement of the STI award in the year. Total compensation for fiscal 2016 reflects changes in two of the NEOs, Ms. Williams and Ms. Kathleen McNair, and excludes Mr. Gossling, due to the transition of the CFO position in July 2016. Mr. Murphy, Ms. Shaw, Mr. Tom Peddie and Ms. McNair are reflected through the full year period ended August 31, 2016, while Ms. Williams is reflected on an annualized basis for the year ended August 31, 2016. Total compensation for fiscal 2017 reflects changes in two of the NEOs, Mr. McLellan and Mr. Gossling, as well as the impact of payouts under the Company’s Integration Incentive Plan at the end of its performance period of April 1, 2016 to August 31, 2017.
During the five year period ended August 31, 2018, the combined NEO total compensation, as reported in the Summary Compensation Table each year, decreased at a compound annualized rate of 0.6%. The actual long-term incentive compensation realized by NEOs, however, is meaningfully lower than the compensation values reported in the Summary Compensation Table over the 5 year period ended August 31, 2018, reflecting alignment with the long-term incentive plan design.

The Company’s philosophy is to emphasize long-term, variable compensation, whereby the value of outstanding equity-based compensation held by NEOs is linked to the Company’s share price performance. The Company’s share price for the year ended August 31, 2018 decreased 73% over the prior year. As such, all outstanding NEO stock options issued over the five year period ended August 31, 2018 have a value of $0 as shown in Table 6 – Outstanding Option-Based and Share-Based Awards, and the value of outstanding DSUs, which can only be redeemed upon termination of employment, also decreased significantly as a result of the share price decline over the five year period. As well, PSUs granted in fiscal 2016 with a performance period ended August 31, 2018 did not vest as described in Table 7 – Incentive Plan Awards – Value Vested or Earned During the Year. This reflects a significant decrease from the grant date value of long-term incentives disclosed in the Summary Compensation Table. The HRC Committee has considered the impact of Corus’ share price on its overall executive compensation program and believes its program provides clear alignment between NEO-realized compensation and shareholder returns.

**SUMMARY COMPENSATION TABLE**

The following table includes total compensation for each of the NEOs for the three most recently completed fiscal years.

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Fiscal Year</th>
<th>Salary(1)</th>
<th>Share-Based Awards(2)</th>
<th>Option-Based Awards(3)</th>
<th>Non-Equity Incentive Plan Compensation</th>
<th>Pension Value(4)</th>
<th>All Other Compensation(5)</th>
<th>Total Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy, President and Chief Executive Officer</td>
<td>2018</td>
<td>$900,000</td>
<td>$1,519,632</td>
<td>$506,275</td>
<td>$939,600</td>
<td>$131,000</td>
<td>$11,438</td>
<td>$4,061,945</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$900,000</td>
<td>$1,518,768</td>
<td>$506,240</td>
<td>$1,040,400</td>
<td>$131,000</td>
<td>$11,250</td>
<td>$5,295,658</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>$841,667</td>
<td>$1,350,370</td>
<td>$450,045</td>
<td>$720,148</td>
<td>$131,000</td>
<td>$103,271</td>
<td>$3,985,501</td>
</tr>
<tr>
<td>John Gossling, Executive Vice President and Chief Financial Officer</td>
<td>2018</td>
<td>$555,000</td>
<td>$727,984</td>
<td>$242,900</td>
<td>$490,176</td>
<td>$137,000</td>
<td>$5,492</td>
<td>$2,158,552</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$555,000</td>
<td>$728,856</td>
<td>$242,760</td>
<td>$513,264</td>
<td>$151,000</td>
<td>$2,602</td>
<td>$2,644,011</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>$90,398</td>
<td>$122,109</td>
<td>$40,500</td>
<td>$63,161</td>
<td>$11,000</td>
<td>$—</td>
<td>$327,323</td>
</tr>
<tr>
<td>Heather A. Shaw, Executive Chair</td>
<td>2018</td>
<td>$950,000</td>
<td>$1,424,640</td>
<td>$475,020</td>
<td>$1,098,200</td>
<td>$201,000</td>
<td>$—</td>
<td>$4,148,860</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$950,000</td>
<td>$1,425,242</td>
<td>$474,979</td>
<td>$812,840</td>
<td>$118,000</td>
<td>$—</td>
<td>$3,781,061</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>$950,000</td>
<td>$1,425,242</td>
<td>$474,979</td>
<td>$812,840</td>
<td>$118,000</td>
<td>$—</td>
<td>$3,781,061</td>
</tr>
<tr>
<td>Barbara L. Williams, Executive Vice President, Chief Operating Officer</td>
<td>2018</td>
<td>$800,000</td>
<td>$1,050,456</td>
<td>$350,000</td>
<td>$706,560</td>
<td>$428,000</td>
<td>$10,000</td>
<td>$3,345,016</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$800,000</td>
<td>$1,049,400</td>
<td>$350,000</td>
<td>$739,840</td>
<td>$422,000</td>
<td>$10,000</td>
<td>$4,559,240</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>$333,333</td>
<td>$438,542</td>
<td>$146,250</td>
<td>$249,499</td>
<td>$160,000</td>
<td>$3,750</td>
<td>$1,331,374</td>
</tr>
<tr>
<td>Gregory G. McLelland, Executive Vice President, Chief Revenue Officer</td>
<td>2018</td>
<td>$400,000</td>
<td>$329,392</td>
<td>$110,075</td>
<td>$444,000</td>
<td>$27,000</td>
<td>$5,417</td>
<td>$1,315,884</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$400,000</td>
<td>$329,448</td>
<td>$110,040</td>
<td>$466,000</td>
<td>$12,000</td>
<td>$5,000</td>
<td>$1,753,073</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>$166,667</td>
<td>$87,971</td>
<td>$29,250</td>
<td>$109,156</td>
<td>$—</td>
<td>$5,713</td>
<td>$2,380</td>
</tr>
</tbody>
</table>

(1) In fiscal 2018, a salary freeze was in place for the CEO, CFO, COO and CRO. Effective fiscal 2017, base salary increases, if any, were effective as at November 1 for all NEOs. Prior to fiscal 2017, base salary increases were effective as at September 1 for all NEOs. In fiscal 2017, Mr. Murphy received an increase on September 1, 2016 in accordance with the terms of his employment agreement and in fiscal 2016, he received an increase following the HRC Committee’s comprehensive benchmarking review in April, 2016. Mr. Gossling joined the Company on July 4, 2016 and Ms. Williams and Mr. McLelland joined the Company on April 1, 2016.

(2) Represents the aggregate award of units granted under the PSU and DSU Plans.

PSU Assumptions: The grant date fair value per unit is determined by the 20 day VWAP on the TSX as at August 31, the previous quarter end prior to the awards issuance. The 20 day VWAP on the TSX as at August 31, 2017, 2016 and 2015 was $13.84, $12.72 and $13.37, respectively. The accounting fair value for these awards is based on a Monte Carlo valuation method as at the end of the fiscal quarter, generally November 30 of each year, which follows the actual grant date. The difference between the grant date fair values and accounting values provided in the table below for fiscal 2018, 2017 and 2016 reflects the aforementioned difference in valuation methods as well as a three month difference in timing in the valuation dates.
In July 2016, PSUs were granted to Mr. Gossling, Ms. Williams and Mr. McLelland as part of the annual long-term incentive entitlements for fiscal 2016 and the amount of these grants was pro-rated to their date of hire. The grant date fair value of $13.13 for the award was based on the 20 day VWAP on the TSX as at July 15, 2016. The accounting fair value of $12.90 was based on the closing share price on the TSX per Class B Non-Voting Share as at July 29, 2016.

DSU Assumptions: The grant date fair value per unit is determined by the 20 day VWAP on the TSX as at August 31, the previous quarter end prior to the awards issuance. The 20 day VWAP on the TSX as at August 31, 2017, 2016, and 2015 was $13.84, $12.72, and $13.37, respectively. The grant date fair value for these awards is based on the 20 day VWAP on the TSX as at August 31 of each prior fiscal year. The accounting fair value for these awards is based on the closing share price on the TSX per Class B Non-Voting Share as at the end of the fiscal quarter, generally November 30 of each year, which follows the actual grant date. The difference between the grant date fair values and accounting values provided in the table below reflects the aforementioned three month difference in timing in the valuation dates.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Fair Value/PSU</th>
<th>Accounting Fair Value</th>
<th>Fair Value/DSU</th>
<th>Accounting Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2018</td>
<td>$13.84</td>
<td>$7.00</td>
<td>($6.84)</td>
<td>($0.58)</td>
</tr>
<tr>
<td>Fiscal 2017</td>
<td>$12.72</td>
<td>$12.14</td>
<td>($0.58)</td>
<td>($2.89)</td>
</tr>
<tr>
<td>Fiscal 2016</td>
<td>$13.37</td>
<td>$10.48</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In July 2016, options were granted to Mr. Gossling, Ms. Williams and Mr. McLelland as part of the annual long-term incentive entitlements for fiscal 2016 and the amount of these grants was pro-rated to their date of hire. The grant date fair value of $13.13 for the award was based on the 20 day VWAP on the TSX as at July 15, 2016. The accounting fair value of $12.29 was based on the closing share price on the TSX per Class B Non-Voting Share as at August 31, 2016.

Option-Based award values are based on the estimated grant date fair value of the award, calculated by an independent third-party for the purposes of determining the number of options granted to each NEO. The estimated grant date fair value is calculated based on a Binomial option valuation model, as the HRC Committee determined that this method best reflects the high-yield characteristics of the Company’s Class B Non-Voting Shares. The Company continues to use a Black-Scholes valuation model to determine the accounting fair value of the awards.

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Fiscal 2018</th>
<th>Accounting Fair Value</th>
<th>Fiscal 2017</th>
<th>Accounting Fair Value</th>
<th>Fiscal 2016</th>
<th>Accounting Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Grant Date Fair Value</td>
<td>7.5</td>
<td>6.1</td>
<td>7.5</td>
<td>5.3 – 6.6</td>
<td>7.5</td>
<td>6.0 – 6.8</td>
</tr>
<tr>
<td>Expected Life in Years</td>
<td>1.94%</td>
<td>1.80%</td>
<td>0.94%</td>
<td>0.7% - 0.8%</td>
<td>1.17%</td>
<td>0.9% - 1.0%</td>
</tr>
<tr>
<td>Risk-free Interest Rate</td>
<td>28.08%</td>
<td>21.80%</td>
<td>27.58%</td>
<td>26.1% - 27.2%</td>
<td>19.26%</td>
<td>21.4% - 24.9%</td>
</tr>
<tr>
<td>Expected Dividend Yield</td>
<td>9.17%</td>
<td>9.17%</td>
<td>9.98%</td>
<td>10.12%</td>
<td>6.03%</td>
<td>10.90%</td>
</tr>
<tr>
<td>Stock Price / Exercise Price</td>
<td>$12.98</td>
<td>$12.43</td>
<td>$12.00</td>
<td>$11.60</td>
<td>$13.97</td>
<td>$10.38</td>
</tr>
<tr>
<td>Fair Value</td>
<td>$1.75</td>
<td>$0.52</td>
<td>$1.40</td>
<td>$0.51 - $0.64</td>
<td>$1.37</td>
<td>$0.24 - $0.36</td>
</tr>
<tr>
<td>Variance to Estimated Grant Date Fair Value</td>
<td>($1.23)</td>
<td>($0.76 - $0.89)</td>
<td>($1.01 - $1.13)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumptions</td>
<td>Fiscal 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Grant Date Fair Value</td>
<td>Accounting Fair Value Range</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Life in years</td>
<td>7.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk-free Interest Rate</td>
<td>4.7 – 5.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Volatility</td>
<td>0.90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Dividend Yield</td>
<td>27.66%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Price / Exercise Price</td>
<td>9.73%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair Value</td>
<td>9.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Price / Exercise Price</td>
<td>$12.56</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair Value</td>
<td>$12.62</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variance to Estimated Grant Date Fair Value</td>
<td>($0.62 - $1.02)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(4) Reflects payouts under the Company’s Integration Incentive Plan at the end of the performance period of April 1, 2016 to August 31, 2017. The non-equity Integration Incentive Plan was established for certain executives to provide a financial incentive to meet key integration objectives with respect to the integration of Shaw Media over the performance period. These objectives included individual structural integration objectives and the achievement of sustained cost synergies into fiscal 2018 as reflected in the Company’s Operating Plan. There are no further payouts expected under this plan.

(5) Includes amounts contributed to the DB SERP for Mr. Murphy, Mr. Gossling, Ms. Shaw and Ms. Williams and amounts contributed to the Company’s DC Plan for Mr. McLelland in fiscals 2018, 2017, and 2016, where applicable.

(6) Aggregate “Other Compensation” is based on actual costs and taxable benefits for the Company’s portion of the NEO’s Employee Share Purchase Plan contributions and the amount of perquisites received by the NEOs if the perquisites exceeded $50,000 in any of the fiscal years. NEOs are entitled to perquisites and other benefits according to Company policy.

(7) In fiscal 2016, Mr. Gossling, Ms. Williams and Mr. McLelland’s STI awards and long-term incentive (“LTI”) awards were pro-rated to their date of hire. Mr. Gossling joined the Company on July 4, 2016, and Ms. Williams and Mr. McLelland joined the Company on April 1, 2016 and as such, they received 2/12, 5/12 and 5/12 of their awards for fiscal 2016, respectively.

(8) In fiscal 2018, Ms. Shaw voluntarily reduced the level of all elements of her compensation in support of the Company’s cost reduction efforts, including a 5% reduction in base salary, an STI payout which was capped at $500,000, a reduction in LTI such that no DSUs or PSUs were issued and the equivalent of approximately $300,000 was issued in the form of Stock Options, which is less than the previous targeted level of $450,000.

(9) Ms. Williams retired effective October 31, 2018 and was provided a separation package equivalent to 18 months of earnings, based on her annual base salary of $800,000, fiscal 2018 actual bonus of $706,560 and an amount in lieu of benefits. The total amount of this package was $2,266,410 and was payable as a one-time lump sum payment following the date of her early retirement. The package included non-competition and non-solicitation provisions.
INCENTIVE PLAN AWARDS

OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS

Table 6 sets out Options to purchase Class B Non-Voting Shares and share-based awards (PSUs, DSUs) granted by the Company to the NEOs which remain outstanding as at August 31, 2018.

Table 6 — Outstanding Option-Based and Share-Based Awards

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-Based Awards</th>
<th>Share-Based Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Securities Underlying Unexercised Options</td>
<td>Option Exercise Price</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Doug D. Murphy</td>
<td>289,300</td>
<td>$12.43</td>
</tr>
<tr>
<td></td>
<td>361,600</td>
<td>$11.60</td>
</tr>
<tr>
<td></td>
<td>328,500</td>
<td>$10.38</td>
</tr>
<tr>
<td></td>
<td>53,800</td>
<td>$17.58</td>
</tr>
<tr>
<td></td>
<td>66,800</td>
<td>$23.27</td>
</tr>
<tr>
<td></td>
<td>62,900</td>
<td>$23.67</td>
</tr>
<tr>
<td></td>
<td>55,800</td>
<td>$22.00</td>
</tr>
<tr>
<td></td>
<td>35,300</td>
<td>$19.59</td>
</tr>
<tr>
<td>Heather A. Shaw</td>
<td>171,400</td>
<td>$12.43</td>
</tr>
<tr>
<td></td>
<td>339,300</td>
<td>$11.60</td>
</tr>
<tr>
<td></td>
<td>346,700</td>
<td>$10.38</td>
</tr>
<tr>
<td></td>
<td>204,700</td>
<td>$23.27</td>
</tr>
<tr>
<td></td>
<td>199,100</td>
<td>$23.67</td>
</tr>
<tr>
<td></td>
<td>177,300</td>
<td>$22.00</td>
</tr>
<tr>
<td></td>
<td>112,000</td>
<td>$19.59</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>138,800</td>
<td>$12.43</td>
</tr>
<tr>
<td></td>
<td>173,400</td>
<td>$11.60</td>
</tr>
<tr>
<td></td>
<td>27,000</td>
<td>$12.62</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>200,000</td>
<td>$12.43</td>
</tr>
<tr>
<td></td>
<td>250,000</td>
<td>$11.60</td>
</tr>
<tr>
<td></td>
<td>97,500</td>
<td>$12.62</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>62,900</td>
<td>$12.43</td>
</tr>
<tr>
<td></td>
<td>78,600</td>
<td>$11.60</td>
</tr>
<tr>
<td></td>
<td>19,500</td>
<td>$12.62</td>
</tr>
</tbody>
</table>

(1) Based on the TSX closing share price of $3.70 per Class B Non-Voting Share as at August 31, 2018.
(2) Represents unvested performance-based units granted under the PSU Plan in fiscal years 2018 and 2017, and unvested units granted under the DSU Plan from fiscal years 2014 to 2018. The value for all unvested PSUs is based on the TSX closing share price of $3.70 per Class B Non-Voting Share as at August 31, 2018 times the expected performance factor achieved for the respective grant. For the purposes of this table, PSUs granted in fiscal years 2018 and 2017 are assumed to payout at 25% of target, reflecting the minimum possible performance achievement to-date as at August 31, 2018. The value shown for the PSUs includes the “dividend equivalent” which is payable, according to the terms of the PSU Plan, only at such time as the PSUs vest. The value for all unvested DSUs is based on the TSX closing share price of $3.70 per Class B Non-Voting Share as at August 31, 2018 and includes the “dividend equivalent” which is payable, according to the terms of the DSU Plan, only at such time as the DSUs vest.
(3) Vested share-based awards as at August 31, 2018 are comprised of all DSUs granted under the DSU Plan in fiscal years 2008 to 2013, Mr. Murphy’s special DSU grants which were granted in fiscal years 2011 and 2010 (100% vested), plus the dividend equivalents on all vested DSUs. The value for these DSUs is based on the TSX closing share price of $3.70 per Class B Non-Voting Share as at August 31, 2018.
INCENTIVE PLAN AWARDS — VALUE VESTED OR EARNED DURING THE YEAR

Table 7 sets out the values vested or earned during fiscal 2018 for options to purchase Class B Non-Voting Shares and share-based incentive awards granted by the Company to the NEOs. Also included is the non-equity incentive plan compensation earned by the NEOs in fiscal 2018.

Table 7 — Incentive Plan Awards — Value Vested or Earned During the Year

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-Based Awards — Value Vested During the Year(1)</th>
<th>Share-Based Awards — Value Vested During the Year(2)</th>
<th>Non-Equity Incentive Plan Compensation — Value Earned During the Year(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>$61,472</td>
<td>$104,947</td>
<td>$993,600</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>$29,478</td>
<td>$ —</td>
<td>$490,176</td>
</tr>
<tr>
<td>Heather A. Shaw</td>
<td>$57,681</td>
<td>$332,013</td>
<td>$500,000</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>$42,500</td>
<td>$ —</td>
<td>$706,560</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>$13,362</td>
<td>$ —</td>
<td>$444,000</td>
</tr>
</tbody>
</table>

(1) Aggregate value is based on the TSX closing share price per Class B Non-Voting Share on the Option vesting dates: $12.30 as at October 19, 2017, $12.28 as at October 20, 2017, $12.30 as at October 24, 2017, $12.25 as at October 25, 2017, $12.17 as at October 26, 2017, $11.60 as at October 27, 2017, $8.28 as at January 19, 2018, $6.62 as at April 17, 2018, $4.28 as at July 19, 2018.

(2) PSUs granted in fiscal 2016 with a performance period ended August 31, 2018 did not vest as performance metrics were not met. DSUs granted in fiscal 2013 vested on September 1, 2017 and the value vested is based on the closing share price on the TSX of $11.60 per Class B Non-Voting Share as at September 5, 2017 plus a dividend equivalent of $5.45.

(3) The value of Non-Equity Incentive Plan Compensation represents Short-Term Incentive Plan compensation earned for fiscal 2018.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Table 8 sets forth securities authorized for issuance under all equity compensation plans as at August 31, 2018.

Table 8 — Securities Authorized for Issuance Under Equity Compensation Plans

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</th>
<th>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)</th>
<th>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity compensation plans approved by security holders</td>
<td>6,057,375</td>
<td>$15.31</td>
<td>17,768,341</td>
</tr>
<tr>
<td>Equity compensation plans not approved by security holders</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>6,057,375</td>
<td>$15.31</td>
<td>17,768,341</td>
</tr>
</tbody>
</table>

The security-based compensation plans of the Company, as defined under Section 613 of the TSX Company Manual, are comprised of the Stock Option Plan. The annual burn rate for the Company’s Stock Option Plan was 1% for each of the fiscal years 2018, 2017 and 2016. The burn rate is calculated by dividing the number of securities granted during the relevant fiscal year by the weighted average number of Class A Voting Shares and Class B Non-Voting Shares outstanding as at August 31 for the applicable fiscal year.
PENSION PLAN BENEFITS

Table 9 estimates the total benefits accrued under the DB SERP and DC Plan for each NEO as at August 31, 2018 based on assumptions and methods used in the Company’s financial statements.

Table 9 — DB SERP

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Years of Credited Service</th>
<th>Annual Benefits Payable</th>
<th>Accrued Obligation at Start of Year</th>
<th>Compensatory Change</th>
<th>Non-Compensatory Change</th>
<th>Accrued Obligation at Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>14</td>
<td>$247,000</td>
<td>$2,505,000</td>
<td>$131,000</td>
<td>$37,000</td>
<td>$2,673,000</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>2.1</td>
<td>$23,000</td>
<td>$152,000</td>
<td>$137,000</td>
<td>$(1,000)</td>
<td>$288,000</td>
</tr>
<tr>
<td>Heather A. Shaw</td>
<td>11</td>
<td>$209,000</td>
<td>$2,692,000</td>
<td>$47,000</td>
<td>$51,000</td>
<td>$2,790,000</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>2.4</td>
<td>$77,000</td>
<td>$584,000</td>
<td>$428,000</td>
<td>$5,000</td>
<td>$1,017,000</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$ —</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(1) Participants receive credit for past service while they are a member of the Company’s executive leadership team, but past service will only vest when the participant either completes the same number of years of current service or reaches age 65. Credited service amounts include prior service granted in the DB SERP on September 1, 2010 for Mr. Murphy (6 years).

(2) Mr. Murphy, Ms. Shaw and Ms. Williams (in consideration for years of past service at Shaw Media) are 100% vested in all benefits. Mr. Gossling’s total benefits do not vest until the completion of 10 years of service.

(3) Annual benefit payable at age 65 or attained age, if later. Based on the DB SERP Plan terms, Mr. Murphy’s benefit has been capped at 40% of his highest annual earnings.

Table 10 provides the DC Plan balances only for contributions made prior to September 1, 2007, for Ms. Shaw and for contributions made prior to the past service credit dates for the purposes of the DB SERP for Mr. Murphy, both of whom are eligible members of the DB SERP as at August 31, 2018. Prior to September 1, 2018, Mr. McLelland was not an eligible member of the DB SERP and participated solely in the Company’s DC Plan.

Table 10 — DC Plan

<table>
<thead>
<tr>
<th>Name</th>
<th>Accumulated Value at Start of Year</th>
<th>Compensatory</th>
<th>Accumulated Value at Year-End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug D. Murphy</td>
<td>$20,000</td>
<td>$ —</td>
<td>$22,000</td>
</tr>
<tr>
<td>John R. Gossling</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Heather A. Shaw</td>
<td>$515,000</td>
<td>$ —</td>
<td>$591,000</td>
</tr>
<tr>
<td>Barbara L. Williams</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Gregory G. McLelland</td>
<td>$18,000</td>
<td>$27,000</td>
<td>$45,000</td>
</tr>
</tbody>
</table>

(1) Mr. McLelland was enrolled in the DB SERP effective September 1, 2018.

EMPLOYMENT AGREEMENTS

Doug Murphy (CEO)

The Company entered into an employment agreement (the “Murphy Agreement”) with Doug Murphy, President and Chief Executive Officer. The term of the Murphy Agreement commenced March 30, 2015 and will end on the retirement date of April 30, 2028. The Murphy Agreement provides for Mr. Murphy’s base salary which is reviewed every two years. In April 2016, following the Company’s acquisition of Shaw Media, a comprehensive benchmarking analysis was conducted, taking into consideration the expanded scope of Mr. Murphy’s role. As a result, Mr. Murphy’s base salary was increased to $900,000 to ensure alignment with the Company’s targeted base salary position within the peer group and to reflect the change in the scope of his position. The Murphy Agreement provides for continued participation in the Company’s existing short-term and long-term incentive and retirement plans as set out in this CD&A. This includes a targeted short-term incentive bonus at 100% of base salary and targeted long-term incentive awards which are equal to 225% of base salary. Mr. Murphy will continue to participate in the Company’s DB SERP under the same terms as he was previously entitled to. The Agreement also includes a provision for certain perquisites which were estimated to be less than $50,000 on an annual basis.

Mr. Murphy is entitled to certain incremental benefits following a termination “without cause” or “within six months of a change in control” scenario. The separation package would include a lump sum payment equal to two times the aggregate
of Mr. Murphy's annual base salary at the time of separation plus his targeted short-term incentive bonus at 100% of base salary, with pro-rata reductions applicable if separation occurs within two years of the retirement date. In addition, all options granted under the Company's stock option plan would immediately vest. Other LTI incentives granted to Mr. Murphy over his period of employment would be distributed according to the terms of the PSU and DSU Plans, as may be amended from time to time. Under the terms of the Murphy Agreement, two additional years of credited service would apply for the purposes of calculating DB SERP benefits. The Murphy Agreement provides for the continuation of certain employment benefits until the earlier of two years from the date of termination or the retirement date. The separation package is conditional on compliance with certain non-competition, non-solicitation and non-interference provisions that, if breached, would result in a requirement to return any payments already made and the immediate cessation of payments not yet made.

**John Gossling (CFO)**

The Company entered into an employment agreement (the "Gossling Agreement") with John Gossling, Executive Vice President and Chief Financial Officer. The term of the Gossling Agreement commenced July 4, 2016 and will continue unless terminated earlier under the terms of the Gossling Agreement. The Gossling Agreement provides for Mr. Gossling's base salary to periodically be reviewed by the HRC Committee. The Gossling Agreement provides for participation in the Company's existing short-term and long-term incentive and retirement plans as set out in this CD&A. This includes a targeted short-term incentive bonus at 80% of base salary and targeted long-term incentive awards which are equal to 175% of base salary. Mr. Gossling would also be eligible to participate in the Company's DB SERP in accordance with the terms of the plan.

Mr. Gossling is entitled to certain incremental benefits following a termination "without cause" or "within six months of a change in control" scenario. The separation package would include a lump sum payment equal to 9 months plus 2 months for each year of service to a maximum of 18 months times the aggregate of Mr. Gossling's annual base salary at the time of separation plus his targeted short-term incentive bonus at 80% of base salary. All LTI incentives granted to Mr. Gossling over his period of employment would be distributed according to the terms of the Stock Option, PSU and DSU Plans, as may be amended from time to time. The Gossling Agreement provides for the continuation of certain employment benefits until the earlier of nine months from the date of termination or the date the executive commences new employment. The separation package is conditional on compliance with certain cooperation and non-interference provisions that, if breached, would result in the executive receiving only such payments, benefits or other arrangements as are required by the Minimum Standards Legislation.

**Barbara Williams (COO)**

Barbara Williams, Executive Vice-President and Chief Operating Officer entered into an employment agreement with Shaw Media prior to its acquisition by Corus Entertainment. Under her agreement, Ms. Williams is entitled to a severance payment upon termination of employment by the Company without cause. The separation payment is to be made as a lump sum payment equal to 18 months of the aggregate of Ms. William's base salary at the time of separation and the short-term incentive for the current fiscal year in which employment is terminated plus an amount to cover benefits for the period. Upon termination of employment, Ms. Williams is required to comply with certain non-competition covenants and non-solicitation provisions following termination.

Ms. Williams retired effective October 31, 2018 and was provided a separation package equivalent to 18 months of earnings, based on her annual base salary of $800,000, fiscal 2018 actual bonus of $706,560 and an amount in lieu of benefits. The total amount of this package was $2,266,410 and was payable as a one-time lump sum payment following the date of her early retirement. The package included non-competition and non-solicitation provisions.
**TERM OF AND CHANGE OF CONTROL ARRANGEMENTS**

Except for the President and CEO, the Executive Vice President and CFO and the Executive Vice President and COO, no other NEO has an employment agreement or any other contractual arrangement in connection with any termination or change of control event, other than the conditions provided in the compensation plans of the Company, as summarized below.

<table>
<thead>
<tr>
<th>Table 11 — Termination and Change of Control Arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stock Options</strong></td>
</tr>
<tr>
<td>Resignation</td>
</tr>
<tr>
<td>Exercise of vested options within 30 days of termination</td>
</tr>
<tr>
<td><strong>PSUs</strong></td>
</tr>
<tr>
<td>Forfeited</td>
</tr>
<tr>
<td><strong>DSUs</strong></td>
</tr>
<tr>
<td>Forfeited</td>
</tr>
<tr>
<td><strong>DB SERP</strong></td>
</tr>
<tr>
<td>Forfeited</td>
</tr>
</tbody>
</table>

(1) Continued vesting is generally subject to two year non-competition and non-solicitation provisions, subject to transitional arrangements.

(2) In the event that the price per common share offered to shareholders under the change of control transaction in question is equal to or exceeds the performance conditions contained in a particular PSU grant, the PSUs in question shall vest in their entirety upon the occurrence of the change of control transaction.

(3) If there is an Involuntary Termination within 6 months following a change in the Company’s leadership, which is defined as a change in the current CEO or if the Class B Non-Voting Shares of the Company are no longer publicly traded, DB SERP benefits immediately vest, including credit for past service.
Generally, severance entitlements, including STI, payable to NEOs other than Mr. Murphy and Mr. Gossling, due to their employment agreements with the Company, would be determined in accordance with applicable common law requirements. Based on the treatment of other compensation elements described above, certain incremental benefits would be payable by the Company based on the scenarios outlined in Table 11. The benefits described below are valued based on the TSX closing share price for Class B Non-Voting Shares of $3.70 as at August 31, 2018.

Incremental benefits would be payable to Mr. Murphy, in accordance with the terms of his employment agreement, for involuntary termination, including involuntary termination within six months of a change in control. As at August 31, 2018, Mr. Murphy would be entitled to an amount of $3,600,000, which is equivalent to the aggregate of two times his base salary plus his targeted STI incentive bonus at 100% of base salary and the vesting of his stock options. Under involuntary termination within 6 months of a change in control, Mr. Murphy would receive an additional $667,000 in incremental benefits, representing two additional years of service under the DB SERP.

Incremental benefits would be payable to Mr. Gossling, in accordance with the terms of his employment agreement, for involuntary termination, including involuntary termination within six months of a change in control. As at August 31, 2018, Mr. Gossling would be entitled to an amount of $1,045,250, which is equivalent to nine months of his base salary plus an additional four months of base salary for his two years of service plus his targeted STI incentive bonus at 80% of base salary. Under involuntary termination within 6 months of a change in control, Mr. Gossling would receive an additional $178,000 in incremental benefits under the DB SERP.

Incremental benefits would be payable to Ms. Williams, in accordance with the terms of her employment agreement, for involuntary termination. As at August 31, 2018, Ms. Williams would be entitled to an amount of $2,166,000, which is equivalent to 18 months of her base salary plus the STI incentive bonus at 80% of base salary for the current fiscal year in which employment is terminated, which is estimated to be achieved at target for the purposes of this disclosure, and an estimated amount representing the costs to cover benefits for the period.

**LONG-TERM INCENTIVE PLAN DETAILS**

**STOCK OPTION PLAN**

<table>
<thead>
<tr>
<th>Administration</th>
<th>The Stock Option Plan is administered by the Board with delegated authority to the HRC Committee.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>Board of Directors, officers and employees of and consultants to the Company and its subsidiaries (collectively, the “Participants”).</td>
</tr>
<tr>
<td>Vesting and Expiry</td>
<td>Options have a maximum ten year term. Unless otherwise determined by the Board, the Options are not immediately exercisable, but rather 25% of the original grant vests and is exercisable on each of the first, second, third and fourth anniversary of the date of grant. Options granted to Participants expire on the later of the expiry date or ten trading days following the expiration of a black-out period, should the expiry date fall within a black-out period or within nine trading days immediately following a black-out period.</td>
</tr>
<tr>
<td>Exercise Price</td>
<td>The exercise price of each Option issued must be at not less than their fair market value, which is defined as being the closing price of the Class B Non-Voting Shares on the TSX on the trading day immediately preceding the date on which the Option is granted or; if such shares are not then listed and posted for trading on the TSX, such other exchange or published market selected by the Board upon which the Class B Non-Voting Shares may be listed and posted for trading. If the Class B Non-Voting Shares did not trade on such date, then the fair market value will be the closing price of the Class B Non-Voting Shares on the relevant exchange on the last previous day on which a sale is reported.</td>
</tr>
<tr>
<td>Financial Assistance</td>
<td>The Company does not provide any financial assistance to Participants to facilitate the purchase of Class B Non-Voting Shares under the Stock Option Plan.</td>
</tr>
<tr>
<td>Assignment of Awards</td>
<td>Options may not be assigned or transferred by a Participant, otherwise than by will or the laws of descent and distribution during the lifetime of the Participant.</td>
</tr>
</tbody>
</table>
The Board adopted the Stock Option Plan on November 23, 1999, which was subsequently amended and ratified by the shareholders of the Company at the 2007 Annual and Special Meeting. On February 1, 2008, the Company divided each issued and outstanding Class A participating share and Class B non-voting participating share in the capital of the Company on a two-for-one basis, which resulted in the doubling of the number of stock options outstanding as at February 1, 2008, while the strike price for existing options was reduced by one-half.

As required by the TSX, the Stock Option Plan must be presented to the shareholders of the Company for ratification of the unallocated entitlements under an evergreen plan every three years and such ratification was last obtained at the Company's 2016 Annual Meeting. Thereafter, the Stock Option Plan will next be presented to the shareholders of the Company for ratification of the unallocated entitlements under its evergreen plan at the Company's 2019 Annual Meeting.

The Board may amend the Stock Option Plan at its discretion and shareholder approval will not be required for any amendments to the Plan, save and except for any amendments related to:

1. amendments to the amendment provisions of the Stock Option Plan;
2. the maximum number of Shares which are reserved for issuance under the Stock Option Plan (and under any other security based compensation arrangement); and
3. a reduction in the exercise price for Options held by insiders and/or an extension to the term of Options held by insiders.

Any other amendment can be made by the Board without shareholder approval and may include, without limitation, amendments relating to:

1. the vesting provisions of the Plan or any Option granted thereunder;
2. the exercise price or option period of the Plan or any Option granted thereunder for non-insiders;
3. the early termination provisions of the Plan or any Option;
4. the addition of any form of financial assistance by the Company for the acquisition of shares by all or certain categories of participants; and
5. the subsequent amendment of any such provision whether or not the same is more favourable to the participants, the curing of any ambiguity, error or omission in the Plan, the suspension or termination of the Plan or any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

In fiscal 2018, no amendments were made to the Stock Option Plan.

The Stock Option Plan provides that the maximum number of Class B Non-Voting Shares issuable upon the exercise of Options shall not exceed such number which represents ten (10%) of the issued and outstanding Class B Non-Voting Shares. As a result, should the Company issue additional Class B Non-Voting Shares in the future, the number of Class B Non-Voting Shares issuable under the Stock Option Plan will increase accordingly. The Stock Option Plan of the Company is considered an "evergreen" plan, since the Class B Non-Voting Shares covered by Options which have been exercised shall be available for subsequent grants under the Stock Option Plan. Pursuant to amendments made to the Stock Option Plan, the participation by insiders pursuant to the Stock Option Plan is restricted such that the aggregate number of Class B Non-Voting Shares issuable under the Stock Option Plan, combined with all Class B Non-Voting Shares issuable under all other security based compensation arrangements, to insiders, cannot exceed ten (10%) percent of the issued and outstanding Shares at any time; and the number of Shares issued to insiders in the aggregate within any one year period under the Stock Option Plan and all other security based compensation arrangements cannot exceed five (5%) percent of the issued and outstanding Shares at any time. Since the inception of the Stock Option Plan, 18,439,047 Options have been granted, of which 5,089,640 have either expired or been forfeited and 6,653,707 have been exercised. As at November 23, 2018, 6,695,700 options are currently outstanding, representing 3.21% of the issued and outstanding Class B Non-Voting Shares. There are currently no entitlements under the Stock Option Plan which were previously granted but subject to ratification by the shareholders of the Company.
INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director or officer of the Company is or has been indebted to the Company in fiscal 2018.

INTEREST OF INFORMED PERSONS

To the knowledge of the Company, other than as set out below, there are no material interests, direct or indirect, of any informed person of the Company, any Director Nominee, or any associate or affiliate of any informed person or Director Nominee, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has affected or would materially affect the Company or any of its subsidiaries other than as follows:

• The Shaw Media Acquisition, a related-party transaction as described in the General Development of the Business section of the Annual Information Form, was completed on April 1, 2016. As a result of the Shaw Media Acquisition, Shaw, a related party of Corus by virtue of common control by SFLT, received 71,364,853 Class B Non-Voting Shares as consideration. To the knowledge of the Company, as of the date of this Circular, Shaw continues to hold all of the Corus Shares issued to it.
• SFLT being the controlling shareholder of the Company, is also the controlling shareholder of Shaw, and together with certain affiliates held 17,562,400 Class A Voting Shares of Shaw at the time of completion of the Shaw Media Acquisition. The sole trustee of SFLT is a private company owned by JR Shaw. It has a board comprised of seven directors, including JR Shaw as chair, Heather Shaw, the Executive Chair of the Company, Julie Shaw, the Vice-Chair of the Company, and three other members of Mr. Shaw’s family.
• Heather Shaw, together with certain family member associates and entities over which she and they exercise direction and control and/or held a beneficial interest, held 32,400 Class A Voting Shares and 8,182,100 Class B Non-Voting Shares of Shaw at the time of completion of the Shaw Media Acquisition.
• Julie Shaw, together with certain family member associates and entities over which she and they exercise direction and control and/or held a beneficial interest, held 32,400 Class A Voting Shares and 8,292,383 Class B Non-Voting Shares of Shaw at the time of completion of the Shaw Media Acquisition.
• Cathton Investments Ltd., a corporation controlled by Cathy Roozen, a director of the Company, held approximately 2,060,000 Class A Voting Shares and 2,447,142 Class B Non-Voting Shares of Shaw at the time of completion of the Shaw Media Acquisition, and a family member associate of hers held an additional 10,000 Class A Voting Shares of Shaw as of that time.
• Following completion of the Shaw Media Acquisition, on April 13, 2016, Trevor English, Peter Bissonnette and Michael D’Avella were appointed to Corus’ Board by its Board of Directors as nominees of Shaw (“Shaw Nominee”) pursuant to the terms of the Governance and Investor Rights Agreement (“GIRA”).
• Shaw recently informed the board of directors of the Company that following completion of their current term, Mr. Trevor English and Mr. Peter Bissonnette will not be standing for re-election to the Corus board of directors at the Company’s 2019 annual meeting of shareholders. On November 21, 2018, Shaw confirmed the nomination of Mr. Michael D’Avella as a Shaw Nominee and nominated Mr. Michael Boychuk as a second Shaw Nominee to the Corus board of directors. Shaw reserved the right to nominate future Shaw nominees to the board of directors of Corus in accordance with the terms and conditions of the GIRA.

DIRECTORS’ AND OFFICERS’ SHAREHOLDINGS

As of November 23, 2018, the directors and senior officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over 10.4% of the issued and outstanding Class A Voting Shares and 3.0% of the issued and outstanding Class B Non-Voting Shares.

DIVIDEND REINVESTMENT PLAN

In fiscal 2009, the Company established the Dividend Reinvestment Plan (“DRIP”), through which eligible holders of Class A Voting Shares and Class B Non-Voting Shares who are residents of Canada may reinvest cash dividends paid on their respective shareholdings in additional Class B Non-Voting Shares. Under the terms of the DRIP, the shares may be issued
from treasury or purchased on the open market. The price at which Class B Non-Voting Shares may be issued under the DRIP is determined by the Company in accordance with the Plan, issued at a 0 to 5% discount from the average market price per Class B Non-Voting Share.  

From November 1, 2009 to August 31, 2018, a 2% discount from the average market price was applied to the Class B Non-Voting Shares issued under the DRIP. Effective September 1, 2018, Corus determined that shares issuable under the DRIP would be satisfied through open-market purchases and that a 0% discount from the average market price would be applied to Class B Non-Voting Shares under the Plan.

PARTICULARS OF OTHER MATTERS

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted upon such matters in accordance with the best judgment of the person voting the proxy.

2019 SHAREHOLDER PROPOSALS

Shareholder proposals must be submitted no later than October 3, 2019, to be considered for inclusion in next year’s Circular for the purposes of the Company’s 2019 Annual Meeting of Shareholders.

ADDITIONAL INFORMATION

Corus will provide to any person or company, upon written request to the Director, Investor Relations, of the Company, at Corus Quay, 25 Dockside Drive, Toronto, Ontario, M5A 0B5, a copy of its comparative audited consolidated financial statements for the year ended August 31, 2018, together with the report of its auditors thereon and related Management’s Discussion and Analysis (“MD&A”), and any interim financial statements filed subsequently and related MD&As.

Additional information relating to the Company can be found on SEDAR at www.sedar.com or on the Company’s website at www.corusent.com.

CERTIFICATE

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board.

Toronto, Ontario, December 10, 2018

By Order of the Board of Directors

DOUGLAS D. MURPHY
President and CEO
CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company (the “Board”) endorses the principle that sound corporate governance practices (“Corporate Governance Practices”) are important to the proper functioning of the Company and the enhancement of the interests of its shareholders. The Board regularly assesses emerging best Corporate Governance Practices and is committed to adopting any such practices that are appropriate for the Company.

The Company, as a Canadian reporting issuer with securities listed on the Toronto Stock Exchange (“TSX”), has adopted Corporate Governance Practices which comply with rules adopted by the Canadian Securities Administrators (“CSA”). This statement of Corporate Governance Practices, prepared as at November 23, 2018, is made in accordance with National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) and was prepared by the CG Committee of the Board and approved by the Board.

Board of Directors

Disclose the identity of directors who are independent.

The independent Director Nominees of the Company are Fernand Bélisle, Michael Boychuk, Jean-Paul Colaco, Michael D’Avella, John Frascotti, Mark Hollinger, Barry James, and Catherine Roozen. None of these directors are employees or executive officers of the Company, are party to any material contracts with the Company or receive any material fees from the Company other than as directors. In addition, the Board believes that all of these directors are independent and free from any interests in or relationships with the significant shareholder or any of its affiliates.

Disclose the identity of directors who are not independent and describe the basis for that determination.

The Board is responsible, through the CG Committee, for determining whether or not each director is independent. An analysis of all direct and indirect relationships of the directors with the Company and its subsidiaries is conducted to determine whether any material relationships, as defined in National Instrument 52-110 Audit Committees (“NI 52-110”), exist in making this determination. On that basis, three Director Nominees of Corus have been identified as non-independent due to a direct material relationship with the Company as follows: Doug Murphy, the President and CEO of the Company, Heather Shaw, the Executive Chair and a daughter of JR Shaw, and Julie Shaw, Vice-Chair and a daughter of JR Shaw.

Voting control of the Company is held by the Shaw Family Living Trust (“SFLT”) and its subsidiaries. The sole trustee of SFLT is a private company owned by JR Shaw and having a board comprised of seven directors, including as at November 23, 2018, JR Shaw as Chair, Heather Shaw, Julie Shaw, three other members of his family and one independent director. As at November 23, 2018, SFLT and its subsidiaries hold 2,885,530 Class A Voting Shares, representing approximately 84% of the outstanding Class A Voting Shares, for the benefit of descendants of JR and Carol Shaw. JR Shaw controls these shares and controls 4,500 additional Class A Voting Shares. The only other person or company, to the knowledge of the Company, its directors or officers, who owns beneficially, directly or indirectly, or exercises control or direction over in excess of 10% of any class of the voting securities of the Company is Cathton Investments Ltd., a company controlled by Catherine Roozen, an independent director of Corus. Cathton Investments Ltd. holds 343,332 Class A Voting Shares, representing approximately 10% of the outstanding Class A Voting Shares.

Messrs. D’Avella, Trevor English and Peter Bissonnette were appointed to the Board in April 2016 as nominees of Shaw Communications Inc. (“Shaw”) pursuant to the terms of the GIRA dated April 1, 2016 entered into upon the closing of the acquisition of Shaw Media Inc. Following their appointment, the CG Committee undertook a review of their independence for purposes of NI 58-101, focusing primarily on their respective past and current roles with Shaw Communications Inc. in light of the Company’s significant commercial relationship with that company, particularly in its capacity as one of the largest Broadcasting Distribution Undertakings (BDUs) in Canada. Following the review by the CG Committee, the Board ultimately determined that Mr. D’Avella should be considered independent and that Messrs. Bissonnette and Mr. English should be considered to be not independent. Shaw recently informed the board of directors of the Company that following completion of their current term, Mr. English and Mr. Bissonnette would not be standing for re-election to the Corus board of directors. On November 21, 2018, Shaw confirmed the nomination of Mr. D’Avella as a Shaw Nominee and nominated Mr. Michael Boychuk as a second Shaw Nominee to the Corus board of directors. Shaw has reserved the right to nominate future Shaw nominees to the board of directors of Corus in accordance with the terms and conditions of the GIRA.
Disclose whether a majority of directors are independent.
The Board has determined that eight of the 11 Director Nominees of the Company are independent.

If a director is presently a director of any other issuer that is a reporting issuer in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Corporate directorships for each director of the Company are listed in Table 1 — Director Nominees.

Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of fiscal 2018.

At each meeting of the Board and its Committees, regular in-camera meetings occur without management present, which allows for private and more open discussions. In addition, at least quarterly or more frequently if required, the independent directors hold meetings at which members of management and non-independent directors are not in attendance. The Independent Lead Director, Fernand Bélisle, serves as Chair for the Board during in camera sessions and the meetings of independent directors. The independent Chair of each Committee conducts in camera sessions at all regularly scheduled Committee meetings. In fiscal 2018, the number of such meetings is disclosed in Table 3 — Summary of Meetings for Directors in fiscal 2018.

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.

The CG Committee is responsible for monitoring the Board’s relationship with management, the CEO and the Executive Chair. Heather Shaw, Executive Chair of the Company and Chair of the Board, is not an independent director. The Company has instituted structures and processes to facilitate the functioning of the Board independently from management when needed.

In keeping with the Company’s commitment to good Corporate Governance Practices, the Company maintains separation between the positions of Executive Chair and CEO of the Company. In addition, effective January 13, 2016, the Board appointed Fernand Bélisle as Independent Lead Director for the Company. The Independent Lead Director was appointed to perform, on an interim basis, the duties of the Chair and Vice-Chair of the Board in their absence and to ensure that there is a process available to deal with issues or comments which any director may have in relation to the independence and overall functioning of the Board and its Committees. The Independent Lead Director meets with the President and CEO on an annual basis and chairs all meetings of the Independent members of the Board.

Disclose the attendance record of each director for all board meetings held since the beginning of fiscal 2018.
The Board meeting attendance record for each director of the Company in fiscal 2018 is listed in Table 1 — Director Nominees.

Board Mandate

Disclose the text of the board’s written mandate.
The Board of Directors has adopted a written Charter which is attached to this Circular as Schedule A.

The Board acts in accordance with:

• The Canada Business Corporations Act
• The Company’s Articles and By-laws
• The Company’s Code of Conduct
• The Charters of the Board and its Committees
• Other applicable laws and policies

The Board has explicitly assumed responsibility for the stewardship of the Company and discharges its responsibilities either directly or through its Committees. In addition to fulfilling its statutory requirements, the Board oversees and reviews: (i) the strategic, operating and capital plans, financial budgets and financial performance against goals; (ii) the principal risks and the adequacy of systems and procedures to manage these risks; (iii) management development, succession planning and compensation and benefit policies; (iv) major acquisitions, strategic investments and alliances and business development initiatives; (v) the Company’s communications policies; (vi) the Company’s Corporate Governance Practices; (vii) the formal written policy articulating executive limitations on the authority of the executives regarding the conduct of the business; and (viii) the integrity of the Company’s internal control and management information systems. This mandate is to be carried out in a manner that protects the Company’s value and provides ongoing benefit to shareholders.
In addition, all matters of policy and all actions proposed to be taken by the Company which are not in the ordinary course of its operations require prior approval of the Board or of a Board Committee to which appropriate authority has been delegated by the Board. In particular, the Board approves the appointment of all executive officers, the long-term strategic plans of the Company and the annual operating and capital plans.

**Strategic Planning Process**

The Board of Directors reviews key strategic, operational, competitive and regulatory matters at each quarterly meeting. In addition, the Board of Directors meets at least every twelve months to formally approve and confirm the strategic direction of the Company. The Board holds meetings from time to time which focus on specific strategic matters that may arise between formal reviews. In fiscal 2018, the Board held a formal strategic planning review and reviewed the strategy each quarter in light of current business and other conditions, including an update on progress made on the strategic plan and a review of strategic initiatives. The Board’s next strategic planning session is scheduled for fiscal 2019.

**Identification of Principal Risks**

The Company’s Board of Directors has overall responsibility for risk governance and ensures that there are processes in place to effectively identify, assess, monitor and manage principal business risks to which the Company may be exposed. The Company has a formalized enterprise risk management process in place through its Risk Management Committee, which is mandated to identify, manage and monitor the business risks that impact the Company’s business. These principal risks are reviewed by the Board on a quarterly basis.

**Succession Planning**

The Board is responsible for choosing the President and CEO, appointing senior management and monitoring the performance and development of all senior management employees. The Company has implemented a formal succession planning and performance measurement process which identifies key performers, on an annual basis, throughout all levels of the organization. The results of this process are reviewed at least annually with the Board. Corus believes in the development of its people and furthers that goal through its internally created Corus University and targeted learning and development offerings.

**Communications Policy**

The Disclosure Committee has been mandated by the Board to ensure that internal procedures are in place to facilitate effective communication between the Company, its stakeholders and the public. The Board approves annual and quarterly reports, including press releases and financial guidance, if any. The Company promptly provides full and plain disclosure of all material information, as required by law. The Company also holds quarterly meetings with analysts and institutional investors by telephone conference call, all of which are open to the financial press as well as to the public (through simultaneous webcasting). The Company maintains a website at www.corusent.com on which it posts all press releases and other information which shareholders would find helpful. Investor and shareholder concerns are addressed on an ongoing basis by the CFO’s office.

**Integrity of Internal Control**

The Board and Audit Committee are responsible for supervision of the reliability and integrity of the accounting principles and practices, as well as the financial reporting and disclosure practices followed by management. The Audit Committee is responsible for ensuring that management has established an adequate system of internal controls. The Audit Committee maintains practices and processes to ensure compliance with applicable laws. The Company’s external auditors report to the Audit Committee and the Board on a regular basis including, at least quarterly, a report on matters relating to internal control.

In fiscal 2004, the Company began the process of documenting and evaluating its internal control processes to enable it to certify the effectiveness of the Company’s internal control over financial reporting as of August 31, 2006. The Audit Committee reviews the progress of this process on a quarterly basis. The Company has certified the design and operating effectiveness of its disclosure controls and procedures and its internal control over financial reporting for each fiscal year since fiscal 2006.

**Position Descriptions**

*Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. Disclose whether or not the board and CEO have developed a written position description for the CEO.*

The Board has approved position descriptions for the Chairs of the Audit Committee, CG Committee and HRC Committee, as well as the Chairman, Vice-Chair and Independent Lead Director which are reviewed on an annual basis by the CG Committee.
The Company has developed a written position description for the CEO which the Board has reviewed and approved. In addition, the CEO establishes annual objectives which are reviewed and subsequently approved by the HRC Committee and then reviewed by the full Board. These objectives include the general mandate to maximize shareholder value and to fulfill the strategic and operating plans of the Company. The HRC Committee and the Board reviews performance against these objectives at least annually through formal discussions and a CEO performance survey which is periodically completed on an anonymous basis by all directors.

**Orientation and Continuing Education**

*Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer’s business.*

New directors, and any current directors wishing a refresher course, attend a full day, interactive orientation session and facility tour at which the management team provides a detailed overview of the Company’s strategy, business segment operations, finances, technologies, regulatory operating environment and corporate structure. In addition, all Board members are provided with a highly detailed Director’s Manual which includes materials such as the Charters of the Board and its Committees, governance practices and compliance, annual continuous disclosure filings, industry regulatory framework, key corporate policies including, but not limited to, the Company’s Code of Conduct, Insider Trading and Disclosure Policies and operational information. This manual is updated annually, or more frequently as necessary. As well, all Board members have access to an online archive of Board materials dating back several years, including but not limited to Strategic Plans, Operating Plans and Board Education sessions. The Chair of the CG Committee is responsible for ensuring that new directors receive all appropriate materials relating to Board and Committee policies, procedures and the individual’s role as a director of the Company in general, and is the key contact for questions from existing and new directors concerning any corporate governance matters.

*Briefly describe what measures, if any, the board takes to provide continuing education for its directors.*

The Company has a formal and scheduled ongoing education process for its directors, which is reviewed and approved by the CG Committee on a quarterly basis, relating to corporate and industry initiatives. The CEO, CFO and other members of executive management also make regular quarterly presentations to the Board on the main areas of the business, covering key strategic, operational, competitive and regulatory matters in addition to reviewing the current performance of the Company. In addition to these ongoing programs directors may be reimbursed, up to a lifetime maximum of $7,500 and with pre-approval from the Executive Chair, for external educational programs to assist in their development as a director of the Company.

Educational opportunities provided to the directors in fiscal 2018 are noted in the table below:

**Fiscal 2018 Board Education**

<table>
<thead>
<tr>
<th>Subject</th>
<th>Attendees</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate governance updates including emerging best practices and developments in securities regulations.</td>
<td>CG Committee</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Audit governance, emerging best practices and IFRS updates</td>
<td>Audit Committee</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Compensation trends, benchmark comparative analysis, information on executive compensation disclosure requirements and pension plan governance issues</td>
<td>HRC Committee</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Artificial Intelligence</td>
<td>Entire Board</td>
<td>October 2017</td>
</tr>
<tr>
<td>Cybersecurity</td>
<td>Entire Board</td>
<td>January 2018</td>
</tr>
</tbody>
</table>

**Ethical Business Conduct**

*Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.*

The Company has adopted a Code of Conduct (the “Code”) and related policies, including a Respect at the Workplace Policy, which apply to all of its employees, officers and directors. The Company has designated its General Counsel as the key contact for employees, officers and directors to discuss any issues in relation to the Code. The Code and Charters of the Board and its Committees can be found on the Company’s website at www.corusent.com in the Investor Relations section. All directors and officers of the Company, including the CFO and CEO, confirm that they have read and are in compliance with the Code on an annual basis. This process is monitored by the CG Committee through an annual report from executive management, which includes a review of any issues arising from non-compliance with the Code. There
were no waivers of the Code in fiscal 2018. The Company, through a third party, also maintains a confidential, anonymous 24-hour employee telephone hotline for the submission of complaints related to accounting, internal controls or ethical issues. Reports are investigated by management as they occur and reviewed quarterly by the Audit Committee, CG Committee and HRC Committee of the Board.

Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Company has in place a Related Party Transactions Policy which the CG Committee reviews on an annual basis. The CG Committee has a quarterly formal review process in place for any transactions and agreements that may occur between the Company and its directors, officers, shareholders and other related parties. In addition, transactions and agreements may be discussed during in camera sessions and meetings of the independent members of the Board. If a director or executive officer has a material interest in any transaction or agreement with the Company, they do not participate or otherwise interfere with any decisions made by the Company. In addition, the Board has on prior occasions determined to appoint a special committee comprised of independent directors to undertake a review of any potentially material transactions and may do so in the future, as appropriate.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Company has adopted Disclosure Controls and Procedures, a Disclosure Policy, Respect at the Workplace Policy and Insider Trading guidelines which govern the conduct of employees, officers and directors. These policies and guidelines are reviewed by the appropriate Committees of the Board on an annual basis.

Nomination of directors

Describe the process by which the board identifies new candidates for board nomination.

The CG Committee has the mandate to recommend new candidates for the Board, review credentials of nominees for election, recommend candidates for filling vacancies on the Board, recommend candidates for Independent Lead Director and ensure qualifications are maintained. The CG Committee may retain, at the expense of the Company, any such external director recruitment firms it deems appropriate to assist with the identification of new candidates.

The CG Committee conducts an annual review and makes recommendations to the Board regarding the composition, size, structure and expertise required by the Board and its Committees. In identifying candidates for election or appointment to the Board, the Committee recognizes the benefits of diversity and seeks to select candidates whom, by virtue of their differing skills, areas of expertise, professional and personal backgrounds, geographic location and independence, are best able to contribute to the direction of the business and affairs of the Company.

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The members of the CG Committee are Mark Hollinger (Chair), Jean-Paul Colaco and Julie Shaw. Two members of the CG Committee, Mark Hollinger and Jean-Paul Colaco, are independent. In considering new nominations to the Board, the CG Committee reviews names and CVs which are submitted to the CG Committee by other directors or independent outside advisors and interviews are conducted by one or more CG Committee members as well as members of management and the Board. To encourage an objective nomination process, the CG Committee reviews the Company’s Board competencies grid to determine if any gaps exist that might be filled by the candidates under consideration. The candidate’s background is also scrutinized to determine whether or not there are any interlocking directorships with current directors.

Describe the responsibilities, powers and operation of the nominating committee.

The CG Committee has a mandate to develop the Company’s approach to all aspects of corporate governance in accordance with emerging best practices and applicable regulatory requirements. The full Charter of the CG Committee is available in the Investor Relations section of the Company’s website at www.corusent.com.

The CG Committee is responsible for assessing the effectiveness of the Board, its Committees and individual directors and recommending to the Board any changes, as required. The CG Committee conducts an annual review of the mandate, size, skills matrix and composition of the Board and its Committees to ensure the appropriate structure is in place to address the Company’s governance requirements. A formal survey of the directors, in the form of a confidential questionnaire, is also conducted by an independent third-party advisor every two years and reviewed by the CG Committee as part of the assessment process.
The CG Committee recommends appropriate nominees for election to the Board and ensures new directors receive appropriate orientation and materials. Development opportunities are reviewed by the Committee and recommended to the Board with the objective of providing continuing education to existing directors. The CG Committee recognizes the desirability of directors being able to consult outside professional advisors and has developed a process to facilitate obtaining such advice at the expense of the Company in appropriate circumstances.

**Compensation**

*Describe the process by which the board determines the compensation for the issuers’ directors and officers.*

Directors: See page 24 under “Director Compensation”

Officers: See page 30 under “Compensation Decision Making — Review and Approval Process”

*Disclose whether or not the board has a compensation committee composed entirely of independent directors.*

The members of the HRC Committee are Catherine Roozen (Chair), Fernand Bélisle and John Frascotti. All members of the Committee are independent.

*Describe the responsibilities, powers and operation of the compensation committee.*

See page 29 under “Role of the Human Resources and Compensation Committee” and the HRC Committee Charter which is attached as Schedule B to this Circular.

*If a compensation consultant or advisor has, at any time since the beginning of fiscal 2018, been retained to assist in determining compensation for any of the issuer’s directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.*

See page 30 under “Executive Compensation Consulting Fees”.

**Other Board Committees**

*If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

**Audit Committee**

The Audit Committee is mandated to oversee the retention, independence, performance and compensation of the Company’s independent auditors and the establishment of the Company’s risk management, internal controls and information systems. The Audit Committee is permitted and encouraged to consult with management, internal auditors and external auditors on matters related to the Company’s annual audit and certain internal procedures.

The Committee’s responsibilities include receiving and approving the Company’s quarterly consolidated financial statements, financial reporting procedures, internal audit plan and the external audit plan, terms of engagement and fees of the external auditors. The Committee monitors the performance of the Company’s internal and external auditors and also, in particular, is responsible for ensuring the adequacy and effectiveness of internal control over financial reporting and information systems. The Committee reviews and recommends for approval, the annual consolidated financial statements prior to their approval by the Board.

The members of the Audit Committee are Barry James (Chair), Michael D'Avella and Mark Hollinger. All of the Committee members are independent and financially literate, as per the CSA requirements of NI 52-110.

The full Charter of the Audit Committee is available in the Annual Information Form and in the Investor Relations section of the Company’s website at www.corusent.com.

**Executive Committee**

Subject to the Company’s Articles, the Executive Committee has been delegated all of the powers that may be delegated to an Executive Committee under the Company’s governing statute, being the *Canada Business Corporations Act*. The Executive Committee meets only on an “as needed” basis to address timely issues when it is not possible to convene a meeting of the entire Board.

The members of the Executive Committee are Heather Shaw (Chair), Doug Murphy, Peter Bissonnette, Mark Hollinger, Barry James and Catherine Roozen. Ms. Shaw, Mr. Murphy and Mr. Bissonnette are non-independent directors. As Mr. Bissonnette is not standing for re-election, Mr. Bissonnette will cease to be a member of the Executive Committee once his term as a director expires.
Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.

The CG Committee is mandated to monitor the quality of the relationship between management and the Board of Directors, to assess the effectiveness of the Board, its Committees and individual directors and to recommend improvements to enhance the effectiveness of the Board. The CG Committee has adopted a formal process in this regard and, every two years, conducts a survey of directors in the form of a confidential questionnaire, which is pre-approved by the GC Committee, on effectiveness of the operations of the Board and their respective Committees and a director’s self-evaluation using an outside and independent resource. The independent resource compiles the survey data and highlights, for the CG Committee, areas of strengths and those areas which could be strengthened. The results are shared with the Board following a formal review by the CG Committee.

It is also the responsibility of the Chair of the Board to ensure effective operation of the Board in fulfilling its mandate. The Chair of the Board discusses directly with the Chair of each Committee, the mandate and functioning of the respective Committees. Recommendations from the Committees regarding their effectiveness are reviewed with the CG Committee.

Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

See page 16 under “Board Diversity”

Policies Regarding the Representation of Women on the Board

Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

See page 16 under “Board Diversity”

Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board.

See page 16 under “Board Diversity”

Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments.

See page 17 under “Management Diversity”

Issuer’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Disclose whether the issuer has adopted a target regarding women on the issuer’s board. If the issuer has not adopted a target, disclose why it has not done so.

See page 16 under “Board Diversity”

Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

See page 17 under “Management Diversity”

Number of Women on the Board and in Executive Officer Positions

Disclose the number and proportion (in percentage terms) of directors on the issuer’s board who are women.

See page 16 under “Board Diversity”

Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

See page 17 under “Management Diversity”
SCHEDULE A — BOARD OF DIRECTORS CHARTER

Part I: Overview

The Canada Business Corporation Act (the "Act"), Corus Entertainment Inc.'s (the "Company" or "Corus Entertainment") governing statute, provides "that the directors shall manage or supervise the management of the business and affairs of a corporation...". While the board of directors (the "Board") cannot "manage" a company such as Corus Entertainment in the sense of directing its day-to-day operations, the Board is responsible for approving the overall strategic direction and policy framework for Corus Entertainment. This responsibility is discharged through Board oversight of Corus Entertainment's management, which is responsible for the day-to-day conduct of the business. The Board, through the Chief Executive Officer (CEO), sets standards of conduct, including the Company's general moral and ethical tone, compliance with applicable laws, standards for financial practices and reporting, qualitative standards for operations and products and other standards that reflect the views of the Board as to the conduct of the business in the best interests of the Company. The Board also establishes guidelines for its own performance.

In general, then, the Board is responsible for the selection, monitoring and evaluation of the CEO, and for overseeing the ways in which Corus Entertainment's affairs are managed. In this way, the Board assumes responsibility for the stewardship of the Company. Specific responsibilities which facilitate the discharge of the Board's stewardship responsibilities include: the strategic planning process, risk identification and management, ensuring that an effective stakeholder communication policy is in place, and ensuring the integrity of internal controls and management information systems. These responsibilities, and others, are addressed in more detail in the Board's Mandate, comprising Part III of these Terms of Reference.

The Board of Directors discharges its responsibilities with the assistance of Board Committees. The Committees advise and formulate recommendations to the Board, but except in limited and specifically identified circumstances, do not have the authority to approve matters on behalf of the Board of Directors. Each Committee has a written charter, setting out the scope of its operations, and its key roles and responsibilities.

The CEO of Corus Entertainment is delegated the responsibility for the day-to-day management of the Company and for providing the Company with strategic leadership. The CEO discharges these responsibilities by formulating Company policies and proposed actions, and, where appropriate, presenting them to the Board for approval. The Board has plenary power in all areas, delegates to management, and has the power to specify and modify the authority and duties of management as it sees fit, with a view to Corus Entertainment’s best interests and in accordance with current standards. The Act also identifies certain matters, which must be considered by the Board as a whole and may not be delegated, even to a Committee of the Board or to a managing director. These matters include:

- any submission to the shareholders of a question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of the external auditor;
- the manner of and terms for the issuance of securities;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of shares issued by the Company;
- the payment of a commission to any person in consideration of the purchase or agreement to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
- the approval of management proxy circulars;
- the approval of any take-over bid circular or directors’ circular;
- the approval of the audited annual financial statements of the Company; and
- the adoption, amendment or repeal of by-laws of the Company.

One of the key stewardship responsibilities of the Board is to approve the Company’s goals, strategies and plans, and the fundamental objectives and policies within which the business is operated, and evaluate the performance of executive management. Once the Board has approved the goals, strategies and plans, it acts in a unified and cohesive manner in supporting and guiding the CEO. The CEO keeps the Board fully informed of the progress of the Company towards the achievement of its goals, strategies and plans, in a timely and candid manner, and the Board of Directors continually evaluates the performance of executive management toward these achievements.
Part II: Guidelines

The following have been adopted by the Board as the guidelines applicable to the Board and its operations:

• These Terms of Reference for the Board of Directors and the mandates of the Board Committees, are approved by the Board and reviewed on a regular basis.

• The responsibilities of the CEO are set by the Board. The CEO is responsible for leading the development of long-range plans for the Company, including its goals and strategies. The Board, both directly and through its Committees, participates in discussions regarding strategy, by responding to the same and contributing ideas. The Board annually reviews and approves the Company’s long range plan and annual business plan (including budgets).

• The Board believes that the appropriate size for the Board is between ten and fourteen members. There are currently twelve directors, a number which the Board believes is appropriate and facilitates effective decision-making.

• Directors stand for re-election annually.

• The Board maintains a policy permitting directors to retain outside advisors at the expense of the Company, subject to the written approval of the Board Chair. In exercising this approval authority, the Board Chair will establish, on a case by case basis, reasonable monetary limits and other controls as deemed appropriate.

• The Board is comprised of a majority of unrelated directors 1. The membership of the CEO on the Board of Directors is valuable and conducive to effective decision making, and as a general matter of policy, should continue.

• The Board supports the separation of the role of Chair from the role of CEO.

• The Board will evaluate the performance of the CEO at least annually. The evaluation will be based on criteria which include the performance of the business and the accomplishment of the CEO’s qualitative and quantitative objectives as established at the beginning of each fiscal year of the Company.

• The Chair works with the CEO to establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Whenever feasible, important issues are dealt with over the course of two meetings. The first such meeting would allow for a thorough briefing of the Board, and the second would allow for final discussion and a decision.

• The Board meets at least quarterly, with an additional meeting to be scheduled for approval of the annual proxy circular, annual information form and other annual disclosure documents, as necessary.

• Whenever feasible, the Board receives materials at least one full weekend in advance of meetings. Presentations on specific subjects at Board meetings will only briefly summarize the material sent so that discussion can focus on questions regarding the proposals.

• The Board encourages the CEO to bring other executive officers into the Management section of the Board meetings. The presence of such executives is expected to bring additional insights into the discussions, because of the executives’ personal involvement in, and knowledge of, specific agenda items. The benefit of exposing the Board to other executives, for succession planning and career development purposes, is recognized.

• The Board is responsible for assessing the performance and effectiveness of Directors on Board Committees and of the Board as a whole. The Board delegates the assessment process to the Corporate Governance Committee. The Corporate Governance Committee reports and makes recommendations to the Board on the assessments. The Chair works with the Corporate Governance Committee to ensure proper Board composition and succession and the Corporate Governance Committee reports to the Board on the same.

• The Corporate Governance Committee will assess Board effectiveness on a biennial basis.

• The Board, through the Corporate Governance Committee, reviews on an annual basis the appropriate skills and characteristics required of Board members in the context of the current makeup of the Board and objectives of the Company. This assessment will include issues of geography, age, experience, gender, independence, and skills all in the context of an assessment of the perceived needs of the Board and the Company at that point in time.

• The Audit Committee will consist entirely of outside and independent directors.

1 An unrelated director is a director who is independent of management and free from any interest and any business or other relationship which can, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Company (including affiliated companies), other interests or relationships resulting from shareholdings in the Company. In general, this means that an unrelated director is neither a present or former employee of the Company and has no significant financial or personal tie to the Company other than share ownership and the entitlement to director’s fees. A director who is a former employee ceases to be a related director three years after cessation of employment with the Company, provided that the director otherwise qualifies at that time as an unrelated director.
• From time to time the Board may create ad hoc committees to examine specific issues on behalf of the Board. The Chair and CEO are also ex-officio, non-voting members of those Committees of the Board of which they are not a listed member.
• The Human Resources and Compensation Committee reviews and reports to the Board annually on the Corporation’s succession plan for senior management positions including the Corporation’s succession plan for the position of President and Chief Executive Officer.
• At the conclusion of each Board meeting, the Board of Directors may choose to meet on an “in camera” basis without management. The Chair and the CEO should debrief on the substance of the in camera session.

Part III: Mandate of the Board of Directors

Goals of the Board

The major goals and responsibilities of the Board are to:

• Establish policy direction and the fundamental objectives of the Company;
• Supervise the management of the business and affairs of Corus Entertainment;
• Identify the principal risks of Corus Entertainment’s business, and ensure that there are systems in place to effectively monitor and manage these risks;
• Protect and enhance the assets of the shareholders of the Company and look after their interests in general;
• Ensure the continuity of the Company by assuming responsibility for the appointment of and succession to the office of the CEO, enforcing the articles and by-laws and by seeing that an effective Board is maintained.
• Make all decisions that are not delegable, as specifically provided for in the Act.
• Provide leadership and direction for the Corporation in establishing and maintaining a high standard of corporate ethics and integrity.

Major Duties

The major duties of the Board are to:

1. Foster the long-term success of Corus Entertainment. Honour its fiduciary obligation to shareholders by ensuring that the best interests of Corus Entertainment and its shareholders prevail over any individual business interests of any member of the Board. Represent and safeguard the interests of all shareholders while recognizing that the interests of employees, customers, suppliers, and the general public must also be taken into account for the enterprise to continue being able to serve its owners. Monitor and work to improve return on, security of, and prospects for enhancement of the value of shareholder investment.
2. Determine and control in broad terms the purposes, goals, activities and general characteristics of Corus Entertainment. These duties range from establishing objectives, the scope of operations, and fundamental strategies and policies, to declaring dividends and approving annual budgets, major capital investments, mergers and acquisitions, the issuance or retirement of stock, and other specific actions that are likely to have a substantial effect on the Company or that the Board is legally required to approve. Review with management the mission of the Company, its objectives and goals, and the strategies it proposes to use to achieve them. Monitor the Company’s progress toward its goals and plans, and assume responsibility to revise and alter the Company’s direction where warranted.
3. Appoint a CEO, monitor and evaluate his performance, provide for adequate succession to that position, and replace the CEO when appropriate. Appoint the other senior officers of the Company, and monitor their performance, ensuring that there is adequate succession to their positions, and that they are replaced when appropriate.
4. Ensure that the CEO is achieving acceptable current financial results relative to corporate objectives, budgets, and the economic environment, and is developing the resources necessary for future success. These resources include:
   • management competence, organization and depth;
   • fixed assets;
   • marketing capability — customer loyalty, distribution organization, market knowledge and so on;
   • work force and employee relations;
   • financial resources, including relations with the financial community; and
   • reputation.
5. Establish an overall compensation policy for the Company and monitor its implementation with special attention devoted to the executive group. Review the policy from time to time to ensure that it continues to be appropriate.

6. Oversee corporate financial operations, including:
   • capital structure management, maintaining reasonable financial flexibility and safety while achieving an appropriate return on equity;
   • financial results reporting;
   • allocation of assets, providing for increased investment in areas of high return while withdrawing funds from areas producing inadequate returns;
   • maintaining access to suitable sources of new capital;
   • pension funds and other major employee benefit programs;
   • dividend pay-out policy and action;
   • selection of outside auditors for approval by the shareholders; and
   • insurance.

7. Identify the principal risks of the Company’s business and ensure implementation and monitoring of systems to effectively manage these risks.

8. Implement and ensure that systems are in place to monitor and maintain the integrity of the Company’s internal control and management information systems.

9. Ensure that the Company has in place appropriate environmental, health and safety policies, having regard to legal, industry and community standards, and ensure implementation of management systems to monitor the effectiveness of those policies.

10. Ensure that systems are in place for communication and relations with stakeholder groups, including, but not limited to, shareholders, the investing public, employees, the financial community, and the communities in which Corus Entertainment operates, as well as the Canadian Radio-television and Telecommunications Commission. Monitor system effectiveness and significant sensitive and legally required communications.

11. Ensure that the Company has systems in place which accommodate stakeholder feedback.

12. Collectively and individually respond constructively to requests for advice and assistance from the CEO.

13. Identify and appoint a Vice Chair.


15. Provide leadership and policy direction to management with a view to establishing and maintaining a high standard of legal and ethical conduct for the Company by:
   • taking all necessary steps to ensure that Corus Entertainment complies with applicable laws and regulations, and with its constating documents, including its Articles and By-laws, the Corus Code of Business Conduct, and that it operates to high ethical and moral standards; — being on the alert for and sensitive to situations that could be considered illegal, unethical or improper, and taking corrective steps;
   • establishing the means of monitoring performance in this area with assistance of legal counsel;
   • approving key operational policies and procedures and monitoring compliance therewith; and
   • complying with legal requirements, including those pursuant to the Act, applicable to corporate boards of directors, including, without limitation, the duty to act honestly and in good faith with a view to the best interests of the Company, and the duty to exercise the care, diligence and skill that reasonably prudent people exercise in comparable circumstances.

16. Manage Board operations, including, without limitation:
   • subject to any required shareholder approval, fix the size of the Board, review its composition and, when appropriate, identify new nominees to the Board;
   • appoint appropriate Committees and Committee Chairs;
   • define the duties and responsibilities of the Committees;
   • influence the structuring of agendas and how meeting time is spent; and
   • meet legal requirements with respect to corporate administration.
Constitution
There shall be a Committee of the Board, to be known as the Human Resources and Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Corus Entertainment Inc. (the "Company").

Purpose
The purpose of the Human Resources and Compensation Committee is to assist the Board in fulfilling its oversight responsibilities. This will be accomplished by reviewing the effectiveness of Corus Entertainment Inc.'s compensation policies and processes in fostering fair and competitive compensation, and in relation to the human resources and pension matters of the Company and, in particular, having regard to the duties, responsibilities, and obligations of the Company.

Membership
Following each Annual Meeting of the Shareholders of the Company, the Board shall elect from its number a Human Resources and Compensation Committee consisting of no fewer than three directors (the "members"), none of whom are employees of the Company or a subsidiary of the Company and all of whom are unrelated directors, who have no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgement. In addition, each Committee member shall satisfy the independence requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines, and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "Chair"). In the absence of the appointed Chair of the Committee from any meeting, the members shall elect a Chair from those in attendance to act as Chair of the meeting.

Any member may be removed from the Committee or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member shall hold office until the close of the next Annual Meeting of Shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

Both the Executive Chair and the Chief Executive Officer of the Company shall have status as ex-officio members of the Committee.

Meetings
The Committee shall meet on at least four occasions a year and shall meet at such times during each year as it deems appropriate. In addition, the Chair of the Committee or the Executive Chair or any two members of the Committee may call a meeting of the Committee. The Chair of the Committee shall hold in camera meetings of the directors, without management present, at every Committee meeting.

Committee meetings shall occur in separate, non-management, closed sessions with outside advisors, as needed or appropriate.

Notice of meeting may be given orally or by letter, e-mail, facsimile transmission, or telephone not less than 48 hours before the time fixed for the meeting. Members may waive notice of any meeting before or after the meeting. Notice of each meeting shall be given in advance to each member, and shall also be given to the Chair of the Board and the Chief Executive Officer.

With provision of notice, a duly constituted meeting may be held in person, by tele-conference or video conference. The powers of the Committee shall be exercisable by a meeting at which a quorum is present. Unless otherwise determined by the Board, a quorum of the Committee shall be two voting members, and the Committee shall have the power to determine as it sees fit, relevant procedures to govern its meetings.

Matters decided by the Committee shall be decided by majority vote. The Chair of the Committee shall have an ordinary vote, and in the event of a tie shall be entitled to a second vote.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The senior Company executive responsible for the human resources function shall attend any meeting when requested to do so by the Chair of the Committee.

The Committee will appoint a secretary who need not be a director, who shall be the secretary of all meetings of the Committee and shall maintain minutes of all meetings and deliberations of the Committee. In the absence of the secretary
at any meeting, the Committee shall appoint another person who may, but need not, be a member of the Committee
to be the secretary of that meeting.

The Committee does not have decision-making authority except where, and to the extent that, such authority is expressly
delegated by the Board. The Committee conveys its findings and recommendations to the Board for consideration and,
where required, decision by the Board.

Authority to Engage Experts

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry
out its duties, after consultation with the Executive Chair, such engagement to be at the Company’s expense.

Roles & Responsibilities

1. Review and recommend to the Board compensation policies and processes, and in particular the compensation
   policies and processes for the Company’s executive leadership team.
2. Annually evaluate the performance of the Chief Executive Officer against predetermined goals and criteria.
3. At least biennially, review the level and form of compensation of the Chief Executive Officer and recommend to
   the Board the amount of compensation to be paid to the Chief Executive Officer.
4. Annually review the Chief Executive Officer’s evaluation of the performance of the other executive leadership
   team members of the Company and the Chief Executive Officer’s recommendations with respect to the amount
   of compensation to be paid to the other executive leadership team members.
5. Annually recommend to the Board the criteria by which the performance for the forthcoming year will be judged
   for short-term incentive plan purposes and subsequently assess the Company’s performance against those
   criteria.
6. At least biennially, review the level and form of compensation of the Executive Chair of the Company, considering
   peer practices and the duties and responsibilities of the Executive Chair and recommend any changes to the
   Board for consideration.
7. Review and report to the Board on recommendations from management for material changes in the form and
   structure of executive compensation programs (including their design, measurement and proposed payouts/
   targets), encompassing base salary, short-term and long-term incentive programs, pension, benefits and
   executive loans.
8. Assist the Board by reviewing the effectiveness of the Company’s human resource development, succession
   planning and performance evaluation programs.
9. Review and report to the Board on the Company’s succession plan for senior management positions including
   the Company’s succession plan for the position of President and Chief Executive Officer.
10. Review as required and recommend for approval to the Board any proposed amendments to the Company’s
    pension plans that materially impact costs, benefits, plan eligibility or plan establishment/termination.
11. Review and/or approve such other matters relating to human resource issues as are specifically delegated to it
    by the Board.
12. Report to the Board on the activities of the Committee with respect to the foregoing matters at each Board
    meeting and at any other time deemed appropriate by the Committee or upon request of the Board.
13. Review and approve any public disclosure requirements regarding executive compensation and related matters
    as may be required by securities regulatory authorities or others.
14. The Committee shall perform an evaluation of its performance at least biennially to determine whether it is
    functioning effectively.
SCHEDULE C — AMENDED AND RESTATED BY LAW NO. 1
A by-law relating generally to the transaction of the business
and the conduct of the affairs of
Corus Entertainment Inc.

BE IT ENACTED as a by-law of the Corporation as set forth below.

SECTION 1
INTERPRETATION

1.1 Definitions
In the By-laws of the Corporation, unless the context otherwise requires:
“Act” means the Canada Business Corporations Act, or any statute that may be substituted therefore, and the regulations
to it, as from time to time amended;
“Articles” means the articles attached to the certificate of incorporation of the Corporation, pursuant to the provisions
of the Act, as from time to time amended or restated;
“Board” means the board of directors of the Corporation;
“By-law No. 1” means this amended and restated By-law No. 1 of the Corporation as from time to time amended or
restated and in force and effect;
“By-laws” means this By-law No. 1 and all other by-laws of the Corporation in force as from time to time amended or
restated and in force and effect;
“Corporation” means the corporation incorporated under the Act by the certificate of incorporation to which the Articles
are attached and subsequently named “Corus Entertainment Inc.”;
“director” means a member of the Board;
“Meeting of Shareholders” includes an annual meeting of Shareholders and a Special Meeting of Shareholders;
“section” means, unless otherwise indicated, a section of this By-law No. 1;
“Shareholders” means the shareholders of the Corporation;
“Special Meeting of Shareholders” includes a meeting of any class or classes of Shareholders and a special meeting of
all Shareholders entitled to vote at an annual meeting of Shareholders; and
“Recorded Address” means: in the case of a Shareholder, his or her address as recorded in the securities register; in the
case of joint Shareholders, the address appearing in the securities register in respect of such joint holding or the first
address so appearing if there is more than one; and, in the case of a director, an officer, auditor or member of a committee
of the Board, his or her latest address as recorded in the records of the Corporation.

Except as provided above, words and expressions defined in the Act, including “resident Canadian”, have the same
meanings when used herein. Subject to the Act, the words “appoint” and “appointment” include “elect” and “election”,
respectively, and vice versa.

1.2 Interpretation
Words importing the singular number include the plural and vice versa; words importing gender include the masculine,
feminine and neuter genders; and words importing a “person” include an individual, sole proprietorship, partnership,
unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate and a natural
person in his or her capacity as trustee, executor, administrator or other legal representative.

1.3 Headings
The division of this By-law No. 1 into sections and the provision of headings for all or any thereof are for convenience of
reference only and shall not affect the meaning of this By-law No. 1.
1.4 Conflict of Laws
In the event of any inconsistency between the By-laws of the Corporation and the mandatory provisions of the Act, the provisions of the Act shall prevail.

SECTION 2
BUSINESS OF THE CORPORATION

2.1 Registered Office
The registered office of the Corporation shall be located within the place in Canada specified in its Articles or at such address therein as the Board may from time to time determine.

2.2 Corporate Seal
The corporate seal of the Corporation shall be such as the Board may by resolution from time to time adopt. An instrument or agreement executed on behalf of the Corporation by a director, an officer or an agent of the Corporation is not invalid merely because the corporate seal is not affixed thereto.

2.3 Financial Year
Until changed by resolution of the Board, the financial year of the Corporation shall end on the last day of August in each year.

2.4 Execution of Instruments
Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any director or any officer of the Corporation or by such person or persons designated by the Board. In addition, the Board or the said person or persons may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed, provided that in the case of share certificates at all times at least one director or officer of the Corporation is required to sign. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.5 Execution in Counterpart, by Facsimile, and by Electronic Signature
Subject to the Act:

a) any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by means of secure electronic signature (as defined in the Act) or facsimile;

b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same instrument or document;

c) wherever a notice, document or other information is required under the Act or the By-laws to be created or provided in writing, that requirement may be satisfied by the creation and/or provision of an electronic document.

Notwithstanding the foregoing, the Board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

2.6 Banking Arrangements
The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe.

2.7 Voting Rights in Other Bodies Corporate
The signing officers of the Corporation under section 2.4 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the Board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.8 Divisions
The Board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as may be considered appropriate in each case. In connection with any such division the Board...
or, subject to any direction by the Board, the chief executive officer may authorize from time to time, upon such basis as may be considered appropriate in each case:

a) Subdivision and Consolidation - the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions and sub-units;

b) Name - the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all places required by law; and

c) Officers - the appointment of officers for any such division or sub-unit, the determination of their powers and duties and the removal of any of such officers so appointed; provided that any such officers shall not, as such, be officers of the Corporation.

SECTION 3
BORROWING AND SECURITY

3.1 Borrowing Power
Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the Articles, the Board may from time to time on behalf of the Corporation, without authorization of the Shareholders:

a) borrow money upon the credit of the Corporation;

b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantees of the Corporation, whether secured or unsecured;

c) to the extent permitted by the Act, give directly or indirectly financial assistance to any person by means of a loan, a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person, or otherwise; and

d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.2 Delegation
Subject to the Act, the Articles and the By-laws, the Board may from time to time delegate to a committee of the Board, a director or an officer of the Corporation or any other person as may be designated by the Board all or any of the powers conferred on the Board by section 3.1 or by the Act to such extent and in such manner as the Board may determine at the time of such delegation.

SECTION 4
DIRECTORS

4.1 Number of Directors
Until changed in accordance with the Act, the Board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the Articles.

4.2 Qualification
No person shall be qualified for election as a director if he or she is less than 18 years of age, is of unsound mind and has been so found by a court in Canada or elsewhere, is not an individual or if he or she has the status of a bankrupt. A director need not be a Shareholder. For so long as required by the Act, a majority of the directors shall be resident Canadians. At least two of the directors shall not be officers or employees of the Corporation or any of its affiliates.

4.3 Election and Term of Office
At each annual meeting of Shareholders at which an election of directors is required, the Shareholders shall by ordinary resolution elect directors to hold office until their respective successors are elected.
4.4 Failure to Elect
If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected. Whenever at any elections of directors the number or the minimum number of directors required by the Articles is not elected by reason of the disqualification, incapacity or the death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.

4.5 Removal of Directors
Subject to the Act, the Shareholders may by ordinary resolution passed at a Meeting of Shareholders remove any director from office and the vacancy created by such removal may be filled by the election of any qualified individual at the same meeting, failing which it may be filled by the Board.

4.6 Vacation of Office
A director ceases to hold office when he or she dies, is removed from office by the Shareholders, ceases to be qualified for election as a director or his or her written resignation is received by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

4.7 Vacancies
Subject to the Act, a quorum of the Board may appoint a qualified individual to fill a vacancy in the Board. Any director so appointed shall hold office only so long as the vacating director would have retained the same if no vacancy had occurred.

4.8 Advance Notice for Nomination of Directors
a) Only individuals who are nominated in accordance with the procedures set out in this section 4.8 and who, at the discretion of the Board, satisfy the qualifications of a director as set out in the Act and the by-laws of the Corporation shall be eligible for election as directors of the Corporation at any Meeting of Shareholders of the Corporation. Nominations of individuals for election to the Board may be made at any annual Meeting of Shareholders, or at any Special Meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors:
   i. by or at the direction of the Board, including pursuant to a notice of meeting;
   ii. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the Act or a requisition of the shareholders made in accordance with the Act; or
   iii. by any person (a “Nominating Shareholder”):
      A. who, at the close of business on the date of the giving of the notice provided for below in this section 4.8 and on the record date for notice of such meeting, is a registered holder of shares carrying the right to vote at such meeting on the election of directors; and
      B. who complies with the notice procedures set forth in this section 4.8.

b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof and in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation as set forth below.

c) To be timely, a Nominating Shareholder’s notice to the Secretary must be made:
   i. in the case of an annual Meeting of Shareholders, not less than 30 days prior to the date of the annual Meeting of Shareholders; provided, however, that if the annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the 10th day following the Notice Date; and
   ii. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

d) To be in proper written form, a Nominating Shareholder’s notice to the Secretary must set forth:
   i. if the Nominating Shareholder is not the beneficial owner of the shares, the identity of the beneficial owner and the number of shares held by that beneficial owner;
   ii. as to each individual whom the Nominating Shareholder proposes to nominate for election as a director:
      A. the name, age, business address and residential address of the individual;
      B. the principal occupation or employment of the individual;
      C. the class or series and number of securities in the capital of the Corporation which are beneficially owned, or over which control or direction is exercised, directly or indirectly, by such individual as of the record date.
date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

D. a description of any compensatory, payment or other financial agreement, arrangement or understanding with any person in connection with the individual’s nomination or service as a director (if elected); and

E. any other information relating to the individual that would be required to be disclosed in a dissident’s proxy circular or other filings to be made in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and

iii. as to the Nominating Shareholder and any beneficial owner respecting which the notice was given, the names of such person(s) and:

A. the class or series and number of securities in the capital of the Corporation which are controlled, or over which control or direction is exercised, directly or indirectly, by such person(s) and each person acting jointly or in concert with any of them (and for each such person any options or other rights to acquire shares in the capital of the Corporation, derivatives or other securities, instruments or arrangements for which the price or value or delivery, payment or settlement obligations are derived from, referenced to, or based on any such shares, hedging transactions, short positions and borrowing or lending arrangements relating to such shares) as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

B. any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder or beneficial owner has a right to vote any shares in the capital of the Corporation on the election of directors;

C. in the case of a Special Meeting of Shareholders called for the purpose of electing directors, a statement as to whether the Nominating Shareholder intends to send an information circular and form of proxy to any shareholders of the Corporation in connection with the individual’s nomination; and

D. any other information relating to such Nominating Shareholder or beneficial owner that would be required to be made in a dissident’s proxy circular or other filings to be made in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.

e) A Nominating Shareholder’s notice to the Secretary must also state:

i. whether, in the opinion of the Nominating Shareholder and the proposed nominee, the proposed nominee would qualify to be an independent director of the Corporation under sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees of the Canadian Securities Administrators; and

ii. whether with respect to the Corporation the proposed nominee has one or more of the relationships described in sections 1.4(3), 1.4(8) and 1.5 of National Instrument 52-110 Audit Committees of the Canadian Securities Administrators, and, if so, which ones.

f) Except as otherwise provided by the special rights or restrictions attached to the shares of any class or series of the Corporation, no individual shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the by-laws of the Corporation; provided, however, that nothing in this section 4.8 shall preclude discussion by a shareholder or proxy holder (as distinct from the nomination of directors) at a Meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

g) A duly appointed proxy holder of a Nominating Shareholder shall be entitled to nominate at a Meeting of Shareholders the directors nominated by the Nominating Shareholder, provided that all of the requirements of this section 4.8 have been satisfied.

h) In addition to the provisions of this section 4.8, a Nominating Shareholder and any individual nominated by the Nominating Shareholder shall also comply with all of the applicable requirements of the Act, applicable securities legislation and applicable stock exchange rules regarding the matters set forth herein.

i) For purposes of this section 4.8, “public announcement” shall mean disclosure in a news release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its issuer profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

j) Notwithstanding any other provision of the Corporation’s by-laws, notice given to the Secretary of the Corporation pursuant to this section 4.8 may only be given by personal delivery (at the principal executive offices of the Corporation) or by e-mail (at the e-mail address set out in the Corporation’s issuer profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com), and shall be deemed to have been given and
made only at the time it is so served by personal delivery to the Secretary of the Corporation or sent by e-mail to such e-mail address (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Eastern time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

k) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this section 4.8.

4.9 **Action by the Board**

The Board shall manage or supervise the management of the business and affairs of the Corporation. The powers of the Board may be exercised at a meeting (subject to sections 4.10 and 4.11) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the Board. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office.

4.10 **Canadian Majority at Meetings**

The Board shall not transact business at a meeting, other than filling a vacancy in the Board, unless a majority of the directors present are resident Canadians, except where:

a) a resident Canadian director who is unable to be present approves in writing or by telephone, electronic or other communications facilities the business transacted at the meeting; and

b) a majority of resident Canadians would have been present had that director been present at the meeting.

4.11 **Meeting by Telephone, Electronic or other Communications Facilities**

Subject to the Act, if all the directors consent thereto generally or if all the directors present at or participating in the meeting consent, a director may participate in a meeting of the Board or of a committee of the Board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately during the meeting, and a director participating in such a meeting by such means is deemed to be present at the meeting. For clarity, a meeting of the Board or a committee of the Board may be held entirely by means of a telephonic, electronic or other communications facility if all directors present or participating in the meeting consent. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board.

4.12 **Place of Meetings**

Meetings of the Board may be held at any place within or outside Canada and in any financial year of the Corporation a majority of the meetings need not be held in Canada, provided that a meeting may be held entirely by means of telephone, electronic or other communications facilities that permit all persons participating in the meeting to communicate adequately during the meeting pursuant to section 4.11, subject to the Act.

4.13 **Calling of Meetings**

Meetings of the Board shall be held from time to time at such time and at such place or by such telephonic, electronic or other communications facilities as the Board, the chair of the Board, the vice-chair of the Board, the independent lead director, the managing director, the president or any two directors may determine.

4.14 **Notice of Meeting**

Notice of the time and place of each meeting of the Board shall be given in the manner provided in section 11 to each director not less than 48 hours before the time when the meeting is to be held. No notice of a meeting shall be necessary if all the directors in office are present or if those absent waive notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business or the general nature thereof to be specified.

4.15 **First Meeting of New Board**

Provided a quorum of directors is present, each newly elected Board may without notice hold its first meeting immediately following the Meeting of Shareholders at which such Board is elected.

4.16 **Adjourned Meeting**

Any meeting of directors or of any committee of directors may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed (a) time, and (b) place or solely by telephonic, electronic or other communications facility. Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned
meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

4.17 Regular Meetings

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the: (a) place or telephonic, electronic or other communications facility, and (b) time of such regular meetings, shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.18 Chair

The chair of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting and willing to serve as chair of the meeting: chair of the Board, vice-chair of the Board, independent lead director, managing director or president. If no such officer is present, the directors present shall choose one of their number to be chair.

4.19 Quorum

Subject to sections 4.8 and 4.10 and section 4.22, the quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office or such greater number of directors as the Board may from time to time by resolution determine.

4.20 Votes to Govern

At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall be entitled to a second or casting vote.

4.21 Electronic Voting

Subject to the Act, a director participating in a meeting by a telephonic, electronic or other communication facility may vote by any reasonable means (including verbal assent) given the nature of such communication facility.

4.22 Conflict of Interest

A director who: (a) is a party to, (b) is a director or officer, or an individual acting in a similar capacity, of a person who is a party to, or (c) has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose to the Corporation the nature and extent of his or her interest at the time and in the manner provided by the Act. Such a director shall not vote on any resolution to approve the same except as provided by the Act.

4.23 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for traveling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

4.24 Resolutions in Lieu of Meeting

A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors is as valid as if it had been passed at a meeting of directors or committee of directors. Any such resolution in writing may be executed in such manner provided for in section 2.5.

SECTION 5
COMMITTEES

5.1 Committees of the Board

The Board shall establish an audit committee and may, from time to time, establish (or dissolve) one or more additional committees of the Board, however designated, and delegate to any such committee any of the powers of the Board except those which pertain to items which, under the Act, a committee of the Board has no authority to exercise. The Board may appoint and remove the members of each committee, subject to the requirements of the Act.

5.2 Transaction of Business

The powers of a committee of the Board may be exercised by a meeting at which a quorum (as referenced in section 5.5) is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside of
Canada or solely by telephonic, electronic or other communication facility.

5.3 Audit Committee

The Board shall select annually from among their number an audit committee to be composed of not fewer than three directors, of whom a majority shall not be officers or employees of the Corporation or any of its affiliates. In addition to the powers and duties delegated by the Board pursuant to section 5.1, the audit committee shall have the powers and duties provided in the Act and other applicable laws. The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the committee. The audit committee shall review the financial statements of the Corporation prior to approval thereof by the Board and shall have such other powers and duties as may from time to time by resolution be assigned to it by the Board.

5.4 Advisory Bodies

The Board may from time to time appoint such advisory bodies as it may deem advisable.

5.5 Procedure

Unless otherwise determined by the Board, each committee and advisory body shall have power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

SECTION 6
OFFICERS

6.1 Appointment

The Board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function) and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The Board may specify the duties of and, in accordance with this By-law No. 1 and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.2 and 6.3, an officer may but need not be a director.

6.2 Chair or Executive Chair of the Board

The Board may from time to time also appoint a chair or executive chair of the Board (referred to throughout this By-law No. 1 as “chair of the board” or “chair”) who shall be a director. If appointed, the Board may assign to him or her any of the powers and duties that are by any provisions of this By-law No. 1 assigned to the managing director or to the president, and he or she shall have such powers and duties as the Board may specify.

6.3 Vice-Chair of the Board

The Board may from time to time also appoint a vice-chair of the Board who shall be a director. If appointed, the Board may assign to him or her any of the powers and duties that are by any provisions of this By-law No. 1 assigned to the managing director or to the president, and he or she shall have such powers and duties as the Board may specify.

6.4 Independent Lead Director

The Board may from time to time also appoint an independent lead director for the Board who shall be a director. If appointed, the independent lead director shall chair the meetings of the independent members of the Board and the Board may assign such other powers and duties as the Board may feel appropriate.

6.5 Managing Director (Chief Executive Officer)

The Board may from time to time also appoint a managing director who shall be a resident Canadian and a Director. If appointed, he shall be the chief executive officer (“CEO”) and, subject to the authority of the Board, shall have general supervision of the business and affairs of the Corporation, and he shall have such other powers and duties as the Board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office. The same individual may be both the president and the managing director (CEO).

6.6 President

The president shall, subject to designation by the Board, be the chief executive or chief operating officer and, subject to the authority of the Board, shall have general supervision of the business of the Corporation, and he shall have such other powers and duties as the Board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office.
6.7 Vice-President

The vice-president or, if more than one, the vice-presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the president in the absence, inability or refusal to act of the president; provided, however, that a vice-president who is not a Director shall not preside as the chairman at any meeting of Directors or Shareholders. Subject to any resolution of the Board at the time in effect, the vice-president or, if more than one, the vice-presidents in order of seniority, shall be entitled to sign such contracts, documents or instruments in writing as require his, her or their signatures and shall also have such other powers and duties as may from time to time be assigned to him, her or them by resolution of the Directors.

6.8 Secretary

Unless otherwise determined by the Board, the secretary, if appointed, shall be the secretary of all meetings of the Board, Shareholders and committees of the Board that he attends. The secretary shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at meetings of the Board, Shareholders and committees of the Board, whether or not he attends such meetings, he or she shall give or cause to be given, as and when instructed, all notices to Shareholders, Directors, officers and auditors of the Corporation, and members of committees of the Board, he or she shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose, and he or she shall have such other powers and duties as otherwise may be specified.

6.9 Treasurer

The treasurer, if appointed, shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation, he or she shall render to the Board whenever required an account of all his or her transactions as treasurer and of the financial position of the Corporation and he or she shall have such other powers and duties as otherwise may be specified.

6.10 Powers and Duties of Officers

The powers and duties of all officers shall be such as the terms of their engagement call for or as the Board or (except for those whose powers and duties are to be specified only by the Board) the chief executive officer may specify. The Board and (except as aforesaid) the chief executive officer may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

6.11 Term of Office

The Board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the Board shall hold office until his or her successor is appointed or until his or her earlier death or resignation.

6.12 Agents and Attorneys

The Corporation, by or under the authority of the Board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

6.13 Conflict of Interest

An officer who: (a) is a party to, (b) is a director or officer, or an individual acting in a similar capacity, of a person who is a party to, or (c) has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose to the Corporation the nature and extent of his or her interest at the time and in the manner provided by the Act.

SECTION 7

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.1 Limitation of Liability

Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the Corporation shall comply with the Act, the regulations thereunder, the Articles and the By-laws. Subject to the Act and the foregoing, no director or officer of the Corporation shall be liable for: (a) the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, (b) any loss, damage or
expense suffered or incurred to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, (c) any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, (d) any loss occasioned by any error of judgment or oversight on his or her part, or (e) for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto, unless the same shall happen by or through his or her or failure to exercise the powers and to discharge the duties to the Corporation of his or her office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; provided that nothing herein shall relieve any director or officer of the Corporation from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.2 Indemnity
Subject to the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer, or a person who acts or acted at the Corporation’s request as a director or officer, or an individual in a similar capacity, of an entity of which the Corporation is or was a shareholder or creditor, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of the Corporation or a director or officer of such entity, if he or she (a) acted honestly and in good faith with a view to the best interests of the Corporation, and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful. The Corporation shall also indemnify such person in such other circumstances as the Act or law permits or requires. Nothing in this By-law No. 1 shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law No. 1.

7.3 Insurance
Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of any person referred to in section 7.2 as the Board may from time to time determine.

SECTION 8
SHARES

8.1 Allotment of Securities
Subject to the Act and the Articles, the Board may from time to time reserve for issue, issue or grant options or rights to purchase, the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine; provided that no share shall be issued until it is fully paid as provided by the Act. The Board may provide by resolution that any or all classes or series of securities issued by the Corporation shall be uncertificated securities, provided that such resolution shall not apply to securities represented by a certificate until such certificate has been surrendered to the Corporation.

8.2 Commissions
The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.3 Non-Canadian Ownership
The Articles contain certain constrained share provisions. Subject to the Act and the Articles, the directors of the Corporation may from time to time take such actions as are required to administer the constrained share provisions set out in the Articles, including, without limitation, one or more of the following actions: (a) perform searches of shareholder mailing address lists and take such other steps specified by the directors, at the cost of the Corporation, to determine or estimate to the extent practicable, the Canadian or non-Canadian status of the shareholders; (b) require declarations from shareholders as to whether such shares are held by or for the benefit of non-Canadians or declarations from shareholders or others as to the Canadian or non-Canadian status of beneficial owners of the shares and for that purpose enter into an appropriate ownership monitoring agreement with CDS Clearing and Depository Services Inc. and its successors; or (c) place such other limits on share ownership by non-Canadians as the directors may deem necessary in their sole discretion. The directors shall make all determinations necessary for the administration of the provisions of this section 8.3. Notwithstanding the foregoing, the directors may delegate, in whole or in part, their power to make a determination in this respect to any officer of the Corporation or such other person or persons to whom the directors
may generally delegate their powers and authority.

8.4 Registration of Transfers

Subject to the Act, and unless expressly waived by the Board, no transfer of a share shall be registered in a securities register except: (a) upon presentation of the certificate representing such shares with an endorsement which complies with the Act made thereon or delivered therewith duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the Board may from time to time prescribe; or (b) if the share is held through a direct registration system ("DRS") that enables investors to hold and transfer shares electronically directly on the books of the issuer or its registrar and transfer agent, without the need for share certificates representing such shares, upon satisfaction of such conditions applicable to the transfer of shares on such direct registration system and such other conditions as may be approved by the Board from time to time; and, in each case, upon payment of all applicable taxes and any reasonable fees prescribed by the Board, and compliance with such restrictions on issue, transfer or ownership as are authorized by the Articles. No shares of the Corporation shall be held under a DRS until such time as the Corporation decides that it shall participate in a DRS.

8.5 Non-recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share of the Corporation as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

8.6 Share Certificates

Every holder of one or more shares of the Corporation shall be entitled, at his or her option, to a share certificate, or to a non-transferable written certificate of acknowledgement of his or her right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Such certificates shall be in such form as the Board may from time to time approve. Any such certificate shall be signed in accordance with section 2.4 and need not be under the corporate seal.

Notwithstanding the foregoing, unless the Board otherwise determines, certificates in respect of which a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent has been appointed shall not be valid unless countersigned by or on behalf of such registrar, transfer agent, branch transfer agent or issuing or other authenticating agent. The signature of one of the signing officers under section 2.4 (or, in the case of a certificate which is not valid unless countersigned by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent, the signatures of both signing officers under section 2.4) may be printed or otherwise mechanically reproduced thereon. Every such printed or mechanically reproduced signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose printed or mechanically reproduced signature appears thereon no longer holds office at the date of issue of the certificate.

8.7 Replacement of Share Certificates

The Board or any officer or agent designated by the Board may in its, his or her discretion direct the issue of a new share certificate of the Corporation or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, apparently destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.8 Electronic, Book-Based or Other Non-Certificated Registered Positions

A registered securityholder may have such securityholder’s holdings of securities of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the applicable register of securityholders to be kept by the Corporation in place of a physical security certificate pursuant to a registration system that may be adopted by the Corporation in conjunction with its applicable agent. The Corporation and its applicable agent may adopt such policies and procedures, appoint such other persons and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a securities registration system by electronic, book-based, direct registration system or other non-certificated means.

8.9 Joint Shareholders

If two or more persons are registered as joint holders of any certificated security of the Corporation, to the extent the Corporation is required to issue a certificate in respect of such security, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.
8.10 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share of the Corporation, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.11 Transfer Agents and Registrars

The Board may from time to time, in respect of each class or series of securities issued by it, appoint: (a) a trustee, transfer agent or other agent to keep the securities register and the register of transfers; (b) a registrar, trustee or agent to maintain a record of issued securities; (b) one or more persons or agents to keep branch registers; (d) a paying agent or disbursing agent to make payments, disbursements or distributions on any class of securities of the Corporation; and (e) such other agents as the Board shall determine necessary in connection with any class of securities of the Corporation. Subject to the Act, one person may be appointed to any number of the positions described above and such appointment may be terminated at any time by the Board.

SECTION 9
DIVIDENDS AND RIGHTS

9.1 Dividends

Subject to the Act and the Articles, the Board may from time to time declare dividends payable to the Shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation. Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

9.2 Dividend Payments

A dividend payable in cash shall be paid either electronically by direct deposit or by cheque drawn on the Corporation’s bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and, if paid by cheque, mailed by prepaid ordinary mail to such registered holder at such holder’s Recorded Address, unless in each case such holder otherwise directs. In the case of joint holders any cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their Recorded Address. The mailing of such cheque, in such manner, unless the cheque is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, the Corporation shall issue to such person a re-payment for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt or loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.3 Record Date for Dividends and Rights

The Board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

SECTION 10
MEETINGS OF SHAREHOLDERS

10.1 Annual Meetings

Subject to the Act, the annual meeting of Shareholders shall be held at such time in each year and, subject to section 10.3, at such place as the Board, or the chair of the Board, the vice chair of the Board, the independent lead director, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing
auditors and for the transaction of such other business as may properly be brought before the meeting.

10.2 Special Meetings
The Board shall have the power to call a Special Meeting of Shareholders at any time. Any Special Meeting of Shareholders may be combined with an annual meeting of Shareholders.

10.3 Place of Meetings
Subject to the Act and the Articles, Meetings of Shareholders of the Corporation shall be held at such place in or outside Canada as the directors determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located, provided that the Board may in its sole discretion determine that a meeting shall not be held at any place, but may instead be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately during the meeting pursuant to section 10.4, if the Corporation is able to, and does, make available such a communication facility.

10.4 Meeting by Telephonic, Electronic or Other Means
If authorized by the Board in its sole discretion, and subject to the Act and such guidelines and procedures as the Board may adopt, Shareholders and proxy holders not physically present at a Meeting of Shareholders may participate in a Meeting of Shareholders by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately during the meeting, if the Corporation makes available such a communication facility, and shall be deemed for the purposes of the Act to be present in person at the Meeting of Shareholders whether such meeting is to be held at a designated place or solely by means of a telephonic, electronic or other communication facility.

10.5 Notice of Meetings
Notice of the time and, subject to section 10.3, place of each Meeting of Shareholders shall be given, in the manner provided in section 11, not less than 21 days nor more than 60 days before the date on which the Meeting of Shareholders is to be held, to each director, the auditor of the Corporation and to each Shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a Meeting of Shareholders called for any purpose other than consideration of the minutes of an earlier meeting, financial statements and auditor’s report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the Shareholder to form a reasoned judgment thereon and shall state the text of any special resolution or by-law to be submitted to the meeting.

10.6 List of Shareholders Entitled to Notice
For every Meeting of Shareholders, the Corporation shall prepare a list of Shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each Shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to section 10.7, the Shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the Shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. Where a separate list of Shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such meeting shall be deemed to be a list of Shareholders.

10.7 Record Date for Notice
The Board may, within the period prescribed by the Act, fix in advance a date as the record date for the determination of the Shareholders entitled to receive notice of the Meeting of Shareholders and/or a date as the record date for the determination of the Shareholders entitled to vote at such meeting, and notice of any such record date shall be given not less than seven days before such record date, by newspaper advertisement in the manner provided in the Act and by written notice to each stock exchange in Canada on which the shares of the Corporation are listed for trading. If no such record date is so fixed, the record date for the determination of the Shareholders entitled to receive notice of the Meeting of Shareholders and/or entitled to vote at the Meeting of Shareholders shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, shall be the day on which the Meeting of Shareholders is held.

10.8 Meetings Without Notice
A Meeting of Shareholders may be held without notice at any time and place or solely by telephonic, electronic or other communication facilities permitted by the Act (a) if all the Shareholders entitled to vote thereat are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors of the Corporation and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such Shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a
meeting any business may be transacted which the Corporation at a Meeting of Shareholders may transact.

10.9 **Advance Notice for Proposals**

a) No business may be transacted at an annual Meeting of Shareholders, other than business that is either:

i. specified in the Corporation’s notice of meeting (or any supplement thereto) given by or at the direction of the Board;

ii. otherwise properly brought before the annual Meeting of Shareholders by or at the direction of the Board; or

iii. otherwise properly brought before the annual Meeting of Shareholders by any shareholder of the Corporation who complies with the proposal procedures set forth in this section 10.9. For business to be properly brought before an annual Meeting of Shareholders by a shareholder of the Corporation, such shareholder must submit a proposal to the Corporation for inclusion in the Corporation’s management proxy circular in accordance with the requirements of the Act; provided that any proposal that includes nominations for the election of directors shall be submitted to the Corporation in accordance with the requirements set forth in section 4.8. The Corporation shall set out the proposal in the management proxy circular or attach the proposal thereto, subject to the exemptions and bases for refusal set forth in the Act.

b) At a Special Meeting of Shareholders, only such business shall be conducted as shall have been brought before the Meeting of Shareholders pursuant to the Corporation’s notice of meeting. Nominations of persons for election to the board may be made at a Special Meeting of Shareholders at which directors are to be elected pursuant to the Corporation’s notice of meeting only pursuant to and in compliance with section 4.8.

10.10 **Chair, Secretary and Scrutineers**

The chair of any Meeting of Shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting and willing to serve as chair of the Meeting of Shareholders: chair of the Board, vice-chair of the Board, independent lead director, managing director, president or a vice-president who is a director or any director. If no such officer or director is present within 15 minutes from the time fixed for holding the Meeting of Shareholders, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a Shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be Shareholders, may be appointed by a resolution or by the chair with the consent of the meeting.

10.11 **Persons Entitled to be Present**

The only persons entitled to be present at a Meeting of Shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

10.12 **Quorum**

A quorum for the transaction of business at any Meeting of Shareholders shall be one or more persons holding 25% of outstanding voting shares present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a Shareholder so entitled, irrespective of the number of shares held by such persons. If a quorum is present at the opening of any Meeting of Shareholders, the Shareholder or Shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for the meeting or within a reasonable time thereafter as the Shareholders may determine, the Shareholders present or represented may consent to adjourn the meeting to a fixed time and place or telephonic, electronic or other communication facility, but may not transact any other business.

10.13 **Right to Vote**

Every person named in the list referred to in section 10.6 shall be entitled to vote the shares shown thereon opposite his or her name at the meeting to which such list relates.

10.14 **Proxyholders and Representatives**

Every Shareholder entitled to vote at a Meeting of Shareholders may appoint a proxyholder, or one or more alternate proxyholders, as his or her nominee to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the Shareholder or his or her attorney and shall conform with the requirements of the Act. Alternatively, every such Shareholder that is not an individual may authorize by resolution of its directors or governing body an individual to represent it at a Meeting of Shareholders and such individual may exercise on the Shareholder’s behalf all the powers it could exercise if it were an individual Shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chair of the
meeting. Any such proxyholder or representative need not be a Shareholder.

10.15 Time for Deposit of Proxies

The Board may fix a time not exceeding 48 hours, excluding Saturdays, Sundays and any day that is a holiday in the Province of Ontario, preceding any Meeting or adjourned Meeting of Shareholders before which time proxies to be used at the meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chair of the meeting or any adjournment thereof prior to the time of voting.

Notwithstanding any specified time limits for the deposit of proxies by Shareholders, the chair of any meeting or the Chair of the Board may, but need not, at his, her or their sole discretion, waive the time limits for the deposit of proxies by Shareholders, including any deadline set out in the notice calling the Meeting of Shareholders or in any proxy circular and any such waiver made in good faith shall be final and conclusive. A proxy is valid only in respect of the meeting in respect of which it is given, including any adjournment or postponement thereof.

10.16 Access to Proxies

Unless otherwise determined by the Board in its sole discretion, no shareholder will be provided with access to any proxy materials relating to a Meeting of Shareholders prior to such meeting taking place. Upon the request of a shareholder not earlier than one day following a Meeting of Shareholders, the Corporation shall provide such shareholder with access to the proxies deposited with the Corporation in connection with such meeting.

10.17 Joint Shareholders

If two or more persons hold shares jointly anyone of them present in person or duly represented at a Meeting of Shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

10.18 Votes to Govern

At any Meeting of Shareholders every question shall, unless otherwise required by the Articles or By-laws or by law, be determined by a majority of the votes cast on the question, whether by a show of hands, or a ballot, as the case may be. In case of an equality of votes either upon a show of hands or upon a ballot, the chair of the meeting shall not be entitled to a second or casting vote.

10.19 Show of Hands

Subject to the Act, any question at a Meeting of Shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded, and upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Shareholders upon the said question.

10.20 Ballots

On any question proposed for consideration at a Meeting of Shareholders, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct.

10.21 Electronic Voting

a) Any person entitled to vote at a Meeting of Shareholders where the Corporation has made available a telephonic, electronic or other communication facility for the purposes of attending and voting at such meeting may vote by such means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

b) Any vote referred to in section 10.18 or 10.19 may be held entirely by means of a telephonic, electronic or other communication facility if the Corporation makes available such a communication facility, provided that the
facility enables the votes to be gathered in a manner that permits their subsequent verification.

10.22  Adjournment
The chair at a Meeting of Shareholders may adjourn the meeting from time to time and from any place or telephonic, electronic or other communication facility to such other place or telephonic, electronic or other communication facility. If a Meeting of Shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a Meeting of Shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.23  Resolutions in Lieu of Meeting
A resolution in writing signed by all the Shareholders entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Shareholders. Any such resolution in writing may be executed in such manner provided for in section 2.5.

SECTION 11
NOTICES

11.1  Method of Giving Notices
Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles, the By-laws or otherwise to a Shareholder, director, officer, auditor of the Corporation or member of a committee of the Board, shall be sufficiently given: (a) if delivered personally to the person to whom it is to be given; (b) if mailed to such person at the person’s Recorded Address by prepaid mail, or (c) if transmitted by electronic means in accordance with the Act. A notice so delivered personally shall be deemed to have been given and received when it is actually received by such person; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and deemed received at the time it would be delivered in the ordinary course of mail; and a notice so sent by any electronic means shall be considered given and received when sent to the address, location or number (as applicable) for such person. The secretary may change or cause to be changed the Recorded Address of any Shareholder, director, officer, auditor of the Corporation or member of a committee of the Board, in accordance with any information believed by him to be reliable.

11.2  Notice to Joint Shareholders
If two or more persons are registered as joint holders of any share of the Corporation, any notice may be addressed to all such joint holders, but notice addressed to one of such persons shall be sufficient notice to all of them.

11.3  Computation of Time
In computing the date when notice must be given under any provision requiring a specified number of days’ notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be included.

11.4  Undelivered Notices
If any notice given to a Shareholder pursuant to section 11.1 is returned on three consecutive occasions because he or she cannot be found, the Corporation shall not be required to give any further notices to such Shareholder until he or she informs the Corporation in writing of his or her new address.

11.5  Omissions and Errors
The accidental omission to give any notice to any Shareholder, director, officer or auditor of the Corporation, or member of a committee of the Board, or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.6  Deceased Shareholders
Any notice or other document delivered or sent by post or left at the address of any Shareholder or sent by electronic means as the same appears in the records of the Corporation shall, notwithstanding that such Shareholder be then deceased, and whether or not the Corporation has notice of such Shareholder’s decease, be deemed to have been duly served in respect of the shares held by him or her (whether held solely or with any person or persons) until some other person be entered in such shareholder’s stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and on all persons, if any, interested with him or her in such shares.
11.7 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a Shareholder or any other means whatsoever, shall become entitled to any share of the Corporation shall be bound by every notice in respect of such share which shall have been duly given to the Shareholder from whom he or she derives his or her title to such share prior to his or her name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he or she became so entitled) and prior to his or her furnishing to the Corporation the proof of authority or evidence of his or her entitlement prescribed by the Act.

11.8 Waiver of Notice

Any Shareholder (or any Shareholder’s duty appointed proxyholder), director, officer, auditor of the Corporation, or member of a committee of the Board, may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under the Act, the Articles, the By-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a Meeting of Shareholders or a meeting of the Board or a committee of the Board which may be given in any manner.

SECTION 12
EFFECTIVE DATE

12.1 Effective Date

This amended and restated By-law No. 1 was approved and adopted by the board of directors on April 4, 2018 (the “Effective Date”) and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this By-law No. 1 is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this By-law No. 1 shall terminate and be void and of no further force and effect following the termination of such Meeting of Shareholders.

This By-law No. 1 was made by resolution of the directors on April 4, 2018.

This By-law No. 1 was confirmed by ordinary resolution of the shareholders on __________, 20__. 