



TORSTAR CORPORATION
2011
ANNUAL INFORMATION FORM

March 22, 2011

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TORSTAR CORPORATION

Certain statements in this Annual Information Form (“AIF”) and in the Corporation’s oral and written public communications may constitute forward-looking statements that reflect management’s expectations regarding the Corporation’s future growth, results of operations, performance and business prospects and opportunities as of the date of this AIF. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate”, “believe”, “plan”, “forecast”, “expect”, “intend”, “would”, “could”, “if”, “may” and similar expressions. All such statements are made pursuant to the “safe harbour” provisions of applicable Canadian securities legislation. These statements reflect current expectations of management regarding future events and operating performance, and speak only as of the date of this AIF. In addition, forward-looking statements are provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

By their very nature, forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that management’s assumptions may not be accurate and that actual results, performance or achievements may differ significantly from such predictions, forecasts, conclusions or projections expressed or implied by such forward-looking statements. We caution readers not to place undue reliance on the forward-looking statements in this AIF as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, outlooks, expectations, goals, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to:

- *general economic conditions in the principal markets in which the Corporation operates;*
- *the Corporation’s ability to operate in highly competitive industries;*
- *the Corporation’s ability to compete with other forms of media and media platforms;*
- *the Corporation’s ability to attract and retain advertisers;*
- *the Corporation’s ability to retain and grow its digital audience and further develop its digital businesses;*
- *cyclical and seasonal variations in the Corporation’s revenues;*
- *labour disruptions;*
- *newsprint costs;*
- *the Corporation’s ability to reduce costs;*
- *foreign exchange fluctuations;*
- *credit risk;*
- *closing conditions, termination rights and other risks and uncertainties related to the timing and completion of the proposed CTVglobemedia Inc. transaction;*
- *restrictions imposed by existing credit facilities, debt financing and availability of capital;*
- *pension fund obligations;*
- *results of impairment tests;*
- *reliance on its printing operations;*
- *reliance on technology and information systems;*
- *risks related to business development;*
- *interest rates;*
- *availability of insurance;*
- *litigation;*
- *environmental regulations;*
- *dependence on key personnel;*
- *loss of reputation;*
- *privacy and confidential information;*
- *product liability;*
- *intellectual property rights;*
- *control of the Corporation by the Voting Trust; and*

- *uncertainties associated with critical accounting estimates.*

We caution that the foregoing list is not exhaustive of all possible factors, as other factors could adversely affect our results. In addition, a number of assumptions, including those assumptions specifically identified throughout this AIF, were applied in making the forward-looking statements set forth in this AIF which the Corporation believes are reasonable as of the date of this AIF. Some of the key assumptions include, without limitation, assumptions regarding the performance of the North American economy; tax laws in the countries in which we operate; continued availability of printing operations; continued availability of financing on appropriate terms; exchange rates; market competition; rates of return and discount rates relating to pension expense and pension plan obligations; royalty rates, expected future revenues, expected future cash flows and discount rates relating to valuation of goodwill and intangible assets; and successful development of new products. There is a risk that some or all of these assumptions may prove to be incorrect.

For more information, please see the discussion of risks affecting the Corporation and its businesses starting on page 42 in the Corporation's Management's Discussion and Analysis for the fiscal year ended December 31, 2010 ("2010 MD&A") which is incorporated herein by reference, and a copy of which is available at www.sedar.com.

When relying on our forward-looking statements to make decisions with respect to the Corporation and its securities, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Corporation does not intend, and disclaims any obligation to, update any forward-looking statements, whether written or oral, or whether as a result of new information or otherwise, except as may be required by law.

I. CORPORATE STRUCTURE

A. Name, Address and Incorporation

Torstar Corporation and its subsidiaries are collectively referred to as “Torstar” or the “Corporation”.

Toronto Star Limited, Torstar’s predecessor company, was incorporated on February 6, 1958 under the predecessor legislation of the *Business Corporations Act* (Ontario) (“OBCA”) to acquire as a going concern the assets and liabilities of the Toronto Daily Star, first published in 1892. Toronto Star Limited (since re-named Torstar Corporation) was later continued under the OBCA on April 1, 1967, following the amalgamation of Toronto Star Limited and Charth Investment and Publishing Company Limited.

When Torstar purchased the assets of the Toronto Daily Star from the Estate of J.E. Atkinson, it agreed in the purchase agreement to observe and promote in the newspaper the doctrines and beliefs that the late Mr. Joseph E. Atkinson promoted in his lifetime. These principles are known as the “Atkinson Principles” and are described further on page 7. Torstar’s commitment to observe and promote the Atkinson Principles is confined to the operation of the Toronto Star and does not extend to the Corporation’s other publications or businesses.

Torstar’s Class B non-voting shares have been listed on the Toronto Stock Exchange (“TSX”) since 1970.

Torstar’s registered and principal office is located at One Yonge Street, Toronto, Ontario, M5E 1E6.

B. Subsidiaries

Torstar’s material subsidiaries are listed below. As at December 31, 2010, there were no other subsidiaries of Torstar whose total assets represented more than 10% of the consolidated assets of Torstar and whose total sales and operating revenues for the year then ended represented more than 10% of the consolidated sales and operating revenues of Torstar. All of the remaining subsidiaries of Torstar, in the aggregate, represent less than 20% of total consolidated assets and total consolidated sales and operating revenues of Torstar.

<u>Name of Subsidiary</u>	<u>Percentage of Voting and Equity Securities Owned</u>	<u>Jurisdiction in Which Organized</u>
Toronto Star Newspapers Limited (“Star Media Group”)	100%	Ontario
Harlequin Enterprises Limited (“Harlequin”)	100%	Ontario
Metroland Media Group Ltd. (“Metroland” or “Metroland Media Group”)	100%	Ontario

II. GENERAL DEVELOPMENT OF THE BUSINESS

Torstar is a broadly based Canadian media company. It reports its operations in two segments: Media and Book Publishing.

A. Media

Torstar has a strong media presence in Southern Ontario. Torstar publishes four daily newspapers: the Toronto Star, The Hamilton Spectator, the Waterloo Region Record, and the Guelph Mercury; publishes more than 100 community newspapers in both Southern Ontario and other parts of Ontario; has a number of specialty publications, directories and consumer shows; and operates a teleshopping channel. In addition, through joint venture arrangements, Torstar owns an interest in Metro free daily newspapers in several Canadian cities and in Sing Tao Daily and its related publications in Toronto, Vancouver and Calgary. Most of Torstar’s newspapers have an

established online presence, and Torstar also operates a number of other online businesses including eyeReturn Marketing Inc. (“eyeReturn Marketing”), flyerland.ca, goldbook.ca, InsuranceHotline.com, toronto.com, wheels.ca, and, through joint venture arrangements, workopolis.com, an online employment business, and Olive Media, an online advertising network.

Changes to the digital media landscape, technologies and platforms have had a growing impact on, and will continue to impact both our Media and Book Publishing segments and the media industry as a whole. The following events, many of which relate to the changing media landscape, have influenced the general development of Torstar’s Media segment over the past three years:

2008

- Metroland purchased the assets of Central Ontario Web Ltd., a commercial printing operation in Barrie, Ontario, acquired the specialty publication What’s Up Kids magazine (now named What’s Up) and the remaining interest in the Travel and Leisure Show. Metroland also launched flyerland.ca, a website where visitors may browse advertisers' flyers and promotions and order coupons from retailers, and purchased a 50% interest in Save.ca, a website offering free coupons to consumers.
- Torstar Digital, charged with leading a number of internet businesses in the Corporation’s Media segment, acquired eyeReturn Marketing, a Canadian-owned provider of online ad serving, rich media, online campaign measurement and online promotion capabilities.
- Torstar, Metro International S.A. and Transcontinental Media G.P. entered into a joint venture to launch Metro Halifax, a daily commuter paper in Halifax. Each company has an approximate one-third interest in the Metro Halifax joint venture.
- Workopolis purchased the specialist online employment board business of Brainhunter Inc. in Canada and the United States. Torstar holds a 50% interest in Workopolis in partnership with Square Victoria Digital Properties Inc., a subsidiary of Power Corporation (including its subsidiaries, “Square Victoria”).

2009

- Metroland acquired GSCRentals.com Inc., a provider of online residential rental listings across Canada under the brand Gottarent.com, and also acquired a 50% interest in Lease Busters Inc., which markets and facilitates the assignment of car leases through its website, leasebusters.com.
- Torstar Digital made a strategic investment in Travelwire Inc. (“Travelwire”), which provides online travel services through the website travelalerts.ca and circulates a weekly travel promotions email newsletter.
- Olive Media (formerly Olive Canada Network), a partnership between Torstar and Square Victoria, acquired Attitude Digitale Inc., which sells online advertising on a number of websites.
- Torstar also re-launched its Wheels.ca automotive site which, along with its existing automotive content, now contains an extensive database of new and used car listings.

2010

- Torstar, together with Square Victoria Communications Group and The Globe and Mail, jointly invested in Canadian Press Enterprises Inc., a company established to acquire the operations of The Canadian Press news agency.
- Metroland acquired specialty publications This Month in Brock and Bowmanville Up Close, the Wedding Bells Bridal Show and the Wedding Dreams Show, both of which are specialty consumer wedding shows, and The Mailer, a direct mail advertising business.

- Torstar Digital acquired all of the remaining shares of Travelwire, created an equal partnership with Rogers Media Inc. (“Rogers Media”) to invest in the Total Online Publishing Solution business (“TOPS”) that allows publishers to create, edit and publish content online, acquired Wagjag Ltd. (“Wagjag”) which offers daily group buying deals through the website wagjag.com and made a strategic investment in Tuango Inc. (“Tuango”), which offers daily group buying deals through the website tuango.ca, and acquired From Web To Mobile Inc., a mobile marketing company.

2011

- In February 2011, Metroland acquired Autocatch.com Incorporated, an online business that provides a database of automotive listings.
- In April 2011 Torstar and Metro International S.A. intend to launch through their Canadian joint venture Metro Winnipeg and Metro London, daily commuter papers in Winnipeg, Manitoba and London, Ontario.

In 2008 and 2009 Torstar ceased operation of some of its businesses. In 2008, Torstar Digital and Square Victoria dissolved the LiveDeal Canada online classifieds partnership and wound down the operations of livedeal.ca. In February 2009, Transit Television Network, LLC and Transit Television Network California, LLC (collectively, “Transit TV”) each filed a voluntary petition for relief under Chapter 7 of Title 11 of the U.S. Bankruptcy Code. Transit TV operated digital out-of-home advertising networks through LCD screens mounted in buses in five U.S. transit systems.

B. Book Publishing

Harlequin is a leading global publisher of books for women. Harlequin has evolved from a predominantly mass-market paperback series romance publisher to a diversified publisher of books for women offering a variety of genres in print (mass-market paperback, trade paperback and hardcover) and digital formats.

Over the past three years, Harlequin has remained focused on its strategy of being a leading publisher of reading entertainment for women, introducing new imprints and series and acquiring and developing authors. During this time, several modifications have been made to the series product offering including launching new series, increasing title output in more popular series and reducing it in others, and cancelling lower performing series. In 2008, Harlequin introduced Love Inspired Historical, a series featuring inspirational stories in historical settings. Harlequin’s publishing program also includes a number of single title imprints, including MIRA, HQN, Spice, LUNA, Kimani Press and Carina Press, offering a broad variety of reading genres for women. In 2009, a new imprint aimed at a young adult audience, Harlequin TEEN, was introduced.

In the fall of 2008, Harlequin launched a non-fiction program. The publishing program includes a broad range of editorial content including self-help, health/diet/fitness, relationships, narrative and inspirational.

Harlequin continues to explore high growth publishing niches and innovative new formats. Harlequin has entered the e-book market through distribution agreements with e-retailers in North America, Japan, the U.K., Spain, France, Germany, Poland, Greece, Italy and Australia. Harlequin has the largest offering of romance e-books in the digital publishing market. In 2008, Harlequin’s Japanese operation entered into an agreement with Softbank Creative Corp. (“Softbank”) (a division of Softbank Corp., a large provider of cell phone services in Japan) to distribute digital manga (comic) content, based on Harlequin’s novels, on cell phones and internet distribution sites world-wide. During 2009, Harlequin also launched a digital-only publishing operation, Carina Press, which began publishing in the summer of 2010, and Dellarte Press, a self-publishing imprint.

Harlequin currently has publishing operations in 15 countries outside of North America, either through wholly-owned operating units or joint ventures. In April 2010, Harlequin acquired the remaining 50% interest in its German publishing business, CORA Verlag, from Axel Springer Verlag, Harlequin’s joint venture partner in Germany since 1976. During 2010, Harlequin also opened an office in Turkey.

C. Other Activities

Torstar has a 20% interest in CTVglobemedia Inc. (“CTVgm”). CTVgm has ownership interests in assets which include: CTV, a Canadian television network with 28 conventional television stations across the country with interests in 29 specialty channels; and 33 radio stations. Up until December 31, 2010, CTVgm also owned the national daily newspaper The Globe and Mail. In September 2010, Torstar entered into agreements to sell its 20% interest in CTVgm for aggregate cash proceeds of approximately \$345 million. Under the agreements, BCE Inc. (“BCE”) will acquire the interests of each of Torstar, The Woodbridge Company Limited (“Woodbridge”) and Ontario Teachers Pension Plan (“Teachers”) in CTVgm (excluding the Globe and Mail and related assets) and Woodbridge agreed to separately acquire the interests of Torstar and Teachers in the Globe and Mail and related assets. On December 31, 2010 the parties entered into an amended and restated agreement regarding the acquisition by Woodbridge of a direct interest in The Globe and Mail. The acquisition was completed on December 31, 2010 and Torstar received \$40 million in connection with that transaction. This payment, combined with an estimate of certain costs associated with closing the transaction, has reduced the cash proceeds expected on the sale to approximately \$290 million. The sale of Torstar’s 20% interest in CTVgm is subject to customary approvals and closing conditions, including approval by the Canadian Radio-television and Telecommunications Commission (“CRTC”). This approval was received on March 7, 2011 and the transaction is expected to close early in the second quarter of 2011.

III. DESCRIPTION OF THE BUSINESS

A. GENERAL SUMMARY

1. Media

The Media reporting segment includes the newspaper, internet, specialty publication, consumer show, directories, television-related activities and commercial printing operations, as applicable, of Star Media Group and Metroland Media Group. Revenue from the Media segment accounted for approximately 68% of Torstar's total consolidated operating revenues in 2010 (66% in 2009). Revenue from Star Media Group accounted for approximately 32% of Torstar's total consolidated operating revenues in 2010 (31% in 2009). Revenue from Metroland Media Group accounted for approximately 36% of Torstar's total consolidated operating revenues in 2010 (35% in 2009).

Star Media Group includes the daily Toronto Star newspaper and thestar.com, as well as the Metro daily commuter papers in Toronto, Vancouver, Ottawa, Calgary, Edmonton (pursuant to a joint venture with Metro International S.A.) and Halifax (pursuant to a joint venture with Metro International S.A. and Transcontinental Media G.P.); Sing Tao Daily, a daily Chinese language newspaper published in Toronto, Vancouver and Calgary (pursuant to a joint venture with Sing Tao Holdings Limited); toronto.com; and several other specialty publications, magazines and distribution services. Star Media Group also includes Torstar Digital, which currently includes the Torstar Digital corporate group, eyeReturn Marketing, Travelwire, Wagjag and Torstar’s interest in each of Olive Media, TOPS, Tuango and Workopolis.

Metroland Media Group includes 103 weekly community newspapers, three daily newspapers (The Hamilton Spectator, the Waterloo Region Record and the Guelph Mercury), numerous other specialty and monthly publications, magazines, telephone directories, consumer shows and distribution operations, a number of internet sites, and Torstar Media Group Television.

Torstar’s printing plant interests are comprised of: Metroland's eight printing plants, each of which is engaged in commercial printing in addition to supporting internal printing needs; the Toronto Star’s Vaughan Press Centre, which primarily supports the Toronto Star’s printing needs but is also engaged in commercial printing; and Sing Tao’s printing plants in Toronto and Vancouver, which primarily support Sing Tao’s printing requirements.

Star Media Group and Metroland Media Group primarily source newsprint from two main suppliers. Pursuant to arrangements with these suppliers, Torstar has fixed the price of the majority of its newsprint requirements for 2011 at

prices that are similar to those realized in 2010. The sources of supply are considered by management to be adequate to meet the requirements of Torstar's newspapers.

2. Book Publishing

The Book Publishing reporting segment consists of the book publishing operations of Harlequin which accounted for approximately 32% of Torstar's total consolidated operating revenues in 2010 (34% in 2009).

Harlequin is a global publisher of books for women, selling books through the retail channel, in stores and online, and directly to the consumer through its direct mail businesses and from its internet sites (in North America – eharlequin.com). In 2010, Harlequin published books in 31 languages spanning 111 international markets.

Harlequin sells books under several imprints, including Harlequin, Silhouette, MIRA, HQN, LUNA, Spice, Harlequin TEEN, Kimani Press and Carina Press. Different genres are published under the various imprints.

Harlequin publishes books in both series and single title formats. Series titles are published monthly in mass-market paperback format under an imprint that identifies the type of story to the reader. Each series typically has a preset number of titles that will be published each month. The single title publishing program provides a broader spectrum of editorial content in a variety of formats (mass-market paperback, trade paperback and hardcover) and are generally lengthier books with a longer shelf life. All new North American titles are also released in e-book format.

Harlequin has contracts for printing, binding and the supply of book paper and cover stock with major suppliers. The contracts are at market prices. The sources of supply are considered by management to be adequate to meet Harlequin's requirements.

B. PRINCIPAL ACTIVITIES

1. Media

(a) Star Media Group

(i) The Toronto Star - General Information

As indicated in Section I.A. above, the Toronto Star operates under and pursuant to a set of doctrines and beliefs established by J.E. Atkinson, known as the "Atkinson Principles". Mr. Atkinson wanted to ensure that the Toronto Star would be run by those "familiar with the doctrines and beliefs which I have promoted in the past" and that publication of the Toronto Star would be conducted "for the benefit of the public in the continued frank and full dissemination of news and opinions" and in such a manner as to preserve its role as a "great metropolitan newspaper". The editorial principles Mr. Atkinson espoused were founded on his belief that a progressive newspaper should contribute to the advancement of society through pursuit of social, economic and political reforms. He was particularly concerned about injustice - be it social, economic, political, legal or racial. Fundamental to his philosophy was the belief that the state has the right and duty to act when private initiative fails. The Atkinson Principles can be summarized as follows:

- (1) **A Strong, United and Independent Canada:** Atkinson argued for a strong central government and the development of distinctive social, economic and cultural policies appropriate to an independent country.
- (2) **Social Justice:** Atkinson was relentless in pressing for social and economic programs to help those less advantaged and showed particular concern for the least advantaged among us.
- (3) **Individual and Civil Liberties:** Atkinson always pressed for equal treatment of all citizens under the law, particularly minorities, and was dedicated to the fundamental freedoms of belief, thought, opinion and expression and the freedom of press.

- (4) **Community and Civic Engagement:** Atkinson continually advocated the importance of proper city planning, the development of strong communities with their vibrant local fabrics and the active involvement of citizens in civic affairs.
- (5) **The Rights of Working People:** The Toronto Daily Star was born out of a strike in 1892 and Atkinson was committed to the rights of working people, including freedom of association and the safety and dignity of the workplace.
- (6) **The Necessary Role of Government:** When Atkinson believed the public need was not met by the private sector and market forces alone, he argued strongly for government intervention.

These six principles collectively constitute the intellectual framework on which the Toronto Star editorial policy has been based and continue to provide the Toronto Star with a distinctive voice.

Torstar publishes the Toronto Star through its wholly-owned subsidiary, Star Media Group. The primary market for the Toronto Star is the Greater Toronto Area (“GTA”).

The Toronto Star has the largest circulation of any daily newspaper in Canada. It is published daily in two editions. During 2010, the Toronto Star accounted for approximately 39% of the total daily newspaper advertising linage carried by the four major paid daily newspapers in the Metropolitan Toronto market (42 % in 2009 and 39% in 2008).

In 2008, the Toronto Star moved to modular advertising and sectional pricing. Modular advertising is the sale of advertising by standard unit sizes instead of by the line. Sectional pricing means that advertisements are placed in the section of the newspaper selected by the advertiser and that the rate for placement in that section is correlated to the readership and demographics of the audience that the section delivers. The Toronto Star was the first newspaper in Canada to adopt this approach.

(ii) The Toronto Star Linage, Circulation and Readership

The following tables illustrate the advertising linage and circulation statistics of the Toronto Star during the period from 2008 to 2010.

	Advertising Linage		
	2010	2009	2008
Advertising linage (in thousands of agate lines) ⁽¹⁾	34,772	34,410	36,694

⁽¹⁾ Reflects measured linage and does not include inserts.

	Total Average Circulation of the Toronto Star ⁽¹⁾		
	2010	2009	2008
Monday-Friday	381,311	390,164	419,070
Saturday	537,391	566,705	608,001
Sunday	337,845	347,790	360,358

⁽¹⁾ 2010 circulation data is an average based on the Canadian Circulations Audit Board (“CCAB”) unaudited statement for the 12 months ended December 31, 2010. 2009 and 2008 circulation data is from the CCAB audited report for the 12 month periods ended December 31, 2009 and December 31, 2008, respectively. CCAB is an independent body that issue reports on newspaper circulation in Canada and the U.S.

Through its various editions, inserts and special interest supplements, the Toronto Star provides both a general advertising medium covering the GTA and a means of reaching specific geographic or special interest markets.

Newspaper revenues are derived primarily from advertising and secondarily from circulation. The Toronto Star's ability to attract advertising revenues is in large part determined by its share of the newspaper circulation and

readership market. In this regard, the Toronto Star's Monday to Friday circulation is substantially larger than that of each of the other three largest competing paid daily newspapers, as shown below.

Despite heavy competition, the Toronto Star has continued to maintain its leading position in circulation, readership, advertising lineage and market share over the past several years.

**Total Average Circulation⁽¹⁾
of Toronto and National Daily Newspapers**

	Monday to Friday			Saturday			Sunday		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Toronto Star	381,311	390,163	419,070	537,391	566,706	608,001	337,845	347,790	360,358
Toronto Sun	N/A ⁽²⁾	178,461	184,473	N/A ⁽²⁾	147,559	157,220	N/A	282,389	319,499
The Globe and Mail	316,855	307,330	326,285	381,011	380,971	396,572	N/A	N/A	N/A
National Post	157,608	156,523	196,117	143,608	166,284	209,941	N/A	N/A	N/A

⁽¹⁾ 2010 circulation data for the Toronto Star is an average based on the CCAB unaudited statement for the 12 months ended December 31, 2010. 2010 circulation data for the National Post and The Globe and Mail is from the ABC publisher's statements for the 6 months ended September 30, 2010. 2009 and 2008 circulation data for the Toronto Star and Toronto Sun is from the CCAB audited statements for the 12 months ended December 31, 2009 and December 31, 2008, respectively. 2009 and 2008 circulation data for the National Post and The Globe and Mail is from the ABC audited statements for the 12 months ended September 30, 2009 and September 30, 2008, respectively. The circulation numbers are national total average circulation, however for the Toronto Star, sales outside the Province of Ontario are minimal.

⁽²⁾ 2010 circulation data for the Toronto Sun is not available as of the date of this AIF.

The Toronto Star's share of the readership market in the Toronto Census Metropolitan Area ("CMA") compared with the share of the Toronto Sun, The Globe and Mail, the National Post, 24 Hours (a free daily newspaper produced by Sun Media Corporation), and Torstar's jointly owned free daily Toronto newspaper, Metro, is summarized below, on a "read yesterday" basis. The table illustrates that the Toronto Star and Metro together account for approximately 55.5% of the total gross* weekday readership in 2010.

**Average Weekday Readership⁽¹⁾
(in thousands)**

	2010	2009	2008
Toronto Star	963.1	974.0	929.5
Metro	555.8	455.6	471.3
Toronto Sun	444.9	409.3	462.2
The Globe and Mail	354.3	407.2	396.4
24 Hours	276.9	281.6	318.5
National Post	139.8	206.6	205.5
Toronto Star's percentage of total gross readership	35.2%	36.0%	33.4%
Toronto Star and Metro's combined percentage of total gross readership	55.5%	52.8%	50.3%

⁽¹⁾ On a "read yesterday" basis. Sources: Newspaper Audience Databank ("NADbank") Studies, Toronto CMA 18+; 2010 numbers from the Fall 2009 (September to November, 2009)/Spring 2010 (January to May, 2010) report; 2009 numbers from the Fall 2008 (September to November 2008)/Spring 2009 (January to May, 2009) report; 2008 numbers from the Fall 2007 (September to November 2007)/Spring 2008 (January to May, 2008) report.

The average readership reach (as a percentage of the total market 18 years of age and older) of the six main daily newspapers available in the Toronto CMA for 2010 is as follows*:

* "Total" readership is the aggregated average weekday readership of the six listed newspapers for the relevant year. "Gross" readership means a person can be counted more than once, if the person reads more than one newspaper.

	Average Readership Reach ⁽¹⁾		
	(as a percentage of the total market)		
	Weekday	Saturday	Sunday
Toronto Star	21.5%	27.1%	15.9%
Metro	12.4%	N/A	N/A
Toronto Sun	9.95%	8.1%	10.1%
The Globe and Mail	7.9%	8.9%	N/A
24 Hours	6.2%	N/A	N/A
National Post	3.1%	3.4%	N/A

⁽¹⁾ Based on “read yesterday” for weekdays, and “read last” for Saturday and Sunday. Source: NADbank Fall 2009/Spring 2010 Report. Base: Toronto CMA 18+.

(iii) Star Media Group Internet Activities

The Star Media Group operates a number of websites. The primary site, thestar.com, posts breaking news 24 hours a day, 7 days a week, and provides a range of interactive features and links. Additional content and services are added to thestar.com on a regular basis. The site also allows subscribers to amend their newspaper subscription and circulation information online, and provides online ad placement tools for print and web classifieds. In 2010, thestar.com received an average of approximately 70.8 million page views per month and an average of approximately 7.5 million unique visitors per month (which includes page views and visitors through mobile applications), an increase of 9.3% and 31.6%, respectively, as compared to the 2009 average page views of approximately 64.8 million per month and 2009 average unique visitors of approximately 5.7 million per month.

Wheels.ca, an automotive website designed to help users through all phases of the car purchase decision making process, was re-launched in partnership with Metroland Media Group in 2009 and, along with its existing automotive content, now contains an extensive database of new and used car listings. The site includes auto news, automotive reviews, a car comparison feature and a tool to locate dealers. In 2010, Wheels.ca received an average of approximately 2.6 million page views per month and approximately 421,000 unique visitors per month.

InsuranceHotline.com, a website that provides instant online insurance quotes is operated jointly by Star Media Group and Metroland Media Group.

In 2008, Star Media Group launched parentcentral.ca, healthzone.ca and yourhome.ca. Each site combines news, features, blogs, listings and data with national, local and classified ads. In 2010, Star Media Group launched moneyville.ca, a financial resource for everyday personal finance, and a mobile application for thestar.com.

The Star Media Group also operates the website toronto.com, which offers comprehensive GTA business and event listings, movie listings and editorial content around core entertainment categories including restaurants, hotels, attractions, shopping, bars, and movies in the GTA. During 2010, toronto.com focused on redesigning the site, which will be re-launched in 2011, and growing both its local and national customer base and revenues. The toronto.com website averaged approximately 754,000 unique visitors per month in 2010 (approximately 820,000 in 2009) and had an average of approximately 4.0 million page views per month in 2010 (approximately 4.7 million in 2009).

(iv) Torstar Digital

Torstar Digital is charged with leading a number of internet businesses of the Corporation’s Media segment. Torstar Digital provides leading solutions in the areas of online advertising, recruitment, news and information and group buying. Torstar Digital’s main priority is to develop online solutions across Torstar’s businesses to meet the needs of online advertisers, consumers and readers. Torstar Digital includes the Torstar Digital corporate group, eyeReturn Marketing, Travelwire and Wagjag and Torstar’s interest in each of Workopolis, Olive Media, Tuango and TOPS, a content management system that powers many of the Torstar sites including thestar.com, toronto.com, all Metroland daily and weekly newspaper websites and many of the sites operated by Rogers Media.

The monthly average page views for workopolis.com decreased from approximately 46 million in 2009 to approximately 40 million in 2010. The monthly unique visitors for workopolis.com averaged approximately 2.5 million in 2010 (down from approximately 2.7 million in 2009). These declines were driven by increased fragmentation in the market, an increase in online recruiting businesses and reduced spending on marketing. As at December 2010, the number of resumes available to employers for searches was approximately 2.4 million (up from approximately 1.8 million as at December 2009).

Olive Media, a partnership between Torstar Digital and Square Victoria, offers a variety of media solutions across a range of online products including Olive Elite, an advertising network of premium websites and Olive Brand Response which enables advertisers to meet their customer acquisition objectives. Olive Media aggregates top tier online sites, offering media buyers a one-stop solution for reaching a Canadian online audience in both the English and French languages. Torstar Digital holds a 75% interest in the partnership. In 2009, Olive Media acquired Attitude Digitale Inc. (operating under the name Rosebud Media), which is engaged in the business of selling online advertising space on third-party websites. Also in 2009, Olive Media launched Pimento, which allows for user-initiated full screen rich media video advertising with a performance-based pricing model.

eyeReturn Marketing, a provider of online ad serving, rich media, online campaign measurement and online promotion capabilities, has experience in the delivery of bilingual websites/microsites, databases, email deployment and promotions for blue chip clients.

In 2009 Torstar Digital made a strategic investment in Travelwire, which provides online travel services through the website travelalerts.ca and circulates a weekly travel promotions e-mail newsletter, and in 2010 Torstar Digital acquired all of the remaining shares of Travelwire.

In 2010, Torstar Digital created an equal partnership with Rogers Media to invest in TOPS, a content management system developed by Torstar Digital that allows publishers to create, edit and publish content online; acquired Wagjag and made a strategic investment in Tuango, both of which offer daily group buying deals through the websites wagjag.com and tuango.ca, respectively; and acquired From Web To Mobile Inc., a mobile marketing company.

(v) Other Newsprint Publications and Magazines

Torstar holds an approximate 50% interest in the Canadian operations of Sing Tao Holdings Limited's media group. Sing Tao Daily publishes the largest Chinese language newspaper in Canada, with editions in Toronto, Vancouver and Calgary. In addition to the newspaper, Sing Tao's Canadian media group is also involved in printing, outdoor advertising, radio and magazine publishing. Sing Tao has two web presses, one in Toronto and one in Vancouver. Sing Tao also publishes weekly magazines, including the Sing Tao Weekly, which focuses on entertainment and local features; Star Magazine, which features current affairs in Hong Kong; Gourmet Guide, which features latest trends in gourmet cooking, Real Estate Guide, and Trend magazine, which features lifestyle and fashion content.

Sing Tao publishes Chinese language business telephone directories in Toronto, Vancouver, Calgary and Edmonton. Sing Tao also publishes Canadian City Post in Vancouver, Calgary and Toronto, a free weekly newspaper in the Chinese language catering to new immigrants from Mainland China.

Sing Tao operates a number of websites including ccue.com (an internet publisher), singtao.ca (a news website) and Duschi.ca (a news, lifestyle and leisure website).

In 2008, Sing Tao entered into a brokerage agreement with CHIN Radio to launch A1 Chinese Radio in a partnership with Fairchild Media Group. The partnership, in which Sing Tao owns a 51% interest, produces 41 hours of Chinese programming per week targeting the Chinese audience in the GTA.

Torstar has an approximate 50% interest in a joint venture with Metro International S.A. which operates the following five free daily newspapers for commuters: Metro Toronto; Metro Vancouver; Metro Ottawa; Metro Calgary; and

Metro Edmonton. Torstar and Metro International S.A. intend to launch Metro Winnipeg and Metro London in April 2011 through the joint venture. In 2008, Torstar, Metro International S.A. and Transcontinental Media G.P. entered into a joint venture to launch Metro Halifax. Each company has an approximate one-third interest in the Metro Halifax joint venture. All Metro newspapers are currently distributed through street promoters, boxes and at strategic locations on a daily basis (Monday-Friday).

In September 2010, Metro Toronto launched Metro Play, a new daily afternoon print publication. The content for Metro Play includes crosswords, sudoku, word games, horoscopes and a television guide. Metro Play is distributed in downtown Toronto through street promoters, box toppers and various retail locations.

Readership for Metro Toronto on a “read yesterday” basis is approximately 555,800 per day Monday through Friday, according to the NADbank Fall 2009/Spring 2010 study. This represents an increase of 22% compared to 455,600 in the NADbank Fall 2008/Spring 2009 study. In 2010 Metro Toronto continued to hold the second highest weekday readership amongst daily newspapers in the GTA (second only to the Toronto Star), as the tables on pages 9 and 10 illustrate.

Readership for all the Metro daily newspapers across English Canada collectively on a “read yesterday” basis is 1,025,300 per day Monday through Friday, according to the NADbank Fall 2009/Spring 2010 study. This represents an increase of 19% compared to 860,200 in the NADbank Fall 2008/Spring 2009 study. Approximate readership by city is as follows: 56,700 in Halifax, 82,800 in Ottawa, 555,800 in Toronto, 81,100 in Calgary, 68,800 in Edmonton, and 180,100 in Vancouver.

Torstar also publishes Eye Weekly, a weekly arts and entertainment publication; Sway Magazine, which celebrates the power and influence of Canada’s black community; and Canadian Immigrant magazine.

Torstar also operates SUHAAG, a South Asian event publishing and promotions business in the GTA, with a history of developing and expanding major wedding, fashion and lifestyle events and related products. SUHAAG’s semi-annual bridal show has more than 130 booths and the latest editions of annual SUHAAG Magazine carried more than 450 pages of features on weddings, fashion, lifestyles and glamour. In 2009, SUHAAG expanded its bridal show to Ottawa and also launched Apna Lafafa, a South Asian consumer mailer product targeting South Asian homes in Brampton and Mississauga. SUHAAG also operates Suhaag.com, which is scheduled to be re-launched in early 2011.

(vi) Printing

The Star Media Group operates the Vaughan Press Centre, located in Vaughan, Ontario, which primarily supports the Toronto Star’s printing needs but is also engaged in commercial printing, including printing of the National Post newspaper.

(b) Metroland Media Group

The Metroland newspapers each focus on a specific community or market segment and include 103 weekly community newspapers and three daily newspapers. In addition to its focus on newspapers, Metroland also produces a number of specialty publications, magazines and telephone directories and operates several consumer shows, a number of internet sites and a teleshopping channel and commercial production house.

(i) Weekly Community Newspapers

Metroland publishes a total of 103 weekly community newspapers in 152 editions. Metroland is concentrated in Ontario and is mostly centered around Toronto. Metroland’s newspaper properties occupy the territory stretching from Niagara to Muskoka, from Southwestern Ontario to the Kawartha Lakes, plus the City of Ottawa and the Ottawa Valley region.

As at the date of this AIF, the combined distribution of the weekly newspapers published by Metroland was more than 4.7 million copies per week from the following newspapers (number of editions per week in parenthesis):

Acton Free Press (2)	Flamborough Review (1)	Oakville Today (1)
Ajax News Advertiser (3)	Georgetown Independent (2)	Orangeville Banner (2)
Alliston Herald (2)	Georgina Advocate (1)	Orillia Today (1)
Almaguin News (1)	Glanbrook Gazette (1)	Oshawa This Week (3)
Ancaster News (1)	Grand River Sachem (1)	Ottawa This Week (1)
Annex Guardian (1)	Gravenhurst Banner (1)	Parkdale Villager (1)
Arnprior Chronicle Guide (1)	Grimsby Lincoln News (2)	Parry Sound Beacon Star/Lifestyle (1)
Arthur Enterprise News (1)	Guelph Tribune (2)	Parry Sound North Star (1)
Aurora Banner (3)	Haldimand Sachem (1)	Perth Courier (1)
Barrhaven Ottawa South This Week (1)	Hamilton Mountain News (1)	Peterborough This Week (2)
Barrie Advance (2)	Huntsville Forester (1)	Pickering News Advertiser (3)
Beach Mirror (1)	Innisfil Journal (1)	Port Colborne Leader (1)
Bloor West Villager (1)	Kanata Kourier-Standard (1)	Port Perry Star (1)
Bracebridge Examiner (1)	Kawartha Lakes This Week (2)	Renfrew Mercury (1)
Bradford West Gwillimbury Topic (1)	Kemptville Advance (1)	Richmond Hill Liberal (2)
Brampton Guardian (3)	Listowel Banner (2)	Scarborough Mirror (2)
Brampton Booster (1)	Markham Economist & Sun (2)	Smiths Falls This Week (1)
Brighton Independent (1)	Meaford Express (1)	South Asian Focus (1)
Brock Citizen (1)	Midland/Penetanguishene Mirror (2)	St. Marys Journal-Argus (2)
Burlington Post (3)	Milton Canadian Champion (2)	Stayner Sun (1)
Caledon/Bolton Enterprise (2)	Minto Express (1)	Stoney Creek News (1)
Cambridge Times (3)	Mississauga Booster (1)	Stouffville Sun Tribune (2)
Carleton/Almonte Canadian Gazette (1)	Mississauga News (3)	Stratford City Gazette (1)
City Centre Mirror (1)	Mississauga This Week (1)	Stittsville News (1)
Clarington This Week (3)	Mount Forest Confedrate (1)	Thornbury Courier-Herald (1)
Collingwood Connection (1)	Muskoka Sun (1)	Thornhill Liberal (2)
Dundas Star News (1)	Muskoka Weekender (1)	Uxbridge Times Journal (1)
Dunnville Sachem (1)	Muskokan (1)	Vaughan Citizen (2)
East York Mirror (1)	New Hamburg Independent (1)	Walkerton-Herald Times (1)
Elmira Independent (1)	Newmarket Era-Banner (3)	Wasaga Sun (1)
Erin Advocate (1)	Niagara This Week (2)	Waterloo Chronicle (1)
Etobicoke Guardian (2)	North York Mirror (2)	West Carleton Review (1)
Exeter Times Advocate (2)	Northumberland News (2)	Whitby This Week (3)
Fergus-Elora News Express (1)	Oakville Beaver (3)	Wingham Advance Times (1)
		York Guardian (1)

In the previous three years Metroland launched a number of new publications including Ottawa This Week (published in four Ottawa neighborhoods), The Bradford West Gwillimbury Topic, The Innisfil Journal, South Asian Focus and the Brampton Booster.

(ii) Daily Newspapers

Metroland publishes three daily newspapers: The Hamilton Spectator, the Waterloo Region Record and the Guelph Mercury. The NADbank 2009 Monday to Saturday cumulative adult readership of the papers (as a percentage of their CMA) is 59%, 54% and 50%, respectively.

Metroland's daily newspapers are published Monday to Saturday. The primary circulation areas of the daily newspapers are as follows:

Newspaper

The Hamilton Spectator
Waterloo Region Record
Guelph Mercury

Primary Circulation Area

Hamilton, Burlington, Grimsby
Kitchener, Waterloo, Cambridge
Guelph

The Hamilton Spectator is the 15th largest daily newspaper in Canada by circulation, with an average total circulation of approximately 100,000 copies per day. The Waterloo Region Record is the 21st largest daily newspaper in Canada by circulation, with an average total circulation of approximately 60,000 copies per day. The Guelph Mercury has a daily circulation average of approximately 13,000 copies from Monday to Saturday. The following table illustrates the average circulation statistics of Metroland's three daily newspapers during 2008, 2009 and 2010:

	Total Average Circulation (12 month average)					
	Monday to Friday			Saturday		
	2010	2009	2008	2010	2009	2008
The Hamilton Spectator ⁽¹⁾	99,304	101,979	105,020	102,810	108,838	114,148
Waterloo Region Record ⁽²⁾	60,209	61,527	62,668	60,596	63,147	65,688
Guelph Mercury ⁽³⁾	12,669	13,049	13,016	12,922	13,476	13,539
Total	172,182	176,555	180,704	176,328	185,461	193,375

⁽¹⁾ Audited circulation data for The Hamilton Spectator for the 12 months ended December 31, 2010 is not yet available from the CCAB. The 2010 circulation data for The Hamilton Spectator as shown above is for the 12 months ended December 31, 2010, is unaudited and is based on internal records. The 2009 and 2008 circulation data for The Hamilton Spectator as shown above is for the 12 months ended December 31 for each year and has been audited by the CCAB.

⁽²⁾ Audited circulation data for the Waterloo Region Record for the 12 months ended December 31, 2010 is not yet available from the CCAB. The 2010 circulation data for the Waterloo Region Record as shown above is for the 12 months ended December 31, 2010, is unaudited and is based on internal records. The 2009 and 2008 circulation data for the Waterloo Region Record as shown above is for the 12 months ended December 31 for each year and has been audited by the CCAB.

⁽³⁾ Audited circulation data for the Guelph Mercury for the 12 months ended December 31, 2010 is not yet available from the CCAB. The 2010 circulation data for the Guelph Mercury as shown above is for the 12 months ended December 31, 2010 is unaudited and is based on internal records. The 2009 and 2008 circulation data for the Guelph Mercury as shown above is for the 12 months ended December 31 for each year and has been audited by the CCAB.

(iii) Other Specialty Publications and Magazines

Metroland publishes a number of specialty publications which focus on a particular market segment. Forever Young is a monthly tabloid published by Metroland for people over 50 years of age. Metroland also publishes City Parent, There's No Place Like Home, and regional editions of The Shopping News and The Business Times.

Metroland also publishes a number of magazines, including Great Toronto Getaway, Great Ontario Getaway, West of the City, East of the City, Beyond the City, Niagara Life and Grand magazine; a number of newsprint publications, including New Home News, the Kitchener real estate publication This Week in Real Estate, and Cambridge Homes; and a series of Sideroads rural publications. In 2010, Metroland acquired two additional newsprint publications, "This Month in Brock" and "Bowmanville Up Close". In addition, Metroland publishes Canadian Autoworld, Carguide, World of Wheels, Boatguide, Boating Business and other magazines through its Formula Media Group division.

Metroland's print and online directory business, Gold Book, includes Gold Book directories in 19 regions in Southern Ontario, including Hamilton, Kitchener, Niagara, Mississauga and Oshawa. In 2008, Metroland purchased What's Up Kids magazine (now named What's Up).

(iv) Consumer Shows

Metroland produces and manages many consumer shows through its individual community newspapers and its Premier Consumer Shows division. The Premier Consumer Shows division produces large scale shows including: The Toronto Star Golf & Travel Show, The National Bridal Shows, the Ultimate Travel Show, The Ultimate Women's Show, Forever Young Lifestyle Shows, City Parent Family Shows, the Toronto Wine and Cheese Show and the Good Food Festival & Market consumer show. Community newspaper produced events include The

Markham Home Show, the Durham Craft and Gift Show, the Heart of the Country Decorating Show (in Richmond Hill), as well as the Barrie Home Show, Artworks! (in Kitchener), and the Home, Cottage and Country Show (in Peterborough). In 2008 Metroland increased its ownership in the Travel and Leisure Show (now the Ultimate Travel Show) from 50% to 100%. In 2010 Metroland acquired the Wedding Bells Bridal Show and the Wedding Dreams Show.

(v) Printing and Distribution

Metroland has eight web press locations with one in each of Mississauga, North York, Guelph, Durham, Renfrew, Barrie and two in Hamilton. During 2008, Metroland added the Barrie printing operation by purchasing the assets of Central Ontario Web Ltd., a commercial printing company. Also in 2008, Metroland closed a web press location in Newmarket and sold its Oakville sheet-fed press. In 2009, Metroland closed its QE Web printing plant in Oakville.

The print facilities are used to print Metroland's daily newspapers, most of its community newspapers, and certain specialty publications, advertising flyers and third party publications, including the Toronto edition of Metro.

In addition to the distribution of its own publications, Metroland distributes advertising materials and product samples to target markets within the Metroland communities. In 2010, Metroland distributed more than 3.7 billion advertising pieces. In 2010, Metroland also acquired The Mailer, a direct mail advertising business with envelope distribution in regions east of the GTA.

(vi) Internet Activities

Metroland operates metroland.com, which contains Metroland corporate information, and MillionsOfReaders.com which provides market research information. Metroland also has ten regional community portal sites which received an average of approximately 4.7 million page views per month in 2010 (approximately 6.85 million in 2009), and an average of approximately 900,000 unique visitors per month in 2010 (approximately 1.1 million unique visitors per month in 2009). Metroland has enhanced its community portal sites with a continued focus on local content and specific community interests, while increasing site interactivity and usability for users. In 2009, a number of separate specialized sites were established or expanded (Lifenews.ca, LocalWork.ca, Wheels.ca and Yourclassifieds.ca), resulting in a redirection of page view and unique visitor traffic from the community portal sites. These specialized sites combined attracted 5.5 million page views and 740,000 unique visitors in December 2010.

Each of Metroland's daily newspapers has a website, located at thespec.com, therecord.com and guelphmercury.com, respectively. Each of these sites offers daily news, together with other content and interactive features. These sites received an aggregate average of approximately 10.7 million page views per month in 2010 (compared to approximately 10.2 million page views per month in 2009) and an aggregate average of approximately 1.25 million unique visitors per month in 2010 (compared to approximately 991,000 unique visitors per month in 2009).

Metroland operates yourclassifieds.ca, which provides a wide range of classified listings including merchandise, help wanted, real estate sales and rentals and services. In 2008, Metroland launched yourautos.ca, a website offering search functionality for the new and used car buyer and advertiser, as well as content, videos and product reviews. In 2009, this website was merged with Wheels.ca, and a major site redesign was completed in partnership with the Star Media Group, as further described on page 10.

Ourfaves.com was launched in 2007 and combines three trends in online media: user-generated content, social networking and a local search feature to allow users to share and discover favourite places and things across the GTA. The site had over 550,000 page views in December 2010, and averaged over 250,000 unique visitors monthly in 2010.

Metroland also launched flyerland.ca in 2008, a website where visitors may browse advertisers' flyers and purchase products from online retailers. Flyerland.ca reached approximately 2.5 million unique visitors viewing over 31 million pages in December 2010. Also in 2008, Metroland purchased an interest in Save.ca, a website offering free coupons to consumers. In 2009, Metroland acquired gottarent.com, a provider of online residential rental listings in Canada, and also acquired a 50% interest in Lease Busters Inc., which markets and facilitates the assignment of car

leases through the website leasebusters.com. In 2009, Metroland also launched LocalWork.ca, an employment site focused on local employment opportunities in a number of communities throughout Ontario. In 2010, Metroland entered into an arrangement with SNA National Network LLC, doing business as LocalPoint Media to develop, host and maintain LocalPoint Media's Zip2Save website, a website similar to flyerland.ca focused on the U.S. market, and an affiliate of Metroland purchased an interest in LocalPoint Media.

Gold Book Directories operates a website, Goldbook.ca, which provides print and digital advertising opportunities for advertisers, while providing visitors an opportunity to search and find local businesses. In 2009, Dailywebtv.com was also established to provide web video products to local retailers and Goldbook clients.

InsuranceHotline.com, a website that provides instant online insurance quotes is operated jointly by Metroland Media Group and Star Media Group.

In aggregate, Metroland's websites attracted 6.1 million unique visitors and over 56 million page views in December 2010. The number of unique visitors per month has increased by 47% during the past year.

(vii) Torstar Media Group Television

Torstar Media Group Television ("TMGTV") operates SHOP TV Canada, a 24-hour direct response teleshopping channel which reaches approximately 1.7 million cabled households in the GTA and the province of Nova Scotia. SHOP TV Canada primarily features infomercials and commercials varying in length from 15 seconds to 30 minutes, along with promotional and shopping related segments promoting the channel, Metroland, and Star Media Group properties.

TMGTV also operates TMGTV Productions, a commercial production house that provides a full range of video production and post-production facilities, and operates a product sourcing and distribution business that develops and/or buys products that are offered for sale in various countries through retail stores, live teleshopping and infomercials.

2. Book Publishing

The Book Publishing reporting segment consists of the book publishing operations of Harlequin which accounted for approximately 32% of Torstar's total consolidated operating revenues in 2010 (34% in 2009).

Harlequin is the world's largest publisher of series romance fiction and a leading global publisher of books for women. Harlequin has its headquarters in Toronto and has offices in the U.S., Switzerland, Luxembourg, Japan, the U.K., Germany, Australia, France, Italy, Spain, Sweden, the Netherlands, Poland, Greece, Hungary, Brazil, India and Turkey.

Harlequin publishes books around the world in a variety of genres and formats, including digital. Harlequin sells books through the retail channel, in stores and online, and directly to the consumer through its direct mail businesses and from its internet sites (in North America – eharlequin.com). Harlequin's publishing operations are comprised of two divisions: North America and Overseas. In 2010 Harlequin published books in 31 languages in 111 international markets.

(a) Editorial Developments

Harlequin operates editorial acquisition offices in Canada, Switzerland, the U.K., and the U.S., and works with more than 1,200 authors. In 2010, more than 1,100 new titles were released in North America and more than 7,000 foreign language editions were published.

A key factor to Harlequin's long-term success is its ability to offer consistent, high quality editorial that accommodates readers' tastes.

Harlequin's core series business consists of 16 series offering 78 titles per month. Harlequin strives to create and develop new, relevant products that readers will find appealing. In 2008, Harlequin introduced Love Inspired Historical, a series featuring inspirational stories in historical settings.

Harlequin publishes single titles under a number of imprints, including MIRA, HQN, Spice, LUNA, Kimani Press and Carina Press. In 2009, a new imprint aimed at a young adult audience, Harlequin TEEN, was introduced.

In the fall of 2008, Harlequin launched a non-fiction program. The publishing program includes a broad range of editorial content including self-help, health/diet/fitness, relationships, narrative and inspirational.

Harlequin's single title publishing program continued its success in 2010. Last year, across all imprints, a total of 44 titles appeared on the New York Times published bestseller lists for a total of 121 weeks. Including the New York Times extended lists, 75 of Harlequin's titles appeared for a total of 257 weeks.

Harlequin's brands and authors were promoted to readers in a variety of ways in 2010 including the annual Harlequin Romance Report, print advertising in newspapers and national women's magazines, in-store promotions to potential readers and Harlequin's company-owned websites including eharlequin.com. In addition, Harlequin has entered into a number of joint promotional and licensing arrangements with several consumer products and entertainment businesses.

eharlequin.com is designed to be the ultimate romantic escape for women on the internet. The site includes online story serials, discussion forums, interactive tools and an online bookstore. eharlequin.com received an average of approximately 6.5 million page views per month and an average of approximately 296,000 unique visitors per month in 2010, consistent with 2009 levels.

Harlequin continues to explore high growth publishing niches and innovative new formats. Harlequin has entered the e-book market through distribution agreements with e-retailers in North America, Japan, the U.K., Spain, France, Germany, Poland, Greece, Italy and Australia. Harlequin has the largest offering of romance e-books in the market which includes digital-only distributed stories. In 2008, Harlequin's Japanese operation entered into an agreement with Softbank (a division of Softbank Corp., a large provider of cell phone services in Japan) to distribute digital manga (comic) content, based on Harlequin's novels, on cell phones and internet distribution sites world-wide. During 2009, Harlequin also launched a digital-only publishing operation, Carina Press, which began publishing in the summer of 2010, and Dellarte Press, a self-publishing imprint.

(b) North America

In North America, Harlequin's largest market, books are published simultaneously in Canada and the U.S. In 2010, the U.S. market accounted for approximately 51% (51% in 2009) and the Canadian market accounted for approximately 5% (5% in 2009) of Harlequin's worldwide operating revenue. French language editions of Harlequin's novels are marketed in Quebec and Spanish language editions are marketed in the U.S. The principal book lines in North America are:

Harlequin Romance	Love Inspired
Harlequin Presents	Love Inspired Suspense
Harlequin Presents Extra	Love Inspired Historical
Harlequin Superromance	Gold Eagle
Harlequin American Romance	MIRA
Harlequin Intrigue	HQN
Harlequin Blaze	LUNA
Harlequin Historicals	Spice
Harlequin Nocturne	Kimani Press
Silhouette Special Edition	Harlequin Non-fiction
Silhouette Desire	Harlequin TEEN
Silhouette Romantic Suspense	Carina Press

In April 2011, Harlequin will be rebranding its Silhouette series as Harlequin. This will ensure that these series will benefit from the promotional resources dedicated to the Harlequin brand and will strengthen the Harlequin consumer brand as the market leader in romance fiction.

Distribution for both the retail and direct-to-consumer operations of Harlequin in North America is carried out from a facility in Buffalo, New York.

(c) Overseas

Harlequin publishes directly in overseas markets by way of wholly-owned operating units or joint ventures with local partners and indirectly through licensees. Revenue from these markets accounted for approximately 44% of Harlequin's worldwide operating revenue in 2010 (44% in 2009).

Wholly-owned operating units:

Harlequin Germany
Harlequin U.K.
Harlequin Australia
Harlequin Japan
Harlequin Nordic
Harlequin Holland
Harlequin Spain & Latin America
Harlequin Poland
Harlequin India
Harlequin Turkey

Joint ventures:

Harlequin France
Harlequin Italy
Harlequin Greece
Harlequin Hungary
Harlequin Brazil

Overseas operations translate English language editions, as necessary, into the local language and then market them, with distribution either through third party distributors or joint venture partners. Harlequin's overseas operations export books to approximately 85 countries.

Harlequin continues to investigate other market opportunities.

Harlequin has licensees in a number of countries, including Russia, Korea, Lithuania and Thailand.

3. Investments in Associated Businesses

Torstar has a 19.35% interest in Black Press, a privately owned and operated company with its head office in Victoria, British Columbia. Black Press publishes more than 150 newspapers (weeklies, dailies and shoppers) in Canada and the U.S. and has 16 press centres in Western Canada, Washington State, Ohio and Hawaii.

In 2010, Torstar acquired a 33.33% interest in Canadian Press Enterprises Inc. ("Canadian Press Enterprises") which acquired the operations of The Canadian Press news agency. The remaining shares of Canadian Press Enterprises are held by Square Victoria Communications Group and The Globe and Mail.

Torstar has a 30% interest in Q-Ponz Inc., which carries on the business of producing and delivering unaddressed co-op direct mail.

4. Portfolio Investments

In 2008, Torstar acquired 1,030,631 Class A Subordinate Voting Shares of Multimedia Nova Corporation which currently represents approximately 11.0% of the class and approximately 9.5% of the equity of the company. Multimedia Nova Corporation's operations include the publication of multicultural newspapers, commercial printing and representation of third party multicultural media properties.

5. Other Investments

Torstar has a 20% interest in CTVgm. CTVgm has ownership interests in assets which include: CTV, a Canadian television network with 28 conventional television stations across the country with interests in 29 specialty channels and 33 radio stations. Up until December 31, 2010, CTVgm also owned the national daily newspaper The Globe and Mail. In September 2010, Torstar entered into agreements to sell its 20% interest in CTVgm for aggregate cash proceeds of approximately \$345 million. Under the agreements, BCE will acquire the interests of each of Torstar, Woodbridge and Teachers in CTVgm (excluding the Globe and Mail and related assets) and Woodbridge agreed to separately acquire the interests of Torstar and Teachers in the Globe and Mail and related assets. On December 31, 2010 the parties entered into an amended and restated agreement regarding the acquisition by Woodbridge of a direct interest in The Globe and Mail. The acquisition was completed on December 31, 2010 and Torstar received \$40 million in connection with that transaction. This payment, combined with an estimate of certain costs associated with closing the transaction, has reduced the cash proceeds expected on the sale to approximately \$290 million. The sale of Torstar's 20% interest in CTVgm is subject to customary approvals and closing conditions, including approval by the CRTC. This approval was received on March 7, 2011 and the transaction is expected to close early in the second quarter of 2011.

C. EMPLOYEES OF TORSTAR

As at December 31, 2010, Torstar had approximately 6,495 full-time equivalent ("FTE") employees, including approximately 30 FTE employees at the Torstar corporate head office and excluding employees of jointly owned operations within the Media segment (except for Olive Media, which is included).

As at December 31, 2010, approximately 5,365 FTE employees were in the Media segment, including employees of Olive Media but excluding employees of other jointly owned operations such as Sing Tao, Metro and Workopolis; Star Media Group employed approximately 1,430 FTE employees; and Metroland employed approximately 3,935 FTE employees.

As at December 31, 2010, the Book Publishing segment had approximately 1,100 FTE employees, including employees of its jointly owned operations as listed on page 18.

Over the past three years Torstar has initiated a number of voluntary and involuntary staff reductions resulting in the departure of some Torstar employees.

Additional information on employees of Torstar and information on its collective agreements is set forth in the Corporation's 2010 MD&A (as contained in the Corporation's 2010 Annual Report), which is incorporated herein by reference and a copy of which is available at www.sedar.com.

D. PROPERTIES OF TORSTAR

In 1966 Torstar acquired approximately 60 acres of land in the City of Vaughan on the outskirts of Metropolitan Toronto. Since July 1993, the Toronto Star has been printed and distributed from the Vaughan Press Centre, located on the Vaughan land. In 2008, Torstar severed and sold approximately 12 acres of the Vaughan site and in 2010 sold an additional 3 acres.

Torstar also owns the land and buildings where some of Metroland's newspapers are printed or published.

Harlequin operates a 400,000 square-foot distribution facility for its North American operations on a 44-acre leased property in Buffalo, New York. Harlequin is entitled to acquire these lands and the facility for nominal consideration on 60 days' notice.

All other activities of Torstar are conducted in leased premises, including the main office operations of Torstar and the Toronto Star at One Yonge Street, Toronto.

E. INTANGIBLE PROPERTIES

Torstar owns and/or uses: (i) a number of trade-marks and/or service marks for its businesses registered with the Trade-Marks Offices in Canada, and/or elsewhere in the world, including the U.S. and other countries; (ii) a number of trade-marks, service marks, trade names and other identifiers for its businesses which are not registered with any Trade-Marks Offices, but are identified with its businesses in Canada, and/or elsewhere in the world, including in the U.S. and other countries; and (iii) a number of registered domain names and/or URL's for its businesses throughout the world. Torstar also owns copyrights in Canada and elsewhere in the world that are pertinent to its businesses.

F. ENVIRONMENTAL MATTERS

Torstar has a corporate environmental policy in place. The policy governs all of Torstar's operating divisions, and is overseen by a cross-divisional environmental committee. Quarterly reports are made to the Salary & Organization Committee of the Board of Directors. Substantially all of the Corporation's facilities are subject to federal, provincial, state and municipal laws concerning, among other things, emissions to the air, water and sewer discharges, handling and disposal of wastes, recycling, or otherwise relating to the protection of the environment. Compliance with these laws has not had, and management does not expect it to have, a material financial or operational effect upon Torstar's business.

G. CYCLES

As indicated in the summary of quarterly results in the Corporation's 2010 MD&A (as contained in the Corporation's 2010 Annual Report and a copy of which is available at www.sedar.com), the newspaper industry is cyclical in nature. On a seasonal basis, the second and fourth quarters are generally the strongest for newspapers, with the third quarter generally the weakest as a result of the holiday schedule. There may also be a seasonal advertising pattern emerging for digital revenues with the summer months being a lower part of the cycle. The book publishing industry can be variable in nature due to the variability of the annual publishing schedule.

H. COMPETITIVE CONDITIONS

Torstar faces competition in each of its business segments. Certain of Torstar's competitors are larger and have greater financial resources than Torstar. The extent and nature of such competition is, in large part, determined by the location and demographics of the market and the number of alternatives in those markets. Competition for advertising and circulation revenue comes from local, regional and national newspapers, radio, broadcast and cable television, outdoor, direct mail, directories, the Internet and other communications and advertising media that operate in Torstar's markets. The competition is generally based on audience levels and demographics, price, service and advertising results. In addition to competing with other newspapers in print, Torstar's newspapers and online businesses compete with an increasing number of online services and other new media technologies and platforms. The extent and nature of such competition has intensified over the past few years as a result of the continued development and fragmentation of digital media. Our Book Publishing segment competes with many other publishers in very competitive global markets and this competition is expected to continue.

Additional Information on competitive conditions faced by the Corporation is set forth in the Corporation's 2010 MD&A (as contained in the Corporation's 2010 Annual Report), which is incorporated herein by reference and a copy of which is available at www.sedar.com.

I. FOREIGN OPERATIONS

The Corporation's Book Publishing segment, which accounted for 32% of the Corporation's total consolidated operating revenues in 2010, depends on its foreign operations. In 2010, 95% of the revenues of this segment were derived from non-Canadian sources. The largest non-Canadian market was the U.S., which represented 51% of total book publishing revenues in 2010.

Harlequin publishes directly in overseas markets by way of wholly-owned operating units or joint ventures with local partners and indirectly through licensees. Revenue from these markets accounted for approximately 44% of total book publishing revenues in 2010. Principal overseas markets include Japan, Germany, the U.K., Nordic, France and Australia.

The remaining 5% of total book publishing revenues is generated in Canada.

Prior to Transit TV's bankruptcy filing in February 2009 under Chapter 7 of Title 11 of the United States Bankruptcy Code, the Corporation also owned and operated Transit TV, a reporting unit in the Corporation's Media segment which operated in the United States.

IV. RISK FACTORS

The Corporation is subject to a number of risks and uncertainties. A risk is the possibility that an event might happen in the future that could have a negative effect on the financial condition, results of operations or business of the Corporation. The actual effect of any event on the Corporation's business could be materially different from what is anticipated. A discussion of risks affecting the Corporation and its businesses is set forth in the Corporation's 2010 MD&A (as contained in the Corporation's 2010 Annual Report), which is incorporated herein by reference and a copy of which is available at www.sedar.com. This description of risks does not include all possible risks.

V. DIVIDENDS

Decisions on the declaration and payment of dividends are made on a quarterly basis by the Board of Directors, based upon Torstar's overall financial performance and cash flow outlook. Although Torstar has no current intention of changing this dividend policy, there is no assurance as to the amount or timing of such dividends in the future. In 2010 and 2009, dividends in the amount of \$0.0925 per Class A share and Class B non-voting share were paid each quarter (as compared to dividends in the amount of \$0.185 per Class A share and Class B non-voting share paid in each quarter of 2008). The Board of Directors has the right, when declaring any dividend, to make available the option of a stock dividend to permit Canadian residents to elect to receive dividends in Torstar Class B non-voting shares.

Torstar's credit facilities contain restrictions on the payment of dividends other than on a basis consistent with Torstar's current dividend policy (which does not include extraordinary dividends), and in circumstances where Torstar is in default pursuant to such credit facilities.

VI. DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of Torstar consists of an unlimited number of Class A shares, an unlimited number of Class B non-voting shares, and 15,000,000 First Preference shares. As at December 31, 2010, there were 9,873,337 Class A shares, 69,244,753 Class B non-voting shares, unexercised options to purchase 4,149,077 Class B non-voting shares, and no First Preference shares issued and outstanding.

Class A Voting Shares

The holders of Class A shares are entitled to one vote for each Class A share held, at any meeting of shareholders of Torstar. Each Class A share is convertible at any time at the option of the holder into one Class B non-voting share. Each Class A share entitles the holder, subject to the rights of the First Preference shares and Class B non-voting

shares, to receive any dividend on such share and, subject to the rights of holders of First Preference shares, to participate equally, on a share for share basis, with all other holders of Class A shares and Class B non-voting shares, in the remaining property and assets of the Corporation on liquidation, dissolution or winding-up of the Corporation.

Class B Non-Voting Shares

The holders of the Class B non-voting shares are generally not entitled to vote at any meeting of the shareholders of the Corporation; provided that, if at any time the Corporation has failed to pay the full quarterly preferential dividend on the Class B non-voting shares in each of eight consecutive quarters, then and until the Corporation has paid full quarterly preferential dividends (7.5 cents per annum) on the Class B non-voting shares for eight consecutive quarters, the holders of the Class B non-voting shares are entitled to vote at all meetings of the shareholders at which directors are to be elected on the basis of one vote for each Class B non-voting share held. To date, the Corporation has paid in full all quarterly preferential dividends on the Class B non-voting shares. In addition, holders of Class B non-voting shares are entitled to vote at all class meetings of holders of Class B non-voting shares. Each Class B non-voting share entitles the holder, subject to the rights of holders of First Preference shares, to the full preferential dividend described above and to receive any further dividend on such share and to participate equally, on a share for share basis, with all other holders of Class B non-voting shares and Class A shares, in the remaining property and assets of the Corporation on liquidation, dissolution or winding-up of the Corporation.

In 1988, the TSX approved a plan to protect the holders of the Class B non-voting shares in the event of a take-over bid for Class A shares. Generally, the result of the plan is that parties to the Voting Trust Agreement, owners of approximately 98% of all outstanding Class A shares as of the date of this AIF, have undertaken to CIBC Mellon Trust Company as Trustee for all holders of Class B non-voting shares that, subject to certain exemptions, they will not dispose of their Class A shares pursuant to a take-over bid, unless the same offer is made to all holders of Class B non-voting shares.

First Preference Shares

As of the date of this AIF, there were no First Preference shares issued or outstanding. The First Preference shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the First Preference shares of each series rank on parity with the First Preference shares of every other series and in priority to the Class A shares and Class B non-voting shares and any other shares ranking junior to the First Preference shares. Holders of First Preference shares of any series shall not be entitled to notice of or to attend or to vote at any meeting of the Corporation or its shareholders except as may be required by law or as specifically provided in the provisions attaching to the First Preference shares of such series.

Constraints on Ownership

Torstar's articles restrict the holding or ownership of its shares by non-Canadians. The Board of Directors currently has the authority to restrict the registration of the transfer of any of the Corporation's shares if such transfer would, in the opinion of the directors, jeopardize either the ability of the Corporation or any subsidiary to obtain, maintain, amend or renew a licence to operate a Broadcasting Undertaking (as defined in the *Broadcasting Act* (Canada)) or its status as a Canadian newspaper or periodical publisher. Under the Corporation's articles, the directors may require a declaration setting forth the transferee's citizenship, the jurisdiction of incorporation or any other evidence as the directors may reasonably require be submitted to ensure that the transfer of shares does not jeopardize the foregoing. It is not currently necessary for the Corporation to enforce such restrictions, because approximately 98% of the Corporation's voting shares are held by Canadians, which is in compliance with the current Canadian ownership levels required by the Regulations under the *Broadcasting Act* (Canada) and the *Income Tax Act* (Canada). In addition, while the number of authorized Class A shares is unlimited, the issuance of further Class A shares may, under certain circumstances, require unanimous board approval.

Ratings

The Dominion Bond Rating Service Limited (“DBRS”) provides ratings on the Corporation’s debt instruments.

DBRS rates long-term debt instruments (such as medium-term notes) by rating categories ranging from a high of AAA to a low of D. In addition, a designation of “high” or “low” may be added after a DBRS rating. The absence of either a “high” or “low” designation indicates the rating is in the “middle” category.

On July 13, 2010, DBRS confirmed a rating of BBB for long term debt instruments of the Corporation, with a stable trend. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the applicable rating organization.

Under the DBRS rating system, long-term debt securities rated BBB are of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable, and the entity may be vulnerable to future events. A rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed.

The foregoing information is based on information made publicly available by DBRS or on information provided to management of the Corporation by DBRS from time to time.

VII. MARKET FOR SECURITIES

Torstar's Class B non-voting shares are listed and posted for trading on the TSX. In June 2009, Standard & Poor’s Canadian Index Operations, as a result of its quarterly index review, removed Torstar from the S&P/TSX composite index.

The following table provides information regarding the price range and volume traded for the Class B non-voting shares on a monthly basis for each month of the year ended December 31, 2010.

<u>Month</u>	<u>High(\$)</u>	<u>Low(\$)</u>	<u>Volume Traded</u>
January	\$7.05	\$6.23	1,313,301
February	\$6.74	\$5.92	1,340,193
March	\$10.05	\$6.19	5,428,131
April	\$11.75	\$9.86	2,367,411
May	\$11.35	\$10.02	1,578,566
June	\$10.76	\$9.09	573,634
July	\$10.98	\$9.32	816,784
August	\$10.32	\$8.50	1,573,032
September	\$12.96	\$9.61	3,036,079
October	\$13.23	\$12.41	1,180,844
November	\$12.98	\$11.54	1,027,456
December	\$12.59	\$11.61	886,810

VIII. DIRECTORS AND OFFICERS

A. DIRECTORS

The following table states the names of all directors, all other positions and offices with the Corporation now held by them, if any, their principal occupations or employments during the past five years, their municipality and country of residence, and the date on which they became directors of the Corporation.

Name and Municipality of Residence	Director Since	Principal and Previous Occupations
JOHN A. HONDERICH Toronto, Ontario, Canada	May 5, 2004 ⁽¹⁾	Chair of the Board, Torstar; Chair of the Torstar Voting Trust. Special Advisor to the Premier of Ontario on the Fiscal Imbalance from 2006 to 2007; Premier of Ontario's Special Advisor on the Future of the GTA and Creative Cities and served on the Attorney General's panel in Justice and the Media, from 2005 to 2006; Corporate Director and Special Ambassador to the Mayor of Toronto on Urban Issues, from 2004 to 2006.
PETER A. ARMSTRONG Toronto, Ontario, Canada	May 3, 2006	Corporate Director; President and Chair of the Board of Trustees of the Atkinson Charitable Foundation from 2006 until 2010; President and Chair of the Board of Directors of Renascent Centres (a health services provider).
DONALD BABICK Vancouver, British Columbia, Canada	December 14, 2004	Corporate Director. Interim Publisher of the Toronto Star from October 2008 to December 2008.
ELAINE B. BERGER Toronto, Ontario, Canada	May 3, 2006	Corporate Director.
JOAN T. DEA San Francisco, California, U.S.A.	March 1, 2009	Chief Executive Officer, Beckwith Investment Corp. Executive Vice-President, Head of Strategic Management and Corporate Marketing for BMO Financial Group (a diversified financial services provider) from 2006 to 2008; Senior Vice-President, Strategic Performance Management for BMO Financial Group from 2003 to 2006.
CAMPBELL R. HARVEY Chapel Hill, North Carolina, U.S.A.	May 8, 1992	J. Paul Sticht Professor of International Business at Duke University; Research Associate of the National Bureau of Economic Research in Cambridge, Massachusetts; and Editor of the Journal of Finance. President of the Western Finance Association (a professional finance research organization) from 2007 to 2008.
DAVID HOLLAND Toronto, Ontario, Canada	May 6, 2009	President and Chief Executive Officer, Torstar. Interim President and Chief Executive Officer, Torstar, from May 6, 2009 until November 19, 2009; Executive Vice-President and Chief Financial Officer, Torstar, from 2005 to 2009.

⁽¹⁾Mr. Honderich was also a director of the Corporation from January 1, 1995 until May 2, 2001.

Name and Municipality of Residence	Director Since	Principal and Previous Occupations
LINDA HUGHES Edmonton, Alberta, Canada	November 3, 2010	Chancellor of the University of Alberta Chair of the Mayor's Committee to End Homelessness in Edmonton from 2006 to 2008; Publisher and CEO of The Edmonton Journal from 1992 to 2006.
DANIEL A. JAUERNIG Toronto, Ontario, Canada	January 16, 2009	President and Chief Executive Officer of Classified Ventures, LLC.
THE HONOURABLE ROY J. ROMANOW Saskatoon, Saskatchewan, Canada	May 2, 2007	Corporate Director; Senior Fellow in Public Policy, Department of Political Studies, University of Saskatchewan. Member of Security Intelligence Review Committee (SIRC) from 2003 to 2008.
ALNASIR SAMJI Thornhill, Ontario, Canada	March 1, 2009	Managing Principal, Alderidge Consulting Inc.
MARTIN E. THALL Toronto, Ontario, Canada	May 1, 2002	Corporate Director; President and Chief Executive Officer of the Thall Group of Companies (an investment holding company).
PAUL R. WEISS Niagara-on-the-Lake, Ontario, Canada	May 6, 2009	Corporate Director. KPMG LLP from 1968-2008. Managing Partner of KPMG's Canadian Audit Practice; Member of KPMG's Canadian Management Committee; Member of KPMG's International Global Audit Steering Group.
PHYLLIS YAFFE Toronto, Ontario, Canada	May 6, 2009	Corporate Director. Chief Executive Officer of Alliance Atlantis Communications from 2005 until 2007.

Each director is elected annually to hold office until the next annual meeting of shareholders. Additional information on the directors of the Corporation can be found in Torstar's 2011 Information Circular, which is available at www.sedar.com.

B. OFFICERS

The following table states the names of all officers, all positions and offices with the Corporation now held by them, their principal occupations or employments during the past five years and their municipality of residence.

Name and Municipality of Residence	Principal and Previous Occupations
JOHN A. HONDERICH Toronto, Ontario, Canada	Chair of the Board, Torstar; Chair of the Torstar Voting Trust. Special Advisor to the Premier of Ontario on the Fiscal Imbalance from 2006 to 2007; Premier of Ontario's Special Advisor on the Future of the GTA and Creative Cities and served on the Attorney General's panel in Justice and the Media, from 2005 to 2006; Corporate Director and Special Ambassador to the Mayor of Toronto on Urban Issues, from 2004 to 2006.
DAVID HOLLAND Toronto, Ontario, Canada	President and Chief Executive Officer, Torstar. Interim President and Chief Executive Officer, Torstar, from May 6, 2009 until November 19, 2009; Executive Vice-President and Chief Financial Officer, Torstar, from 2005 to 2009.
LORENZO DEMARCHI Toronto, Ontario, Canada	Executive Vice-President and Chief Financial Officer, Torstar. Vice-President, Corporate Development, Torstar, from 2008 to 2009; Managing Director, Corporate Development, Torstar, from 2006 to 2008.
MARIE E. BEYETTE Pickering, Ontario, Canada	Senior Vice-President, General Counsel and Corporate Secretary, Torstar. Vice-President, General Counsel and Corporate Secretary, Torstar, from 2005 to 2009.
PATRICIA L. HEWITT Toronto, Ontario, Canada	Senior Vice-President, Human Resources, Torstar. Ms. Hewitt also serves as Vice-President, Human Resources at Harlequin Enterprises Limited and has done so since April 1, 1999.
GAIL MARTIN Toronto, Ontario, Canada	Senior Vice-President Finance, Torstar. Vice-President of Finance, Torstar from 2003 to 2009.
D. TODD SMITH Stouffville, Ontario, Canada	Treasurer, Torstar.

C. SHAREHOLDINGS OF DIRECTORS AND OFFICERS

On February 15, 2011, the Corporation had outstanding 9,873,337 Class A shares. Each Class A share carries the right to one vote. The directors and executive officers of the Corporation as a group beneficially own, or exercise control or direction over, directly or indirectly, 4,375,243 Class A shares as of February 15, 2011, representing approximately 44% of the aggregate number of voting securities of the Corporation outstanding as at February 15, 2011. Information pertaining to the shares owned, directly or indirectly, or over which control or direction are exercised by directors and officers is not within the knowledge of the Corporation and has been furnished by each of the directors and officers of the Corporation. Additional information pertaining to shareholdings of directors of the Corporation can be found in the Corporation's 2011 Information Circular, including in the section entitled "Voting Shares and the Voting Trust". The 2011 Information Circular is available at www.sedar.com.

D. COMMITTEES

As of the date of this AIF, the Corporation has the following committees:

Committee	Current Members
Audit Committee	Paul Weiss, John Honderich, Daniel Jauernig, Alnasir Samji and Martin Thall
Pension Committee	Alnasir Samji, John Honderich, David Holland and Paul Weiss
Toronto Star Advisory Committee	Peter Armstrong, Donald Babick, Elaine Berger, Campbell Harvey, John Honderich, Linda Hughes, Daniel Jauernig, Hon. Roy Romanow, and two ex-officio members: the President and Chief Executive Officer of Torstar (David Holland) and the Publisher of the Toronto Star (John Cruickshank)
Salary & Organization Committee	John Honderich, Donald Babick, Joan Dea, Martin Thall and Phyllis Yaffe
Nominating & Corporate Governance Committee	Phyllis Yaffe, Elaine Berger, Joan Dea, Campbell Harvey, John Honderich and Hon. Roy Romanow

E. AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee's charter ("Terms of Reference") sets out its purpose, authority, function, membership qualifications and responsibilities. A copy of the Terms of Reference is attached as Appendix "A".

Pre-Approval Policies for External Auditors' Other Services

The Audit Committee has determined that the non-audit services provided to the Corporation by its external auditors should be limited. Such services are subject to the prior approval of the Chair of the Audit Committee (if less than \$100,000) or by the full Audit Committee (if \$100,000 or more). The services approved by the Audit Committee in each of 2009 and 2010 are set out in the Corporation's 2011 Information Circular under the section "Appointment of Auditors". The 2011 Information Circular is available at www.sedar.com.

Composition of the Audit Committee

As of the date of this AIF, the Audit Committee is comprised of five directors: Paul Weiss (Chair), John Honderich, Daniel Jauernig, Alnasir Samji and Martin Thall. Each member of the Audit Committee has been determined by the Board to be "independent" and "financially literate" as such terms are currently defined under Multilateral Instrument 52-110.

Relevant Education and Expertise

In addition to each member's general business experience, the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Mr. Weiss is on the Board of Directors of BCE, Bell Canada, Empire Life Insurance Company and ING Bank of Canada Limited, is the Chair of the Audit Committees of BCE and ING Bank of Canada Limited and a member of the Audit Committee of Empire Life Insurance Company. He previously chaired the Finance and Audit Committees at the Toronto Rehab Foundation and the Soulpepper Theatre Company. He worked with the

accounting firm of KPMG LLP from 1968 until his retirement in 2008. He was the Managing Partner of KPMG's Canadian Audit Practice, a member of the Canadian firm's Management Committee, and a member of the International Global Audit Steering Group. He graduated from Carleton University in 1968 with a Bachelor of Commerce degree. He received his CA in 1971 and FCA in 2005.

Mr. Honderich is the Chair of the Board of Torstar and the Chair of the Torstar Voting Trust. He has served as Special Advisor to the Premier of Ontario on the future of Greater Toronto Area and Creative Cities and also on the Attorney General's panel on Justice and the Media from January 2005 to December 2006. Mr. Honderich served as the Toronto Mayor's Special Ambassador on Urban Issues from May 2004 to February 2006. He served as Publisher of the Toronto Star from 1994 until May 2004. Prior to his appointment as Publisher, Mr. Honderich was Editor of the Toronto Star from 1988-1994. Mr. Honderich graduated from the University of Toronto with a B.A. in Political Science and Economics (1968) and an LL.B. (1971), and has taken several post graduate courses in economics and international trade at the London School of Economics.

Mr. Jauernig is the President and Chief Executive Officer of Classified Ventures, LLC, a provider of online classified advertising products in the United States. He joined Classified Ventures in 2000 and previously worked with the former Toronto-based Newcourt Credit Group Inc., where he served as Chief Financial Officer as well as President of the Newcourt Services division from 1991 to 1999. Prior to Newcourt, Mr. Jauernig worked at Arthur Andersen's Toronto office in its international taxation group from 1986 to 1991. He graduated from the University of Waterloo with a Bachelor of Mathematics in 1988. He is an accredited Canadian Chartered Accountant and Certified Management Accountant and a United States Certified Public Accountant. Mr. Jauernig serves on the Board and audit committee of a TSX publicly listed company that operates HomeEquity Bank, a federally regulated Schedule I Canadian Bank.

Mr. Samji manages his own consulting practice, Alderidge Consulting Inc. He acted as Principal of Towers Perrin from 1988 to 2005 inclusive and is a Fellow of the Society of Actuaries and the Canadian Institute of Actuaries, with more than 30 years of experience in pension consulting. He has served in numerous voluntary positions, including as President of the Aga Khan Council for Ontario. He is Chair of the United Way of Toronto and previously served as the Chair of its Audit and Finance Committee, and is Chair of the Advisory Committee, Canadian Studies, University College, University of Toronto. He holds a B.Sc. Mathematics, Computing Science, Operations Research and Statistics from Thames Polytechnic in the U.K.

Mr. Thall has served as the President and Chief Executive Officer of the Thall Group of Companies, an investment holding company, from 2005 to present. He has also acted as a director of Thall Investments Inc. from 1986 to present and currently acts as the Voting Trustee for the Thall Group on the Torstar Voting Trust. He was formerly a systems analyst with the Toronto Star's Network Services Group. Mr. Thall earned his bachelor degree in Mathematics in 1978 and his Masters of Business Administration in 1980 from York University.

External Auditor Services Fees

Disclosure relating to the fees paid by the Corporation to its external auditors, Ernst & Young LLP, can be found in the Corporation's 2011 Information Circular under the section "Appointment of Auditors", which section is incorporated herein by reference. The 2011 Information Circular is available at www.sedar.com.

F. CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the knowledge of the Corporation, no director or executive officer of the Corporation is, or within the last 10 years has been, a director, chief executive officer or chief financial officer of any company that: (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (b) was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, chief executive officer or chief financial officer, but which resulted from an event that occurred while that person was acting in that capacity, except for the following:

- (i) Donald Babick, a director of the Corporation, previously served as a director of Hollinger Canadian Newspapers Limited Partnership (the “Partnership”), which was subject to a cease trading order imposed by the Ontario Securities Commission on May 21, 2004, which prohibited certain directors and officers of the Partnership from trading in the securities of the Partnership for a period of 15 days from May 21, 2004. This cease trading order was imposed as a result of the Partnership’s failure to meet its continuous disclosure obligations under Ontario securities law.

To the knowledge of the Corporation, no director or executive officer of the Corporation is, or within the last ten years has been, 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, except for the following:

- (i) Transit Television Network, LLC (“TTN”) and Transit Television Network California, LLC (“TTN California”) were indirect wholly-owned subsidiaries of Torstar. In his capacity as an employee of Torstar, Lorenzo DeMarchi was a member of the management board (director) of each of TTN and TTN California. Each of TTN and TTN California filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware on February 4, 2009.

To the knowledge of the Corporation, no director or executive officer of the Corporation has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

To the knowledge of the Corporation, no director or executive officer of the Corporation has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

G. CONFLICTS OF INTEREST

To the knowledge of the Corporation, no director or executive officer of Torstar has an existing or potential material conflict of interest with Torstar.

IX. LEGAL PROCEEDINGS

In 2003, a proposed class of freelance journalists initiated a claim against the Corporation and several other defendants. In 2008, this action was certified as a class action under the *Class Proceedings Act*, 1992. This claim is in respect of works provided by such journalists to various newspapers and other print publications in Canada. The total amount claimed (by all plaintiffs against all defendants) is \$500 million in compensatory damages and \$250 million in exemplary and punitive damages. A settlement has been reached, but remains subject to court approval. While there can be no assurance as to the outcome of this litigation, management is of the view, based on the information currently available to it, that any liability that may arise is not expected to have a material effect on the Corporation’s financial position or results of operations.

In the ordinary course of business, the Corporation and its subsidiaries are routinely defendants in or parties to a number of pending and threatened legal actions brought on behalf of various classes of claimants. In view of the inherent difficulty of predicting the outcome of such matters, the Corporation cannot state what the eventual outcome of such matters will be; however, based on current knowledge, management does not believe that liabilities, if any, arising from pending litigation will have a material adverse effect on the consolidated financial position, or the results of operations of the Corporation.

X. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no director or executive officer of Torstar or a person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding voting securities, or an associate or affiliate thereof, had any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years or during the current fiscal year that has materially affected or is reasonably expected to materially affect the Corporation.

XI. TRANSFER AGENT AND REGISTRAR

The Corporation's registrar and transfer agent is CIBC Mellon Trust Company, 320 Bay Street, Toronto, Ontario M5H 4A6.

XII. MATERIAL CONTRACTS

On December 1, 2005, the Corporation entered into a recapitalization agreement (the "Recapitalization Agreement") with CTVgm, BCE, Woodbridge, 1565117 Ontario Limited ("1565117") and the Ontario Teachers' Pension Plan Board ("Teachers"). Torstar agreed to purchase 800,000,000 Class A common shares of CTVgm (being 20% of the outstanding Class A shares of CTVgm) for \$283 million. Torstar subsequently invested an additional \$94 million. The transaction closed in August 2006 and the parties entered into a unanimous shareholders' agreement dated August 31, 2006 to govern their respective rights and obligations. On September 10, 2010, Torstar entered into a transaction agreement with CTVgm, BCE, Woodbridge, 1565117, Woodbridge Investments Inc. and Teachers and a separate transaction agreement with CTVgm, CTVglobemedia Publishing Inc., BCE, Woodbridge, 1565117 and Teachers (the "Globe and Mail Agreement") in connection with the sale of its 20% interest in CTVgm for aggregate cash proceeds of approximately \$345 million. Under the agreements, BCE will acquire the interests of each of Torstar, Woodbridge and Teachers in CTVgm (excluding the Globe and Mail and related assets) and Woodbridge agreed to separately acquire the interests of Torstar and Teachers in the Globe and Mail and related assets. On December 31, 2010 the parties entered into an amended and restated Globe and Mail Agreement regarding the acquisition by Woodbridge of a direct interest in The Globe and Mail. The acquisition was completed on December 31, 2010 and Torstar received \$40 million in connection with that transaction. This payment, combined with an estimate of certain costs associated with closing the transaction, has reduced the cash proceeds expected on the sale to approximately \$290 million. The sale of Torstar's 20% interest in CTVgm is subject to customary approvals and closing conditions, including approval by the CRTC. This approval was received on March 7, 2011 and the transaction is expected to close early in the second quarter of 2011. Copies of the Recapitalization Agreement, the unanimous shareholders' agreement, the transaction agreement and the Globe and Mail Agreement (including the amended and restated Globe and Mail Agreement dated as of December 31, 2010) are available at www.sedar.com.

The Corporation's credit facilities are provided by a syndicate of Canadian financial institutions and consist of: (i) a \$425 million revolving loan that will mature on January 4, 2012 (or the immediately preceding banking day if January 4, 2012 is not a banking day), and (ii) a \$175 million revolving 364-day operating loan. The revolving 364-day operating loan was established at the same time as the revolving loan and was structured to allow it to be extended annually with the consent of all parties for additional 364-day periods through January 2012 (i.e., would not be renewable beyond the term of the revolving loan). If the consent of all parties cannot be reached on a renewal, then Torstar has the option of converting the operating loan to a 364-day term loan. The 364-day operating loan was reduced to \$175 million from \$310 million at the Corporation's request in November 2010. The operating loan was renewed in December 2010 to mature in January 2012 with the consent of all the parties and the renewal included changes in the interest rate on the operating loan. The Corporation is required to borrow from the operating loan in priority to the revolving loan. Amounts borrowed under the credit facilities are primarily in the form of bankers' acceptances (or an equivalent) and can be drawn in Canadian or U.S. dollars and the Corporation has the right to have letters of credit issued under the credit facilities which may, if permitted by the applicable lender, extend beyond the maturity date of the credit facilities. The credit facilities are subject to customary terms and conditions and events of default. A copy of the original loan agreement dated as of January 31, 2002 and subsequent amendments (including the most recent amendments dated December 22, 2010 and February 28, 2011) between the Corporation, certain of its subsidiaries and the syndicate of Canadian financial institutions, are available at www.sedar.com.

XIII. INTERESTS OF EXPERTS

The Corporation's auditors are Ernst & Young LLP, Ernst & Young Tower, 222 Bay Street, Toronto, Ontario M5K 1J7. The Corporation's consolidated financial statements as at December 31, 2010 and for the year then ended have been filed under National Instrument 51-102 in reliance on the report of Ernst & Young LLP, independent chartered accountants, given on their authority as experts in auditing and accounting. As at February 22, 2011, Ernst & Young LLP has advised that it is independent with respect to the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

XIV. ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Corporation's 2011 Information Circular for the Annual Meeting of Shareholders to be held on May 4, 2011, and additional financial information is provided in the Corporation's consolidated financial statements for 2010 and the 2010 MD&A. Such documentation and additional information relating to the Corporation is contained on SEDAR at www.sedar.com, the internet site maintained by the Canadian Securities Administrators. For the convenience of Torstar's shareholders, the above documents are also available at Torstar's corporate website, located at torstar.com.

APPENDIX “A”

AUDIT COMMITTEE TERMS OF REFERENCE

The primary purpose of the Audit Committee is to assist the Board in discharging its responsibilities relating to the oversight of: (a) the integrity of the Corporation’s financial statements; (b) the Corporation’s compliance with legal and regulatory requirements regarding financial reporting and securities matters; (c) the external auditor’s qualifications and independence; and (d) the performance of the external auditors and the Corporation’s internal audit function.

The Committee shall have the ability to access the Corporation’s legal counsel without the approval of management, as it deems necessary to carry out its duties. The Committee shall also have the authority without the consent of management or the Board, at the Corporation’s expense, to the extent it deems necessary or appropriate, to retain and compensate special independent legal, accounting or other consultants to advise the Committee in connection with fulfilling its obligations.

Management of the Corporation is responsible for the preparation, presentation and integrity of the Corporation’s financial statements and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. The external auditors are responsible for planning and carrying out a proper audit of the Corporation’s annual financial statements and reviews of the Corporation’s quarterly financial statements in accordance with professional standards. The function of the Committee is to provide oversight and to review the effectiveness of these activities. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements are complete, accurate and in accordance with GAAP.

Composition of the Committee

The Committee will consist of at least three directors, each of whom shall be independent (as that term is defined from time to time under securities law requirements for audit committee service and as determined by the Board). The members of the Committee shall be appointed and replaced by the Board from time to time. Each member of the Committee must be financially literate (as determined by the Board) or must become financially literate within a reasonable period of time after appointment to the Committee. A majority of the members of the Committee shall constitute a quorum.

For the purposes of determining the composition of the Committee, “financially literate” shall mean the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Chair of the Committee

The Chair of the Committee shall be appointed by the Board from time to time. The Chair shall be responsible for general leadership of the Committee, including preparing the agenda, presiding over Committee meetings, and reporting to the Board following Committee meetings on matters considered by the Committee. The Chair shall encourage Committee members to ask questions and express views during meetings. If the Chair of the Committee is not able to attend any meeting of the Committee, the Chair shall arrange for another member to preside at the meeting in his or her absence, failing which another member will be chosen by the Committee. The Chair shall take reasonable steps to ensure that the responsibilities of the Committee as outlined in these Terms of Reference are understood by all Committee members and executed as effectively as possible.

Specific Responsibilities

Financial Reporting & Public Disclosure

1. Review and discuss with management and the external auditors the annual audited consolidated financial statements and recommend their approval to the Board.
2. Review all interim financial statements, and annual and interim MD&A and earnings press releases, and recommend their approval to the Board.
3. Review the Annual Information Form and all financial reports which require Board approval and recommend their approval to the Board.
4. Review and approve all changes in accounting principles followed by the Corporation.
5. Discuss with the external auditors the quality and acceptability of the Corporation's accounting principles.
6. Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures. This assessment should include discussions with management to review the processes and systems in place.
7. Discuss financial information and earnings guidance, if any, provided to analysts and rating agencies (to the extent permitted by law), which discussions may occur after issuance.

External & Internal Auditors

8. Evaluate the external auditors and recommend to the Board the reappointment or replacement (as appropriate) of the external auditors to be proposed in the Corporation's next proxy circular for shareholder approval and appointment. In the event of a change of auditors, the Audit Committee will review all issues relating to the change.
9. Review the external audit plan.
10. The external auditors shall report directly to the Committee and shall be accountable to the Board and the Audit Committee as representatives of the shareholders. The Committee shall so instruct the external auditors.
11. Review and evaluate the experience, qualifications and independence of the senior members of the external audit team.
12. Ensure that there is a rotation of the lead audit partner on a regular basis.
13. Review and approve the terms of the external auditors' engagement. Review the appropriateness of the proposed audit fees for recommendation to the Board.
14. Pre-approve all non-audit services provided to the Corporation (including its subsidiaries) by the external auditors which are not prohibited by law. Such pre-approval may include a blanket pre-approval of non-prohibited services for limited dollar amounts or in limited categories of service which the Committee, in its business judgement, does not believe have the potential for conflict or abuse. The pre-approval may be provided by the Chair of the Committee for non-audit services up to \$100,000 (although all such services will be reported to the full Committee at its next scheduled meeting). Non-audit services in excess of \$100,000 will require the approval of the full Committee.

15. Obtain from the external auditors annually a formal written statement setting forth all the relationships between the auditors and the Corporation, and the fees billed for all services rendered by the external auditors to the Corporation for the most recent fiscal year in the aggregate and by each service.
16. Review and approve the disclosure of proportionate audit and non-audit expenditures and the general nature of the non-audit services to be included in the Corporation's annual information form or proxy statement.
17. Review the internal audit plan and progress against the plan.
18. Meet with the external auditors and the internal auditors from time to time, in any event not less frequently than once a year, both with and in the absence of management, to review the work of such auditors, their findings (including their view on the quality of the Corporation's accounting and disclosure practices), any significant recommendations made by them as to internal controls or other matters, management's responses to such recommendations, any unresolved differences, and the cooperation received by such auditors from management.
19. Review and oversee the resolution of any disagreements between management and the external auditors regarding financial reporting.
20. Review the adequacy of the accounting staff and internal audit function.
21. Establish a process with the external auditors and the internal auditors to be informed on a timely basis of any serious concerns which they may have about internal controls and the financial operations of the Corporation and any serious differences of opinion between management and such auditors on such subjects.
22. Establish a process for reporting by internal and external auditors of any practices or conditions affecting the well-being of the Corporation that in their opinion are not satisfactory and require rectification.
23. Review and approve policies for the Corporation's hiring of partners, employees or former partners or employees of the present and former external auditors.

Internal Controls & Compliance

24. Establish procedures for (a) the receipt and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
25. Discuss guidelines and policies governing the process by which senior management and the relevant departments and divisions of the Corporation assess and manage the Corporation's exposure to financial risk and discuss the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including reviewing the adequacy of the Corporation's insurance program.
26. Review reports on the integrity of the Corporation's internal control and management information systems, including disclosure controls and internal controls over financial reporting.
27. Be satisfied that the Corporation is in compliance with applicable legislation and regulations regarding financial reporting and securities matters.
28. Ensure that the Corporation and its subsidiaries have a reporting system requiring the prompt reporting of any significant non-compliance with applicable policies, practices and procedures to the Chief Executive Officer and to the Chairman of the Audit Committee forthwith.
29. Be satisfied that the Corporation has established an appropriate code of ethics for the Corporation's senior financial officers (including the chief financial officer, principal accounting officer and controller of each subsidiary) and that mechanisms to monitor compliance are in place.

Reporting to Board

30. Make regular reports to the Board.

Annual Review & Assessment

31. Conduct an annual performance evaluation of the Committee (with the assistance of the Nominating & Corporate Governance Committee).

32. Review and reassess the adequacy of these Terms of Reference no less than annually and recommend any proposed changes to the Board for approval.