TORSTAR CORPORATION

INFORMATION CIRCULAR

MARCH 1, 2011

TORSTAR CORPORATION

Information Circular

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<u>ACRONYMS</u>

CFROE	Cash Flow Return on Equity
DSU	Deferred Share Unit
MTIP	Medium-term incentive plan
NEO	Named Executive Officer
RPP	Registered Pension Plan
RSU	Restricted Share Unit
SRIP	Supplementary retirement income program
TSX	Toronto Stock Exchange

TORSTAR CORPORATION

Information Circular

Dated as of March 1, 2011

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by the management of Torstar Corporation (the "Corporation" or "Torstar") of proxies to be used at the annual meeting of the holders of Class A shares (the "Class A shares") of the Corporation (the "Meeting"), or any adjournment thereof, to consider the matters set out in the notice of meeting accompanying this Information Circular (the "Circular"). The Meeting will be held on Wednesday, May 4, 2011, at 10:00 a.m. at the Toronto Star building, 3rd Floor Auditorium, One Yonge Street, Toronto, Ontario. It is expected that solicitation of proxies will be primarily by mail. The cost of solicitation will be borne by the Corporation.

Who is Entitled to Vote

The Board of Directors has fixed March 15, 2011 as the record date for the Meeting. Only Class A shareholders of record at the close of business on March 15, 2011 will be entitled to vote at the Meeting. Each Class A share entitles the holder to the right to one vote at the Meeting or any adjournment thereof.

How to Vote

If you are a registered shareholder, you may vote in person at the Meeting or you may give another person the authority to vote at the Meeting on your behalf by appointing a proxyholder, as described below.

Attendance in Person

If you are a registered shareholder and intend to attend the Meeting and vote in person, do not complete or return the form of proxy. Your vote will be taken at the Meeting. Please register with the transfer agent, CIBC Mellon Trust Company, when you arrive at the Meeting.

Appointment of Proxies

If you are a registered shareholder and do not intend to be present in person at the Meeting, you are asked to sign, date and return the enclosed form of proxy in the postage-paid envelope provided.

Proxies must be received on or before May 2, 2011, or in the case of an adjournment of the Meeting, not less than 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of the adjournment.

The persons named in the enclosed form of proxy are the Chair of the Board and the President & Chief Executive Officer of the Corporation. **If you wish to appoint some other person to represent you at the Meeting, you may do so** by inserting the person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Secretary of the Corporation at One Yonge Street, 6th Floor, Toronto, Ontario M5E 1E6. If you choose to appoint another person to represent you, you should ensure that the person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares.

Exercise of Discretion by Proxies

If you do not specify on your proxy form how you want the proxyholder to vote your shares, then your proxyholder can vote your shares as he or she sees fit. Shares represented by properly executed proxies in favour of the Chair of the Board and the President & Chief Executive Officer of the Corporation as designated in the enclosed form will be voted or withheld from voting in accordance with the instructions contained in the proxy. **If the proxy does not contain voting instructions, the shares will be voted for: the election of directors and the appointment of auditors, and the authorization of the directors of the Corporation to fix the remuneration of the auditors, as stated under those headings in this Circular.**

Amendments, Variations or New Matters Brought before the Meeting

The enclosed form of proxy confers discretionary authority upon the proxyholder with respect to amendments or variations to the matters identified in the notice of meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing this Circular, the management of the Corporation is not aware of any such amendments, variations or other matters to come before the Meeting other than matters referred to in the notice of meeting.

Revocation of Proxies

A registered shareholder who has given a proxy may revoke it at any time prior to its use by an instrument in writing executed by the shareholder or by an attorney authorized in writing: (a) by depositing it at the registered office of the Corporation on or before May 3, 2011, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or (b) by delivering it to the Secretary of the Corporation or the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment. A shareholder may also revoke a proxy in any other manner permitted by law.

Voting by Non-Registered Shareholders

You are a non-registered shareholder if your shares are held in the name of a nominee (such as a bank, trust company or securities broker). Your nominee will generally provide you with a voting instruction form or a proxy form. You should follow the voting instructions provided by your nominee. If you wish to vote in person at the Meeting, you must insert your own name in the space provided for the appointment of a proxyholder on the form provided by your nominee, and return same by following the instructions provided.

How Will the Votes be Counted

Each question brought before the Meeting or any adjournment thereof will be determined by a majority of votes cast on the question. The proxies are counted by the Corporation's transfer agent, CIBC Mellon Trust Company.

VOTING SHARES AND THE VOTING TRUST

Voting Shares

On March 1, 2011, the Corporation had outstanding 9,872,737 Class A shares.

Principal Holders of Voting Shares

To the knowledge of the Corporation's directors and executive officers, the following list includes the names of the only persons who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying 10% or more of the voting rights attached to all Class A shares entitled to vote at the Meeting:

	Class A Shares	Percentage of votes
EXECUTORS OF THE ESTATE OF JOSEPH S. ATKINSON(1)	3,110,948	31.5%
RUTH HINDMARSH GROUP(2)	1,847,256	18.7%
HONDERICH GROUP(3)	1,458,356	14.8%
THALL INVESTMENTS INC.(4)	1,458,324	14.8%
CAMPBELL GROUP(5)	1,458,360	14.8%

(1) With the exception of 3,708 Class A shares, all of the Class A shares shown as owned, controlled or directed by the executors of the Estate of Joseph S. Atkinson are owned by Starson Holdings Inc., which is directly or indirectly controlled by the executors of the Estate of the late Joseph S. Atkinson, one of whom is Elaine Berger.

(2) The holdings shown for the Ruth Hindmarsh Group represent the aggregate number of Class A shares directed by Michael Hindmarsh on behalf of the Ruth Hindmarsh Group under its voting trust agreement. In addition, Peter Armstrong holds 200 Class A shares. The Ruth Hindmarsh Group is more particularly described below.

(3) Under the *Securities Act* (Ontario), the Class A shares shown as owned, controlled or directed by the Honderich Group are deemed to be beneficially owned by John A. Honderich, Mary Honderich and David Honderich by virtue of the direct or indirect control by them of shares carrying more than 50% of the votes for the election of directors of companies holding the Class A shares. The holdings shown for the Honderich Group also represent the aggregate number of Class A shares controlled by John A. Honderich on behalf of the Honderich Group under its voting trust agreement. The Honderich Group is more particularly described on page 4.

(4) Under the *Securities Act* (Ontario), the Class A shares shown as owned, controlled or directed by Thall Investments Inc. are deemed to be beneficially owned by the Estate of Burnett Thall by virtue of the direct or indirect control by the Estate of shares carrying more than 50% of the votes for the election of directors of the companies holding the Class A shares.

(5) The holdings shown for the Campbell Group represent the aggregate number of Class A shares controlled by Campbell R. Harvey on behalf of the Campbell Group under its voting trust agreement. The Campbell Group is more particularly described on page 4.

All of the Class A shares listed above are registered in the name of National Trust Company pursuant to the Torstar Voting Trust Agreement.

The Voting Trust

More than 98% of the Corporation's Class A shares are held in a Voting Trust. The original purpose of the Voting Trust was to ensure that control of the Toronto Star newspaper would be maintained by persons who would continue to honour the doctrines and beliefs of Joseph E. Atkinson ("Atkinson") with respect to the publication of a major metropolitan newspaper (the "Atkinson Principles"). The Atkinson Principles are more fully described in the Corporation's 2011 Annual Information Form. Throughout his 50 years as Publisher of the Toronto Star from 1899 to 1948, Atkinson developed strong views on both the role of a large city newspaper and the editorial principles it should espouse. On his death, Atkinson bequeathed all his shares to the Atkinson Charitable Foundation. He wanted to be certain 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 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". Faced with a provincial statute which prevented the Atkinson Charitable Foundation from holding the shares in the newspaper, Mr. Atkinson's son, Joseph S. Atkinson, and four other senior managers of the newspaper (Messrs. Campbell, Hindmarsh, Honderich and Thall) formed Torstar Corporation to purchase the assets of the Toronto Star and formed the Voting Trust to hold their controlling interest. As the Corporation has become a diversified media company, the Atkinson Principles have remained confined to the operations of the Toronto Star newspaper. In addition to ensuring fidelity to the Atkinson Principles at the Toronto Star, the Voting Trust has also provided continuity of ownership to the Corporation as a whole.

The Voting Trust joins together seven groups of shareholders. These seven groups collectively hold approximately 98% of the Class A shares of the Corporation and approximately 21% of the Class B non-voting shares of the Corporation. This represents approximately 31% of the total common equity of the Corporation. The seven groups which are parties to the Voting Trust Agreement, together with the Corporation, and National Trust Company as Depository and Trustee, are:

- Starson Group: the executors of the Estate of J.S. Atkinson, Starson Investments Limited, Starson Holdings Inc., 661005 Ontario Inc.;
- Atkinson Group: Catherine Atkinson Murray, Catherine Atkinson Holdings (1984) Inc., Susanco Holdings (1997) Inc., Trishco Holdings (1997) Inc.;
- Ruth Hindmarsh Group: Hindmarsh Holdings (1988) Limited, Harry Hindmarsh Investments Inc., Starlyn Holdings Inc., HP Holdings Corp., Willstar Holdings Inc., R.A. Winter Enterprises Inc., LSKA Enterprises Inc., Sally Jane Booth Enterprises Inc., Butchco Enterprises Inc., Susan Chan, Joan Mathieu, Kathleen Cino, John A. Hindmarsh, Michael Clark, Michael Hindmarsh, Nancy Hindmarsh, Stephen Hindmarsh, R.A. Winter, Peter A. Armstrong, Carberry Corporation, Carol Hindmarsh Holdings Inc., Starlich Holdings Inc., S.E. Chan Investments Inc., Coco T. Investments Inc.;
- Lynne Hindmarsh Group: S. Lynne Hindmarsh, Scarlett Investments Inc.;
- Campbell Group: Eleanor Campbell Osler, Crofton Harvey-Campbell Holdings Inc., Campbell Russell Harvey, Suhar Investments Limited, Jeffcamp Investments Limited, Jacamp Investments Limited, Caharvey Investments Limited, Jeffrey Campbell, William Campbell, Faith Harvey-Campbell Holdings Inc.;

- Honderich Group: Honderich Holdings Inc., John A. Honderich, David B. Honderich, Mary E. Honderich, 661005 Ontario Inc.; and
- Thall Group: The Estate of Burnett M. Thall, Eleanor E. Thall, Nelson S. Thall, Martin E. Thall, Thall Holdings Limited, Thall Investments Inc., 661005 Ontario Inc.

Pursuant to the Voting Trust Agreement, 9,722,556 Class A shares have been deposited with National Trust Company.

Under the Voting Trust Agreement, each shareholder group identified above is entitled to appoint a Voting Trustee. The Voting Trustees exercise various powers and rights, including among others the right to vote in the manner as determined by a majority of the Voting Trustees all of the Class A shares of the Corporation held by the members of the Voting Trust. As a result, the Voting Trust through a single ballot effectively elects the Board of Directors (the "Board") at the Meeting. The current Voting Trustees are set out below.

Voting Trustee	Group Represented
Starson Investments Limited	Starson Group
Catherine Atkinson Murray	Atkinson Group
Michael Hindmarsh	Ruth Hindmarsh Group
S. Lynne Hindmarsh	Lynne Hindmarsh Group
Campbell R. Harvey	Campbell Group
John A. Honderich	Honderich Group
Martin E. Thall	Thall Group

The Voting Trust Agreement contains certain restrictions on the transfer of shares of the Corporation by parties to the Voting Trust Agreement. These provisions preserve the ability for the Voting Trust to retain control of the Corporation. These provisions include a requirement that any party to the Voting Trust Agreement desiring to transfer Class A shares must first offer the shares to the other members of the Voting Trust, and can only transfer the shares outside of the Voting Trust if they are not purchased pursuant to such an offer and in such event, the Class A shares must be converted to Class B non-voting shares before the transfer.

The Voting Trust Agreement also invites each of the five principal groups, being the Atkinson/Starson, Hindmarsh, Campbell, Honderich and Thall groups, to nominate a representative of each such group for election to the Board. If, in the reasonable exercise of their powers as Voting Trustees, the Voting Trustees decide that the election of each of the chosen nominees to the Board would be in the best interests of Torstar, the Voting Trustees will vote in favour of the election of such nominees. Subject to election at the Meeting, the Voting Trust has nominated the following directors for election to the Board:

Board Nominee	Group Represented
Elaine Berger	Atkinson Group/Starson Group
Neil Clark	Ruth Hindmarsh Group/Lynne Hindmarsh Group
Campbell R. Harvey	Campbell Group
John A. Honderich	Honderich Group
Martin E. Thall	Thall Group

BUSINESS OF THE MEETING

Financial Statements

The Corporation's consolidated financial statements for the year ended December 31, 2010 are included in the 2010 Annual Report, which has been mailed to shareholders who requested a copy. The financial statements are also available on SEDAR at www.sedar.com and at www.torstar.com.

Election of Directors

Shareholders will be asked to vote on the election of the Board. The 13 nominees proposed for election are listed beginning on page 6. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote for the election of the nominees listed. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until his or her successor is duly elected at the next annual meeting, unless such office is vacated sooner. More detailed information regarding the election of directors is set out beginning on page 6 under the heading "Election of Directors".

Appointment of Auditors

Shareholders will be asked to vote for the appointment of the auditors, and the authorization of the directors to fix the remuneration of the auditors. The directors propose that the firm of Ernst & Young LLP be re-appointed as auditors of the Corporation for the 2011 fiscal year. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote for the re-appointment of Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders, and also intend to vote in favour of the resolution authorizing the directors to fix the remuneration of the auditors.

Pre-Approval Policies & Procedures for External Auditors' Other Services

The Audit Committee has determined that the non-audit services provided to the Corporation by Ernst & Young 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). Any services pre-approved by the Chair are reported to the full Committee at the next meeting. The services set out below were approved by the Audit Committee. The Audit Committee considered and agreed that such services are compatible with maintaining the independence of the Corporation's auditors.

Audit Fees

The following fees were billed by Ernst & Young LLP to the Corporation in 2010 and 2009, respectively:

Fees(1)	**2010**	**2009**
Audit fees(2)	1,467,500	1,535,900
Audit-related fees(3)	105,000	226,400
Tax fees(4)	61,900	69,000
Other fees(5)	301,736	264,400
Total	$1,936,136	$2,095,700

(1)Fees have been rounded to the nearest $100.

(2)Audit fees are the aggregate fees billed by the external auditors for audit services. The fees shown for 2010 are for work related to the 2009 audit, and the fees shown for 2009 are for work related to the 2008 audit Fees were lower in 2010 as additional audit work was required in 2009 related to impairment testing of intangible assets, goodwill and investments in associated businesses for the 2008 audit.

(3)Audit-related fees are the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under (2). In 2010, these services consisted primarily of reviews of interim financial statements. In 2009 they consisted primarily of reviews of interim financial statements and assessment of information technology related internal accounting controls and risk management controls.

(4)Tax fees are the aggregate fees billed for professional services rendered for tax compliance, tax advice, and tax planning. In each of 2009 and 2010 these services consisted primarily of compliance work in foreign jurisdictions.

(5)In 2009 and 2010 other fees were for assistance with IFRS conversion.

ELECTION OF DIRECTORS

The articles of the Corporation provide that the Board shall consist of not less than five and not more than 20 directors who are to be elected annually. The Board has fixed at 13 the number of directors to be elected at the Meeting. The Honourable Roy Romanow has reached the mandatory retirement age and will be retiring from the Board immediately prior to the Meeting. Peter Armstrong is not standing for re-election. The proposed nominees for election are listed below. All of the nominees are currently directors of the Corporation and were duly elected at the last annual meeting of shareholders with the exception of Linda Hughes, who was appointed by the Board effective November 3, 2010, and Neil Clark, who is not currently a director.

The following table sets out the names of the proposed nominees for election as directors, together with information regarding each nominee. The number of deferred share units ("DSUs") owned by each nominee has been rounded to the nearest whole unit. The listing of other board memberships in the table includes both public and non-public company boards. Public company boards are denoted with a "(P)".The record of attendance by directors at meetings of the Board and its Committees during 2010 is set out on page 12. For further information relating to the current directors, please see the section entitled "Directors and Officers" in Torstar's 2011 Annual Information Form.

John A. Honderich C.M., O. Ont.
Toronto, Ontario, Canada
Age 64

Director since:
May 5, 2004

Also served as a director
from January 1, 1995
to May 2, 2001

John Honderich is the Chair of the Board of Torstar. He is also Chair of the Torstar Voting Trust. He has served as Special Advisor to the Premier of Ontario on the future of the 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 began his newspaper career with the Ottawa Citizen (1973-76). He joined the Toronto Star in 1976 as a reporter and eventually became chief of the Toronto Star's Ottawa Bureau and later chief of the Washington Bureau. After serving as Deputy City Editor, he was appointed Business Editor of the Toronto Star in May 1984. In 1986, he moved to London, England, where he took several post graduate courses in economics and international trade at the London School of Economics. At the same time, he wrote *Arctic Imperative*, published in the fall of 1987 by the University of Toronto Press, in which he outlined the serious dangers threatening Canada's North. Mr. Honderich graduated from the University of Toronto with a B.A. in Political Science and Economics (1968) and an LL.B. (1971). Mr. Honderich was appointed as a Member of the Order of Canada in 2004 and a Member of the Order of Ontario in 2006. He has received honorary degrees from Victoria University and Ryerson University.

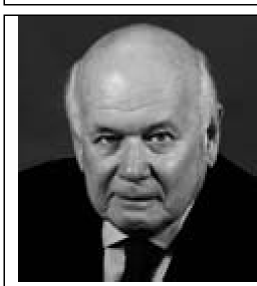
Board and Committee Membership and Attendance	**#**	**%**
Board of Directors	10 of 10	100
Nominating & Corporate Governance Committee	4 of 4	100
Pension Committee	5 of 5	100
Audit Committee	4 of 4	100
Salary & Organization Committee - Chair	3 of 3	100
Toronto Star Advisory Committee	3 of 3	100

Other Board Memberships

United Way of Toronto
Michener Foundation
Toronto Library Foundation
Martin Goodman Fellowship
Atkinson Fellowship

Securities Held or Controlled

Class A Shares	**Class B Shares**	**DSUs**	**Total**	**Minimum Shareholding Requirement Met?**
1,458,356	3,452,609	16,502	4,927,467	Yes



Donald Babick
Vancouver, British Columbia, Canada
Age 69

Director since:
December 14, 2004

Donald Babick is a corporate director. Mr. Babick was the President and Chief Operating Officer of CanWest Publications Inc. from 2000 until 2003; President and Chief Operating Officer of Southam Publications from 1996 until 2000; President and Publisher of the National Post from 1998 until 2000; President and Publisher of Pacific Press (Vancouver Sun and Province) from 1992 until 1998; President and Publisher of the Edmonton Journal from 1990 until 1992; and Corporate Vice President, Marketing of Southam Newspaper Group from 1988 until 1990. He also acted as Interim Publisher of the Toronto Star from October 4, 2008 to December 19, 2008.

Board and Committee Membership and Attendance	**#**	**%**
Board of Directors	10 of 10	100
Salary & Organization Committee	3 of 3	100
Toronto Star Advisory Committee	3 of 3	100

Other Board Memberships

Vision Critical Communications Inc.
Waterstone Human Capital Ltd.
Layfield Group Inc.

Securities Held or Controlled

Class A Shares	**Class B Shares**	**DSUs**	**Total**	**Minimum Shareholding Requirement Met?**
1	6,900	16,185	23,086	Yes

Elaine Berger
Toronto, Ontario, Canada
Age 65

Director since:
May 3, 2006

Elaine Berger, the widow of Joseph S. Atkinson, is President of Starson Investments Limited and has been an executor of the Estate of Joseph S. Atkinson since 1968. She previously worked at the Toronto Star in an administrative role. Ms. Berger has represented the Starson Group's Voting Trustee on the Torstar Voting Trust since 1968.

Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Nominating & Corporate Governance Committee	4 of 4	100
Toronto Star Advisory Committee	3 of 3	100

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	400	12,705	13,105	Yes*

**As described on page 2 of this Circular, Starson Holdings Inc. holds 3,107,240 Class A shares. Starson Holdings Inc. also holds 4,358,096 Class B non-voting shares. Starson Holdings Inc. is controlled by the executors of the Estate of Joseph S. Atkinson. Ms. Berger is deemed to have met the minimum shareholding requirement.*

B. Neil Clark
Queenston, Ontario, Canada
Age 69

Proposed Nominee

Also served as a director from April 30, 2003 to May 5, 2004 and from June 30, 2004 to May 3, 2006.

Neil Clark is a Corporate Director. Previously, he held several positions at various Torstar subsidiaries from 1973 until his retirement in 1996. At the Toronto Star, these included Director of Finance and Administration from 1980 to 1985, Circulation Director from 1985 to 1990, Vice-President, Operations, from 1990 to 1996, and Senior Vice-President, Strategic Planning, in 1996. Mr. Clark held several senior positions at Comac Communications Limited, including Chief Financial Officer from 1973 to 1980 and served as a member of the Board from 1974 to 1980. Prior to his employment with the Torstar entities, Mr. Clark was the Vice-President and Treasurer at Noble Scott Company Limited from 1971 to 1973 and was employed by Clarkson, Gordon & Co. from 1964 to 1971. Mr. Clark is a Chartered Accountant and earned his Bachelor of Commerce degree from McMaster University.

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	100	0	100	N/A

Joan T. Dea
San Francisco, California, USA
Age 47

Director since:
March 1, 2009

Joan Dea manages Beckwith Investment Corp. From 2003 to 2008 Ms. Dea worked with BMO Financial Group, most recently as Executive Vice President, Head of Strategic Management and Corporate Marketing. Ms. Dea worked with the Boston Consulting Group for 14 years where she was a leader on issues of global competitiveness, cutsomer experience strategies and financial services. She became a partner and director in 1994. Ms. Dea began her career working in corporate finance with Chemical Bank. Ms. Dea holds a Bachelor of Arts from Yale University and a Master of Science (with Distinction) from the London School of Economics.

Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Nominating & Corporate Governance Committee	3 of 4	75
Salary & Organization Committee	3 of 3	100

Other Board Memberships

Cineplex Inc. (P)
Civic Action Alliance

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	0	13,092	13,092	*

** Required by March 1, 2013*

Campbell R. Harvey
Chapel Hill, North Carolina, USA
Age 52

Director since:
May 8, 1992

Campbell R. Harvey is the J. Paul Sticht Professor of International Business at Duke University and a Research Associate of the National Bureau of Economic Research in Cambridge, Massachusetts. Professor Harvey is the Editor of *The Journal of Finance* – the leading scientific journal in his field and one of the premier journals in the economics profession. He is past President of the Western Finance Association. Professor Harvey obtained his doctorate at the University of Chicago in business finance. He has served on the faculties of the Stockholm School of Economics, the Helsinki School of Economics and the Graduate School of Business at the University of Chicago. He has also been a visiting scholar at the Board of Governors of the Federal Reserve System. He was awarded an honorary doctorate from Svenska Handelshögskolan in Helsinki. Professor Harvey is an internationally recognized expert in portfolio management, the cost of capital and global risk management. He has served or still serves as a consultant or principal to some of the world's leading asset management and consulting firms. He has published over 125 scholarly articles on the implications of changing risk and the dynamics of risk premiums for tactical asset allocation in international settings. Professor Harvey has received five Graham and Dodd Awards for excellence in financial writing from the CFA Institute, including the best research paper of 2006, three Roger F. Murray Prizes from the Institute for Research in Quantitative Finance (Q-Group), as well as a number of other best paper awards. Professor Harvey is a Voting Trustee of the Torstar Voting Trust and is a Canadian citizen.

Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Nominating & Corporate Governance Committee	3 of 4	75
Toronto Star Advisory Committee	3 of 3	100

Other Board Memberships

American Finance Association

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
1,458,360	3,016,404	18,816	4,493,580	Yes

Options Held: 5,000

David Holland
Toronto, Ontario, Canada
Age 53

Director since:
May 6, 2009

David Holland is the President and Chief Executive Officer of Torstar. He served as Interim President and Chief Executive Officer from May 6, 2009 until November 19, 2009, and as Executive Vice President & Chief Financial Officer of Torstar since 2005. Mr. Holland has worked within the Torstar group of companies in various financial capacities since 1986, when he joined as Manager of Taxation in the corporate office. He became Director of Taxation in 1987, and Director of Finance in 1990. He was the Vice President of Finance at the Toronto Star from 1996 to 2000, the Vice President and Chief Financial Officer of Torstar Media Group from 2000 to 2001, and the Senior Vice President and Chief Financial Officer of Harlequin Enterprises from 2001 to 2005. Prior to joining Torstar, Mr. Holland worked at Clarkson Gordon (now Ernst & Young) for 6 years. He obtained his Chartered Accountant designation in 1982. Mr. Holland received a Bachelor of Commerce from Queen's University in 1980.

Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Pension Committee	5 of 5	100
Toronto Star Advisory Committee	3 of 3	100

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	RSUs	Total	Minimum Met?
0	5,248	2,596	183,672	191,516	Yes

Options Held: 782,250

Linda Hughes
Edmonton, Alberta, Canada
Age 60

Director since:
November 3, 2010.

Linda Hughes is currently Chancellor of the University of Alberta and has served in this role since November, 2008. From 2006 to 2008, Ms. Hughes was involved in volunteer community work including Chairing the Mayor's Committee to End Homelessness, serving as a director of the Royal Alexandra Hospital Foundation and the Edmonton Community Foundation and travelling to Bhutan to do volunteer consulting for the Observer newspaper. For 15 years, from 1992 to 2006, Ms. Hughes was Publisher and CEO of The Edmonton Journal. From 2003 to 2005 Ms. Hughes held the role of General Manager Alberta for CanWest Media Works, which included responsibility for the CanWest newspapers and television operations in Alberta. Her career at The Edmonton Journal spanned 30 years and included serving as Editor-In-Chief, Editor of various departments and Parliamentary Reporter. Ms Hughes continues to serve on the boards of the Royal Alexandra Hospital Foundation, the Edmonton Community Foundation, the Edmonton Homeless Commission and the University of Alberta Board of Governors. Ms Hughes graduated with an Honours BA from the University of Victoria. She has received honorary doctorates from Athabasca University, the University of Alberta, and the University of Victoria, and has been awarded Alberta's Centennial Medal, the Arthur Kroeger College Award for Public Affairs (Carleton University), and membership in Alberta's Business Hall of Fame.

Board and Committee Membership and Attendance	#	%
Board of Directors	1 of 1	100

Other Board Memberships

Royal Alexandra Hospital Foundation
Edmonton Community Foundation
Edmonton Homeless Commission
University of Alberta Board of Governors

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	0	607	607	*

** Required by November 3, 2014*

Daniel A. Jauernig
Toronto, Ontario, Canada
Age 45

Director since:
January 16, 2009

Daniel 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 (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 of a TSX publicly listed company that operates HomEquity Bank, a federally regulated Schedule 1 Bank, and also serves on the Board of Classified Ventures, LLC.

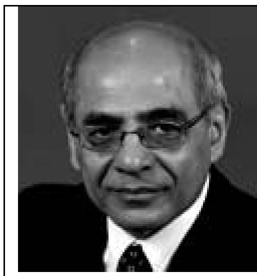
Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Audit Committee	4 of 4	100
Toronto Star Advisory Committee	3 of 3	100

Other Board Memberships

Classified Ventures, LLC
HOMEQ Corporation (P)
HomEquity Bank

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	0	18,484	18,484	Yes



Alnasir Samji
Thornhill, Ontario, Canada
Age 60

Director since:
March 1, 2009

Alnasir 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, Chair of the Advisory Committee, Canadian Studies, University College, University of Toronto, member of the Board of Trustees of the CAAT Pension Plan, member of the steering committee of the Canadian Board Diversity Council, and member of the Focus Afghanistan management operating committee. He holds a B.Sc. Mathematics, Computing Science, Operations Research and Statistics from Thames Polytechnic in the U.K.

Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Audit Committee	4 of 4	100
Pension Committee - Chair	5 of 5	100

Other Board Memberships

United Way of Toronto
CAAT Pension Plan Board of Trustees

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	0	20,052	20,052	Yes

Martin E. Thall
Toronto, Ontario, Canada
Age 55

Director since:
May 1, 2002

Martin Thall serves as the President and Chief Executive Officer of the Thall Group of Companies, an investment holding company. He was formerly a systems analyst with the Toronto Star's Network Services Group, where he gained extensive experience with the Toronto Star's wide area and local area networks. He earned his bachelors degree in Mathematics and his Masters of Business Administration from York University. Mr. Thall is a Voting Trustee of the Torstar Voting Trust.

Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Audit Committee	4 of 4	100
Salary & Organization Committee	3 of 3	100

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
2*	1,400*	18,816	20,218	Yes

**As described on page 2 of this Circular, Thall Investments Inc. owns 1,458,324 Class A shares. Thall Investments Inc. also holds 1,164,372 Class B non-voting shares. Thall Investments Inc. is owned by Thall Holdings Corporation. Mr. Thall is a trustee and beneficiary of the trust that owns the common shares of Thall Holdings Corporation, and as a result, has a beneficial interest in the shares of the Corporation owned by Thall Investments Inc. Mr. Thall is also a director of Thall Investments Inc., and the Voting Trustee for the Thall Group.*

Paul R. Weiss
Niagara-on-the-Lake, Ontario, Canada
Age 63
Director since:
May 6, 2009

Paul Weiss also serves on the Board of Directors of BCE Inc., Bell Canada, Empire Life Insurance Company and ING Bank of Canada Limited. He is the Past Chair of Toronto Rehab Foundation, the Chair of Soulpepper Theatre Company, Director and President of GBSP Joint Venture (Young Centre for Performing Arts) and a Director of the Niagara International Music Festival. He worked with the accounting firm of KPMG from 1968 until his retirement in 2008. He was the Managing Partner of KMPG'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.

Board and Committee Membership and Attendance	#	%
Board of Directors	9 of 10	90
Audit Committee - Chair	4 of 4	100
Pension Committee	5 of 5	100

Other Board Memberships

BCE Inc./Bell Canada (P)
Empire Life Insurance Company
ING Bank of Canada Limited
Toronto Rehab Foundation
Toronto Rehab Institute
Soulpepper Theatre Company
GBSP Joint Venture (Young Centre for Performing Arts)
Niagara International Music Festival

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	0	10,965	10,965	*

** Required by May 6, 2013*

Phyllis Yaffe
Toronto, Ontario, Canada
Age 62

Director since:
May 6, 2009

Phyllis Yaffe is the Lead Director. She was the CEO of Alliance Atlantis Communications from 2005 until 2007. She joined the company in 1993, and was the Chief Operating Officer from 2004 to 2005, and the Chief Executive Officer of the Alliance Atlantis Broadcast Group from 2001 to 2004. She is the past Chairperson of the Foundation to Underwrite New Drama for Pay Television, was Vice President, Marketing of the Young Naturalists Foundation from 1985-1993, Executive Director of the Association of Canadian Publishers from 1980 to 1985, Executive Director of the Children's Book Centre from 1977 to 1980, Reference Librarian at Seneca College of Applied Arts and Technology from 1973-1976 and Branch Librarian of the Winnipeg Public Library from 1972-1973. She is Chairperson of Women Against Multiple Sclerosis, and Chair of the Ryerson University Board of Governors. She holds a Master of Library Science from the University of Toronto, a Bachelor of Library Science from the University of Alberta and a Bachelor of Arts from the University of Manitoba.

Board and Committee Membership and Attendance	#	%
Board of Directors	10 of 10	100
Nominating & Corporate Governance Committee - Chair	4 of 4	100
Salary & Organization Committee	3 of 3	100

Other Board Memberships

Astral Media Inc. (P)
Cineplex Inc. (P)
Lions Gate Entertainment Corp. (P)
Women Against Multiple Sclerosis
Ryerson University Board of Governors

Securities Held or Controlled

Class A Shares	Class B Shares	DSUs	Total	Minimum Shareholding Requirement Met?
0	0	10,965	10,965	*

** Required by May 6, 2013*

NOTES:

1. The information as to shares beneficially owned or over which control or direction is exercised is not within the knowledge of the Corporation and has been furnished by the respective nominees, individually.
2. The Voting Trust has advised the Corporation that the 9,722,556 Class A shares held by the Voting Trust will be voted in favour of the election of the nominees named above pursuant to the Torstar Voting Trust Agreement.

ADDITIONAL DISCLOSURE RELATING TO DIRECTORS

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Torstar, no director nominee 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 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 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 as disclosed in the Corporation's 2011 Annual Information Form under the heading "Cease Trade Orders, Bankruptcies, Penalties or Sanctions", which section is incorporated herein by reference.

To the knowledge of Torstar, no director nominee is, or within the last 10 years has been, a director or executive officer of any company that, while the individual 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 as disclosed in the Corporation's 2011 Annual Information Form under the heading "Cease Trade Orders, Bankruptcies, Penalties or Sanctions", which section is incorporated herein by reference.

To the knowledge of Torstar, no director nominee 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.

To the knowledge of Torstar, no director nominee has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Summary of 2010 Board and Committee Meetings and Attendance of Directors

The following table summarizes the Board and Committee meetings held during 2010, and the attendance of the directors at those meetings. Of the ten Board meetings held in 2010, six were regularly scheduled and four were special meetings.

ATTENDANCE OF DIRECTORS AT 2010 BOARD AND COMMITTEE MEETINGS													
	Board (10 meetings)		Audit (4 meetings)		Salary & Organization (3 meetings)		Nominating & Corporate Governance (4 meetings)		Toronto Star Advisory (3 meetings)		Pension (5 meetings)		Total Meetings Attended
Director	#	%	#	%	#	%	#	%	#	%	#	%	%
Peter Armstrong	10	100	-	-	-	-	-	-	3 [1]	100	1/1[2]	100	100
Donald Babick	10	100	-	-	3	100	-	-	3	100	-	-	100
Elaine Berger	10	100	-	-	-	-	4	100	3	100	-	-	100
Joan Dea	10	100	-	-	3	100	3	75	-	-	-	-	94
Campbell Harvey	10	100	-	-	-	-	3	75	3	100	-	-	94
David Holland	10	100	-	-	-	-	-	-	3	100	5	100	100
John Honderich[3]	10	100	4	100	3 [1]	100	4	100	3	100	5	100	100
Linda Hughes[4]	1/1	100	-	-	-	-	-	-	-	-	-	-	100
Daniel Jauernig	10	100	4	100	-	-	-	-	3	100	-	-	100
Roy Romanow	10	100	-	-	-	-	4	100	3	100	-	-	100
Alnasir Samji	10	100	4	100	-	-	-	-	-	-	5[1]	100	100
Martin Thall	10	100	4	100	3	100	-	-	-	-	-	-	100
Paul Weiss[5]	9	90	4[1]	100	-	-	-	-	-	-	5	100	95
Phyllis Yaffe	10	100	-	-	3	100	4[1]	100	-	-	-	-	100

1. Committee Chair.
2. Peter Armstrong ceased to be a member of the Pension Committee May 6, 2010.
3. John Honderich is the Chair of the Board.
4. Linda Hughes became a director November 3, 2010.
5. Paul Weiss did not attend one of the special Board meetings due to a potential conflict of interest related to the matter under discussion.

The Board also had a special committee in 2010. This Committee held nine meetings and its three members, Phyllis Yaffe, Paul Weiss and Donald Babick, attended all meetings.

COMPENSATION DISCUSSION & ANALYSIS

Objectives of the Executive Compensation Program

Our compensation program is designed to attract, motivate, reward and retain qualified executives. Our objectives are to: provide competitive compensation plans; pay for performance by rewarding the achievement of individual performance as well as annual and long-term financial results and strategic objectives; and ultimately, to align the interests of our executives with our shareholders by rewarding performance that increases shareholder value. We use variable compensation programs that link compensation to: (i) individual performance of the executive against pre-established personal goals and objectives; (ii) business-unit performance based on objective business performance metrics; and (iii) the overall performance of Torstar. As an executive officer's level of responsibility increases, a greater percentage of total potential compensation comes from the variable compensation plans – the annual bonus and longer term incentives. For the named executive officers ("NEOs"), the Committee has established a program that is heavily weighted towards variable compensation. The compensation programs of each NEO are designed to appropriately balance the need to drive results in their own business unit as well as to support the long-term growth of the Corporation overall.

As discussed in more detail below, our compensation program has four primary elements: base salary, annual bonus, longer-term incentives and pension. The combination of elements is designed to encourage employees to achieve strong short-term results while also being motivated to meet longer-term goals and objectives. We also encourage share ownership by our executives. We have minimum share ownership requirements in place for the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the leaders of our three largest businesses - Harlequin, Metroland Media Group and Star Media Group - with a value of 1 to 3 times the executive's base salary, depending on the executive's position. These requirements are described in more detail below.

We believe that our programs are reasonable, fair to both executives and shareholders, and competitive with compensation available at other media and publishing companies.

2010 Compensation Program

Torstar has designed its compensation programs to take into account the individual objectives and circumstances of its various operating businesses For the Star Media Group and Torstar Corporate, the mix of executive compensation programs is focused on short-term incentives for annual performance based on line-of-sight goals, and long-term incentives based on Torstar share performance through share options and restricted share units ("RSUs"). For Harlequin and the most senior executives at Metroland (including the President of Metroland Media Group), the mix of programs also includes a cash-based medium-term incentive plan based exclusively on the applicable business unit's three-year growth. This was designed to keep these executives focused on the multi-year growth initiatives in their own business.

Compensation Review Process for Named Executive Officers

The Salary & Organization Committee is responsible for overseeing the executive compensation programs for NEOs and for determining individual compensation for each of the NEOs. The Committee is assisted by external compensation consultants, benchmarking data and input from management.

Compensation Consultants

The Salary & Organization Committee has engaged Mercer to provide advice on executive compensation matters. Mercer provides analyses of market trends and practices as well as guidance on incentive plan design. Mercer also provides data on the total compensation offered for similar positions in various comparator groups. The Committee meets regularly with Mercer to discuss broad trends, practices and developments in executive compensation. Mercer attends each regular meeting of the Committee and the Committee holds an executive session with Mercer at each meeting in the absence of management.

Although the Committee seeks and considers the information and advice provided by Mercer, decisions made by the Committee are ultimately the responsibility of the Committee.

In 2010, the total fees paid to Mercer as external advisors to the Committee were approximately $22,000. Mercer also provided compensation and benefits consulting services to Torstar business units, and was paid approximately $35,500 for those services. In addition, Mercer Health & Benefits LLC acts as Harlequin's insurance broker in the United States, and received approximately $70,500 USD in this capacity.

Benchmarking

Mercer periodically provides reviews of the relevant marketplaces to ensure that Torstar's compensation packages and salary ranges are competitive. Comparisons are made to other media and consumer-facing companies in Canada and to industry in general with similar levels of revenue. Comparison is also made to the US publishing industry for the CEO of Harlequin, since most of Harlequin's revenue comes from international operations, including a majority from the US. Placement within the comparator groups is determined separately for each of our operating divisions, based on individual assessments of the competitive marketplace. These assessments are revised periodically.

Mercer periodically assists the Committee and management in conducting comprehensive comparative studies on total compensation for key executive roles. The studies provide detailed benchmarking data from other companies, and the results of the studies are used to assist in determining appropriate compensation levels. Given the limited size of the media market in Canada, we generally look at three comparator groups: Canadian media organizations, consumer facing organizations, and general industry organizations. The companies included in the comparator groups can vary from year to year based on availability of the data, and both the companies included and the emphasis on the type of comparator group can vary based on the position under review. In addition to the publicly disclosed data, comparison may also be made to data from proprietary compensation surveys including general industry and industry-specific surveys, when available.

The comparators used in the most recent review for the CEO and CFO were:

- Publicly traded Canadian Media companies, represented by: Quebecor Inc., Shaw Communications Inc., Cinram International Inc., Yellow Pages Income Fund, Groupe Aeroplan Inc., Cogeco Inc., Astral Media Inc., Cineplex Galaxy Income Fund, CORUS Entertainment Inc.

- Publicly traded Canadian Consumer Facing companies, represented by: Dorel Industries Inc., Cinram International Inc., Jean Coutu Group, Tim Hortons Inc., Cott Corporation, Manitoba Telecom Services Inc., Canada Bread Ltd., Yellow Pages Income Fund, Groupe Aeroplan Inc., North West Co Fund, Gildan Activewear Inc., Colabor Group Inc., Cogeco Inc., Astral Media Inc., Cineplex Galaxy Income Fund, CORUS Entertainment Inc.

- Mercer's Mid-Size General Industry Group, represented by a selection of 56 mid-sized companies (55 for the CFO's review) which provide a cross-section of organizations which is intended to be consistent with the industry mix in the TSX Composite Index. The selected companies range in revenue from $264 million to $2.7 billion.

The comparators used in the most recent reviews for the other NEOs were:

- Publicly traded Canadian Media companies, represented by: Quebecor Inc., Shaw Communications Inc., Canwest Global Communications, Cinram International Inc., Yellow Pages Income Fund, Groupe Aeroplan Inc., Cogeco Inc., Astral Media Inc., Cineplex Galaxy Income Fund, CORUS Entertainment Inc.

- Publicly traded Canadian Consumer Facing companies, represented by: Dorel Industries Inc., Cinram International Inc., Jean Coutu Group, Tim Hortons Inc., Cott Corporation, Manitoba Telecom Services Inc., Canada Bread Ltd., Yellow Pages Income Fund, Groupe Aeroplan Inc., North West Co Fund, Gildan Activewear Inc., Colabor Group Inc., Cogeco Inc., Astral Media Inc., Cineplex Galaxy Income Fund, CORUS Entertainment Inc.

- Mercer's Mid-Size General Industry Group, represented by a selection of 60 mid-sized companies which provide a cross-section of organizations which is intended to be consistent with the industry mix in the TSX Composite Index. The selected companies range in revenue from $437 million to $2.3 billion.

Additional proprietary information regarding US publishing and Canadian media companies was also considered in the advice provided by Mercer.

Benchmark analysis considered the value of the overall compensation arrangement including base salary, annual bonus opportunities, long term incentives and the value of pensions. A detailed review for the CEO and CFO was conducted in 2009 as part of the consideration of their initial compensation packages, and in each case, overall compensation was generally targeted to be near the 50th percentile of the market considering all three comparator groups. A further detailed review for the CEO and CFO was conducted in early 2011 and overall compensation continued to be targeted to be near the 50th percentile.

Compensation for the remaining NEOs is recommended by the CEO based on discussions with the external compensation consultant about market competitiveness. The market comparisons for these NEOs includes data for executives with comparable roles at companies included in the comparator groups set out above, where available. Where there was no data for comparable roles at companies included in these groups, other data was used, which generally included data from proprietary surveys or other confidential sources available to our external compensation consultant. These reviews were used primarily to assess whether or not the proposed compensation packages for the NEOs, including to some degree the mix, type and quantum of compensation, were reasonable and competitive. The specific mix, type and quantum of compensation was set also taking into consideration the programs in place at Torstar. The Committee discusses the proposed compensation with the compensation consultant to confirm the consultant's views regarding its reasonableness and competitiveness. A detailed review of current compensation for the remaining NEOs was conducted by Mercer in the fall of 2009. For these NEOs, we generally target compensation to be near the 50th percentile, but this may vary from time to time based on individual situations as we strive to deliver compensation that is competitive.

Review Process & Role of Management

The Committee reviews the CEO's compensation annually and recommends it for approval to the Board. The Committee reviews and approves the compensation for the other NEOs.

Long-term incentive compensation awards are reviewed by the Committee at its regularly scheduled December meeting. The remaining compensation adjustments, payouts and performance for NEOs are reviewed by the Committee at its regularly scheduled February/March meeting, when the annual financial results are available. Base salary increases are usually retroactive to January 1. Exceptions may be considered outside of these time frames as circumstances warrant.

The Chair recommends the CEO's compensation to the Committee. He may request assistance from the Human Resources leader and reviews the recommendation in advance with Mercer. For the remaining NEOs, the CEO recommends the initial compensation and annual adjustments to the Committee, following consultation with the Chair. He receives assistance from the Human Resources leader, the CFO (except with respect to the CFO's own compensation) and Mercer.

The Committee is provided with a summary chart for each NEO which sets out for each element of compensation the amounts earned under the prior year's incentive programs, as well as the proposed adjustments for the current year. It includes past and current year's base salary, maximum or target annual bonus incentive opportunity (as applicable) and the actual (or proposed) payout, and long-term non-equity incentive payouts. Where the proposed adjustments are significant, the Committee considers the rationale for the adjustment and Mercer's view on its appropriateness within the marketplace.

In making annual compensation decisions, management and the Committee generally consider the executive's performance against individual financial and strategic objectives, together with subjective factors such as the industry and general economic environment in which the results were achieved. This enables the Committee to take a flexible rather than formulaic approach to compensation, which permits adjustments deemed appropriate by the Committee to reflect the general industry environment and market conditions as well as any specific or individual circumstances.

Elements of 2010 Executive Compensation Program

There are four primary elements of compensation:

- Base salary
- Annual bonus
- Longer-term incentives (MTIP, RSU and Options)
- Pensions

Each element is considered as part of the total compensation package for each executive. The Committee has not established a fixed policy of general application regarding the mix of base salary, annual bonus and longer-term incentives to be paid or awarded to the NEOs and other senior executives. This allows the Committee to be flexible in tailoring the compensation mix for each executive to the particular circumstances in effect at the time. However, as indicated above, the Committee believes that a greater percentage of compensation for the NEOs and other senior executives should come from the variable, performance-based plans, and the mix of compensation should be structured to balance the need to drive results in the particular business unit as well as to support the long-term growth of the Corporation overall.

In designing the total compensation and mix of elements for each executive, the Committee considers a number of factors including the responsibilities of the position, the characteristics of the business unit, previous total compensation levels and mix for that position (where applicable), the total compensation and mix in place for other senior executives, the market environment, and individual circumstances. For the NEOs, the Committee also considers the view of its compensation consultant regarding the reasonableness of the total compensation in light of available market data. The total compensation and the overall mix of compensation is designed to be competitive with the relevant market data of comparators. Depending on the circumstances, there may be an informal internal review by the Corporation's Senior VP Human Resources of comparable positions in other companies, or a more formal market review by the Committee's compensation consultant as described under "Benchmarking" above. In addition, in some cases the total compensation and mix of elements are the result of specific negotiations as part of the recruitment of key executives. In these cases, consideration is also given to the importance of the position to be filled, the qualifications of the candidate and the level of compensation required to attract the candidate.

Element	Performance Period	Description
Base salary	Annual	Base salary is set based on the NEO's experience, level of responsibility and competitive market environment. It is reviewed annually in relation to the state of the economy in the relevant markets and the general marketplace. Increases are based on such reviews as well as individual and corporate performance. The objective is to link the amount of any increase to an individual's past performance and contribution to Torstar.
Annual Bonus	1 Year	Annual cash bonus is based on Torstar (or the relevant operating business) meeting predetermined financial targets and on the NEO meeting personal objectives. Each NEO has a maximum bonus opportunity expressed as a percentage of base salary.
Longer-term incentives		Longer term awards are generally made once each year, in January.
Restricted share units (RSUs)	3 Years	An RSU is a unit equal in value to a Class B non-voting share of Torstar. Individual awards are made based on the average value of Torstar's Class B non-voting shares on the 30 trading days before the grant. RSUs generally vest at the end of a 3-year performance period. Upon vesting, participants receive a cash payment equal to the value of an equal number of Torstar Class B non-voting shares at the time of vesting. The value of the RSU award depends on the price of Torstar's Class B non-voting shares at the end of the 3-year period.
Medium-term incentive program (MTIP)	3 Years	Torstar has an MTIP in place for each of Metroland and Harlequin. Participating employees (which include the Presidents of each division, who are NEOs) are eligible to receive a cash award based on achievement of specified financial targets by the operating business in which they work over a cumulative 3-year performance period.
Share Options	10 Years	Share options have a 10-year term and vest over four years in equal annual installments. The value of vested options depends upon appreciation of Torstar's Class B non-voting shares during the 10-year option period.

Pensions	N/A	NEOs belong to either a defined benefit (DB) or defined contribution (DC) pension plan. For the DB plan, pension benefits are payable on retirement based on the executive's compensation and years of credited service. The benefit is based on 2% of pensionable earnings per year of credited service. Benefits are paid from two sources – a registered pension plan (RPP) and a supplementary retirement income plan (SRIP). Executives in the DB plan receive a portion of their benefits from the RPP (not exceeding the amounts permissible under applicable tax laws) and the balance from the SRIP. Executives in the DC plan are entitled to receive a portion of their benefits through a group registered retirement savings/deferred profit savings plan ("Group RRSP/DPSP") to the maximum amount permissible under applicable tax laws, with the balance of the benefits coming from the DC SRIP. DB RPP benefits are payable monthly and DB and DC SRIP benefits are paid as a one-time lump sum upon retirement. The DB SRIP was closed to new members in 2008. The DB SRIP is subject to a vesting condition which applies to all benefits earned after January 1, 2008, and provides that only half of the benefits to which the plan member would have otherwise been entitled will vest prior to age 50. The remaining 50% will vest gradually between the ages of 50 and 55, and after age 55 (the age of early retirement eligibility under the plan) the benefits are fully vested. Members who voluntarily resign or are terminated with cause prior to age 55 forfeit all unvested benefits. Members who are terminated without cause are credited with unvested benefits.

Benefits & Perquisites

Although they are not described in the above chart and are not considered to be a primary element of our compensation program, the NEOs are entitled to receive various benefits and perquisites. These include health and dental benefits, short and long term disability benefits, life insurance, car allowances (or the provision of a company car), parking, vacation and club memberships.

Base Salary

Torstar believes that base salary is a necessary element of compensation to attract, motivate and retain executives. Base salaries are reviewed each year in relation to the state of the economy in the relevant markets and the general marketplace. Increases are based on these reviews as well as individual and corporate performance and, from time to time, review of competitive market data for specific positions. The objective is to link the amount of any increase to an individual's performance and contribution to Torstar and competitive market considerations.

Mr. Holland's base salary was set at $700,000 effective November 19, 2009 when he became CEO, based on the benchmarking reviews and discussions with Mercer as described above. His base salary was not increased in 2010. Similarly, Mr. DeMarchi's base salary was set at $360,000 effective November 19, 2009 when he became CFO, based on the benchmarking review and discussions with Mercer as described above, and was not increased in 2010.

Base salaries for each of Mr. Cruickshank and Mr. Oliver were increased from $375,000 to $400,000 effective January 1, 2010, based on the reviews outlined above and in particular, based on the benchmarking review conducted in the fall of 2009 and discussions with Mercer.

Ms. Hayes' base salary was increased by approximately 2% from $496,613 to $506,545 based on the reviews outlined above.

Annual Bonus

Torstar believes that the annual bonus is an important motivating element for senior executives. It provides an incentive to achieve annual financial and individual performance objectives. The plan ties compensation directly to achievement of annual financial and operational goals. The range of potential bonuses is based on a percentage of base salary and is reviewed annually. The bonus plans for NEOs include corporate and operating business unit performance targets as well as personal performance objectives. Each December, the Committee approves the corporate and operating business unit performance targets for the upcoming year. The specific personal performance objectives for the CEO are reviewed and approved at the beginning of each year by the Board on the recommendation of the Committee. The personal performance objectives for the other NEOs are reviewed and approved by the CEO in consultation with each NEO, and are generally expected to be reasonably achievable over the course of the year. The bonus entitlements and the mix between personal performance and corporate performance vary for the NEOs. The bonus plans are based on performance at the business unit level for the business unit NEOs, and at the corporate level for the CEO and CFO.

After the end of each year, the Committee reviews the payments to be made to the NEOs under the annual bonus plan. As part of this review, the CEO reviews his discretionary judgments about personal performance ratings for the other NEOs with the Committee, and his recommendations for the payments to be made to the NEOs under the annual bonus plan, including, if applicable, any special adjustments contemplated to address unique circumstances. In assessing personal performance against the objectives developed with each NEO, the rating given reflects an overall assessment of performance without a specific allocation to each individual objective, and includes consideration of any intervening events that may have arisen over the course of the year which had an impact on the NEO's ability to meet the original objectives, and any new objectives that were mutually agreed to during the year. The Committee has final approval on the annual bonus to be paid to each of the NEOs other than the CEO. In the case of the CEO, the Chair makes recommendations to the Committee regarding the personal performance rating for the CEO and the payments to be made to the CEO under the annual bonus plan. These recommendations are considered by the Committee and a recommendation is made to the Board. The Board considers the recommendation and ultimately approves the amount of the CEO's annual bonus.

The CEO, CFO and John Cruickshank each have a target-based annual bonus program, whereby achievement of target performance delivers a target payout amount, with a maximum threshold for circumstances where the target is exceeded. The remaining NEOs do not have a target-based annual bonus program, but instead have a program based on a maximum payout, whereby payouts are reduced from the maximum level when performance targets are not achieved. The tables below set out (a) the target annual bonus entitlements for 2010 (as a percentage of base salary), together with the individual components and the actual payments made (as a percentage of the target payout) for the CEO and CFO; and (b) the maximum annual bonus entitlements for 2010 (as a percentage of base salary), together with the individual components and the actual payments made (as a percentage of the maximum potential payout) for each of the other NEOs.

2010 Annual Bonus Components & Payments:

2010 ANNUAL BONUS COMPONENTS & PAYMENTS: CEO & CFO

	Target Payout (as a % of base salary)						**Actual Payout (as a % of target payout)**					
Name	CFROE[(1)]		Personal Objectives		**Total**		CFROE		Personal Objectives		**Total**	
	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)
David Holland	50	350,000	50	350,000	100	700,000	150	525,000	150	525,000	150	1,050,000
Lorenzo DeMarchi	33.5	120,600	33.5	120,600	67	241,200	150	180,000	125	150,750	137	330,750

1. Cash flow return on equity.

2010 ANNUAL BONUS COMPONENTS & PAYMENTS: BUSINESS UNIT NEOs

	Maximum Potential Payout (as a % of base salary)								**Actual Payout (as a % of maximum potential payout)**							
Name	Personal Objectives		Business Unit Performance		Additional Growth Incentive		**Total**		Personal Objectives		Business Unit Performance		Additional Growth Incentive		**Total**	
	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)
Donna Hayes	20	101,309	50	253,273	20	101,309	90	455,891	100	101,309	100	253,273	12	12,157	80	366,739
Ian Oliver	25	100,000	50	200,000	35	140,000	110	440,000	100	100,000	100	200,000	100	140,000	100	440,000
John Cruickshank[(1)]	37.5	150,000	37.5	150,000	-	-	75	300,000	100	150,000	100	150,000	-	-	100	300,000

1. Mr. Cruickshank's target bonus was 50% of his base salary, with 25% based on his personal objectives and 25% based on business unit performance. His actual payouts reflected 150% of target.

Torstar Corporate Plan

The annual bonus plan for Mr. Holland and Mr. DeMarchi was comprised of a combination of cash flow return on equity ("CFROE") and meeting personal objectives. Although the financial component of the annual bonus plans for the CEO and CFO for previous years was divided between CFROE and achievement of operating profit targets in the individual business units, for 2010 the Committee determined that it would be more appropriate to base the financial component of the annual bonus solely on CFROE, as it measures cash flow results of the business as a whole. The target bonuses for the CEO and CFO are set out above. Where targets are exceeded, the maximum bonus for the CEO is 150% and for the CFO 100%.

CFROE

We believe that CFROE, which focuses on the company's generation of cash flow against the equity capital employed, is an important measure in assessing our financial performance. We make adjustments to the CFROE calculation to focus the calculation on the actual financial performance of Torstar's operations. For example, we adjust the "cash provided by operations" as shown in our consolidated financial statements of cash flow to be foreign-exchange neutral and to exclude changes in working capital. The result is that the calculation focuses on normal cash flow results of Torstar's operations. A higher threshold is typically set for the CEO and CFO than for other executives at Torstar corporate. For 2010, the CFROE payout range was 17.9% to 21.8% for Mr. Holland and Mr. DeMarchi. No amount was payable for CFROE below 17.9%. If the target CFROE level of 19.8% was reached, Mr. Holland and Mr. DeMarchi would each be entitled to receive the target bonus, with the maximum payable at 21.8% CFROE. In 2010, the adjusted CFROE was 24.1%, which resulted in a payment of 150% of the target payout for each of Mr. Holland and Mr. DeMarchi.

Personal Objectives

Mr. Holland's personal objectives related to a number of areas tied to improving performance and long-term shareholder value, such as: development of overall corporate strategy, including evaluation and recommendations associated with acquisitions; development of digital media strategy; continuing to seek revenue opportunities and ensuring continued focus on cost reduction initiatives in the media group; investor relations; talent development and succession planning; continued focus on debt reduction through efficient use of capital; and continued development of an optimal culture to align with the company's strategies. The Committee considered the Chair's recommendation and Mr. Holland's performance in 2010, and determined that Mr. Holland had performed exceptionally well during 2010, and had exceeded most of his objectives. In light of this performance, the Committee recommended that the Mr. Holland receive a payout of 150% of his target payout with respect to the personal objectives component of his annual bonus. The Board, based on the Committee's recommendation, approved the payout of 150% of target for Mr. Holland's personal objectives.

Mr. DeMarchi's personal objectives included assistance with corporate strategy development and implementation, including evaluation and recommendations associated with acquisitions; development and implementation of digital strategy; investor relations; continued focus on debt reduction through efficient use of capital; and ensuring an effective transition into his role as CFO. The Committee considered the CEO's recommendation and Mr. DeMarchi's performance in 2010 against his objectives, and approved the payout of approximately 125% of target with respect to this component of his annual bonus as Mr. DeMarchi had exceeded many of his objectives.

Operating Businesses

For the NEOs in the operating businesses, the annual bonus is based on business unit financial performance against a predetermined goal, and the achievement of personal objectives.

Star Media Group Plan

Mr. Cruickshank was eligible to receive an annual bonus with a target payout of 50% of his base salary and a maximum of 75% of his base salary, divided equally between financial criteria (target of 25% and maximum of

37.5%) and his personal objectives (target of 25% and maximum of 37.5%). The financial portion of the plan was based on a range between 0 and 150% of the target payout. The plan was to payout at a minimum level at 95% of the plan's EBITDA[(1)] target, increasing to the target payout of 25% of base salary at 111% of the EBITDA target, and to the maximum of 37.5% of base salary if 140% of the plan's EBITDA target was achieved. In 2010, the financial component paid out at 37.5% of base salary, which was 150% of the target payout.

Mr. Cruickshank's personal objectives included development and implementation of Star Media Group's strategic plan, including digital strategy and continued restructuring of the cost base; content excellence and continued promotion of the Atkinson Principles; succession planning; accelerating new revenue streams and creating a business development infrastructure. The Committee considered the CEO's recommendations and in light of Mr. Cruickshank's exceptional performance in 2010, approved the payout of 37.5% of base salary with respect to Mr. Cruickshank's personal objectives, which was 150% of the target payout.

Metroland Media Group Plan

For Mr. Oliver, the financial portion of the plan was based on growth in operating profit at Metroland over prior year. The 2010 plan was to pay out at a minimum level when operating profit reached 98% of prior year, increasing to the normal maximum of 50% of base salary at 9% growth over prior year. Mr. Oliver was also entitled to an additional bonus of up to an additional 35% of base salary for growth in operating profit versus prior year above 9% up to a maximum of 17% (4.4% for each 1% increase from 9% to 15% and 4.3% of base salary for each 1% increase between 15% and 17%). In 2010, growth in operating profit was 22% and consequently Mr. Oliver was entitled to a payment of $340,000 under the financial component of the annual bonus, representing 85% of his base salary.

Mr. Oliver's personal objectives included development and implementation of Metroland Media Group's strategic plan, including digital strategy and continued restructuring of the cost base; overseeing internal process improvements; oversight of integrated printing operations and information technology; succession planning; and overseeing execution of digital initiatives. The Committee considered the CEO's recommendation and Mr. Oliver's performance in 2010, and determined that he had met or exceeded his objectives for 2010. The Committee approved the payout of the maximum 25% of base salary with respect to Mr. Oliver's personal objectives.

Harlequin Plan

For Ms. Hayes, the financial portion of the plan was based on growth in operating profit at Harlequin over prior year. The 2010 plan was to pay out at a minimum level when operating profit reached 92.6% of prior year, increasing to the normal maximum of 50% of base salary at operating profit growth of 2.8% versus prior year. Ms. Hayes was entitled to an additional bonus of up to 20% if operating profit grew by more than 2.8%, with the maximum payable for growth of 7% or more. This stretch component was intended to be difficult to achieve. The payout was determined on a foreign-exchange neutral basis, adjusted to account for acquisitions. In 2010, Ms. Hayes was entitled to a payment of $265,430 under the financial portion of the plan, including the stretch component, representing 52.4% of her base salary.

Ms. Hayes' personal objectives included development and implementation of Harlequin's strategic plans, including digital strategy; continued improvement in brand perception and awareness; optimizing channel and market management; cost reduction and superior execution; focusing on major growth initiatives; broadening editorial; and engaging and retaining talent. The Committee considered the CEO's recommendation and Ms. Hayes' performance in 2010, and determined that she had met or exceeded her objectives for 2010. The Committee approved the payout of the maximum 20% of base salary with respect to her personal objectives.

Longer-Term Incentives

[(1)] EBITDA is a measure that is also used by many of Torstar's shareholders, creditors, other stakeholders and analysts as a proxy for the amount of cash generated by Torstar or by a reporting unit or segment. EBITDA is not the actual cash provided by operating activities and is not a recognized measure of financial performance under GAAP. Torstar calculates EBITDA as the consolidated, segment or reporting unit operating profit as presented on the consolidated statements of income which is before charges for interest and taxes, adjusted for depreciation and amortization of intangible assets. Torstar excludes restructuring and other charges from the calculation of EBITDA. Torstar's method of calculating EBITDA may differ from other companies and accordingly may not be comparable to measures used by other companies.

The longer-term incentive programs are designed to reward performance over a three year period (for the RSU and MTIP plans) and over a 10 year period for the Share Option Plan. RSU, MTIP and Share Option awards for all executives except the CEO are recommended by the CEO to the Committee. The CEO's grant is recommended by the Chair to the Committee, and by the Committee to the Board. A description of each long-term incentive program is set out below.

Long-term incentives for executives at Torstar Corporate and Star Media Group include share options and RSUs. The RSU plan was designed to diversify the nature of long-term compensation provided to executives and to provide a retention incentive. For executives at Harlequin and the most senior executives at Metroland, the long-term incentives also include a three-year cash MTIP based on cumulative aggregate growth within the applicable business unit. The MTIP is designed to increase line-of-sight for executives between the results they create in the individual businesses over a multi-year period and the rewards received. The MTIP programs were developed to encourage achievement of challenging but potentially achievable aspirational targets with higher payouts for exceptional results.

The annual long-term incentive awards are granted based on expected individual contributions and performance, with a view to reflecting competitive total compensation. For share options, grants also take into account the individual's past contributions and performance. The assessment of performance and resulting size of each long-term incentive grant is a subjective determination and is not based on specific pre-determined performance goals or conditions.

Restricted Share Units

Approximately 20 executives (including all of the NEOs) participated in the RSU plan in 2010, consistent with 2009. An RSU is a unit equivalent in value to a Class B non-voting share of Torstar. An RSU is not an actual share and does not entitle the participant to exercise voting rights or to receive dividends. Dividend equivalents are not added to the individual's account during the vesting period. The value of the target award is determined for each executive, and the specific number of units awarded is based on the average value of Torstar's Class B non-voting shares on the 30 trading days before the grant. RSU awards generally vest at the end of a three-year period. When the RSUs vest, the executive receives a cash payment equal to the number of vested RSUs in his or her account on the vesting date multiplied by the closing market price of Torstar's Class B non-voting shares on the TSX on the date of vesting, less any applicable withholding amounts. If the vesting date is not a business day, then the closing market price on the last business day prior to the vesting date is used. Unvested RSUs are cancelled if the executive resigns, retires without approval or is terminated. Vesting may continue upon an approved retirement, and may continue or be accelerated in the event of death or disability. Vesting may also be accelerated in the event the recipient's employment is terminated following a change of control. The target values of the RSU awards made as part of the 2010 compensation for the NEOs are set out in the Summary Compensation Table. The awards are also described on page 22 in the "Summary of 2010 Long-Term Incentive Awards" table. The awards made in 2007 vested on January 1, 2010, and are included in the table called "Value Vested or Earned During the Year under Incentive Plan Awards" on page 26.

Medium Term Incentive Program

For Metroland and Harlequin, the NEOs are eligible to receive a cash award based primarily on achievement of specified financial targets over a three-year period by the operating business in which they work. The 2010-2012 MTIP is based on a cumulative aggregate operating profit growth target based upon the three year strategic plans for each of Metroland and Harlequin. For the Metroland plan, a 3% cumulative annual growth rate results in a 1 times multiplier (or target payout), up to a maximum of 2.5 times for 7% cumulative annual growth. For the Harlequin plan, a 4% cumulative annual growth rate results in a 1 times multiplier (or target payout), up to a maximum of 2.5 times for 10% cumulative annual growth. In the case of Harlequin, the growth rate determination excludes the impact of changes in foreign exchange rates.

As with all elements of compensation, the actual award is a function of a competitive total compensation mix, the scope of individual responsibilities and individual performance. The target value of the MTIP awards made to Ms. Hayes and Mr. Oliver as part of their 2010 compensation is described on page 22 in the "Summary of 2010 Long-Term Incentive Awards" table.

Option-based Awards

The Share Option Plan is designed to permit Torstar to provide compensation opportunities to senior employees that align with share ownership. This closely links the interests of executive officers to shareholders of Torstar, and also enhances Torstar's ability to retain key personnel. Although some consideration is given to share option grants and RSU awards previously made to the executive, new grants are based primarily on a subjective assessment of the individual's past performance and future expectations of performance.

Torstar's practice is to grant options annually on January 2, provided that the Corporation is not in possession of material undisclosed information at such time (in which case grants are deferred). Exceptions are granted only on limited occasions to permit the issuance of options to newly hired executives or in the case of major position changes for existing executives.

The Share Option Plan is administered by the Salary & Organization Committee. The Committee approves all option grants under the Plan. Each year, the CEO recommends to the Committee for approval the share option grants for each of his direct reports and other senior employees, including the NEOs. The Chair recommends the share option grant for the CEO to the Committee, and the Committee considers the proposed grant and makes a recommendation to the Board for approval. The number of options recommended each year is a function of total compensation mix and past and expected future performance, and also reflects overall individual contribution to the business. The Committee sets the aggregate award target value for each executive, and then calculates the specific number of options required to meet the target value.

For 2010, in calculating the number of share options to be issued, the value per option of $2.00 was used, consistent with 2009. Although this value was higher than the Black-Scholes value at the time, it has not been the Corporation's practice to vary the value of the share options annually to the Black-Scholes value. Instead, the value is varied only where there is a substantial gap between the assumed value and the estimated Black-Scholes value. For 2009, the relative value of the options as a component of the overall long-term incentive award was reduced, such that an executive who would have received 50% of his or her total long-term incentive grant in the form of share options in 2008 received 25% of the total long-term incentive grant in the form of share options in 2009, with the difference being allocated to RSUs and/or MTIP. For 2010, the relative value of options as a component of the overall long-term incentive award was returned to its previous level.

Approximately 30 executives (including all of the NEOs) were granted options under the Share Option Plan in 2010, consistent with 2009. Particulars regarding the grants made to the NEOs in 2010 are set out in the summary table below. Further information about the Share Option Plan is provided under the heading "Securities Authorized for Issuance Under Equity Compensation Plans" beginning on page 31.

2010 Long-term Incentive Plan Awards

The 2010 long-term incentive awards and target values for the NEOs are set out in the table below. The Committee sets the aggregate target value for each NEO, and approves the breakdown between MTIP, share options and RSUs. The aggregate target values for each NEO are generally consistent from year to year, subject to a change in position or market adjustment.

The exercise price for the options granted in January 2010 is $6.33. These options were granted January 2, 2010 and will expire January 1, 2020 (subject to any applicable extension resulting from a blackout period as described on page 32).

SUMMARY OF 2010 LONG-TERM INCENTIVE AWARDS									
Name	Aggregate Target Value ($)	MTIP		Options			RSUs		
		% of total award	Target Value ($)	% of total award	Target Value ($)	# of Options	% of total award	Target Value ($)	# of RSUs
David Holland	1,050,000	0	0	50	525,000	262,500	50	525,000	80,398
Lorenzo DeMarchi	360,000	0	0	50	180,000	90,000	50	180,000	27,565
Donna Hayes	607,500	50	303,750	25	151,875	75,938	25	151,875	23,258
Ian Oliver	337,500	50	168,750	25	84,375	42,188	25	84,375	12,921
John Cruickshank	300,000	0	0	50	150,000	75,000	50	150,000	22,971

Deferred Share Unit Plan

The Corporation has an optional DSU plan for executives, which is designed to encourage greater alignment of the interests of the executives with those of shareholders. Executives who are eligible for long-term incentive awards may, at their option, provided they are Canadian residents and not taxpayers in the United States, elect to receive all or a portion of their Annual Bonus and MTIP awards in the form of DSUs instead of cash. The amounts elected for deferral will be converted into DSUs based on the market price of Torstar's Class B non-voting shares at the time the award would otherwise be paid. Additional DSUs are credited as dividend equivalents. Participants in the plan can redeem the DSUs in cash only upon retirement or termination of employment with the Corporation. When the units are redeemed, the value of the DSUs is equivalent to the fair market value of an equal number of Class B non-voting shares of Torstar at the time of redemption.

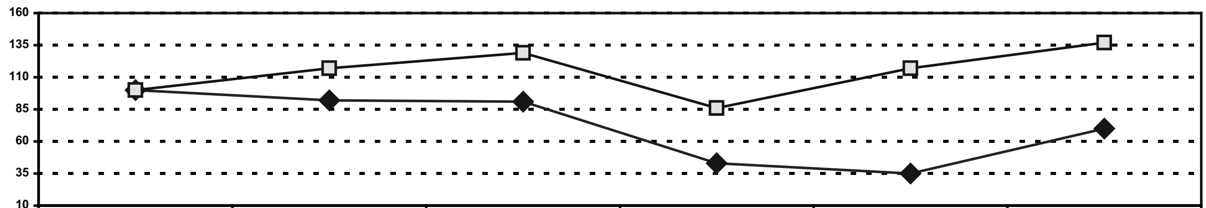
Share Ownership Requirements

The current CEO, CFO and the leaders of Torstar's three largest businesses (Harlequin, Metroland and Star Media Group) are subject to minimum share ownership requirements. In order to avoid the need to continuously monitor and adjust holdings based on fluctuations in the market price of the shares, the value of an NEO's holdings is determined based on the greater of the current market value of the shares and the NEO's acquisition cost. The executives have a five year period from the date of their appointment to office to reach the minimum ownership levels. The requirement can be met through ownership of shares, DSUs and/or RSUs. All executives are expected to be in compliance within the applicable time frames. The current requirements for the NEOs who are subject to the minimum share ownership requirements are set out below.

Minimum Share Ownership Requirements for Named Executive Officers			
Named Executive Officer	Minimum Ownership Requirement (as multiple of base salary)	Minimum Ownership Requirement ($)	Requirement Met?
Chief Executive Officer (David Holland)	3 times	2,100,000	Yes
Executive Vice President & Chief Financial Officer (Lorenzo DeMarchi)	1.5 times	540,000	Yes
President & Publisher, Harlequin (Donna Hayes)	1 times	500,000	Yes
President, Metroland Media Group (Ian Oliver)	1 times	400,000	Yes
President, Star Media Group & Publisher, the Toronto Star (John Cruickshank)	1 times	400,000	Yes

SHARE PERFORMANCE GRAPH

The following graph shows changes over the past 5-year period in the value of $100 invested in: (1) Class B non-voting shares of the Corporation, and (2) the S&P/TSX Composite Index as of December 31, 2010. The graph reflects share price appreciation plus dividends reinvested. The share performance as set out in the graph does not necessarily indicate future price performance.



	2005	2006	2007	2008	2009	2010
TORSTAR	100	92	91	43	35	70
S&P/TSX	100	117	129	86	117	137

Torstar's compensation philosophy is intended to promote an alignment of the interests of executives with Torstar's shareholders. To this end, Torstar's compensation programs balance short and long term performance through the mix of the compensation elements. For the NEOs a substantial portion of compensation is weighted to the long term through the Share Option Plan, RSU Plan and MTIP. These plans ensure that the realized compensation of the executive is directly impacted by changes in share price. Additionally each NEO is required to maintain a minimum share ownership level (as described above), which creates further alignment.

Total compensation data has not been reported for the NEOs over the five year period reflected in the graph above, and the composition of individuals within the NEO group has changed over this time period. We note that the five-year change in Torstar's share performance is not directly aligned with NEO compensation, due in part to changes in our industry. However, because of the emphasis on longer term compensation through the share option plan and RSU Plan, the compensation actually received by the NEOs from these elements of compensation generally declines together with reductions in the share price, and the target compensation intended to be awarded to the NEOs through share option and RSU grants may not be realized. This is particularly evident in the table of outstanding option-based awards beginning on page 25.

SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation earned by the Corporation's CEO, CFO, the next three most highly compensated executive officers of the Corporation and its subsidiaries who were employed as at December 31, 2010, (collectively, the "Named Executive Officers" or "NEOs") in 2010, 2009 and 2008.

Name and Principal Position	Year	Salary ($)	Share-based awards[1] ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation ($)		Pension value[4] ($)	All other compensation[5] ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans[3]			
David Holland[6]	2010	700,000	525,000	525,000	1,050,000	-	219,000	942	3,019,942
President & Chief	2009	583,731	455,000	205,000	608,850	22,703	2,049,000	2,512	3,926,796
Executive Officer	2008	415,000	250,000	250,000	214,555	20,963	124,000	1,669	1,276,187
Lorenzo DeMarchi[7]	2010	360,000	180,000	180,000	330,750	-	57,000	-	1,107,750
Executive Vice-President	2009	235,058	75,937	25,313	134,880	10,217	239,000	-	720,405
& Chief Financial Officer	2008	215,000	50,625	50,625	102,500	13,708	41,000	-	473,458
Donna Hayes	2010	506,545	151,875	151,875	366,739	759,375	123,000	-	2,059,409
Publisher & Chief	2009	496,613	227,812	75,938	446,951	255,416	98,000	-	1,600,730
Executive Officer,	2008	496,613	151,875	151,875	446,951	202,050	154,000	-	1,603,364
Harlequin									

Name and Principal Position	Year	Salary ($)	Share-based awards[1] ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation ($)		Pension value[4] ($)	All other compensation[5] ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans[3]			
Ian Oliver	2010	400,000	84,375	84,375	440,000	0	54,000	4,378	1,067,128
President	2009	375,000	126,562	42,188	143,750	0	52,000	4,161	743,661
Metroland Media Group	2008	302,500	50,000	50,000	82,500	0	558,000	7,761	1,050,761
John Cruickshank[8]	2010	400,000	150,000	150,000	300,000	-	30,804	-	1,030,804
Publisher, Toronto Star & President, Star Media Group	2009	375,000	225,000	75,000	281,250	-	27,000	101,250	1,084,500

1. Share-based awards reflect the grant date fair value of the RSU awards made to the NEOs under the RSU Plan. The Committee sets the aggregate target value of the award for each NEO, and determines the number of RSUs to be granted by dividing the target value by the average value of the share price of Torstar's Class B non-voting shares on the 30 trading days before the grant. For the January 2, 2010 RSU awards, this price was \$6.53. The RSUs generally vest at the end of a three-year period and are payable in cash based on the value of Torstar's Class B non-voting shares at the time of vesting. Consequently, the actual value of the RSUs at the time of vesting will depend upon the value of Torstar's Class B non-voting shares at that time. The number of RSUs granted to each NEO in 2010 is reflected on page 22 in the table "Summary of 2010 Long-Term Incentive Awards".
2. Option-based awards reflect the grant date fair value of the awards made to the NEOs under the Share Option Plan. The Committee sets the aggregate target value of the award for each NEO, and then determines the number of options to be granted to meet the target value, as more particularly described on page 21 under "Option-based Awards". For 2009 and 2010, a value of \$2.00 per option was used, and for 2008, a value of \$4.00 per option was used. The number of options granted to each NEO in 2010 is reflected on page 22 in the table "Summary of 2010 Long-Term Incentive Awards". For accounting purposes, the 2010 option-based awards were expensed at a value of \$1.10 per option. The accounting value was calculated in accordance with Section 3870 of the CICA Handbook using the Black-Scholes option pricing model. The accounting value differs from the value used to grant the options primarily due to differences in the assumption as to the number of years the options are expected to be outstanding. For option granting purposes, the full 10-year life of the options is used while for accounting purposes, Torstar assumed that the 2010 options would be exercised within six years of grant. In addition, for accounting purposes options are generally expensed as they vest over a four year period. As a result, only a portion of the grant date value is expensed each year.
3. 2010 amounts for Ms. Hayes and Mr. Oliver reflect amounts paid under the 2008-2010 MTIP plans. 2008 and 2009 amounts reflect amounts paid under the discontinued Performance Share Unit Plan for the 2006-2008 and 2007-2009 performance periods, respectively. Grants made in 2010 under the 2010-2012 MTIP Plan are reflected on page 22 in the table "Summary of 2010 Long-Term Incentive Awards" and any payments will be included in the summary compensation table at the end of the three-year performance period.
4. Includes service costs and other compensatory items such as plan changes and earnings that are different from the estimated earnings for defined benefit plans, as reflected in the table on page 27 under "Valuation of Defined Benefit Plan Pension Benefits". Pension entitlements may be subject to vesting requirements as described under "Pension Plan Benefits" beginning on page 27. The accrued obligation is determined using a number of assumptions, including the assumption that a typical NEO will continue his/her employment with the Corporation and retire, on average, at age 59. For Mr. Cruickshank, includes the value of contributions made to the DC SRIP.
5. For 2008-2010, the aggregate value of perquisites for each NEO (except for Mr. Cruickshank in 2009) was less than \$50,000 and 10% of the NEO's base salary for the year, so no amounts have been reflected for perquisites. For 2009 for Mr. Cruickshank, other compensation includes the value of contributions made to the Group RRSP/DPSP on his behalf, being \$11,000, a signing bonus in the amount of \$72,000, car allowance of approximately \$18,000 and freelance compensation in the amount of \$250**.** For Mr. Holland and Mr. Oliver, other compensation includes the amount of dividend equivalents automatically credited under the DSU Plan.
6. Mr. Holland's initial base salary in 2009 was \$415,000. It was increased to \$615,000 effective March 1, 2009 in connection with his appointment as Interim CEO, and was further increased to \$700,000 effective November 19, 2009 when he was appointed CEO. With respect to Mr. Holland's pension value, please see note 4 above.
7. Mr. DeMarchi's initial base salary in 2009 was \$215,000. It was increased to \$240,000 effective July 29, 2009, and increased to \$360,000 effective November 19, 2009 when he was appointed CFO.
8. Mr. Cruickshank was appointed effective January 1, 2009 and was not previously an employee of Torstar.

INCENTIVE PLAN AWARDS

Outstanding Share-based Awards & Option-based Awards

The following table sets out the outstanding share options and RSUs held by the NEOs as at December 31, 2010.

OPTION & RSU AWARDS OUTSTANDING AS AT DECEMBER 31, 2010								
	Option-based awards						Share-based Awards	
Name	Number of Securities Underlying unexercised options (#)		Option Exercise Price ($)	Option Expiration Date	Value of unexercised in-the-money options ($)		Number of shares or units of shares that have not vested (#)[1]	Market or payout value of share-based awards that have not vested ($)[1]
	Vested	Unvested			Vested	Unvested		
David Holland	24,000	0	20.30	January 1, 2011	0	N/A	154,375	1,884,919
	32,000	0	22.20	January 1, 2012	0	N/A		
	15,000	0	25.50	January 1, 2013	0	N/A		
	15,000	0	29.01	January 1, 2014	0	N/A		
	47,500	0	22.00	January 1, 2015	0	N/A		
	45,000	0	22.14	January 1, 2016	0	N/A		
	33,750	11,250	19.61	January 1, 2017	0	0		
	31,250	31,250	18.78	January 1, 2018	0	0		
	15,625	46,875	8.37	January 1, 2019	60,000	180,000		
	10,000	30,000	5.75	May 7, 2019	64,600	193,800		
	0	262,500	6.33	January 1, 2020	N/A	1,543,500		
Lorenzo DeMarchi	14,000	0	20.30	January 1, 2011	0	N/A	39,495	482,234
	20,000	0	22.20	January 1, 2012	0	N/A		
	7,000	0	25.50	January 1, 2013	0	N/A		
	5,000	0	29.01	January 1, 2014	0	N/A		
	5,000	0	22.00	January 1, 2015	0	N/A		
	10,125	0	22.14	January 1, 2016	0	N/A		
	7,594	2,531	19.61	January 1, 2017	0	0		
	6,328	6,328	18.78	January 1, 2018	0	0		
	3,164	9,492	8.37	January 1, 2019	12,150	36,449		
	0	90,000	6.33	January 1, 2020	N/A	529,200		
Donna Hayes	12,500	0	20.30	January 1, 2011	0	N/A	59,046	720,952
	45,000	0	22.20	January 1, 2012	0	N/A		
	37,500	0	25.50	January 1, 2013	0	N/A		
	45,000	0	29.01	January 1, 2014	0	N/A		
	45,000	0	22.00	January 1, 2015	0	N/A		
	37,969	0	22.14	January 1, 2016	0	N/A		
	28,477	9,492	19.61	January 1, 2017	0	0		
	18,984	18,985	18.78	January 1, 2018	0	0		
	9,492	28,477	8.37	January 1, 2019	36,449	109,352		
	0	75,938	6.33	January 1, 2020	N/A	446,515		
Ian Oliver	10,000	0	20.30	January 1, 2011	0	N/A	30,991	378,400
	10,300	0	22.20	January 1, 2012	0	N/A		
	2,325	0	25.50	January 1, 2013	0	N/A		
	2,325	0	29.01	January 1, 2014	0	N/A		
	1,628	0	22.00	January 1, 2015	0	N/A		
	1,094	0	22.14	January 1, 2016	0	N/A		
	1,641	547	19.61	January 1, 2017	0	0		
	6,250	6,250	18.78	January 1, 2018	0	0		
	5,273	15,821	8.37	January 1, 2019	20,248	60,753		
	0	42,188	6.33	January 1, 2020	N/A	248,065		
John Cruickshank	9,375	28,125	8.37	January 1, 2019	36,000	108,000	50,410	615,506
	0	75,000	6.33	January 1, 2020	N/A	441,000		

1. The RSUs granted to the NEOs in 2008 are included in the chart above. These RSUs vested on January 1, 2011 and have been paid out in cash.
2. The closing market price of the Class B non-voting shares on December 31, 2010 was $12.21. This price was used to calculate the market value of the share-based awards shown above.

Value Vested or Earned During the Year

The table below sets out for each NEO the value vested or earned during the year under option-based awards, share-based awards and non-equity incentive plan compensation. For option-based awards, this reflects the aggregate dollar value that would have been realized if the options held by each NEO had been exercised on the vesting date, based on the difference between the market price of the underlying shares at exercise and the exercise price of the options on the vesting date. For share-based awards, this reflects the aggregate dollar value of RSUs that vested and were paid to NEOs in 2010, and DSU dividend equivalents issued to the NEOs in 2010. None of the NEOs had elections in place to receive bonus compensation in the form of DSUs, and consequently there were no DSUs issued to the NEOs in 2010 other than the dividend equivalents. The non-equity incentive plan compensation reflects the aggregate of the amounts paid pursuant to the 2010 annual bonus plan and the MTIP for the 2008-2010 performance period.

VALUE VESTED OR EARNED DURING THE YEAR UNDER INCENTIVE PLAN AWARDS			
Name	Option-based awards – Value vested during 2010(1) ($)	Share-based awards – Value vested during 2010(2) ($)	Non-equity incentive plan compensation – Value earned during the year(3) ($)
David Holland	50,300	61,482	1,050,000
Lorenzo DeMarchi	0	13,622	330,750
Donna Hayes	0	51,083	1,126,114
Ian Oliver	0	7,321	440,000
John Cruickshank	0	0	300,000

1. The option-based awards value vested during 2010 reflects the value of options that vested in 2010 based on the difference between the exercise price and the closing price of the Class B non-voting shares on the last trading day prior to the vesting date (being December 31, 2009 for options that vested January 2, 2010 and May 7, 2010 for options that vested May 8, 2010), as the vesting dates did not fall on a trading day. As the options were not necessarily exercised on the vesting date, the amounts shown may not be the amounts, if any, realized by the NEOs.
2. The share-based awards value vested during 2010 reflects the value of (a) RSUs that vested January 1, 2010 and were paid to the NEOs in cash, and (b) DSUs issued to the NEOs in 2010, based on the value of Torstar's Class B non-voting shares on the date of issuance of the respective DSUs. Mr. Holland was issued 84 DSUs in respect of dividend equivalents automatically credited under the DSU Plan. Mr. Oliver was issued 388 DSUs in respect of dividend equivalents automatically credited under the DSU Plan.
3. These are the same amounts as shown in the Summary Compensation Table under "Non-equity incentive plan compensation".

PENSION PLAN BENEFITS

Payment of Pension Benefits to Named Executive Officers

The aggregate pension benefits for NEOs are paid from two sources — a Registered Pension Plan (RPP) sponsored by the Corporation or one of its subsidiaries and amounts payable from the Corporation's Supplementary Retirement Income Program (SRIP). The NEOs belong to either a defined benefit RPP or the Group RRSP/DPSP (which is not a registered pension plan). The SRIP has two components: a defined benefit component known as "SRIP Legacy" and a defined contribution component known as "DC SRIP". NEOs who belong to a defined benefit RPP will receive benefits from the SRIP Legacy. NEOs who belong to the Group RRSP/DPSP will receive benefits from the DC SRIP. All of the current NEOs except for Mr. Cruickshank are entitled to receive benefits from the SRIP Legacy. Mr. Cruickshank is entitled to receive benefits from the DC SRIP. The NEOs in the defined benefit pension plan receive a portion of their benefits from the RPP, but in no case will those benefits exceed the amounts permissible under the *Income Tax Act* (Canada), and the balance of their benefits are payable from the SRIP Legacy. The NEOs in the Group RRSP/DPSP are entitled to receive a contribution from the Corporation in an amount equal to a specified percentage of their base salary, with a portion of such amount (not to exceed the amounts permissible under the *Income Tax Act* (Canada)) paid as a contribution to the Group RRSP/DPSP, and the remainder payable from the DC SRIP.

Generally, for members entitled to benefits from the SRIP Legacy, the pension benefit is based on 2% of the base year (currently 2005) pensionable earnings (salary plus notional bonus) for each year of credited service prior to 2006 and 2% of pensionable earnings for each year thereafter. However, for Mr. Holland, Mr. DeMarchi and Mr. Oliver, the pension benefit is based on 2% of final three-year average of pensionable earnings for each year of credited service. Under the SRIP Legacy plan, in the event of a change of control, the pension benefit for all participants is based on 2% of final three-year average of pensionable earnings for each year of credited service. The portion of the pension benefit payable from the RPP is payable monthly for the lifetime of the individual with a minimum of 10 years of payment. Optional forms of payment are provided to NEOs on an actuarially equivalent basis. The portion of the pension benefit payable from the SRIP Legacy is commuted and paid as a one-time lump sum cash payment upon retirement. The lump sum cash payment is determined as the approximate cost of a prescribed annuity under the *Income Tax Act* (Canada) that would provide the individual with the same after-tax pension as would have been earned had a monthly pension been paid by the Corporation. The actuarial present value is calculated based on current market bond yields and is grossed up for the effects of immediate taxation. Effective January 1, 2008 and for benefits earned subsequent to that date, the Corporation introduced special vesting requirements for SRIP Legacy participants prior to age 55, whereby participants who voluntarily leave their employment or are terminated for cause prior to age 55 forfeit up to 50 percent of the SRIP Legacy benefit that would otherwise be earned.

Members entitled to benefits from the DC SRIP will generally earn grants in the plan at a rate of 6% of the portion of base salary in excess of the amount at which Canada Revenue Agency no longer allows retirement savings plan contributions for the applicable year. Under his employment agreement, John Cruickshank is entitled to receive benefits at a rate of 10% of his base salary. Grants will be recorded in the member's notional account on the last business day of the calendar year. All vested grants due to members will be paid to the member expeditiously upon leaving the plan. Payment may not be deferred. Members will be responsible for income and other taxes associated with these payments.

Compensation for SRIP Legacy pension purposes includes base salary and a deemed bonus. The deemed bonuses for the NEOs range from 25% to 35% of base salary. The pension benefits are in addition to any benefits payable under the Canada Pension Plan.

The normal retirement date under the SRIP Legacy plan is age 65, but the NEOs are eligible for early retirement beginning at age 55. In the event of early retirement, their annual pension benefit will be reduced to reflect a lesser amount of credited service earned to their early retirement date and due to a reduction in pension for early retirement (such reduction being 4% per year for each year prior to age 62).

Valuation of Defined Benefit Plan Pension Benefits[(1)]

The calculation of the RPP and SRIP Legacy accrued pension liabilities for NEOs has been determined in accordance with the methods prescribed by the Canadian Institute of Chartered Accountants (CICA 3461), including prescribed interest rates, and are based on management's best estimate of future events that affect the cost of pensions, including assumptions about future salary increases and bonuses, investment rates of return (applicable to the RPP only) and the length of time until retirement. These amounts are also reflected in the pension liabilities reported in respect of all Corporation benefit plans (see note 18, 2010 Consolidated Financial Statements). With respect to the SRIP Legacy, the amounts include the estimated amount of the tax gross up reflecting the effects of immediate taxation.

Name	Age[(2)]	Years of Credited Service[(2)]	Annual benefits payable[(3)] ($)		Accrued obligation at start of year ($)	Compensatory change[(4)] ($)	Non-compensatory change[(4)] ($)	Accrued obligation at Dec. 31, 2010[(5)] ($)
			At year end	At age 65				
David Holland	53	24.3	380,000	989,000	5,130,000	219,000	953,000	6,302,000
Lorenzo DeMarchi[(6)]	49	13.6	83,000	219,000	712,000	57,000	168,000	937,000
Donna Hayes	54	25.2	319,000	505,000	3,268,000	123,000	553,000	3,944,000
Ian Oliver[(7)]	49	24.3	183,000	300,000	1,279,000	54,000	296,000	1,629,000

1. The method used to determine any estimated amounts may not be identical to the method used by other issuers and as a result the figures may not be directly comparable across companies.
2. As at December 31, 2010.
3. The annual benefits payable and the accrued obligations assume all individual vesting requirements are met. In the event they are not, the amount of benefits payable and accrued obligations would be reduced.
4. The change in the accrued obligation during 2010 represents the actuarial present value of the RPP and SRIP Legacy benefits earned by each NEO in respect of credited service accrued during 2010 using the methods and assumptions employed for the valuation of the respective pension programs at December 31, 2010. See note 18 to the 2010 annual consolidated financial statements for more information. The compensatory change includes the service cost for the year, impact of any plan changes and any adjustments to the accrued obligation as a result of salary increases other than expected. The accrued obligation was determined using a number of assumptions, including the assumption that a typical NEO will continue his/her employment with the Corporation and retire, on average, at age 59. Should this not be the case, pension payouts may differ substantially from those presented in this table. The non-compensatory change reflects all other changes in accrued obligation that are not included in the compensatory change.
5. The accrued obligation at December 31, 2010 was determined using methods and assumptions employed for the valuation of RPP and SRIP Legacy at December 31, 2010.
6. For the purposes of the SRIP Legacy Mr. DeMarchi's salary from January 1, 2010 until his retirement date is deemed to be $300,000.
7. For the purposes of the SRIP Legacy Mr. Oliver's salary from January 1, 2008 until his retirement date is deemed to be $300,000.

8. Under the SRIP Legacy, in the event of a change of control, pension benefits for all service prior to the change of control are calculated based on the average of the last three years of pensionable earnings. Obligations to Mr. Holland, Mr. DeMarchi, and Mr. Oliver are already based on a final three-year average.

Defined Contribution Plan Pension Benefits

The following table sets out Mr. Cruickshank's entitlements under the DC SRIP. He is entitled to receive an annual contribution from the Corporation in an amount equal to 10% of his base salary. As indicated above, a portion of this contribution is provided under the Group RRSP/DPSP and is reported as "other compensation" on the Summary Compensation Table on page 24. The remainder is provided under the DC SRIP and is set out in the table below. Mr. Cruickshank is required to make a matching contribution in his Group RRSP/DPSP up to the maximum allowed by Canada Revenue Agency.

Name	Age	Accumulated value at start of year ($)	Compensatory ($)	Non-Compensatory ($)	Accumulated value at end of year ($)
John Cruickshank	58	27,000	30,804	0	57,804

Funding of Pension Benefits for Named Executive Officers

The RPP is funded as required by the pension laws of Ontario. The SRIP Legacy and the DC SRIP are not pre-funded and SRIP payments are paid directly by the Corporation. The SRIP obligations are secured by a letter of credit issued by a Canadian chartered bank on behalf of the Corporation. The letter of credit is held in trust by a corporate trustee.

TERMINATION & CHANGE OF CONTROL BENEFITS

Change of Control & Termination Provisions in Incentive and Retirement Plans

Torstar does not have change of control agreements with any of the NEOs. Torstar does have change of control and/or termination provisions in its RSU Plan, its Share Option Plan and its SRIP. These provisions apply to all participants, including the NEOs. For the purposes of these plans, a change of control would include, among other things, any person or group other than a member of any of the families or groups within the Torstar Voting Trust acquiring direct or indirect beneficial ownership or control of more than 50% of the voting shares of Torstar. Some of the NEOs have contracts which entitle them to "approved retirement" treatment for the purposes of the RSU plan and to increased time for vesting or exercise of share options in the event of termination without cause. These are described below. In other cases, Torstar retains the discretion to agree to individual deviations from the general plan provisions if it is deemed appropriate in the circumstances. Special provisions may apply in the event of death or disability.

The table below summarizes the termination and change of control provisions in the various plans.

Plan	Change of Control	Retirement	Voluntary Resignation	Involuntary Termination
RSU	If participant's employment is terminated without cause or participant terminates his or her employment for good reason (such as an adverse change in responsibilities or other change equivalent to constructive dismissal) following a change of control, all RSUs outstanding as at the date of the change of control will vest immediately prior to the termination.	If retirement is approved by Torstar, then RSU awards vest and are paid out in accordance with their original schedule on the third anniversary of the award date, except that RSUs awarded in the year of retirement are pro-rated based on the number of months of active service in the year.	Unvested RSUs are terminated.	Unvested RSUs are terminated.

Share Option	The Board has the ability to make appropriate adjustments to options granted under the plan, including to the exercise price and/or number of shares issuable on exercise, and providing for acceleration of vesting, early termination and/or issue of replacement options, in order to appropriately address the impact of certain corporate transactions, some of which could include a change of control.	All outstanding options vest, and expire on the third anniversary of the retirement date (subject to earlier expiration of the 10-year option term).	Unvested options terminate. Vested options expire 30 days after the termination date (subject to earlier expiration of the 10-year option term).	Unvested options terminate. Vested options expire 30 days after the termination date (subject to earlier expiration of the 10-year option term).
SRIP Legacy	Pension entitlement for all SRIP Legacy members in the Corporation affected by the change of control for all service prior to the change of control will be based on the average of the member's last three years of eligible pension compensation (rather than the base-year update model). Vesting provisions will continue to apply.	Early retirement begins at age 55. See "Pension Plan Benefits" for further details.	Service accrual ends but if over age 55, may still elect early retirement. If under age 55, amounts are generally not paid until after age 55 has been reached (an increased discount will apply if amounts are paid earlier). Any unvested amounts are forfeited.	Service accrual ends but if over age 55, may still elect early retirement. If under age 55, amounts are generally not paid until after age 55 has been reached (an increased discount will apply if amounts are paid earlier). Unvested amounts are credited to the executive.

Estimated Incremental Termination & Change of Control Benefits

The chart below sets out the estimated incremental payments and benefits that each NEO would be entitled to in the event of a termination or change of control on December 31, 2010 under the scenarios listed. Mr. Holland, Mr. DeMarchi and Mr. Cruickshank have employment agreements which provide for severance and benefits in the event of termination. These agreements are more particularly described in the section below the chart. The other NEOs do not have contractual severance entitlements.

TERMINATION & CHANGE OF CONTROL BENEFITS[1]

Name	Termination Event	Total ($)	Contractual Severance		Benefits ($)	Long Term Incentives			Pension[5] ($)
			Salary ($)	Annual Bonus ($)		RSUs[2] ($)	Share Options[3] ($)	MTIP/PSU[4] ($)	
D. Holland	Resignation	-	-	-	-	-	-	-	-
	Retirement	1,917,300	-	-	-	-	1,917,300	-	-
	Without Cause[6]	3,397,000	1,400,000	1,400,000	80,000	-	-	-	517,000
	Change in Control	1,884,919	-	-		1,884,919	-	-	-
	For Cause	-	-	-	-	-	-	-	-
L. DeMarchi	Resignation	-	-	-	-	-	-	-	-
	Retirement	565,649	-	-	-	-	565,649	-	-
	Without Cause[7]	1,381,400	720,000	482,400	41,000	-	-	-	138,000
	Change in Control	482,234	-	-	-	482,234	-	-	-
	For Cause	-	-	-	-	-	-	-	-
D. Hayes	Resignation	-	-	-	-	-	-	-	-
	Retirement	555,867	-	-	-	-	555,867	-	-
	Without Cause	-	-	-	-	-	-	-	-
	Change in Control	743,952	-	-	-	720,952	-	-	23,000
	For Cause	-	-	-	-	-	-	-	-
I. Oliver	Resignation	-	-	-	-	-	-	-	-
	Retirement	308,818	-	-	-	-	308,818	-	-
	Without Cause	-	-	-	-	-	-	-	-
	Change in Control	378,400	-	-	-	378,400	-	-	-
	For Cause	-	-	-	-	-	-	-	-
J. Cruickshank	Resignation	-	-	-	-	-	-	-	-
	Retirement	549,000	-	-	-	-	549,000	-	-
	Without Cause[8]	1,279,828	800,000	400,000	22,000	-	-	-	57,828
	Change in Control	615,506	-	-	-	615,506	-	-	-
	For Cause	-	-	-	-	-	-	-	-

1. This chart reflects the estimated incremental payments and benefits that are triggered by, or result from, a termination under each circumstance listed above, and not the actual amount that an NEO would receive in the event of a termination. It does not include amounts earned or benefits accumulated due to continued service through to December 31, 2010, including vested share options, accrued pension benefits, previously disclosed awards under the RSU Plan and balances from previously deferred compensation in the DSU Plan. A number of factors could affect the nature and amount of the actual payments and benefits provided.

2. For most NEOs, no amount is included for RSUs because the RSU Plan does not provide for accelerated entitlements on termination, except in the case of a change of control where the NEO is subsequently constructively dismissed or terminated without cause. In other cases, the awards are either forfeited or will continue to be paid out subject to vesting conditions . In the case of a change of control, we have assumed that the NEO is subsequently dismissed without cause and the amounts shown above represent the full value of the RSUs that would be payable under the RSU Plan, due to the difficulty in determining only the incremental value of the acceleration of vesting.
3. The Share Option Plan provides for accelerated vesting in the event of a retirement. The amounts shown above for the retirement scenario reflect the full value of unvested "in-the-money" options as of December 31, 2010, due to the difficulty of determining only the incremental value of the acceleration of vesting. Mr. Holland and Mr. DeMarchi have employment agreements which give them rights to continued (but not accelerated) vesting and an extended exercise period beyond the 30 day period normally provided under the Share Option Plan in the event of a termination without cause. No value is reflected for this as there is no incremental benefit.
4. No amount is included for MTIP because this plan does not provide for accelerated entitlements on termination. The awards are either forfeited or will continue to be paid out subject to the performance conditions.
5. Under the SRIP Legacy, in the event of a change of control, pension benefits for all service prior to the change of control are calculated based on the average of the last three years of pensionable earnings. The amounts shown reflect an estimate of the incremental value of the pension benefit resulting from this revised method of calculation. Obligations to Mr. Holland, Mr. DeMarchi and Mr. Oliver are already based on a final three-year average, so no incremental benefit is shown for them.
6. This represents two times Mr. Holland's base salary as at December 31, 2010, 2010 target bonus of 100% of base salary as at December 31, 2010, and car allowance, club membership and normal employee benefits (excluding short and long-term disability coverage). See description of employment contract below under "David Holland". It also reflects the estimated value of an additional two years of pension service credit for purposes of the SRIP Legacy, calculated on the same basis as the obligations set out in the table on page 27.
7. This represents two times Mr. DeMarchi's base salary as at December 31, 2010, target bonus of 67% of base salary as at December 31, 2010, and car allowance and normal employee benefits (excluding short and long-term disability coverage). See description of employment contract below under "Lorenzo DeMarchi". It also reflects the estimated value of an additional two years of pension service credit for purposes of the SRIP Legacy, calculated on the same basis as the obligations set out in the table on page 27.
8. This represents two times Mr. Cruickshank's base salary as at December 31, 2010, target bonus of 50% of base salary as at December 31, 2010, and annual Group RRSP/DPSP (under "Benefits") and DC SRIP pension contribution. See description of employment contract below under "John Cruickshank".

David Holland

In November 2009, the Corporation entered into an employment agreement with Mr. Holland to govern his service as President and CEO of Torstar. The agreement provides that in the event Mr. Holland is terminated without cause before the age of 62, he will be entitled to a severance payment equal to two times his annual base salary and target bonus. This payment reduces to reflect one year at age 62, and continues to reduce until he reaches age 65 after which no severance is payable. During the notice period he will also be entitled to continuation of health benefits (or equivalent payment), car allowance and club membership, continued vesting of share option awards in the ordinary course, and continued vesting of RSU awards granted prior to the date of termination in accordance with the retirement provisions of the RSU plan. For the purposes of the SRIP Legacy, he will be credited with continued service accrual during the notice period, and he is entitled to have his salary calculated based on his final three years of salary rather than the base year concept. Mr. Holland has agreed to non-competition restrictions in respect of certain competitors for a period of one year following his departure from Torstar if he is terminated or leaves Torstar for any reason.

Lorenzo DeMarchi

The Corporation entered into an agreement with Lorenzo DeMarchi in November 2009 to govern his service as CFO. The agreement provides that in the event he is terminated without cause he will be entitled to a payment equal to two times his annual base salary and target bonus. This payment reduces to reflect one year at age 62, and continues to reduce until he reaches age 65 after which no severance is payable. During the notice period, he is also entitled to continuation of health benefits and car allowance (or equivalent payment), continued vesting of share option awards in the ordinary course, and continued vesting of RSU awards granted prior to the date of termination such that RSUs granted in a calendar year prior to the termination date will continue to vest and be payable on the third anniversary of the award date. For the purposes of the SRIP Legacy, he will be credited with continued service accrual during the notice period. For 2010 and future years, Mr. DeMarchi's salary for purposes of the SRIP Legacy will be deemed to be $300,000 with a 25% deemed bonus. Subject to the deemed salary cap, he is entitled to have his salary calculated based on his final three years of salary rather than the base year concept. Mr. DeMarchi has agreed to non-competition restrictions in respect of certain competitors for a period of one year following his departure from Torstar if he is terminated or leaves Torstar for any reason.

John Cruickshank

The Corporation entered into an agreement with John Cruickshank effective January 1, 2009. The agreement provides that in the event he is terminated without cause prior to reaching the age of 62, he is entitled to a severance payment equal to two times his annual base salary, target annual bonus, and annual Group RRSP/DPSP and DC SRIP pension contribution. This payment is reduced by two months for each quarter worked after age 62, and continues to reduce until he reaches age 65 after which no severance is payable. Mr. Cruickshank has agreed to non-competition restrictions in respect of certain competitors for a period of one year following his departure from Torstar if he is terminated or leaves Torstar for any reason.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Torstar has two compensation plans in place under which securities have been authorized for issuance from treasury: the Share Option Plan and the Share Reward Program. Torstar also has an Employee Share Purchase Plan.

Share Option Plan

Under the Share Option Plan, eligible senior executives may be granted options to purchase Class B non-voting shares, at an exercise price not less than the closing price of the shares on the TSX on the last trading day before the grant.

The following table provides information as at December 31, 2010 and March 1, 2011 regarding the Class B non-voting shares issuable under the Plan upon the exercise of options outstanding under the Share Option Plan, and the number of Class B non-voting shares remaining available for issuance.

	As at December 31, 2010	**As at March 1, 2011**
Maximum # of shares issuable	12,500,000 Class B non-voting shares are issuable under the plan, representing 15.8% of the total outstanding Class A shares and Class B non-voting shares	12,500,000 Class B non-voting shares are issuable under the plan, representing 15.8% of the total outstanding Class A shares and Class B non-voting shares
Currently Issued	9,894,036 Class B non-voting shares to be issued upon exercise of outstanding options (5,744,959 shares issued and 4,149,077 options remaining outstanding). Outstanding options represent 5.2% of total outstanding Class A shares and Class B non-voting shares	10,252,529 Class B non-voting shares to be issued upon exercise of outstanding options (5,744,959 shares issued and 4,507,570 options remaining outstanding). Outstanding options represent 5.7% of total outstanding Class A shares and Class B non-voting shares
Available for Issuance[(1)]	2,587,933 options remain available for issuance (after taking into account options that have been cancelled or expired), representing 3.3% of total outstanding Class A shares and Class B non-voting shares	2,229,440 options remain available for issuance (after taking into account options that have been cancelled or expired), representing 2.8% of total outstanding Class A shares and Class B non-voting shares
Options granted in year	854,678 options were granted in 2010, representing approximately 1.1% of total outstanding Class A shares and Class B non-voting shares	488,813 options have been granted in 2011 as of March 1, representing less than 1% of total outstanding Class A shares and Class B non-voting shares

1. 18,031 of the Class B non-voting shares available for issuance were applied towards a prior plan.

Up to 25% of an option grant may be exercised by the executive twelve months after the date granted, and a further 25% after each subsequent anniversary. Option grants expire ten years after the date of grant. However, if an option expires during or within two business days after the end of one of Torstar's blackout periods, the expiry date will be the 10^{th} business day following the expiry of the blackout period. Grants are subject to early termination in the event that a participant's employment is terminated. Employees are not permitted to assign option grants under the plan.

The Board may make amendments to the Share Option Plan without shareholder approval, except as set out below. Shareholder approval is required for the following amendments: (a) any increase in the number of Class B non-voting shares reserved for issuance under the Share Option Plan, except as a result of any redivision, subdivision, consolidation, recapitalization or similar transaction to any of the foregoing or the exchange, change or transfer of Class B non-voting shares pursuant to a reorganization, amalgamation, arrangement, consolidation or merger, statutory or otherwise, take-over bid or similar change to any of the foregoing; (b) a reduction in the exercise price of an Option held by an insider (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of reissuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option) except for the purpose of maintaining Option value in connection with a redivision, subdivision, consolidation, recapitalization or similar transaction to any of the foregoing or the exchange, change or transfer of Class B non-voting shares pursuant to a reorganization, amalgamation, arrangement, consolidation or merger, statutory or otherwise, take-over bid or similar change to any of the foregoing; (c) an extension of the Option Period for an Option held by an insider or an extension of the term of an Option held by an insider beyond 10 years from the date the Option was granted (other than an extension to 10 business days after the end of a blackout period if the expiry date would otherwise fall within, or within two business days after the end of, a blackout period); (d) an amendment to the definition of "Eligible Employees" that would permit the reintroduction of non-employee directors on a discretionary basis; (e) an amendment to permit Options to be transferred other than for normal estate settlement purposes; (f) an amendment to permit awards, other than Options and SARs, to be made under the Share Option Plan; and (g) an amendment to the provisions of the Share Option Plan respecting matters requiring shareholder approval other than the addition of matters to be subject to shareholder approval. The Board may discontinue the plan at any time.

In connection with a grant of share options under the Share Option Plan, the Board may grant an equivalent number of stock appreciation rights that may be exercised by an executive in lieu of exercising the share options. Each such right would entitle the employee to surrender unexercised the right to subscribe for the Class B non-voting shares pursuant to the option and to receive from the Corporation cash in an amount equal to: the excess of the closing market price of the Class B non-voting shares on the trading day immediately preceding the date of exercise of the stock appreciation right, over the option price provided in the related option. No such stock appreciation rights have been granted to date.

The Share Option Plan provides that the number of shares reserved for issuance pursuant to share options granted to insiders, together with Class A shares and Class B non-voting shares issuable to insiders under all other share compensation arrangements, cannot exceed 10% of the issued and outstanding Class A shares and Class B non-voting shares of Torstar. The plan also provides that the number of shares that may be issued pursuant to options granted to insiders under the plan, together with all Class A shares and Class B non-voting shares that may be issued to insiders under all other share compensation arrangements within any one year period cannot exceed 10% of the issued and outstanding Class A shares and Class B non-voting shares. In addition, the aggregate number of shares reserved for issuance to any single eligible employee under any share compensation arrangement, cannot exceed 5% of the then issued and outstanding Class A shares and Class B non-voting shares of Torstar.

Share Reward Program

Torstar also has a Share Reward Program. The purpose of the program is to permit certain employees of Torstar and its subsidiaries to receive a nominal number of Class B non-voting shares in recognition of a substantial length of service with Torstar or its subsidiaries, or as a reward for superior or noteworthy performance. The President of Torstar and of each of its operating divisions may from time to time designate the eligible employees to whom Class B non-voting shares may be issued under this program, and the number of shares to be issued to each such employee, provided that the President of an operating division may only designate employees within his or her own division, and provided further that no more than 100 Class B non-voting shares may be awarded to any employee at any one time (although cumulative grants may total in excess of 100 Class B non-voting shares). The issuance of shares under the program is completely discretionary and no employee is entitled as of right to receive shares. A maximum of 20,000 Class B non-voting shares have been reserved for issuance under the program, representing approximately .03% of the total number of Class A shares and Class B non-voting shares outstanding as at December 31, 2010.

The Board may make amendments to the Share Reward Program without shareholder approval, except as set out below. Shareholder approval is required for the following amendments: (a) any increase in the number of Class B non-voting shares reserved for issuance under the Program; (b) an amendment to the definition of "Eligible Reward Employees" that would permit the inclusion of non-employee directors on a discretionary basis; (c) an amendment to permit awards, other than the issuance of Class B non-voting shares to Eligible Reward Employees as contemplated in the Program, to be made under the Program; and (d) an amendment to the provisions of the Program respecting matters requiring shareholder approval other than the addition of matters to be subject to shareholder approval. The Board may discontinue the program at any time.

The number of shares that may be issued to insiders under this program, and all other share compensation arrangements of Torstar within any one year period, may not exceed 10% of the issued and outstanding Class A shares and Class B non-voting shares of Torstar. In addition, the aggregate number of shares reserved for issuance to any single eligible employee under this program and under any share compensation arrangement cannot exceed 5% of the then issued and outstanding Class A shares and Class B non-voting shares of Torstar.

During 2010, 1,600 Class B non-voting shares were issued under the program. None of these shares were issued to the NEOs, except for 25 Class B non-voting shares issued to Ms. Hayes in recognition of her 25 years of service to the Corporation. As of December 31, 2010, a total of 14,285 Class B non-voting shares had been issued under the program, representing approximately .02% of the total number of Class A shares and Class B non-voting shares outstanding as at December 31, 2010. As of March 1, 2011, 14,460 Class B non-voting shares had been issued under the program.

The following table provides additional information regarding the Share Option Plan (which has been approved by shareholders) and the Share Reward Program (which has not been approved by shareholders, as the applicable rules of the TSX did not require such approval when the program was introduced) as at December 31, 2010.

EQUITY COMPENSATION PLANS			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (A)	Weighted average exercise price of outstanding options, warrants and rights (B)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A)) (C)
Equity compensation plans approved by shareholders	4,149,077	$17.19	2,587,935
Equity compensation plans not approved by shareholders[1]	N/A	N/A	5,715
Total	4,149,077	$17.19	2,593,648

1. Shareholder approval was not required under TSX rules when this program was introduced.

Employee Share Purchase Plan

Torstar's employee share purchase plan permits permanent full-time and permanent part-time employees of the Corporation to subscribe for Class B non-voting shares to be paid for through payroll deductions over a defined period which can vary from 90 to 104 weeks, at a purchase price equal to the lower of the market price on the entry date and the market price at the end of the purchase period. The value of the shares that an employee may subscribe for is restricted to a maximum of 20% of the employee's annual base salary at the beginning of the payment period. Interest is paid on the amounts paid by employees and held by Torstar pending the purchase of Class B non-voting shares. Torstar does not provide financial assistance with respect to the employee share purchase plan. Under applicable securities legislation and the rules of the TSX, Torstar's employee share purchase plan is not considered an "equity compensation plan". The number of Class B non-voting shares remaining available for issuance from treasury under the plan as at December 31, 2010 was 604,244, which represents less than 1% of the total number of Class A shares and Class B non-voting shares outstanding as at December 31, 2010. As of March 1, 2011, 603,654 Class B non-voting shares remained available. The Board of Directors has approved the reservation of an additional 1,000,000 shares for issuance under the plan, and the Corporation is in the process of seeking TSX approval to list the additional shares.

DIRECTOR COMPENSATION

Compensation of Directors

Directors' compensation is reviewed on an annual basis by the Board, with any changes based on the recommendation of the Nominating & Corporate Governance Committee. The Chair makes a recommendation to the Nominating & Corporate Governance Committee each year, with a view to maintaining a reasonable level of compensation for the directors. The Chair considers public survey information regarding fees payable to members of other public company boards in Canada in making his recommendation. The compensation of the Corporation's directors was not increased between 2006 and 2010. The Board approved a $10,000 reduction in the annual DSU retainer, effective January 1, 2009. This reduction continued through 2010. Directors who are employees of Torstar or any subsidiary are not compensated for service on the Board. As described below, each director can elect to receive up to 100% of the retainer and attendance fees that would otherwise be payable in cash in the form of deferred share units.

In 2010, non-employee directors were entitled to the following compensation:

Type of Compensation	Amount ($)
Director Annual Retainer:	
Cash	$20,000
DSUs	$25,000
Chair of the Board Annual Retainer	$265,000[(1)]
Lead Director Annual Retainer	$10,000
Committee Chair Annual Retainer:	
Audit Committee	$7,000
Other Committees	$3,500
Committee Member Annual Retainer	$3,000
Board Meeting Attendance Fee:	
In person	$1,500
By telephone	$750
Committee Meeting Attendance Fee:	
In person	$1,250
By telephone	$625
2010 Special Committee Retainer:	
Chair	$15,000
Other Members	$10,000

1. $25,000 of the annual retainer was in the form of DSUs. The Chair does not receive any other fees as a director.
2. For directors resident in the United States (Campbell Harvey and Joan Dea) all of the cash amounts set out above were paid in US dollars.
3. Directors are also entitled to a fee of $1,500 per day (or part thereof) for special attendance at and advice to the Corporation as authorized by the Chair, and to reimbursement for reasonable travel and out-of-pocket expenses incurred in attending Board and Committee meetings.
4. During 2010, a special committee was established. The Committee Chair received a flat fee of $15,000, and other members received a flat fee of $10,000. No other compensation was paid for service on this Committee.
5. Effective January 1, 2011, the Board approved restoring the DSU Retainer to its 2008 level of $35,000. The Board also approved an increase in the Annual Retainer for the Audit Committee Chair to $15,000.

Share-Based Compensation

Directors receive deferred share units (DSUs) as part of their compensation. The issuance of DSUs is intended to promote greater alignment of interests between the directors and the shareholders. A DSU is a bookkeeping entry with the same value as one Class B non-voting share of the Corporation. Additional DSUs are received as dividend equivalents. DSUs cannot be redeemed for cash until the director retires from the Board. Consequently, the issuance of DSUs to directors provides them with an ongoing equity stake in the Corporation throughout their respective periods of Board service. In 2010, each director was granted an annual DSU retainer with a value at the time of grant of approximately $25,000. The retainer is paid quarterly. Accordingly, each quarter, a number of DSUs equal to the number of Class B non-voting shares of Torstar that could be purchased for a dollar amount equal to the quarterly board retainer is credited to the account maintained for each non-employee director. In addition, directors have the option to receive up to 100% of their annual cash retainer and meeting fees in the form of DSUs.

The following table sets out the compensation earned in 2010 by each of the non-employee directors.

Name	Fees earned or paid in cash ($)	Share-based awards[2] ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation[3] ($)	Total ($)
John Honderich	240,000	25,000	-	-	-	5,089	270,089
Peter Armstrong	45,750	25,000	-	-	-	3,711	74,461
Donald Babick	57,000	25,000	-	-	-	4,974	86,974
Elaine Berger	47,500	25,000	-	-	-	3,711	76,211
Joan Dea[1,4]	44,578	25,000	-	-	-	3,454	73,037
Campbell Harvey[1]	48,104	25,000	-	-	-	5,928	79,032
Linda Hughes	4,833	4,167				0	9,000
Daniel Jauernig[4]	46,875	25,000	-	-	-	4,883	76,758
Roy Romanow	48,250	25,000	-	-	-	5,274	78,524
Alnasir Samji[4]	54,250	25,000	-	-	-	5,278	84,528
Martin Thall	47,500	25,000	-	-	-	5,928	78,428
Paul Weiss[4]	66,375	25,000	-	-	-	2,692	94,067
Phyllis Yaffe[4]	76,750	25,000	-	-	-	2,692	104,442

1. Non-share-based awards for Campbell Harvey and Joan Dea were paid in US Dollars. Cash amounts shown for each of them were converted to Canadian dollar equivalents based on the following rates for payments made in each quarter: $1.0156 for the first quarter; $1.0606 for the second quarter; $1.0298 for the third quarter; and $0.9946 for the fourth quarter of 2010.
2. Share-based awards reflect DSUs granted to the directors and the amount stated is based on the grant date fair value of the award and not the value of the DSUs held as of December 31, 2010. The $25,000 grants were based on the December 31, 2009 share price, which was $6.33. The initial grant to Ms. Hughes was based on the November 3, 2010 share price, which was $12.47. The number of DSUs that each director elected to receive in DSUs as opposed to cash, and the number of DSUs issued as dividend equivalents, were determined by the closing price of Torstar's Class B non-voting shares on the last trading day of the quarter in which such fees were earned, being $9.97 for March 31, 2010, $10.64 for June 30, 2010, $12.69 for September 30, 2010 and $12.21 for December 31, 2010.
3. All other compensation includes the value of additional DSUs received as dividend equivalents under the Directors' DSU program.
4. Ms. Dea, Ms. Hughes, Mr. Jauernig, Mr. Samji, Mr. Weiss and Ms. Yaffe each received the annual cash retainer in the form of DSUs, in accordance with the minimum share ownership requirements. In addition, Mr. Jauernig and Mr. Samji elected to receive all of their cash fees in the form of DSUs. This resulted in the following cash fees being granted in the form of DSUs: Joan Dea ($20,557); Linda Hughes ($3,333); Daniel Jauernig ($46,875); Alnasir Samji ($54,250); Paul Weiss ($20,000); and Phyllis Yaffe ($20,000).
5. As of December 31, 2010, the total number of DSUs held by each current non-employee director was as follows: John Honderich – 16,502; Peter Armstrong – 12,705; Don Babick – 16,185; Elaine Berger – 12,705; Joan Dea – 13,092; Campbell Harvey – 18,816; Linda Hughes - 607; Daniel Jauernig – 18,484; Roy Romanow – 17,013; Alnasir Samji – 20,052; Martin Thall – 18,816; Paul Weiss – 10,965; and Phyllis Yaffe – 10,965.
6. Directors are also entitled to be reimbursed for reasonable travel and out-of-pocket expenses incurred in attending meetings. The above table does not include these expenses.
7. Mr. Holland, the CEO, receives no additional compensation for serving as a director.

Directors' Minimum Shareholding Requirements

To further align directors' interests with those of shareholders, the Board has adopted a minimum shareholding requirement for directors. Each director is required to hold shares, DSUs or a combination thereof with a value of at least $180,000 (four times the 2010 annual retainer). In order to avoid the need to continuously monitor and adjust holdings based on fluctuations in the market price, the value is determined based on the greater of the current market value of the shares and the director's acquisition cost. Directors have a period of four years from their date of election to the Board to achieve the minimum shareholding requirement. Until this minimum ownership level is reached, directors are required to take the cash portion of the annual base retainer in the form of DSUs.

Directors' Equity Ownership

Messrs. Armstrong, Babick, Harvey, Honderich, Jauernig, Romanow, Samji and Thall hold shares and/or DSUs in excess of the minimum requirement. Elaine Berger is deemed to be in compliance due to her involvement with Starson Holdings Inc. The remaining directors are expected to reach the minimum ownership requirements within the four-year time period permitted for compliance.

The table below sets out each current director's equity ownership interest in Torstar as at December 31, 2010, and includes changes in ownership since December 31, 2009. The table reflects the year end market value and not the value as determined for the purposes of the minimum shareholding requirement, which takes into account the acquisition cost of the shares.

Name	Equity Ownership as at December 31, 2010			Equity Ownership as at December 31, 2009			Net Change in Equity Ownership			Market Value of Equity Holdings as at December 31, 2010 ($)
	Class A Shares (#)	Class B shares (#)	DSUs (#)	Class A Shares (#)	Class B shares (#)	DSUs (#)	Class A Shares (#)	Class B shares (#)	DSUs (#)	
John Honderich	1,458,356	3,452,609	16,502	1,458,356	3,452,609	12,105	-	-	4,397	60,164,372
Peter Armstrong	200	276,886	12,705	200	276,886	8,430	-	-	4,275	3,538,348
Donald Babick	1	6,900	16,185	1	6,900	11,798	-	-	4,387	281,880
Elaine Berger	0	400	12,705	0	400	8,430	-	-	4,275	160,012
Joan Dea	0	0	13,092	0	0	7,016	-	-	6,076	159,853
Campbell Harvey	1,458,360	3,016,404	18,816	1,458,360	3,016,404	14,344	-	-	4,472	54,866,612
David Holland	0	5,248	2,596	0	3,683	2,512	-	1,565	84	95,775
Linda Hughes	0	0	607	0	0	0	-	-	607	7,411
Daniel Jauernig	0	0	18,484	0	0	9,958	-	-	8,526	225,690
Roy Romanow	0	5,652	17,013	0	5,652	12,599	-		4,414	276,740
Alnasir Samji	0	0	20,052	0	0	10,866	-	-	9,186	244,835
Martin Thall	2	1,400	18,816	2	1,400	14,344	-	-	4,472	246,862
Paul Weiss	0	0	10,965	0	0	5,007	-	-	5,958	133,883
Phyllis Yaffe	0	0	10,965	0	0	5,007	-	-	5,958	133,883

1. Information as to shares beneficially owned, or shares over which control or direction is exercised, is not within the knowledge of Torstar and therefore has been provided by each director.
2. The value of a DSU is equal to the value of a Class B non-voting share of Torstar. The market value of DSUs was calculated based on the closing price of Class B non-voting shares on the TSX on December 31, 2010, which was $12.21.
3. The market value of the Class A shares was calculated based on the closing price of Class B non-voting shares on the TSX on December 31, 2010, which was $12.21.
4. The Class A shares and Class B non-voting shares shown as owned by John Honderich and Campbell Harvey include shares controlled by them on behalf of the Honderich Group and the Campbell Group, respectively.
5. In addition, as of January 2, 2011, David Holland held 183,672 RSUs, which, at a value of $2,242,635, increases the market value of his holdings to a total of $2,338,410.

Director Share-Based Awards & Option-Based Awards

Share option grants were made to non-employee directors under the Share Option Plan as part of their compensation until 2002. In December 2002, the Board discontinued the issuance of options to directors. Campbell Harvey still holds options issued prior to the discontinuance of the program. Details regarding the options held by Mr. Harvey are set out in the table below.

Share-based awards are made to each director under the DSU Plan, as described above. Information regarding the DSUs issued to each director during 2010 are described in the table "Value vested or earned during the year" below.

OPTION-BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2010				
	Option-based awards			
Name	Number of Securities Underlying unexercised options (#)	Option Exercise Price ($)	Option Expiration Date	Value of unexercised in-the-money options ($)
Campbell Harvey	5,000 5,000	20.30 22.20	January 1, 2011 January 1, 2012	0 0

Value Vested or Earned During the Year

The table below sets out the aggregate dollar value vested or earned during 2010 with respect to option-based and share-based awards made to non-employee directors. For option-based awards, this reflects the aggregate dollar value that would have been realized if the options held by the director had been exercised on the vesting date, based on the difference between the market price of the underlying shares at exercise and the exercise price of the options on the vesting date. For share-based awards, this reflects the aggregate value of DSUs and DSU dividend equivalents issued to the directors in 2010.

VALUE VESTED OR EARNED DURING THE YEAR UNDER INCENTIVE PLAN AWARDS			
Name	Option-based awards – Value vested during 2010 ($)	Share-based awards – Value vested during 2010 ($)	Non-equity incentive plan compensation – Value earned during the year ($)
John Honderich	-	30,089	-
Peter Armstrong	-	28,711	-
Donald Babick	-	29,974	-
Elaine Berger	-	28,711	-
Joan Dea	-	49,011	-
Campbell Harvey	0	30,928	-
Linda Hughes	-	7,500	-
Daniel Jauernig	-	76,758	-
Roy Romanow	-	30,274	-
Alnasir Samji	-	84,528	-
Martin Thall	-	30,928	-
Paul Weiss	-	47,692	-
Phyllis Yaffe	-	47,692	-

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No proposed director nominees, directors, executive officers or senior officers of Torstar or any of their respective associates were indebted to the Corporation during 2010. Torstar has a policy in effect to prohibit loans to directors and executive officers. Loans to senior officers (other than executive officers) are permitted only with the specific approval of the Salary & Organization Committee.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Torstar maintains directors' and officers' liability insurance for itself, its subsidiaries and the directors and officers of the Corporation and its subsidiaries. The policy limit is US$20,000,000 per loss or US$20,000,000 in any one policy year subject to deductibles as follows: in respect of “non-indemnifiable” claims “against” directors and officers – nil; in respect of claims “indemnified” by the Corporation – US$1,000,000 for each indemnifiable loss. Generally, under the terms of this insurance, the Corporation is reimbursed for payments made to directors and officers by way of indemnity for losses arising during the performance of their duties. The directors and officers are entitled to be reimbursed under this insurance to the extent they are not indemnified by the Corporation for such losses. The insurance premiums in respect of such insurance are payable annually, based upon a one-year term. The total premium for the one-year period beginning April 1, 2010 is US$120,000. This amount was paid entirely by the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board has adopted an explicit statement of the Corporation’s corporate governance guidelines and practices. The statement is reproduced in Schedule 1 and is also available on the Corporation’s website at www.torstar.com.

To assist the Board in carrying out its duties, the Board has created committees with specific responsibilities. A summary of Committees and their responsibilities is set out in Schedule 2.

OTHER INFORMATION

Restricted 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. However, 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.

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, currently owners of approximately 98% of all outstanding Class A shares, 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.

Additional information regarding Torstar's restricted shares and capital structure is provided in Torstar's 2011 Annual Information Form and is incorporated by reference.

Additional Information about the Corporation

Financial information about the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2010. Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Copies of the Corporation's most recent consolidated financial statements and MD&A, interim financial statements, Annual Information Form and, Information Circular may be obtained by shareholders free of charge upon request from the Secretary of the Corporation. For the convenience of the Corporation's shareholders, most of the above documents are also available on the Corporation's corporate website located at www.torstar.com.

General

Unless otherwise stated, information contained herein is given as of March 1, 2011. Management knows of no matters to come before the Meeting other than the matters referred to in the notice of meeting. If any matters which are not now known should properly come before the Meeting, the shares represented by the proxies given in favour of management nominees will be voted on such matters in accordance with the best judgment of the person exercising the proxy.

The contents and the sending of this Circular have been approved by the Board.

By order of the Board

Marie E. Beyette
Corporate Secretary

SCHEDULE 1

CORPORATE GOVERNANCE GUIDELINES AND PRACTICES

The Torstar Board of Directors is charged with maintaining an effective system of governance for Torstar. The primary duty of the Board is to supervise the management of the business and affairs of Torstar and to act with a view to the best interests of Torstar and its stakeholders. The Board has adopted several governance guidelines and practices to enable it to perform its duties effectively. The Nominating & Corporate Governance Committee regularly monitors developments and best practices.

1. Board of Directors

(a) *Independence from Management*

In order to assist the Board in functioning independently of management, the Board is led by an independent Chair. The Chair is appointed by the Board on the recommendation of the Nominating & Corporate Governance Committee. The only member of management represented on the Board is the CEO. Under the policies adopted by the Board, the majority of the Board members must be independent, as well as at least the majority of the members of each Committee. All of the members of the Audit Committee, Salary & Organization Committee and Nominating & Corporate Governance Committee must be independent. The Chair leads an executive session of the non-executive directors in the absence of management at the end of each regularly scheduled Board meeting. In 2010, the Board met without management at each of its six regularly scheduled meetings, and at two of its four special meetings. Each Committee also holds an executive session excluding management at the end of each regularly scheduled Committee meeting. John Honderich is the Chair of the Board. Mr. Honderich is independent from management. He is the Chair of the Voting Trust and served as Publisher of the Toronto Star until 2004. The Board has adopted a practice of appointing a Lead Director where the Chair is also a member of the Voting Trust. Phyllis Yaffe currently serves as Lead Director and as Chair of the Nominating & Corporate Governance Committee.

The Board, on the recommendation of the Nominating & Corporate Governance Committee, assesses the independence of each director on an annual basis, generally at the same time as it approves the nominees for inclusion in this Circular. The Committee considers any applicable independence requirements, together with any relevant information brought forward with respect to each director. In order to assist with this determination, directors are required to complete a questionnaire in this regard each year. Based on the definition of independence in National Instrument 58-101-Disclosure of Corporate Governance Practices, the Board has determined that all of Torstar's current directors are independent, except for David Holland. David Holland is not considered to be independent because as CEO he is an officer and employee of the Corporation.

Each of Neil Clark, Elaine Berger, Campbell Harvey, John Honderich and Martin Thall are nominees of the Torstar Voting Trust. However, since their relationships with the Corporation result from shareholding only, they are considered to be independent. Although they are considered to be independent, these nominees are connected to the Torstar Voting Trust. The Voting Trust holds approximately 98% of the Class A Shares and approximately 31% of the equity of the Corporation, and consequently five of 13 directors fairly reflects the interests of the Voting Trust in the Corporation. The majority of the proposed nominees are both independent of management and unrelated to the Voting Trust.

(b) *Board Composition*

Size of the Board

The Articles of Torstar provide for a minimum of five and a maximum of 20 directors. The Board, through the Nominating & Corporate Governance Committee, regularly reviews the size and composition of the Board to ensure that both are appropriate to facilitate effective decision-making. The Committee has determined that the Board shall normally consist of 12 to 16 members, as this range is believed to provide for the most appropriate balance of expertise and experience while still allowing for effective operation and decision-making.

Retirement Age

Directors shall normally retire from the Board at the annual shareholder meeting immediately following their 70th birthday. Directors elected following their 70th birthday shall offer to retire six months prior to each subsequent annual shareholder meeting. The Nominating & Corporate Governance Committee approved an exception for Roy Romanow, who turned 70 in 2009. Mr. Romanow is expected to continue to serve as a director until immediately prior to the Meeting.

Change in Principal Occupation

An outside director who retires from his or her normal occupation, or who changes his or her position, shall offer to resign as a director. The Board shall decide, upon the recommendation of the Nominating & Corporate Governance Committee, whether or not to accept such resignation. The determination will be based on a review of the impact of the change on Torstar and the composition of the Board.

Directors who are members of management of Torstar shall offer their resignations when they retire as employees. If requested by the Board, such directors may continue to serve until the next annual meeting of shareholders.

2. Board Mandate

The Board is responsible for supervising the management of the business and affairs of Torstar. The Board mandate sets out various responsibilities to be discharged by the Board, including expectations with respect to attendance at Board meetings and advance review of materials. A copy of the mandate is attached as Schedule 3 to the Information Circular. The mandate is reviewed at least annually by the Nominating & Corporate Governance Committee and the Board.

3. Position Descriptions

The Board has developed a written position description for the Chair of the Board, the Lead Director, and the Chair of each committee. The committee Chair descriptions are incorporated into the various committee terms of reference. The position descriptions are reviewed at least annually by the Nominating & Corporate Governance Committee and the Board.

The Board, through its Salary & Organization Committee, has overseen the development of a position description for the CEO. The Board, through the Salary & Organization Committee, also oversees the development of corporate objectives which the CEO is responsible for meeting. The position description and corporate objectives are reviewed at least annually by the Salary & Organization Committee. The position description provides that the CEO has general responsibility for the overall management and performance of Torstar, including operational and strategic performance.

4. Director Orientation & Continuing Education

The Board oversees the orientation of new directors and continuing education of directors through the Nominating & Corporate Governance Committee. Directors are expected to be knowledgeable about their legal duties, responsibilities and the business of Torstar. New directors are given a clear indication of the role of the Board and its committees, the contribution individual directors are expected to make (including, in particular, the commitment of time and attention that Torstar expects from its directors), the duties of Torstar directors and the nature and operation of Torstar's businesses. New directors are provided with in-depth orientation sessions including individual meetings with the head of each major operating company, the CEO, the CFO, the Chair and the Corporate Secretary. New directors are also provided with a directors' manual that includes written information about Torstar and their duties and responsibilities as directors, including a statement of directors' duties and responsibilities, committee terms of reference, position descriptions, the Statement of Atkinson Principles, the CEO's objectives for the most recent fiscal year, and various corporate policies and public disclosure documents from the most recent fiscal year. Directors are also provided with ongoing continuing education which includes periodic tours of Torstar's major operating companies and regular presentations by senior management on various topics, including strategic issues and the competitive environment.

5. Ethical Conduct

Torstar has in place a Code of Business Conduct that governs the conduct of the directors, officers and employees of Torstar and its subsidiaries. The purpose of the Code is to ensure that employees act honestly, responsibly, legally and ethically and in the best interests of Torstar. All directors and senior employees provide written confirmation of their compliance with the Code on an annual basis. The Code is reviewed annually by the Board. Any waivers granted to directors or executive officers must be approved by the Chair of the Board.

Torstar has also adopted a Code of Ethics that applies to its senior financial officers, and a Whistleblower Policy to address the reporting, retention and treatment of complaints and concerns regarding questionable accounting, internal accounting controls or auditing matters. Senior financial officers provide written confirmation of their compliance with the Code of Ethics on an annual basis. The Audit Committee is responsible for monitoring compliance with the Code of Ethics and Whistleblower Policy and reviews them on an annual basis. Any complaints and concerns raised under the Whistleblower Policy are brought to the attention of the Chair of the Audit Committee.

Copies of the Code of Business Conduct and Code of Ethics are available on Torstar's website, www.torstar.com.

In order to help ensure that directors exercise independent judgment in considering any transaction or agreement in which a director or executive officer has a material interest, any director or executive officer with such an interest is expected to declare the interest and would generally not be present for any discussion or vote regarding the matter.

6. Nomination of Directors

Torstar's Nominating & Corporate Governance Committee is composed entirely of independent directors. The responsibilities of the Committee are described in Schedule 2 to the Information Circular.

The Committee is responsible for identifying, reviewing and recommending to the Board potential nominees. The Committee invites other directors to suggest potential candidates for consideration. New nominees must be of good character and sound judgment and must subscribe to the Atkinson Principles applicable to the Toronto Star. In identifying nominees, consideration is given to ensuring an appropriate mix of business and professional experience on the Board. As a general practice, the Committee maintains a list of potential director candidates for future consideration. In making recommendations to the Board, the Committee considers the competencies and skills considered necessary for the Board, as a whole, to possess; the competencies and skills that each existing director is considered to possess; the competencies and skills each new nominee will bring to the Board; whether or not each new nominee can devote sufficient time and attention to his or her duties as a Board member; and the appropriate size of the Board, with a view to facilitating effective decision-making. The Board values diversity, and has recently revised the Committee mandate to provide that in addition to the consideration of competencies and skills described above, the Committee should also consider whether a new nominee would contribute to the diversity of the Board (including diversity in professional experience and background as well as in personal characteristics such as gender, race, ethnic background, age and geographic residence). Potential nominees are reviewed with the Chair of the Voting Trust before a formal offer is made, to determine if the Voting Trust is supportive of the candidate.

7. Compensation

The Nominating & Corporate Governance Committee reviews the adequacy and form of directors' compensation annually to ensure that it realistically reflects the responsibilities and risks involved in being an effective director.

The Board has adopted minimum shareholding guidelines for directors. Each director is required to hold shares, deferred share units, or a combination thereof with a value of at least $180,000 within four years from their date of election to the Board. The value is determined based on the greater of the current market value of the shares and the director's acquisition cost. Until this minimum share ownership level is reached, directors are required to take the cash portion of the annual base retainer in the form of deferred share units.

The Salary & Organization Committee is composed entirely of independent directors. This Committee is responsible for reviewing and approving the corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and recommending to the Board the CEO's compensation level based on this evaluation. The Committee also approves compensation arrangements for other senior executives with base salaries of $300,000 or more, and approves incentive compensation plans and equity-based plans. The Committee also reviews executive compensation disclosure. Executive compensation details for 2010 are described under the Compensation Discussion and Analysis in the Information Circular. The responsibilities of the Committee are described in Schedule 2 to the Information Circular.

8. Board Assessments

The Nominating & Corporate Governance Committee, with the assistance of the Chair and Corporate Secretary, is responsible for overseeing the review of the effectiveness of the Board, its Committees and individual directors at least annually. The Committee determines the most appropriate method of evaluation to be used each year. Recommendations arising from the review process are considered by the Committee and reviewed with the full Board. Changes are implemented as deemed appropriate by the Board. Management is advised of any suggestions for process improvements flowing from the Committee and Board reviews.

For 2010, directors were asked to complete comprehensive written evaluations in respect of the Board and its Committees. The evaluation forms were reviewed and approved in advance by the Committee, and included various matters relating to the operation of the Board and its Committees, including board oversight and participation, the adequacy and timeliness of information provided to directors and organization of meetings and agendas. These evaluations also included a self-assessment and peer commentary. They were supplemented by individual interviews between the Chair and directors which included elaboration on the written responses, and an evaluation of the Committees by each Committee Chair. An overall summary of the Chair's recommendations, based on the responses received and his discussions with the directors, was reviewed with the

Committee and then the full Board. Written evaluations in respect of the Chair and Lead Director were also completed and discussed with the Committee and the Board.

9. Corporate Disclosure & Communication

The Board oversees Torstar's continuous disclosure program, which is structured to ensure that relevant information is released in a timely fashion. Torstar has adopted a written Corporate Disclosure Policy. The policy is reviewed at least annually by the Board and contains guidelines for the timely dissemination of material information including how to determine what information is material, how and when the information is to be disclosed, and who the authorized spokespersons are. A copy of the policy is available on Torstar's website, www.torstar.com. The Board approves communications with respect to major financial issues or developments, including annual and quarterly financial statements, MD&A and press releases.

10. Board Committees

To assist the Board in carrying out its duties, the Board has created committees with specific responsibilities. The committees currently in place include the Audit Committee, Toronto Star Advisory Committee, Pension Committee, Salary & Organization Committee, and Nominating & Corporate Governance Committee. Each Committee has its own written terms of reference which set out the responsibilities of the Committee as well as qualifications for committee membership. The majority of the members of each Committee must be independent directors and all members of the Audit Committee, Salary & Organization Committee and Nominating & Corporate Governance Committee must be independent. Committee memberships are approved by the Board on the recommendation of the Nominating & Corporate Governance Committee. The Chair of each Committee, in consultation with appropriate members of the Committee and senior management, develops the agenda for each meeting. Each Committee reports to the Board on the results of each Committee meeting. The performance of each Committee is evaluated annually.

11. Strategic Planning

The Board is actively involved in Torstar's strategic planning process. The Board oversees the adoption of a strategic planning process for Torstar; discusses, reviews and approves Torstar's strategic plan each year, and monitors Torstar's performance against the strategic plan on an ongoing basis. The Board normally holds a two-day off-site strategic planning and review session each year.

12. Risk Assessment & Internal Controls

The Board reviews the principal risks of the Corporation's business identified by management, the systems recommended by management to manage the risks identified and receives regular reports on the results of these systems. The Board also reviews the information gathering and reporting system that provides the Board and management with information respecting material acts, events and conditions within the Corporation. The monitoring of these systems is conducted primarily through the Committee system described in Schedule 2. Certain risks are dealt with through the discussion of strategic issues at the Board level. The Corporation's senior executives are responsible for making regular reports to the Board or its Committees on the management of the identified risks.

The Board, through the Audit Committee, oversees management in maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures. The internal auditors provide independent assurance on the effectiveness of internal controls, procedures and processes in place across the organization, including financial and operational controls. The internal auditors submit quarterly reports to the Audit Committee each year.

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SCHEDULE 2

BOARD COMMITTEES & RESPONSIBILITIES

<table>
<tr><th>Committee</th><th>Responsibilities</th></tr>
<tr><td>Audit Committee

Paul Weiss – Chair
John Honderich
Daniel Jauernig
Alnasir Samji
Martin Thall</td><td>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 currently has five members. All members of the Committee must be independent and financially literate.

The Audit Committee usually meets four times each year. The Committee has developed Terms of Reference, which are reviewed annually by the Committee and the Board. The Terms of Reference are available on the Corporation’s website and are also appended to the Corporation’s 2011 Annual Information Form. They include responsibility for the following matters (among other things):

• meeting with external auditors and internal auditors (together with and separate from management) to discuss auditing, internal control matters and financial reporting issues;
• reviewing and recommending to the Board for approval the annual and interim financial statements, MD&A and earnings press releases;
• being 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;
• reviewing the nature and scope of the annual audit and considering the engagement or re-appointment of the external auditors for approval by shareholders and recommending the compensation of the external auditor to the Board;
• pre-approval of all non-audit services provided to the Corporation by the external auditors;
• establishment of procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
• reviewing and approving hiring policies regarding partners, employees and former partners and employees of the Corporation’s auditors;
• overseeing the resolution of any disagreements between management and the external auditors regarding financial reporting; and
• being satisfied that the Corporation has established an appropriate Code of Ethics for its senior financial officers.

Additional disclosure regarding the Audit Committee is set out in the 2011 Annual Information Form under “Directors and Officers – Audit Committee”.</td></tr>
<tr><td>Toronto Star Advisory Committee

Peter Armstrong – Chair
Donald Babick
Elaine Berger
Campbell Harvey
John Honderich
Linda Hughes
Daniel Jauernig
Roy Romanow
CEO of Torstar (ex officio)
Publisher of the Toronto Star (ex officio)</td><td>The Toronto Star Advisory Committee provides guidance on behalf of the Board to ensure that: the editorial policy of the Toronto Star maintains the Atkinson Principles; the quality of leadership and human resources and the level of investment in content development at the Toronto Star are appropriate for effective implementation of the editorial strategy; and the publication of the Toronto Star is conducted for the benefit of the public in the continued frank and full dissemination of news and opinions.

The Toronto Star Advisory Committee usually meets three or four times each year. It met three times in 2010. The Committee currently has eight members, plus two ex-officio members, being the CEO of the Corporation and the Publisher of the Toronto Star. The Committee has developed Terms of Reference, which are reviewed annually.</td></tr>
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<table>
<tr><th>Committee</th><th>Responsibilities</th></tr>
<tr><td>Nominating & Corporate Governance Committee

Phyllis Yaffe – Chair
Elaine Berger
Joan Dea
Campbell Harvey
John Honderich
Roy Romanow</td><td>The Nominating & Corporate Governance Committee oversees the Corporation’s corporate governance practices including: proposing to the full Board new nominees for the Board; the orientation and ongoing assessment of directors; changes to the approach of the Board to governance issues; the effectiveness of the Board as a whole as well as the Committees of the Board; and the interaction of the Board with management. The Committee currently has six members. All members of the Committee must be independent directors.

The Nominating & Corporate Governance Committee usually meets three or four times each year. The Committee met four times in 2010. The Committee has developed Terms of Reference, which are reviewed annually. The Terms of Reference are available on the Corporation’s website, and include responsibility for the following matters (among other things):
assessing the status of each director as independent;
maintaining appropriate and effective corporate governance procedures;
recommending the criteria and process for identifying, recruiting, nominating, appointing and orienting new directors;
evaluating the effectiveness of the Board, its committees and individual directors;
recommending to the Board nominees for election as directors;
recommending nominees for appointment to Board committees;
ensuring that the Board maintains good communications with the Corporation’s shareholders;
the development of an education program for directors;
the retention and termination of any outside advisor that the Committee determines to be necessary to carry out its duties; and
recommending the compensation of directors.</td></tr>
<tr><td>Salary & Organization Committee

John Honderich – Chair
Donald Babick
Joan Dea
Martin Thall
Phyllis Yaffe</td><td>The Salary & Organization Committee maintains responsibility for the remuneration and employment of senior officers, executive benefit and performance plans, and environmental and health and safety matters. The Committee currently has five members. All members of the Committee must be independent.

The Salary & Organization Committee usually meets four times each year. The Committee met three times in 2010. The Committee has developed Terms of Reference, which are reviewed annually. The Terms of Reference are available on the Corporation’s website, and include responsibility for the following matters (among other things):
review and approval of corporate goals and objectives relevant to CEO compensation;
review of CEO performance in light of approved goals and objectives;
review and approval of compensation of the CEO for recommendation to the Board;
review and approval of compensation of senior executives with base salaries of $300,000 or more;
review and approval of executive incentive programs and equity based plans;
review of succession and staff development plans;
reviewing environmental, health, safety and wellness matters;
review of the compensation discussion and analysis; and
the retention and termination of any outside advisor used to assist in the evaluation of executive compensation and the approval of the fees and other retention terms of such firms.</td></tr>
<tr><td>Pension Committee

Alnasir Samji – Chair
David Holland
John Honderich
Paul Weiss</td><td>The Pension Committee administers the assets in the Corporation’s pension plans. It is responsible for the administration of group pension plans and 401K savings plans established by the Corporation and its subsidiaries.

The Pension Committee usually meets three or four times each year. It met five times in 2010. The Committee currently has four members. The Committee has developed Terms of Reference, which are reviewed annually.</td></tr>
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SCHEDULE 3

BOARD MANDATE

The members of the Board are responsible for supervising the management of Torstar's business and affairs. The Board performs the regular functions set out below in order to discharge this mandate. The Board has the prerogative to take whatever additional action it considers to be in Torstar's best interests. If there is any doubt as to whether or not a particular matter should be referred to the Board, the Chair should be consulted. If doubt remains after consultation with the Chair, the matter should be referred to the Board.

Each member of the Board is expected to review meeting materials in advance and to attend, where possible, all scheduled meetings of the Board and any applicable committees.

SUBJECT MATTER	ACTION REQUIRED	BY WHOM
STRATEGIC PLANS AND OBJECTIVES	Approve the Statement of Corporate Objectives, which shall serve as a statement of principle to govern the conduct of the business of Torstar and its operating divisions and subsidiaries.	Board after recommendation by management
	Approve a strategic planning process for Torstar, and approve Torstar's strategic plan each year, taking into account the opportunities and risks of Torstar's business, and monitor Torstar's performance against the strategic plan on an ongoing basis.	Board
	Review and approve the Annual Business Plans of Torstar and its major operating entities each year, as well as their respective longer term corporate goals.	Board
PERSONNEL ADMINISTRATION	Appoint senior officers of the Corporation (including Chief Executive Officer ("CEO"), Chief Financial Officer, Publisher and Editor-in-Chief of The Toronto Star, President of each of Toronto Star Newspapers, Harlequin, Metroland and Torstar Digital).	Board on recommendation of Salary & Organization Committee ("S&O Committee")
	Establish objectives for the CEO and monitor CEO's performance against those objectives (corporate goals and objectives relevant to CEO compensation are recommended by the S&O Committee).	Board on recommendation of S&O Committee
	Approve equity-based employee benefit plans.	Board on recommendation of S&O Committee
	Review management recruitment and development programs and approve plans for the succession of senior management (including appointment, training and monitoring).	S&O Committee with review by the Board
	Approve major organizational changes affecting Torstar.	Board after recommendation by CEO and, where applicable, on recommendation of S&O Committee
ASSET ADMINISTRATION	Approve Torstar's annual consolidated capital budget.	Board after recommendation by management
	Approve capital expenditures of amounts greater than $6,000,000 and receive periodic reports of performance against objectives of major capital expenditures made.	Board
	Approve the acquisition and disposition of assets having a book value in excess of $6,000,000.	Board

SUBJECT MATTER	ACTION REQUIRED	BY WHOM
RISK MANAGEMENT	Review the information gathering and reporting system that provides the Board and management with information respecting material acts, events and conditions within Torstar (on a consolidated basis).	Board
	Review the principal risks of Torstar's business, the systems recommended by management to manage the risks identified and receive and review regular reports on the results of these systems.	Board
FINANCIAL ADMINISTRATION	Approve banking resolutions respecting Torstar and designate, in accordance with the by-laws, those officers or employees authorized to conduct Torstar's banking business.	Board
	Review and approve Torstar's annual consolidated budget and receive and review periodic reports as to actual results as compared to the budget.	Board
	Authorize the limits and terms of: (a) long-term borrowing (b) new short-term lines of credit for $10,000,000 or more, and (c) increases of $10,000,000 or more in existing short-term lines of credit.	Board
	Approve the issuance by Torstar of any guarantees where the amount guaranteed is not fixed, or if fixed exceeds $5,000,000.	Board
	Authorize the issuance of securities of Torstar.	Board
	Approve policies governing short-term investments, foreign exchange transactions, use of derivatives and other financial instruments by Torstar, including a list of qualified institutions with which Torstar's funds may be deposited or invested.	Board
	Approve all interim financial statements and the annual consolidated financial statements.	Board on recommendation of Audit Committee
	Approve Annual Information Form and Management's Discussion & Analysis.	Board on recommendation of Audit Committee
	Approve the recommendation to shareholders regarding the appointment of the external auditors of Torstar.	Board on recommendation of Audit Committee
	Approve all material transactions involving the assets of Torstar, its operating divisions and subsidiaries not otherwise authorized by this Statement.	Board
	Approve material changes to any material transaction.	Board
	Take appropriate action if financial performance falls short of Torstar's goals or special circumstances warrant.	Board
	Assess the adequacy of Torstar's internal controls and management information systems.	Board on recommendation of Audit Committee
PENSION FUND ADMINISTRATION	Monitor the management of Torstar's pension plans.	Pension Committee with periodic reports to the Board
	Approve the documentation to give effect to material variations of the terms of Torstar's pension plans.	Board with review by Pension Committee

SUBJECT MATTER	ACTION REQUIRED	BY WHOM
CORPORATE DEVELOPMENT ACTIVITIES	Authorize the commencement of any material new line of business or the discontinuance of a material line of business.	Board
	Authorize the establishment of material new subsidiaries and changes in their business or corporate structure which could materially affect Torstar.	Board
POST AUDITING	Receive reports from management on (but not necessarily limited to) major capital expenditures, acquisitions, short and long range objectives and strategies, and performance criteria against longer range targets and budgets.	Board
LEGAL MATTERS	Receive advice of litigation by or against Torstar where the amount at issue is material or a matter of significance.	Board with review by Audit Committee
	Approve amendments to Articles of Incorporation and By-Laws.	Board/ Shareholders
	Authorize listing applications and agreements with any Stock Exchange.	Board
	Review reports by management with respect to corporate policies and programs to ensure compliance with statutory and regulatory requirements affecting the operations of Torstar.	Board and various committees
SHAREHOLDER RELATIONS	Review and approve changes to Torstar's communications policy, including procedures for receiving feedback from shareholders.	Board
	Fix dates for Annual and Special Meetings of Shareholders.	Board
	Determine any dividend policy of Torstar and declare dividends.	Board
	Approve proxy materials prepared in connection with shareholder meetings.	Board, with input from various committees
	Advise shareholders on a timely basis of major new developments. (Board approval is required with respect to major financial issues or developments.)	CFO or CEO or Board
	Review reports on environmental effects of Torstar's operations.	S&O Committee and report to Board
BOARD OF DIRECTORS MATTERS	Nominate candidates for election as Directors at the annual meeting and appoint Directors to fill interim vacancies on the Board, taking into consideration requirements and best practices relating to director independence.	Board on recommendation of Nominating and Corporate Governance Committee ("N&CG Committee")
	Review orientation and continuing education programs for Directors.	N&CG Committee with review by Board
	Determine the title, composition and mandates of committees of the Board, taking into consideration requirements and best practices relating thereto.	Board on recommendation of N&CG Committee
	Determine position descriptions for the Chair of the Board and each committee.	Board on recommendation of N&CG Committee
	Review annually the Statement of Directors' Duties and Responsibilities.	Board on recommendation of N&CG Committee
	Approve corporate governance principles and guidelines applicable to Torstar.	Board on recommendation of N&CG Committee
	Monitor the activities of committees of the Board, including receiving regular reports from those committees.	Board
	Monitor the effectiveness of the Chair of the Board, the Chair of each committee and individual directors.	Board on recommendation of N&CG Committee

SUBJECT MATTER	ACTION REQUIRED	BY WHOM
	Review and approve Directors' compensation arrangements.	Board on recommendation of N&CG Committee
	Review and approve Directors' insurance arrangements.	Board on recommendation of Audit Committee
	Receive reports from management on any development in the affairs of Torstar which may have a material adverse effect on it.	Board
	Develop guidelines to permit an individual Director in appropriate circumstances to engage an outside advisor at the expense of Torstar.	Board
OCCUPATIONAL SAFETY & HEALTH	Monitor Torstar's compliance with occupational health & safety legislation and approve material changes to Torstar's information gathering and reporting system respecting such legislation.	S&O Committee and report to the Board
ENVIRONMENTAL ISSUES	Monitor Torstar's compliance with environmental legislation and approve material changes to policies and procedures respecting monitoring of reporting and due diligence requirements.	S&O Committee and report to the Board
SOCIAL RESPONSIBILITY AND ETHICAL CONDUCT	Approve changes to Torstar's Code of Business Conduct and review reports on compliance with Torstar's Code of Business Conduct.	Board
	Satisfy itself as to the integrity of the CEO and other senior executives and that such individuals create a culture of integrity at Torstar.	Board