

**Sun-Times Media Group, Inc.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

This Code of Business Conduct and Ethics (the "Code") shall be applicable to all members of the Board of Directors (the "Board"), officers and employees, including the chief executive officer and the senior financial officers, of Sun-Times Media Group, Inc. and its direct and indirect subsidiaries (the "Company"). While the term "employees" is used throughout this Code for ease of reference, in all cases the term includes all individuals referenced above who are covered by the Code. This Code does not summarize all applicable laws, rules and regulations. Please consult the Company's Law Department if you have any questions regarding the applicability of specific laws, rules and regulations.

This Code is a codification of standards designed to deter wrongdoing and promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- avoidance of conflicts of interest, including disclosure to an appropriate person or persons of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "SEC") and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of this Code; and
- accountability for adherence to this Code.

**A. Duty to Report** . Employees must report violations or suspected violations of the Code, or of any laws applicable to the Company's business, to their supervisor, the Law Department, or Human Resources. Employees should also seek guidance before engaging in conduct they believe may violate the Code. Supervisors who learn of a matter that might expose the Company to liability must immediately report it to the Law Department. Any employee who believes the supervisor to whom he or she has reported a violation or suspected violation has not taken appropriate action should promptly contact the Law Department, Human Resources, or report through EthicsPoint hotline via the web or telephone. The Company will not retaliate against anyone who in good faith reports a violation or suspected violation of the Code. On the contrary, the Company welcomes and appreciates efforts on the part of its employees to communicate possible wrongdoing to the Company. Any employee responsible for reprisals against coworkers or subordinates for reporting in good faith known or suspected violations will be subject to disciplinary action. Any employee who submits a report that the employee knows or suspects may be false will be subject to disciplinary action.

If an employee's concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable law, regulation or legal proceedings. All complaints should be reported through the Ethics Point hotline via the internet at [www.STNGethics.com](http://www.STNGethics.com), [STMGethics.com](http://STMGethics.com) or [EthicsPoint.com](http://EthicsPoint.com), or on the toll free hotline, 1-866-654-6517.

**B. Compliance with Law** . Compliance with both the letter and spirit of all laws, rules and regulations applicable to the Company's business, including any securities exchange or other organization or body that regulates the Company, is critical to its reputation and continued success. All employees, officers and members of the Board must respect and obey the law and avoid even the appearance of impropriety. Employees, officers or members of the Board who fail to comply with this Code and applicable laws will be subject to disciplinary measures, up to and including termination of employment or removal from the Board for cause.

Legal compliance requires adherence to the "insider trading" rules and restrictions applicable to the Company and its employees. Generally, employees who have access to or knowledge of confidential or non-public information from or about the Company or its businesses are not permitted to buy, sell or otherwise trade in the Company's securities, whether or not they are using or relying upon that information. This restriction extends to sharing or tipping others about such information. The Company has implemented trading restrictions to reduce the risk of insider trading and has implemented the Confidentiality and Insider Trading Policy. Any questions about these policies or requirements should be directed to the Company's Law Department.

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to foreign government officials or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country. In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Company's Law Department should be contacted with all questions concerning this subject.

**C. Conflicts of Interest** . All employees should be scrupulous in avoiding a conflict of interest with regard to the Company's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. The best practice is to avoid any direct or indirect business connection with the Company's customers, suppliers or competitors, except on the Company's behalf. Conflicts of interest also arise when an employee, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Loans to, or guarantees of obligations of, employees and their respective family members may create conflicts of interest. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines or circumstances approved by the Board or committees thereof. Conflicts of interest may not always be clear-cut, so if any employee has a question, they should consult with higher levels of management or the Company's Law Department. Employees who become aware of a conflict or potential conflict involving themselves or any other employee should bring it to the attention of a supervisor, manager or other appropriate personnel.

**D. Corporate Opportunity** . Employees are prohibited from: (a) personally taking opportunities that properly belong to the Company or are discovered through the use of Company property, information or position; (b) using Company property, information or position for personal gain; and (c) competing with the Company, except, in each case, under guidelines or circumstances approved by the Board or committees of the Board.

**E. Related Party Transactions.** Employees must report to the Law Department any actual or proposed agreement or activities that could give rise to conflicts of interest relating to the Company and involving any employee, or any member of such person's family, any affiliates, or any entity from which such employee, member of such person's family or any affiliates, receives any payment. Such report should include all relevant terms of the agreement or activities known to the reporting person.

Prior to the entering into an agreement or activity that could give rise to conflicts of interest, the approval of the Board or the appropriate committee thereof must be obtained if such agreement or activity involves an executive officer or member of the Board. In the case of any other employee, approval must be obtained by the Law Department, or pursuant to procedures adopted by the Law Department.

**F. Confidentiality.** Employees must maintain the confidentiality of confidential information entrusted to them by the Company or its suppliers or customers, except when disclosure is authorized by the Law Department or required by laws, regulations or legal proceedings. Whenever feasible, employees should consult the Law Department if they believe they have a legal obligation to disclose confidential information. The obligation to preserve confidential information continues even after an employee, officer or member of the Board leaves the Company.

Confidential information includes all non-public information that might be of use to competitors of the Company, harmful to the Company or its customers if disclosed or would provide an undue advantage in the trading of the Company's publicly traded securities. Of special sensitivity is financial information which should under all circumstances be considered confidential except where its disclosure is approved by the Company or when the information has been publicly disseminated.

Employees are subject to the requirements of the Company's Confidentiality and Insider Trading Policy.

**G. Fair Dealing.** Each employee should endeavor to deal fairly at all times with each other and with the Company's customers, suppliers and competitors. No employee should take advantage of anyone in connection with the business or operations of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

**H. Protection and Proper Use of Company Assets.** All employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incidents of fraud or theft should be immediately reported to the Law Department or through the EthicsPoint hotline for investigation.

All Company assets, such as proprietary information, funds, materials, supplies, products or computers, software, facilities, and other assets owned or leased by the Company or that are otherwise in the Company's possession, should be used for legitimate business purposes unless otherwise provided for in corporate policy or in situations approved as additional compensation or where reimbursement is made on a commercially reasonable basis for personal use.

Proprietary information includes any information that is not generally known to the public or would be helpful to competitors. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to use proprietary information only for legitimate business purposes continues even after an employee leaves the Company.

**I. Public Company Reporting.** As a public company, it is of critical importance that the Company's filings with the SEC be accurate and timely. Depending on their position with the Company, an employee may be called upon to provide necessary information to ensure that the Company's public reports are complete, fair and understandable. The Company expects employees to take this responsibility seriously and to provide prompt accurate answers to inquiries related to the Company's public disclosure requirements. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and approved in writing by the Company's Chief Financial Officer and Controller. Records should be retained or destroyed according to the Company's record retention policies. In the event of litigation or governmental investigation, the Company's Law Department must be advised immediately, and no books or records relating to the matter in question should be destroyed.

**J. Improperly Influencing Audits.** No employee shall take any action, or cause any other person acting under the direction of such employee, including, customers, vendors, creditors or advisors of the Company, to take any action to, directly or indirectly, fraudulently influence, coerce, manipulate or mislead any accountant engaged in the performance of an audit review of the financial statements of the Company. Such action would include offering or paying bribes, providing an auditor with misleading analysis or threatening to cancel or canceling existing audit or non-audit engagements.

**K. Accounting Complaints.** The Company's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company. If any employee has concerns or complaints regarding questionable accounting or auditing matters, then he or she should submit those concerns (anonymously, confidentially or otherwise) to the Audit Committee of the Board which will, subject to its duties arising under applicable law, regulations and legal proceedings, treat such submissions confidentially. Such submissions may be directed through the Ethics Point hotline via the internet at [www.STNGethics.com](http://www.STNGethics.com), STMGethics.com or EthicsPoint.com or on the toll free hotline, 1-866-654-6517. Such submissions will only be accessed by members of the Audit Committee or their designees.

**L. Compliance With the Antitrust Laws.** The Company believes in fair and open competition, and adheres strictly to the requirements of the antitrust laws. Certain types of communications with competitors may present problems under the antitrust laws. The Company notes below some general rules concerning contacts with competitors:

- Agreements among competitors, whether written or oral, which relate to prices are illegal. Such agreements, by themselves, constitute violations of the antitrust laws. There are no circumstances under which agreements among competitors relating to prices may be found legal. Price fixing is a criminal offense, and may subject the Company to substantial fines and penalties and the offending employee to imprisonment and fines.
- The antitrust laws may be violated even in the absence of a formal agreement relating to prices. Under certain circumstances, an agreement to fix prices may be inferred from conduct, such as the exchange of price information, and from communications among competitors even without an express understanding. Although exchanges of price information are permitted in certain circumstances, employees should not participate in such exchanges without first obtaining the approval of the Law Department.

- It is a violation of the antitrust laws for competitors to agree, expressly or by implication, to divide markets by territory or customers.
- It is a violation of the antitrust laws for competitors to agree not to do business with a particular customer or supplier. As with agreements to fix prices, the antitrust laws can be violated even in the absence of an express understanding.

**M. Employment Law; Discrimination and Harassment.** The Company and its employees must comply with all labor and employment laws. Employees shall also promote the Company's goals of ensuring equal treatment in connection with the recruitment, hiring, placement, training, compensation, benefits, education and development, transfer, promotion, demotion, discipline and termination of employees and providing a safe and healthy workplace that is free of sexual harassment and other types of illegal harassment and misconduct.

The Company values the diversity of its employees and is committed to providing equal opportunity in all aspects of employment. The Company is an equal employment opportunity employer. The Company's policy is to deal with each employee and each job applicant without regard to race, religion, national origin, gender, sexual orientation, age, disability or any other category protected by law. Consistent with this policy, the Company will not tolerate harassment of or by its employees, customers, or other third parties based upon any of these protected classes.

Employees must refrain from any act that is designed to cause or that does cause unlawful employment discrimination or harassment. Consistent with the Company's commitment to developing and respecting a diverse workforce, employees must treat each other with dignity and respect for one another's cultures, lifestyles and uniqueness.

Sexual harassment (both overt and subtle) is a form of employee misconduct that is demeaning to another person, undermines the integrity of the employment relationship and is strictly prohibited. Sexual harassment may include explicit sexual propositions, suggestive or persistent comments of a sexual nature, the display of obscene or sexually-oriented material, sexually-oriented kidding or teasing, or jokes about gender-specific traits, foul or obscene language or gestures and physical contact, such as patting, pinching or brushing against another's body, and any similar behavior is unwelcome and offensive. Sex-based harassment – that is, harassment not involving sexual activity or language – may also constitute discrimination if it is severe or pervasive and directed at employees because of their sex.

Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, color, religion, national origin, age, disability or any other characteristic protected by law and that: (a) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (b) has the purpose or effect of unreasonably interfering with an individual's work performance; or (c) otherwise adversely affects an individual's employment opportunities.

If any employee believes that he or she is the object of sexual or other unlawful harassment, the employee should promptly report that fact to his or her supervisor before the conduct becomes severe or pervasive. If there is any reason to believe that the direct supervisor is involved in the conduct, or if, for any reason, an employee feels uncomfortable about making a report to the direct supervisor, the report should be made to the Law Department, Human Resources or through the EthicsPoint hotline.

**N. Safety and Health.** The Company is committed to keeping its workplaces free from hazards. Employees are encouraged to report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

Employees must report to work free from the influence of any substance that could prevent him or her from discharging their duties and responsibilities safely and effectively.

**O. Company Records and Document Retention.** Business records and communications often become public through legal or regulatory investigations or the media. Employees should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Company's records retention policy.

**P. Use of E-Mail and Internet Services.** E-Mail systems and Internet services are the property of the Company and are provided to help the Company do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. Employees may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, images, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Forwarding any such information, messages or images to others is prohibited. Also remember that "flooding" the Company's systems with junk mail and trivia hampers the ability of its systems to handle legitimate company business and is prohibited.

Messages (including voice mail) and computer information are considered Company property and employees should not have any expectation of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Employees are encouraged to use good judgment, and to not access, send messages or store any information that they would not want to be seen or heard by other individuals.

**Q. Gifts and Entertainment.** Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise – or appear to compromise – the recipient's ability to make objective and fair business decisions. The same rules apply to employees offering gifts and entertainment to the Company's business associates.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times, and do not change during traditional gift-giving seasons.

The value of gifts should be nominal, both with respect to frequency and amount. Gifts that are repetitive (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Likewise, business entertainment should be moderately scaled and intended only to facilitate business goals. Employees are encouraged to use good judgment. "Everyone else does it" is

not sufficient justification. If an employee is having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, he or she should ask these guiding questions:

- It is legal?
- Is it clearly business related?
- Is it moderate, reasonable, and in good taste?
- Would public disclosure embarrass the Company?
- Is there any pressure to reciprocate or grant special favors?

Strict rules apply when the Company does business with governmental agencies and officials, whether in the U.S. or in other countries. Because of the sensitive nature of these relationships, employees should talk with their supervisor and/or the Law Department before offering or making any gifts to governmental employees.

**R. Compliance with this Code.** If an employee or officer or member of the Board fails to comply with this Code or applicable laws, rules or regulations (including the rules and regulations of the SEC) he or she will be subject to disciplinary measures, including (with respect to employees and officers) termination of employment. Violations of this Code may also constitute violations of law and may result in civil or criminal penalties for such person, such person's supervisors and/or the Company. In determining what action is appropriate in a particular case consideration will be given to the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation was intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

**S. Compliance Procedures.** This Code cannot, and is not intended to, address all of the situations that may be encountered. There will be occasions where an employee is confronted by circumstances not covered by policy or procedure and where he or she must make a judgment as to the appropriate course of action. In those circumstances, the Company encourages employees to use common sense, and to contact the appropriate supervisor or manager or a member of Human Resources for guidance.

All complaints or violations should be reported through the Ethics Point hotline via the internet at [www.STNGethics.com](http://www.STNGethics.com), STMGethics.com or EthicsPoint.com, or on the toll free hotline, 1-866-654-6517. Additionally, complaints and violations may be reported to the Company's law department.

**T. Amendment, Modification and Waiver.** The Nominating and Governance Committee shall review and assess at least annually the adequacy of this Code and recommend any proposed changes to the Board for approval. The Nominating and Governance Committee shall consider any requests by executive officers or members of the Board for waivers from this Code and make recommendations to the Board as to whether such requests should be granted. The Company shall disclose such waivers to the New York Stock Exchange and in appropriate filings with the SEC and as required by law.