QUEBECOR

ANNUAL INFORMATION FORM

FINANCIAL YEAR ENDED DECEMBER 31, 2015

MARCH 30, 2016

TABLE OF CONTENTS

	Page
ITEM 1 — THE CORPORATION	**1**
1.1 THE SUBSIDIARIES	2
ITEM 2 — THE BUSINESS	**3**
2.1 TELECOMMUNICATIONS	3
2.1.1 Business Overview	3
2.1.2 Products and Services	4
2.1.3 Customer Statistics Summary	8
2.1.4 Pricing of Products and Services	8
2.1.5 Network Technology	9
2.1.6 Marketing and Customer Care	10
2.1.7 Programming	12
2.1.8 Competition	12
2.1.9 Retail Sector	14
2.2 MEDIA	14
2.2.1 Broadcasting	14
2.2.2 Film Production and Audiovisual Services	15
2.2.3 Magazine Publishing	15
2.2.4 Book Distribution and Publishing	15
2.2.5 Newspaper Publishing	16
2.2.6 Media Properties	18
2.2.7 Commercial Printing	19
2.2.8 Other Operations	19
2.3 SPORTS AND ENTERTAINMENT	20
2.3.1 Videotron Centre	20
2.3.2 QMJHL Hockey Teams	20
2.3.3 National Hockey League Expansion Application	20
2.3.4 Event Production and Management	20
2.3.5 Music shows and concerts	21
2.3.6 Competition	21
2.4 INTELLECTUAL PROPERTY	21
2.5 INSURANCE	21
2.6 EMPLOYEES	22
2.7 ENVIRONMENT	23
ITEM 3 — HIGHLIGHTS	**24**
3.1 RECENT DEVELOPMENTS	24
3.2 HIGHLIGHTS FOR 2015	24
3.2.1 Quebecor	24
3.2.2 Quebecor Media	24
3.2.3 Telecommunications	25
3.2.4 Media	26
3.2.5 Sports and Entertainment	26
3.3 HIGHLIGHTS FOR 2014	26
3.3.1 Quebecor	26
3.3.2 Quebecor Media	27
3.3.3 Telecommunications	27
3.3.4 Media	27
3.3.5 Sports and Entertainment	28
3.4 HIGHLIGHTS FOR 2013	28
3.4.1 Quebecor	28

3.4.2 Quebecor Media 28
3.4.3 Telecommunications 28
3.4.4 Media 29
3.4.5 Sports and Entertainment 29

ITEM 4 — DIRECTORS AND OFFICERS 29
4.1 DIRECTORS 29
4.2 EXECUTIVE OFFICERS 31
4.3 CEASE TRADE ORDERS, BANKRUPTCIES, PENALITIES OR SANCTIONS 31

ITEM 5 — AUDIT COMMITTEE 32
5.1 MANDATE OF THE AUDIT COMMITTEE 32
5.2 COMPOSITION OF THE AUDIT COMMITTEE 32
5.3 RELEVANT EDUCATION AND EXPERIENCE 33
5.4 RELIANCE ON CERTAIN EXEMPTIONS 33
5.5 PRE-APPROVAL POLICY 33
5.6 EXTERNAL AUDITOR SERVICE FEES 34

ITEM 6 — LEGAL PROCEEDINGS 34

ITEM 7 — RISK FACTORS 35

ITEM 8 — DESCRIPTION OF CAPITAL STRUCTURE 35
8.1 CAPITAL STRUCTURE 35
8.2 AUTHORIZED SHARE CAPITAL 36
8.3 ISSUED AND OUTSTANDING SHARE CAPITAL 36
8.4 DIVIDENDS 36
8.5 MARKET FOR SECURITIES 37

ITEM 9 — INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 37

ITEM 10 — MATERIAL CONTRACTS 38
10.1 SHAREHOLDERS' AGREEMENT 38
10.2 OTHER MATERIAL CONTRACTS 39
10.2.1 Material Contracts of Quebecor 39
10.2.2 Material Contracts of Quebecor Media 41
10.2.3 Material Contracts of Videotron 43

ITEM 11 — INTERESTS OF EXPERTS 46

ITEM 12 — TRANSFER AGENT AND REGISTRAR 47

ITEM 13 — FORWARD-LOOKING STATEMENTS 47

ITEM 14 — ADDITIONAL INFORMATION 48

SCHEDULE A – EXCERPTS FROM TVA GROUP INC.'S ANNUAL INFORMATION FORM DATED FEBRUARY 29, 2016 ..... A-1

SCHEDULE B – MANDATE OF THE BOARD OF DIRECTORS B-1

SCHEDULE C – MANDATE OF THE AUDIT COMMITTEE C-1

INTRODUCTORY NOTE

In this annual information form, unless the context otherwise requires, the terms, "**Quebecor**" and the "**Corporation**" refer to Quebecor Inc. on a consolidated basis, including its subsidiaries and divisions. Unless otherwise indicated (i) all references to "dollars" and "$" refer to Canadian dollars, and (ii) the information presented in this annual information form is given as at December 31, 2015. In addition, the table below lists a number of defined terms that are used throughout this annual information form to refer to various companies within the Quebecor group.

Entity	**Defined Term**
4Degrees Colocation Inc.	"4Degrees Colocation"
CEC Publishing Inc.	"CEC Publishing"
Le SuperClub Vidéotron Ltée	"Le SuperClub Vidéotron"
MediaQMI Inc.	"MediaQMI"
Quebecor Media Inc.	"Quebecor Media"
Quebecor Media Network Inc.	"Quebecor Media Network"
Quebecor Media Printing (2015) Inc.	"Quebecor Media Printing"
Select Music Inc.	"Select Music"
Sogides Group Inc.	"Sogides"
TVA Group Inc.	"TVA Group"
Videotron Ltd.	"Videotron"

ITEM 1 — THE CORPORATION

Quebecor Inc. was incorporated in accordance with the laws of Québec on January 8, 1965 and is governed by the *Business Corporations Act* (Québec).

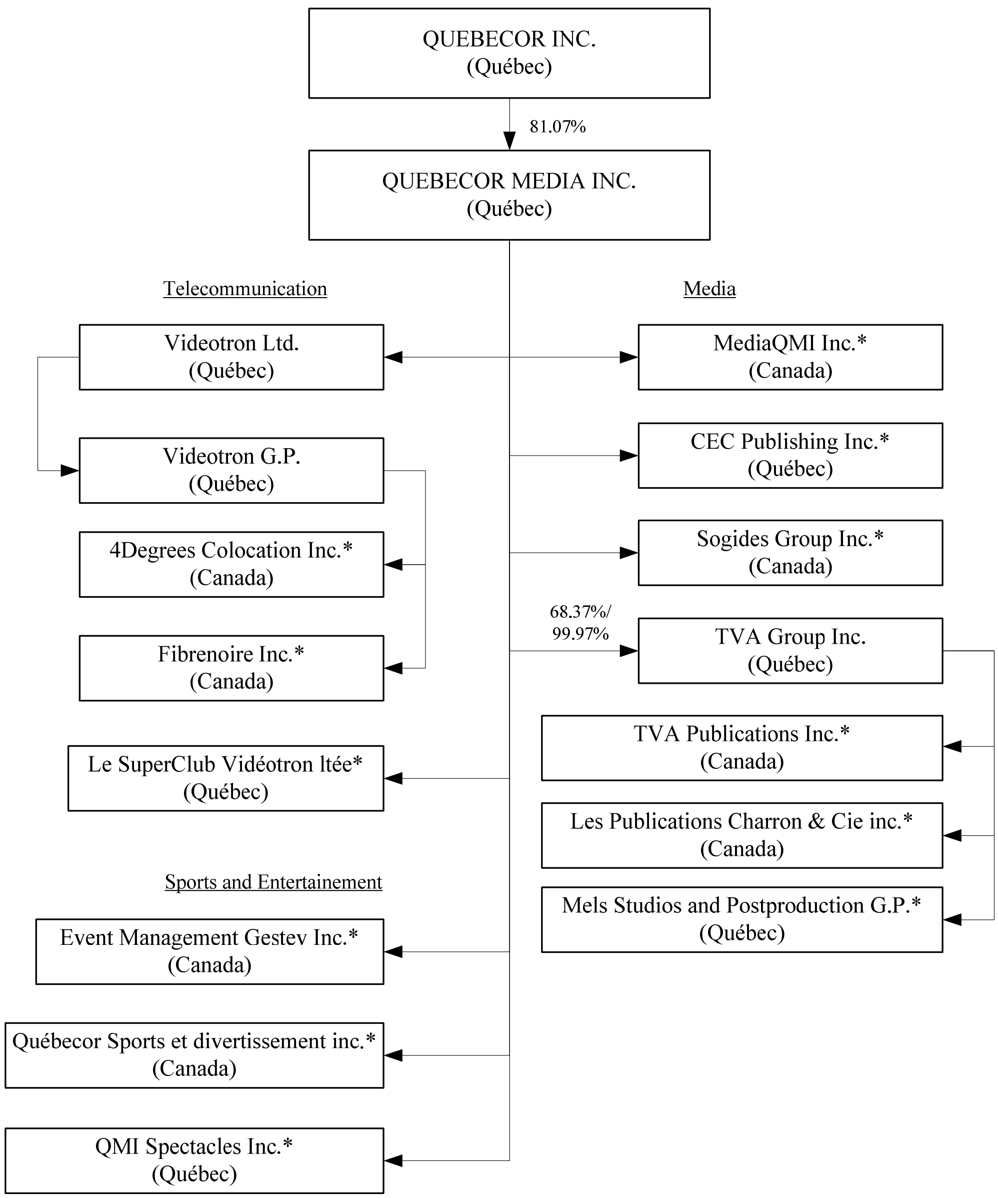
The Corporation is a holding company with a 81.07% interest in Quebecor Media, one of Canada's leading telecommunications and media companies. Quebecor Media's subsidiaries operate in the following business segments: Telecommunications, Media, and Sports and Entertainment.

During the fourth quarter of 2015, the Corporation changed its organizational structure and transferred its music distribution and production operations from the Sports and Entertainment segment to the Media segment. Accordingly, prior-period figures in the Corporation's segmented reporting have been reclassified to reflect those changes.

Quebecor's head office is located at 612 Saint-Jacques Street, Montréal, Québec, Canada H3C 4M8. Its telephone number is (514) 380-1999 and its website address is www.quebecor.com. Any information or documents on the Corporation's website are not, however, included in, nor shall any of such information or documents be deemed to be incorporated by reference into this annual information form.

1.1 THE SUBSIDIARIES

The following organizational chart shows Quebecor's principal subsidiaries as at March 30, 2016 by industry segment, jurisdiction of incorporation or continuation, and, if not wholly-owned, the percentage of equity owned and voting rights held directly or indirectly. Certain subsidiaries whose total assets did not represent more than 10% of Quebecor's consolidated assets or whose revenues did not represent more than 10% of its consolidated revenues as at December 31, 2015 have been omitted. The subsidiaries that have been omitted represented, as a group, less than 20% of Quebecor's consolidated assets and less than 20% of its consolidated revenues as at December 31, 2015. The subsidiaries identified with an asterisk (*) each represent 10% or less of its consolidated assets and 10% or less of its consolidated revenues as at December 31, 2015. They have been included to give a better understanding of Quebecor's overall corporate structure.



ITEM 2 — THE BUSINESS

Through its Quebecor Media subsidiary, Quebecor is a leading Canadian telecommunications and media company engaged in the following lines of business: cable services; Internet access; mobile and cable telecommunications; over-the-top ("**OTT**") video service; business solutions (including data hosting centres); broadcasting; soundstage and equipment leasing and post-production services for the film and television industries; newspaper publishing and distribution; Internet portals and specialized websites; book and magazine publishing and distribution; rental and distribution of video games and game consoles; music recording, production and distribution; out-of-home advertising; operation and management of a world-class entertainment venue; ownership and management of Quebec Major Junior Hockey League ("**QMJHL**") teams; concert production and management and promotion of sporting and cultural events. Through its Videotron subsidiary, Quebecor is a premier mobile communications and cable service provider. Through its Media segment, Quebecor holds leading positions in the creation, promotion and distribution of entertainment, news and Internet-related services designed to appeal to audiences in every demographic. Quebecor is pursuing a convergence strategy to capture synergies among all its media properties.

The following table provides information on the Corporation's revenues by segment for each of its three operating segments during each of its two most recently completed financial years as well as head office and inter-segments revenues for such periods.

REVENUES BY OPERATING SEGMENT (in millions of dollars)

	Year ended December 31, 2015	Year ended December 31, 2014
Telecommunications	**$ 3,007.0**	$ 2,837.3
Media	**$ 964.5**	$ 851.7
Sports and Entertainment	**$ 23.2**	$ 7.1
Head Office and Intersegment	**($ 115.2)**	($ 88.4)
TOTAL	**$ 3,879.5**	**$ 3,607.7**

2.1 TELECOMMUNICATIONS

2.1.1 Business Overview

Through Videotron, the Corporation is the largest cable operator in the Province of Québec and the third largest in Canada, in each case based on the number of cable customers, as well as an Internet service provider and a provider of cable and mobile telephony and OTT video services in the Province of Québec. Videotron's cable network covers approximately 79% of the Province of Québec's approximately 3.6 million residential premises. The deployment of its Long Term Evolution ("**LTE**") network and its enhanced offering of mobile communication services for residential and business customers allow Videotron to consolidate its position as a provider of integrated telecommunication services. Products and services are supported by extensive coaxial, fibre-optic and LTE wireless networks. Since May 1, 2015, the coverage of its LTE network was expanded coast-to-coast through roaming agreements with other wireless service providers.

Videotron Business Solutions is a premier full-service telecommunications provider serving small-, medium- and large-sized businesses, as well as telecommunications carriers. In recent years, this business segment has significantly grown its customer base and has become a leader in the Province of Québec's business telecommunication segment. Products and services include cable television, Internet, telephony, mobile services and business solutions such as hosting, private network connectivity, Wi-Fi, audio and video transmission. Through 4Degrees Colocation, Videotron operates a data centre in Québec City which is one of the few data centres in the Province of Québec to be Tier III certified by the Uptime Institute, an international standard that recognizes maximum reliability and operational sustainability. On September 16, 2015, Videotron announced the construction of a 30,000 square-foot data centre in Montréal to provide business customers with the colocation solutions they need for hosting and processing growing quantities of data. On October 27, 2015, it announced the expansion of the data hosting centre in Québec City. The project will add two new server rooms to the facility. More recently, on January 7, 2016, Videotron announced the acquisition of Fibrenoire inc. ("**Fibrenoire**"), a company that provides fibre-optic connectivity services. The transaction will enable Videotron Business Solutions and Fibrenoire to join forces to meet the growing demand from business customers for fibre-optic connectivity.

Quebecor is also engaged in retail and rental of DVDs, Blu-ray discs, console games and the suite of Videotron products and services through Le SuperClub Videotron subsidiary and its franchise network.

Until September 27, 2015, the retail sector also included Archambault Group Inc. ("**Archambault Group**"), one of the largest chains of music and book stores in the Province of Québec, which was sold to a corporation part of the Renaud-Bray group on that date.

Through Quebecor Media, Quebecor owned, as at December 31, 2015, all of the equity and voting interests in Videotron.

2.1.2 Products and Services

Videotron currently offers its customers cable services, mobile telephony services, OTT video services and business telecommunications services.

2.1.2.1 Cable Services

Advanced Cable-Based Products and Services

Videotron's cable network's large bandwidth is a key factor in the successful delivery of advanced products and services. Several emerging technologies and increasing Internet usage by its customers have presented Videotron with significant opportunities to expand its sources of revenue. Videotron currently offers a variety of advanced products and services, including cable Internet access, digital television, residential telephony and selected interactive services. In 2015, Videotron introduced on the market the very latest in technology: the illico 4K set-top box. This high-tech personal video recorder has a processor 12 times more powerful than the previous generation, thus allowing customers to program up to eight simultaneous recordings and keep up to 115 hours of ultra-high-definition ("**UHD**") recording. Videotron intends to continue to develop and deploy additional value-added services to further broaden its service offering.

- *Cable Internet Access*. Leveraging its advanced cable infrastructure, Videotron offers cable Internet access to its customers primarily via cable modems. It provides this service at download speeds of up to 200 Mbps to more than 85% of its homes passed. As of December 31, 2015, Videotron had 1,568,200 cable Internet access customers, representing 90.3% of its basic customers and 55.9% of its total homes passed. Based on internal estimates, Videotron is the largest provider of Internet access services in the areas it serves with an estimated market share of 53.4% as of December 31, 2015.

- *Digital Television*. Videotron has installed headend equipment through an hybrid optical fibre and coax network capable of delivering digitally encoded transmissions to a two-way digital- set-top box in the customer's home and premises. This digital connection provides significant advantages. In particular, it increases channel capacity, which allows Videotron to increase both programming and service offerings while providing increased flexibility in packaging its services and a high definition ("**HD**") quality. All of Videotron's television packages include 52 basic television channels, audio services providing digital-quality music, 21 FM radio channels and an interactive programming guide. Its extended digital television offering allows customers to customize their choices with the ability to choose between custom or pre-assembled packages with a selection of more than 300 additional channels, including U.S. super-stations and other special entertainment programs. This also offers customers significant programming flexibility including the option of French-language only, English-language only or a combination of French- and English-language programming, as well as many foreign-language channels. As of December 31, 2015, Videotron had 1,570,600 customers for its digital television service, representing 90.4% of its total basic customers and 56.0% of its total homes passed.

- *Cable Telephony*. Videotron offers cable telephony service using VoIP technology. It offers discounts to its customers who subscribe to more than one of its services. As of December 31, 2015, Videotron had 1,316,300 subscribers to its cable telephony service, representing a penetration rate of 75.8% of its basic cable subscribers and 46.9% of its homes passed.

- *Video-On-Demand*. Video-on-demand service enables digital cable customers to rent content from a library of movies, documentaries and other programming through their digital set-top box, computer, tablet or mobile phone respectively through illico Digital TV, illico.tv, its illico tablet app and illico mobile. Videotron's digital cable customers are able to rent their video-on-demand selections for a period of up to 48 hours, which they are then able to watch at their convenience with full stop, rewind, fast forward, pause and replay functionality during their rental period. In addition, customers can now resume viewing on-demand programming that was paused on either the television, illico.tv, the illico tablet app, or illico mobile, both offered on the iOS and Android platforms. These applications feature a customizable, intuitive interface that brings up selections of content based on the customer's individual settings and enhances the experience by suggesting personalized themed content. These applications smartly and swiftly highlight any content available from the entire illico catalog, including video-on-demand titles, live television broadcasts or recorded shows, and allow the customer to transfer it directly and seamlessly from their mobile devices to their television. Videotron sometimes groups movies, events or TV programs available on video-on-demand and offers them, when available, for a period of seven days. It also offers a substantial amount of video-on-demand content free of charge to its digital cable customers, comprised predominantly of previously aired television programs and youth-oriented programming.

- *Pay-Per-View and pay television channels.* Pay-Per-View is a group of channels that allows Videotron's digital customers to order live events and movies based on a pre-determined schedule. In addition, Videotron offers pay television channels on a subscription basis that permits its customers to access and watch most of the movies available on the linear pay TV channels these customers subscribe to.

Traditional Cable Television Services

Customers subscribing to Videotron’s traditional analog “basic” and analog “extended basic” services generally receive a line-up of 42 channels of television programming, depending on the bandwidth capacity of their local cable system. Videotron is no longer offering this service to new customers.

As of December 31, 2015, Videotron had 166,300 customers for its analog television service, representing 9.6% of its total basic customers.

2.1.2.2 Mobile Services

On September 9, 2010, Videotron launched its High Speed Packet Access (“**HSPA**”) mobile communication network (3G) which was upgraded to HSPA+ (4G), on June 30, 2011.

In 2013 Videotron signed a 20-year agreement with Rogers Communications Partnership (“**Rogers**”) for the cooperation and collaboration in the build-out and operation of a shared LTE wireless network to bring LTE to even more customers in the Province of Québec and the Ottawa region (the “**Rogers LTE Agreement**”). In September 2014, Videotron launched its shared LTE wireless network with Rogers. This shared network delivers an optimal user experience for consumers and businesses. Videotron maintains its business independence throughout this agreement, including its product and service portfolios, billing systems and customer data.

In April 2014, Videotron added Apple’s mobile devices, including the iPhone, to its extensive line-up of mobile handsets, thus enabling Videotron to reach a significantly untapped segment of its addressable market, in particular the young mobile users. Subsequently, Videotron launched new illico applications for iPhone and iPad.

In August 2015, Videotron launched the Unlimited Music service, which allows some mobile customers to stream music through the most popular online platforms without using data from their mobile plan.

In the 700 MHz auction held in 2014, Videotron acquired a package of seven spectrum licenses consisting of a single paired 5+5 MHz spectrum block in the upper 700 MHz band over a geographic territory which encompasses the provinces of Québec, Ontario (excluding the region of Northern Ontario), Alberta and British Columbia, for a total covered population of more than 28 million. The 700 MHz band presents certain superior propagation characteristics and benefits from well-developed LTE equipment and device ecosystems in North America. Ownership of the licenses acquired during the auction held in 2014 enhances Videotron’s ability to maintain a leading edge, high capacity wireless network in the Province of Québec and in the Ottawa region, and provides Videotron with a number of options to maximize the value of its investment in the rest of Ontario, Alberta and British Columbia.

In the Innovation, Science and Economic Development Canada auction for AWS-3 commercial mobile spectrum held on March 3, 2015, Videotron acquired four 30 MHz licenses for Eastern Québec, Southern Québec, Northern Québec and Eastern Ontario / Outaouais, covering 100% of the population of the Province of Québec and the Ottawa region. This spectrum, which supports LTE technology, will further enhance Videotron's ability to maintain a leading-edge, high-capacity wireless network in the Province of Québec and in the Ottawa region.

On May 12, 2015, after the closing of Innovation, Science and Economic Development Canada’s auction for 2500 MHz commercial mobile spectrum, Videotron was declared the successful bidder for eighteen licenses covering all of the Province of Québec as well as the major urban centres in the rest of Canada, including Toronto, Ottawa, Calgary, Edmonton and Vancouver.

As of December 31, 2015, most households and businesses on its cable footprint had access to its advanced mobile services. As of December 31, 2015, there were 768,600 lines activated on its wireless network, representing a year-over-year increase of 135,800 lines (21.5%).

2.1.2.3 Over-the-top video

Videotron's clients can also benefit from Club illico, its subscription based OTT entertainment platform, offering a rich and varied selection of unlimited, on-demand content (movies, television shows, children's shows, documentaries, comedy performances and concerts). In late 2013, Club illico began co-producing television series and offering them in their first broadcast window, prior to their linear broadcast. On December 31, 2015, the Club illico service had 257,500 subscribers.

2.1.2.4 Business Telecommunications Services

Videotron Business Solutions is a premier telecommunications service provider, offering reliable and state-of-the-art mobile telephony, Internet, cable telephony, data and cable television solutions to all business segments: small and medium-sized companies, large corporations and other telecommunications carriers. Through 4Degrees Colocation, Videotron operates a data centre in Québec City which is one of the few data centres in the Province of Québec to be Tier III certified by the Uptime Institute, an international standard that recognizes maximum reliability and operational sustainability.

During 2015, Videotron announced the construction of a new 30,000 square-foot data centre in Montreal that will offer an available load of 16 megawatts. It also announced the expansion of its data centre located in Québec City to 33,000 square feet thereby offering additional cabinet space.

In 2016, with the acquisition of Fibrenoire, Videotron will increase its presence in the growing market of fibre-optic connectivity.

Videotron serves customers with dedicated sales and customer service teams with solid expertise in business services. Videotron Business Solutions relies on its extensive coaxial, fibre-optic, LTE wireless networks and data centre to provide the best possible customized solutions to all of its customers.

2.1.3 Customer Statistics Summary

The following table summarizes the customer statistics for Videotron's suit of advanced products and services:

	As of December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
			(in thousands of customers)		
Revenue-generating units (RGUs)	**5,647.5**	5,479.3	5,242.1	5,019.1	4,757.7
Mobile Telephony					
Mobile telephony lines	**768.6**	632.8	504.3	403.8	290.7
Cable Internet					
Cable Internet customers	**1,568.2**	1,537.5	1,506.0	1,444.0	1,359.6
Penetration(1)......................................	**55.9**%	55.4%	54.9%	53,5%	51.2%
Cable Television					
Basic customers(2)	**1,736.9**	1,782.3	1,825.1	1,855.0	1,861.5
Penetration(1)......................................	**61.9%**	64.2%	66.5%	68.7%	70.1%
Digital customers(3)	**1,570.6**	1,553.6	1,527.4	1,480.9	1,397.6
Penetration(3) (4)..................................	**90.4**%	87,2%	83.7%	79.8%	75.1%
Cable Telephony					
Cable telephony lines	**1,316.3**	1,349.0	1,348.5	1,316.3	1,245.9
Penetration(1)......................................	**46.9**%	48.6%	49.2%	48.7%	46.9%
Over-the-top video					
Over-the-top video customers(3)	**257.5**	177.7	58.2	-	-
Homes passed(5)...	**2,806.0**	2,777.3	2,742.5	2,701.2	2,657.3

(1) Represents customers as a percentage of total homes passed.
(2) Basic customers are customers who receive basic cable service in either the analog or digital mode.
(3) Customer statistics and their related penetration rates have been restated for the years 2014, 2013, 2012 and 2011 to reflect certain adjustments to product definitions and to add over-the-top video customers.
(4) Represents customers for the digital service as a percentage of basic customers.
(5) Homes passed means the number of residential premises, such as single dwelling units or multiple dwelling units, and commercial premises passed by its cable television distribution network in a given cable system service area in which the programming services are offered.

2.1.4 Pricing of Products and Services

Videotron's revenues are derived from the monthly fees its customers pay for cable television, Internet and telephony and mobile services. The rates it charges vary based on the market served and the level of service selected. Rates are usually adjusted annually. Videotron also offers discounts to its customers who subscribe to more than one of its services, when compared to the sum of the prices of the individual services provided to these customers. As of December 31, 2015, the average monthly invoice on recurring subscription fees per residential customer was $113.97 (representing a 4% year-over-year increase) and approximately 82% of its customers were bundling two services or more. A one-time installation fee, which may be waived in part during certain promotional periods, is charged to new customers. Monthly fees for rented equipment, such as set-top boxes or Wi-Fi routers, are also charged to customers.

Although its service offerings vary by market, because of differences in the bandwidth capacity of the cable network in each of its markets and other factors, Videotron's services are typically offered at monthly price ranges, which reflect discounts for bundled service offerings.

2.1.5 Network Technology

2.1.5.1 Cable

As of December 31, 2015, Videotron's cable network consisted of 33,929 km of fibre-optic cable and 45,597 km of coaxial cable, covering approximately 2.8 million homes and serving approximately 2.2 million customers. Its network is the largest broadband network in the Province of Québec covering approximately 79% of households and, according to its estimates, its fibre-optic network is covering approximately 81% of the business customers located in the Province of Québec. Its extensive network supports direct connectivity with networks in Ontario, the Maritimes and the United States.

Videotron's cable television network is comprised of four distinct parts including signal acquisition networks, main headends, distribution networks and subscriber drops. The signal acquisition network picks up a wide variety of television, radio and multimedia signals. These signals and services originate from either a local source or content provider or are picked up from distant sites chosen for satellite or over-the-air reception quality and transmitted to the main headends by way of fibre-optic relay systems. Each main headend processes, modulates, scrambles and combines the signals in order to distribute them throughout the network. Each main headend is connected to the primary headend in order to receive the digital MPEG2/MPEG4 signals and the IP backbone for the Internet services. The first stage of this distribution consists of a fibre-optic link which distributes the signals to distribution or secondary headends. After that, the signal uses the hybrid fibre coaxial cable network made of wide-band optical nodes, amplifiers and coaxial cables capable of serving up to 30 km in radius from the distribution or secondary headends to the subscriber drops. The subscriber drop brings the signal into the customer's television set directly or, depending on the area or the services selected, through various types of customer equipment including set-top boxes and cable modems.

Videotron has adopted the hybrid fibre coaxial ("**HFC**") network architecture as the standard for its ongoing system upgrades. HFC network architecture combines the use of both fibre-optic and coaxial cables. Fibre-optic cable has good broadband frequency characteristics, noise immunity and physical durability and can carry hundreds of video and data channels over extended distances. Coaxial cable is less expensive and requires greater signal amplification in order to obtain the desired transmission levels for delivering channels. In most systems, Videotron delivers its signals via fibre-optic cable from the headend to a group of optical nodes and then via coax to the homes passed served by the nodes. Videotron currently builds its network by implementing cells of 125 homes (which can evolve to 64 homes). As a result of the modernization of its network in recent years, its network design now provides for average cells of 250 homes throughout its footprint. To allow for this configuration, secondary headends were put into operation in the Greater Montréal Area, in the Greater Québec City Area and in the Greater Gatineau City Area.

Remote secondary headends must also be connected with fibre-optic links. From the secondary headends to the homes, the customer services are provided through the transmission of a radiofrequency ("**RF**") signal which contains both downstream and upstream information (two-way). The loop structure of the two-way HFC networks brings reliability through redundancy, the cell size improves flexibility and capacity, while the reduced number of amplifiers separating the home from the headend improves signal quality and reliability. The HFC network design provided Videotron with significant flexibility to offer customized programming to individual cells, which is critical to its advanced services, such as video-on-demand, Switched Digital Video Broadcast and the continued expansion of its interactive services.

Starting in 2008, Videotron began an extensive network modernization effort in the Greater Montréal Area in order to meet the ever expanding service needs of the customer in terms of video, telephony and Internet services. This ongoing modernization implies an extension of the upper limit of the RF spectrum available for service offerings and a deep fibre deployment, which significantly extends the fibre portion in the HFC network (thereby reducing the coax portion). Additional optical nodes were systematically deployed to increase the segmentation of customer cells, both for upstream and downstream traffic. This modernization initiative results in (i) a network architecture where the segmentation for the upstream traffic is for 125 homes while that for the downstream traffic is set to 250 (which can evolve to 125 homes), and (ii) the availability of a 1 GHz spectrum for service offerings. The robustness of the network is greatly enhanced (much less active equipment in the network such as RF amplifiers for the coax portion), the service offering potential and customization to the customer base is significantly improved (through the extension of the spectrum to 1 GHz and the increased segmentation) and allows much greater speeds of transmission for Internet services which are presently unrivalled.

The overall architecture employs Division Wavelength Multiplexing, which allows Videotron to limit the amount of fibre required, while providing an effective customization potential. As such, in addition to the broadcast information, up to 24 wavelengths can be combined on a transport fibre from the secondary headend to a 3,000 home aggregation point. Each of these wavelengths is dedicated to the specific requirements of 125 homes. The RF spectrum is set with analog content (to be phased out eventually) and digital information using quadrature amplitude modulation. MPEG video compression techniques and the Data over Cable Service Interface Specification (DOCSIS) protocol allow Videotron to provide a great service offering of standard definition, HD and now UHD video, as well as complete voice and Internet services. This modernization project gives Videotron flexibility to meet customer needs and future network evolution requirements. The modernization of the Greater-Montréal Area network is scheduled to be completed by 2020.

Videotron’s strategy of maintaining a leadership position in respect of the suite of products and services that it offers and launching new products and services requires investments in its network to support growth in its customer base and increases in bandwidth requirements. Approximately 99.90% of its network in the Province of Québec has been upgraded to a bandwidth of 750 MHz or greater. Also, in light of the greater availability of HD television and UHD television programming and the ever increasing speed of Internet access, further investment in its network will be required.

2.1.5.2 Mobile Telephony

As of December 31, 2015, its shared LTE network reached more than 90% of the population of the Province of Québec and the Greater Ottawa Area, allowing the vast majority of its potential clients to have access to the latest mobile services. The vast majority of its towers and transmission equipment being linked through its fibre-optic network using a multiple label switching – or MPLS –protocol, its network is designed to support important customer growth in coming years as well as rapidly evolving mobile technologies.

Videotron’s strategy in the coming years is to build on its position as a telecommunication leader with its LTE mobile services and to keep the technology at the cutting edge as it continues to evolve rapidly and new market standards, such as LTE-Advanced and heterogeneous networks are being deployed. The Rogers LTE Agreement provides and allows Rogers and Videotron to continue the evolution of the shared LTE network. Videotron's and Rogers’ spectrum contribution will allow them to continue to exploit LTE evolutive technologies and to provide their subscribers with high throughput data connections.

During 2015, Videotron maintained its HSPA+ network throughout the Province of Québec and over the Greater Ottawa Area.

2.1.6 Marketing and Customer Care

Videotron’s long term marketing objective is to increase its cash flow through deeper market penetration of its services, development of new services, and revenue and operating margin growth per customer. Videotron believes that customers will come to view their cable connection as the best distribution channel to the home for a multitude of services. To achieve this objective, Videotron is pursuing the following strategies:

- develop attractive bundle offers to encourage its customers to subscribe to two or more products, which increases average revenue per user – or ARPU – customer retention and operating margins;

- continue to rapidly deploy advanced products on all its services – cable, Internet, telephony, content and mobile – to maintain and increase its leadership and offer competitive, mobile rate plans and products to gain additional market share;

- design product offers that provide greater opportunities for customer entertainment and information;

- develop targeted marketing programs to attract former customers and households that have never subscribed to certain of its services and customers of alternative or competitive services as well as target specific market segments;

- enhance the relationship between customer service representatives and its customers by training and motivating customer service representatives to promote advanced products and services;

- leverage the retail presence of Videotron-branded stores and kiosks, Le SuperClub Vidéotron and with third-party commercial retailers;

- maintain and promote its leadership in content and entertainment by leveraging the wide variety of services offered within the Quebecor Media group to its existing and future customers;

- introduce new value added packages of products and services, which it believes will increase ARPU and improve customer retention; and

- leverage its business market, using its network and expertise with its commercial customer base, to offer additional bundled services to its customers.

Videotron continues to invest time, effort and financial resources in marketing new and existing services. To increase both customer penetration and the number of services used by its customers, Videotron uses integrated marketing techniques, including door-to-door solicitation, telemarketing, drive-to-store, media advertising, e-marketing and direct mail solicitation. Those initiatives are also strongly supported by business intelligence tools such as predictive churn models.

Maximizing customer satisfaction is a key element of Videotron’s business strategy. In support of its commitment to customer satisfaction, Videotron offers the service of dedicated, knowledgeable and well-trained technical experts which it calls its “PROS”, the primary mission of which is to support its customers by helping them get the most out of what Videotron has to offer. Through personalized demonstration sessions, the PROS provide customers with continued customer service after subscription has been made. Videotron continues to provide a 24-hour customer service hotline seven days a week across most of its systems, in addition to its web-based customer service capabilities. All of its customer service representatives and technical support staff are trained to assist customers with all of its products and services, which in turn allows its customers to be served more efficiently and seamlessly. Videotron’s customer care representatives continue to receive extensive training to perfect their product knowledge and skills, which contributes to retention of customers and higher levels of customer service.

Videotron utilizes surveys, focus groups and other research tools to assist in its marketing efforts and anticipate customer needs. To increase customer loyalty, Videotron is also starting to leverage strategic partnerships to offer exclusive promotions, privileges and contests which contribute in expanding its value proposition to its customers.

2.1.7 Programming

Videotron believes that offering a wide variety of conveniently scheduled programming is an important factor in influencing a customer's decision to subscribe to and retain its cable services. Videotron devotes resources to obtaining access to a wide range of programming that it believes will appeal to both existing and potential customers. Videotron relies on extensive market research, customer demographics and local programming preferences to determine its channel and package offerings. The Canadian Radio-television and Telecommunications Commission ("**CRTC**") currently regulates the distribution of foreign content in Canada and, as a result, Videotron is limited in its ability to provide such programming to its customers. Videotron obtains basic and premium programming from a number of suppliers, including all major Canadian media groups.

Videotron's programming contracts generally provide for a fixed term of up to five years, and are subject to negotiated renewal. Programming tends to be made available to Videotron for a flat fee per customer. Videotron's overall programming costs have increased in recent years and may continue to increase due to factors including, but not limited to, additional programming being provided to customers as a result of system rebuilds that increase channel capacity, increased costs to produce or purchase specialty programming, inflationary or negotiated annual increases, the concentration of broadcasters following recent acquisitions in the market and the significant increased costs of sports content rights.

2.1.8 Competition

Videotron operates in a competitive business environment in the areas of price, product and service offerings and service reliability. It competes with other providers of television signals and other sources of home entertainment. Due to ongoing technological developments, the distinctions among traditional platforms (broadcasting, Internet, and telecommunications) are fading rapidly. The Internet as well as mobile devices are becoming important broadcasting and distribution platforms. In addition, mobile operators, with the development of their respective mobile networks, are now offering wireless and fixed wireless Internet services and its VoIP telephony service is also competing with Internet-based solutions.

- *Providers of Other Entertainment.* Cable systems face competition from alternative methods of distributing and receiving television signals and from other sources of entertainment such as live sporting events, movie theatres and home video products, including digital recorders, OTT content providers, such as Netflix and Apple-TV, Blu-ray players and video games. The extent to which a cable television service is competitive depends in significant part upon the cable system's ability to provide a greater variety of programming, superior technical performance and superior customer service that are available through competitive alternative delivery sources. The introduction of *Club illico*, Videotron's subscription based OTT platform offering a rich and varied selection of unlimited on-demand content aims to reduce the effect of competition from alternative delivery sources.

- *DSL.* The deployment of digital subscriber line technology ("**DSL**") provides customers with Internet access at data transmission speeds greater than that available over conventional telephone lines. DSL service provides access speeds that are comparable to low-to-medium speeds of cable-modem Internet access but that decreases with the distance between the DSL modem and the line card.

- *FTTN and FTTH.* Fibre to the neighborhood ("**FTTN**") technology addresses the distance limitation by bringing the fibre closer to the end user. The last mile is provided by the DSL technology. Fibre to the home ("**FTTH**") brings the fibre up to the end user location. The speed is then limited by the end equipment rather than the medium (fibre) itself. It provides speeds comparable to high speeds of cable-modem Internet access. Because of the cost involved with FTTH and FTTN, deployment of these technologies is progressive. The main competition for cable-modem Internet access comes from a provider of DSL and Fibre to the x (FTTx) services.

- *Internet Video Streaming*. The continuous technology improvement of the Internet combined with higher download speeds and its affordability, favors the development and deployment of alternative technologies such as digital content offered by OTT service providers through various Internet streaming platforms. While having a positive impact on the demand for its Internet services, this model could adversely impact the demand for Videotron's cable television services.

- *VDSL.* Video digital subscriber line ("**VDSL")** technology increases the available capacity of DSL lines, thereby allowing the distribution of digital video. Multi-system operators are now facing competition from incumbent local exchange carriers ("**ILECs**"), which have been granted licenses to launch video distribution services using this technology, which operates over copper phone lines. The transmission capabilities of VDSL will be significantly boosted with the deployment of technologies such as vectoring (the reduction or elimination of the effects of far-end crosstalk) and twisted pair bonding (use of additional twisted pairs to increase data carriage capacity). Certain ILECs have already started replacing many of their main feeds with fibre-optic cable and positioning VDSL transceivers, a VDSL gateway, in larger multiple-dwelling units, in order to overcome the initial distance limitations of VDSL. With this added capacity, along with the evolution of compression technology, VDSL-2 will offer significant opportunities for services and increase its competitive threat against other multi-system operators.

- *Direct Broadcast Satellite* ("**DBS**"). DBS is also a competitor to cable systems. DBS delivers programming via signals sent directly to receiving dishes from medium and high-powered satellites, as opposed to cable delivery transmissions. This form of distribution generally provides more channels than some of Videotron's television systems and is fully digital. DBS service can be received virtually anywhere in Canada through the installation of a small rooftop or side-mounted antenna. Like digital cable distribution, DBS systems use video compression technology to increase channel capacity and digital technology to improve the quality of the signals transmitted to their customers.

- *Mobile Telephony Services*. With its mobile network, Videotron competes against a mix of participants, some of them being active in some or all the products it offers, while others only offer mobile telephony services in its market. The Canadian incumbents have deployed their LTE networks and this technology has become an industry standard.

- *Private Cable.* Additional competition is posed by satellite master antenna television systems known as "SMATV systems" serving multi dwelling units, such as condominiums, apartment complexes, and private residential communities.

- *Wireless Distribution.* Cable television systems also compete with wireless program distribution services such as multichannel multipoint distribution systems (MMDS). This technology uses microwave links to transmit signals from multiple transmission sites to line-of-sight antennas located within the customer's premises.

- *Grey and Black Market Providers.* Cable and other distributors of television signals continue to face competition from the use of access codes and equipment that enable the unauthorized decoding of encrypted satellite signals, from unauthorized access to Videotron's analog and digital cable signals (black market) and from the reception of foreign signals through subscriptions to foreign satellite television providers that are not lawful distributors in Canada (grey market).

- *Telephony Service.* Videotron's cable telephony service competes against ILECs and other telephony service providers, VoIP telephony service providers and mobile telephony service providers.

- *Other Internet Service Providers*. In the Internet access business, cable operators compete against other Internet service providers offering residential and commercial Internet access services. The CRTC requires the large Canadian incumbent cable operators to offer access to their high-speed Internet network to competitive Internet service providers at mandated rates.

2.1.9 Retail Sector

Through Le SuperClub Vidéotron, Quebecor is the franchisor of the largest chain of video and video game rental stores in the Province of Québec and among the largest of such chains in Canada. It had a total of 132 retail locations as of December 31, 2015. With 74 of these retail locations also offering Quebecor's suite of telecommunication services and products, Le SuperClub Vidéotron is both a showcase and a valuable and cost-effective distribution network for Videotron's growing array of advanced products and services, such as cable Internet access, digital television and cable and mobile telephony.

In September 2015, Quebecor sold Archambault Group's retail operations to a corporation part of the Renaud-Bray group, which transaction includes fourteen Archambault stores, the *archambault.ca* website, and the English-language Paragraphe Bookstore.

2.2 MEDIA

The Media segment is dedicated to entertainment and news media which includes the operations of TVA Group, MediaQMI, QMI Agency, Quebecor Media Out-of-Home, Quebecor Media Sales, Quebecor Media Network, Quebecor Media Printing, Select Music, Goji Studios Inc. ("Goji Studios"), Sogides and CEC Publishing. The Media segment has activities in broadcasting, magazine publishing, book distribution and publishing, newspaper publishing and other media related operations.

Quebecor Media owns 68.37% of the equity interest and controls 99.97% of the voting power in TVA Group. Quebecor Media also owns 100% of the voting and equity interests of MediaQMI, Quebecor Media Network, Quebecor Media Printing, Select Music, Goji Studios CEC Publishing and Sogides.

2.2.1 Broadcasting

A complete description of the Broadcasting activities as carried on by TVA Group is set forth in its annual information form dated February 29, 2016, and relevant excerpts of such description are reproduced at Schedule A to this annual information form.

Through TVA Group, a subsidiary of Quebecor Media, the Corporation operates the largest French-language private television network in North America. TVA Group is the sole owner of six of the ten television stations composing Réseau TVA ("**TVA Network**") and a portfolio of specialty channels, namely LCN, TVA Sports, addik^{TV}, Argent, Prise 2, Yoopa, CASA and MOI&cie. TVA Group also holds interests in two other TVA Network affiliates and the Évasion specialty channel. Through various subsidiaries and divisions, TVA Group is engaged in commercial production and in the distribution of films and television programs.

2.2.2 Film Production and Audiovisual Services

A complete description of Film Production and Audiovisual Services activities as carried on by TVA Group is set forth in its annual information form dated February 29, 2016, and relevant excerpts of such description are reproduced at Schedule A to this annual information form.

Through its subsidiary Mels Studios and Postproduction G.P., TVA Group provides top-quality services for the film and television industries, including complete soundstage and equipment leasing services, post-production services and visual effects. It also offers asset management for distribution on movie, television, internet and mobile telephony networks, allowing one-stop shopping in the film and television industries.

2.2.3 Magazine Publishing

A complete description of Magazine Publishing activities as carried on by TVA Group is set forth in its annual information form dated February 29, 2016, and relevant excerpts of such description are reproduced at Schedule A to this annual information form.

TVA Publications Inc. and Les Publications Charron & Cie Inc., two TVA Group subsidiaries, publish more than 50 French- and English-language magazines in various fields such as entertainment, television, fashion and beauty, sports, lifestyle, cooking and home decor. They also market digital products associated with the different magazine brands. According to the Vividata Q2 2015 study (the “Vividata Study”), TVA Group is Canada’s largest magazine publisher. Its French-language titles attract 3.2 million readers, counting all platforms, per issue and its English-language titles more than 8.1 million readers, counting all platforms, per issue. Its objective is to leverage its magazines’ focus on culture, lifestyle and entertainment across its television and Internet programming.

TVA Group also holds an effective 51% share in Les Publications Groupe TVA-Hearst Inc., publisher of Elle Canada and Elle Québec magazines, in partnership with Hearst Group, which holds a 49% share. As well, TVA Group and Bayard Group each hold a 50% share in Publications Senior Inc., publisher of Le Bel Âge and Good Times magazines.

2.2.4 Book Distribution and Publishing

Quebecor is also involved in book publishing and distribution through academic publisher CEC Publishing, 18 general literature publishers under the Sogides umbrella, and Messageries A.D.P. Inc. (“**Messageries ADP**”). Through Sogides and the academic publisher CEC Publishing, Quebecor is involved in French-language book publishing and it forms one of the Province of Québec’s largest book publishing groups. In 2015, Quebecor published or reissued a total of 680 titles in paper format and 324 titles in digital format.

Through Messageries ADP, its book distribution company, Quebecor is the exclusive distributor for 207 Québec and European French-language publishers. It distributes French-language books to approximately 3,200 retail outlets in Canada. In addition, Messageries ADP distributes approximately 21,700 digital books.

2.2.4.1 Competition

In the subsegment of French publishing, its competitors are located in Québec. In certain specific areas, the Corporation is in direct competition with certain large French publishers.

2.2.5 Newspaper Publishing

2.2.5.1 Sale of English-Language Newspapers

On April 13, 2015, Quebecor Media closed the sale of more than 170 English-language newspapers and publications to Postmedia Network Canada Corporation, which included the Sun chain of dailies, namely the Ottawa Sun, Toronto Sun, Winnipeg Sun, Edmonton Sun and Calgary Sun, as well as The London Free Press, the 24 Hours dailies in Toronto and Vancouver, and community dailies and weeklies, buyers' guides and specialty publications as well as the *Canoe* portal's English-Canadian operations and eight printing plants, including the Islington (Ontario) plant (the "**Postmedia Transaction")**. The businesses sold pursuant to the Postmedia Transaction are treated as discontinued operations in the Corporation audited consolidated financial statements for the year ended December 31, 2015 and comparative years.

Its French-language newspapers and publications, *Le Journal de Montréal*, *Le Journal de Québec* and the *24 Heures* (Montréal) were not included in the Postmedia Transaction.

2.2.5.2 Newspaper Operations

Quebecor operates its newspaper business, namely *Le Journal de Montréal*, *Le Journal de Québec* and the *24 Heures* (Montréal) through MediaQMI. Its daily newspapers disseminate information in traditional printed ways and through daily newspaper portals, namely *journaldemontreal.com* and *journaldequebec.com*.

Paid daily newspapers

Le Journal de Montréal and *Le Journal de Québec* are published seven days a week and are tabloids. These are mass circulation newspapers that provide succinct and complete news coverage with an emphasis on local news, sports and entertainment. The tabloid format makes extensive use of color, photographs and graphics. Each newspaper contains inserts that feature subjects of interest such as fashion, lifestyle and special sections. For the year 2015, on a combined weekly basis, *Le Journal de Montréal* and *Le Journal de Québec* had a circulation of approximately 1.9 million paper copies and 0.8 million copies in electronic format, according to internal statistics.

- ***Le Journal de Montréal***. *Le Journal de Montréal* is published seven days a week and is distributed by Quebecor Media Network. The main competitors of *Le Journal de Montréal* are La Presse and The Montreal Gazette. *Le Journal de Montréal*'s website is accessible at www.journaldemontreal.com.

- ***Le Journal de Québec***. *Le Journal de Québec* is published seven days a week and is distributed by Quebecor Media Network. The main competitor of *Le Journal de Québec* is Le Soleil. *Le Journal de Québec*'s website is accessible at www.lejournaldequebec.com.

Paid circulation is defined as average sales of a newspaper per issue. Readership (as opposed to paid circulation) is an estimate of the number of people who read or looked into an average issue of a newspaper and is measured by an independent survey conducted by Vividata. According to the Vividata Study, the most recent available survey, readership estimates are based upon the number of people responding to the Vividata survey circulated by Vividata who report having read or looked into one or more issues of a given newspaper during a given period equal to the publication interval of the newspaper.

The following table lists the respective readership in 2015 for *Le Journal de Montréal* and *Le Journal de Québec* as well as their market position versus other paid daily newspapers by weekly readership during that period, based on information provided in the Vividata Study:

NEWSPAPER	2015 AVERAGE READERSHIP SATURDAY	SUNDAY	MON-FRI	MARKET POSITION BY READERSHIP (1)
Le Journal de Montréal	1,314,000	1,078,000	938,000	1st
Le Journal de Québec	252,000	222,000	220,000	1st
Total Average Readership	1,566,000	1,300,000	1,158,000	

(1) Based on the average readership estimates survey published by the Vividata Study.

The following table lists the respective average daily paid circulation in 2015 for *Le Journal de Montréal* and *Le Journal de Québec*:

NEWSPAPER	2015 AVERAGE PAID CIRCULATION SATURDAY	SUNDAY	MON-FRI
Le Journal de Montréal	197,800	183,800	185,200
Le Journal de Québec	97,200	89,700	90,300
Total Average Paid Circulation	295,000	273,500	275,500

ELECTRONIC	2015 AVERAGE PAID CIRCULATION SATURDAY	SUNDAY	MON-FRI
Le Journal de Montréal	11,800	11,600	11,600
Le Journal de Québec	8,600	8,600	8,600
Total Average Paid Circulation	20,400	20,200	20,200

Source: Internal Statistics

Free daily newspaper

Quebecor publishes one free daily commuter publication in the Montreal urban market: the *24 Heures*. The editorial content of this free daily commuter publication focuses on the greater metropolitan area of Montreal.

The average weekday circulation of the *24 Heures* for 2015 is 143,300.

2.2.5.3 Competition

The newspaper industry is seeing secular changes, including the growing availability of free access to media, shifting readership habits, digital transferability, the advent of real-time information and secular changes in the advertising market, all of which affect the nature of competition in the newspaper industry. Competition increasingly comes not only from other newspapers (including other national, metropolitan (both paid and free) and suburban newspapers), magazines and more traditional media platforms, such as broadcasters, cable systems and networks, satellite television and radio, direct marketing and solo and shared mail programs, but also from digital media technologies, which have introduced a wide variety of media distribution platforms (including, most significantly, the Internet, digital readers (e-readers) and distribution over wireless devices) to consumers and advertisers.

2.2.5.4 Advertising, Circulation and Digital Revenues

Advertising revenue is the largest source of revenue for Quebecor newspaper operations, representing 66.9% of its newspaper operations' total revenues in 2015. Advertising rates are based upon the size of the market in which each newspaper operates, circulation, readership, demographic composition of the market and the availability of alternative advertising media.

The principal categories of advertising revenues in its newspaper operations are retail and national advertising. Most of its retail advertisers are car dealers, department stores, electronics stores and furniture stores. Its national advertising is display advertising primarily from advertisers promoting products or services on a national basis, and sold through its national sales force.

Circulation sales are its newspaper operations' second-largest source of revenue and represented 24.0% of total revenues of its newspaper operations in 2015.

Digital revenues represented 7.7% of total revenues for its newspaper operations in 2015. Digital revenues are generated from advertising on its websites and digital subscriptions to the e-editions of its newspapers. Revenues from digital products represent a potential growth opportunity for its newspaper operations.

2.2.5.5 Seasonality and Cyclicality

Québec newspaper publishing companies operating results tend to follow a recurring seasonal pattern with higher advertising revenue in the spring and in the fall.

Quebecor's newspaper business is cyclical in nature. Its operating results are sensitive to prevailing local, regional and national economic conditions because of its dependence on advertising sales for a substantial portion of its revenue.

2.2.6 Media Properties

The Media segment, excluding TVA Group's Internet properties and the websites dedicated to its daily newspapers, operates the following portals and destination sites and e-commerce properties:

- *Canoe Network* (*canoe.ca*), a French-language portal, includes information and service sites for the general public. As such, it is one of the most popular Internet destinations in the Province of Québec, and a key vehicle for Internet users and advertisers alike. Advertising revenues constitute a large portion of the *Canoe Network*'s annual revenues. The English version of the Canoe portal was sold as part of the Postmedia Transaction;

- *French-language version of Autonet.ca*, one of Canada's leading Internet sites devoted entirely to automobiles;

- Its local classified sites attached to its newspaper brands; and

- *Micasa.ca*, one of the leading real-estate listing sites in the Province of Québec, providing comprehensive property listing services available to all real estate brokers as well as individual homeowners.

2.2.7 Commercial Printing

Through its wholly-owned subsidiary Quebecor Media Printing, Quebecor operates a printing facility located in Mirabel, Québec, where *Le Journal de Montréal* and the *24 Heures* (Montréal) are printed.

It also offers third party commercial printing services, which provides it with an additional source of revenue that leverages existing equipment with excess capacity. In its third party commercial printing operations, it competes with other newspaper publishing companies as well as commercial printers. Its competitive strengths in this area include its modern equipment, and its ability to price projects on a variable cost basis, as its core newspaper business covers overhead expenses.

2.2.8 Other Operations

2.2.8.1 Music Distribution

Through certain divisions and subsidiaries of Select Music (previously named Archambault Group until the sale of its retail business activities on September 27, 2015), Quebecor distributes CDs, DVDs, Blu-ray discs, online music by way of file transfer and its offers services in the following areas: music recording, video production and creative licencing, including music for films, advertising and television shows.

Select Music is one of the largest independent music distributors in Canada with a 19% market share in the Province of Québec and a 56% market share for French content in the Province of Québec. Select Music has a catalogue of over 8,300 different CDs, LPs or other audio formats and over 1,640 DVDs or other video formats, a large number of which are from French-speaking artists. In addition, it is a digital aggregator of downloadable products with a selection of approximately 106,000 songs available through 151 retailers worldwide.

Competition

The music industry is mainly controlled by three major players (Universal Music, Warner Music and, Sony Music) with 79% of the Canadian market share, which combine production and distribution activities. However, the Québec market is unique due to the fact that the majority of its population is French-speaking and consequently, it has its own star system.

2.2.8.2 Out-of-Home Advertising

Quebecor is involved in out-of-home advertising through the installation, maintenance and management of out-of-home advertisement, including on transit and bus shelters. In relation thereto, it entered into a 10-year agreement with *Société de transport de Lévis*, a 20-year agreement with *Société de transport de Laval*, and a 20-year agreement with *Société de transport de Montréal* (STM).

2.2.8.3 Content Provider and Advertising Services

Through QMI Agency, Quebecor provides content to external customers as well as to certain of its subsidiaries and divisions and, through QMI Media Sales, it offers integrated, diversified and complete advertising services to its clients.

2.2.8.4 Consulting Services for Online Video Content

In 2015, Quebecor created Goji Studios, an innovative custom-tailored initiative to help and promote the most talented *Youtubers* in the development of their multi-platform brand. Goji Studios provides services related to audience development, monetisation, distribution and media.

2.3 SPORTS AND ENTERTAINMENT

Quebecor's activities in the Sports and Entertainment segment consist primarily of the production, promotion and management of live shows and of various sporting, cultural and corporate events, the operation of two QMJHL teams and the operation and management of the Videotron Centre.

2.3.1 Videotron Centre

The Videotron Centre is an arena located in Québec City that has 18,400 seats and is home to the *Remparts de Québec* as well as the host of a variety of events and shows featuring local and international artists. Through a 25-year agreement entered into with Québec City, Quebecor was granted both the management and naming rights through 2040. On April 7, 2015, the Québec City arena officially became known as the Videotron Centre and officially opened in September 2015.

Quebecor' Sports and Entertainment segment has entered into an 8-year strategic partnership with AEG Facilities, a leader in sports and entertainment venue management. The AEG Live division supports the Quebecor' Sports and Entertainment segment in booking events, shows and tours for the Videotron Centre. Quebecor' Sports and Entertainment segment has also entered into strategic partnerships for the operation of the Videotron Centre with Live Nation Entertainment, involving two of its principal divisions, namely Live Nation Concerts, the global market leader in concert production, and Ticketmaster, its ticketing service operating in the Province of Québec under the name "Réseau Admission". Finally, Quebecor' Sports and Entertainment segment has entered into a strategic partnership with Levy Restaurants, with an emphasis on building a world class culinary experience in the Videotron Centre through a local food program and strategic partnerships related to beverage program with Labatt Breweries of Canada as the Videotron Centre's official beer supplier and with Alex Coulombe ltée as its official supplier of soft drinks, sparkling water and isotonic sports drinks.

2.3.2 QMJHL Hockey Teams

Quebecor owns two QMJHL franchises, namely the *Armada de Blainville-Boisbriand* (70%) and the *Remparts de Québec* (100%).

2.3.3 National Hockey League ("NHL") Expansion Application

On July 20, 2015, Quebecor officially filed an application for the acquisition of a professional hockey franchise in Québec City through the NHL's expansion process.

2.3.4 Event Production and Management

Through Event Management Gestev inc. ("**Gestev**"), a sports and cultural events manager, Quebecor produces numerous high-profile events such as the Red Bull Crashed Ice extreme ice skating race, Vélirium (International Mountain Bike Festival and UCI World Cup), the Transat Québec Saint-Malo sailing race, Ski Tour (FIS Cross-Country World Cup), and the Snowboard Jamboree (including the FIS Snowboard World Championships) as well as over 100 corporate, private and public events.

2.3.5 Music shows and concerts

Through Musicor Spectacles, a division of Select Music, Quebecor offers services in the following areas: live-event show production, music shows and concerts.

Quebecor owns 100% of the issued and outstanding capital stock of Gestev, Québecor Sports and divertissement Inc. (which also owns the *Remparts de Québec*), and Select Music.

2.3.6 Competition

The Videotron Centre is in competition with the Bell Centre and Evenko. Even though at times their offerings are complementary, in other instances they are competing for the same entertainment dollar. During the summer months, another significant competitor is the *Festival d'été de Québec* as it proposes interesting shows at low cost.

The junior hockey team *Les Remparts de Québec* doesn`t really have direct competition for sports entertainment dollar in the Québec city area but the *Armada de Blainville-Boisbriand* hockey team does as it operates in Blainville which is in the vicinity of the greater Montréal area.

Gestev which manages sports and cultural events is a dominant player in the greater Québec city area, but it operates in a fiercely competitive market and faces many competitors in a very fragmented market.

2.4 INTELLECTUAL PROPERTY

The Corporation uses a number of trademarks for its products and services. Many of these trademarks are registered by the Corporation in the appropriate jurisdictions. In addition, it has legal rights in the unregistered marks arising from their use. The Corporation has taken affirmative legal steps to protect its trademarks and it believes its trademarks are adequately protected.

Television programming and motion pictures are granted legal protection under the copyright laws of the countries in which the Corporation operates, and there are substantial civil and criminal sanctions for unauthorized duplication and exhibition. The content of its newspapers and websites is similarly protected by copyright. The Corporation owns copyright in each of its publications as a whole, and in all individual content items created by its employees in the course of their employment, subject to very limited exceptions. The Corporation has entered into licensing agreements with wire services, freelancers and other content suppliers on terms that it believes are sufficient to meet the needs of its publishing operations. The Corporation believes it has taken appropriate and reasonable measures to secure, protect and maintain its rights or obtain agreements from licensees to secure, protect and maintain copyright protection of content produced or distributed by it.

The Corporation has registered a number of domain names under which it operates websites associated with its television, publishing and Internet operations. As every Internet domain name is unique, its domain names cannot be registered by other entities as long as its registrations are valid.

2.5 INSURANCE

The Corporation is exposed to a variety of operational risks in the normal course of business, the most significant of which are transferred to third parties by way of insurance agreements. The Corporation maintains insurance coverage through third parties for property and casualty losses. The Corporation believes that it has a combination of third-party insurance and self-insurance sufficient to provide adequate protection against unexpected losses, while minimizing costs.

2.6 EMPLOYEES

At December 31, 2015, the Corporation had 10,340 employees on a consolidated basis. At December 31, 2014 and 2013, it had 13,835 and 15,110 employees on a consolidated basis, respectively. A number of its employees work part-time. The following table sets forth certain information relating to the Corporation's employees in each of its operating segments as of December 31, 2015.

Operations	Total number of employees	Number of employees under collective bargaining agreements	Number of collective bargaining agreements
Telecommunications	**6,442**	**3,843**	**5**
Videotron	6,323	3,770	4
Other	119	73	1
Media	**3,531**	**1,676**	**26**
MediaQMI[(1)]	585	176	6
TVA Group	2,153	1,135	13
Other	793	365	7
Sports and Entertainment	**115**	**-**	**-**
Corporate	**252**	**-**	**-**
Total	**10,340**	**5,519**	**31**

(1) Includes Quebec National Sales Office (NSO).

At December 31, 2015, 53% of its employees were represented by collective bargaining agreements. Through its subsidiaries, the Corporation is currently a party to 31 collective bargaining agreements.

- Videotron is party to four collective bargaining agreements, representing 3,770 unionized employees. The collective bargaining agreement covering 2,800 unionized employees in the Montréal region will expire on December 2018. There are also three collective bargaining agreements covering unionized employees in the Saguenay, Gatineau and Québec regions, with terms running through December 31, 2019, August 31, 2015 and December 31, 2018 respectively. The Gatineau region collective bargaining agreement is currently being negotiated.

- One other collective bargaining agreement covering 73 unionized employees of SETTE inc., a subsidiary of Videotron, expired on December 31, 2015. This collective bargaining agreement is currently being negotiated.

- MediaQMI is party to six collective bargaining agreements, representing 176 unionized employees. One of these collective bargaining agreements representing 21 unionized employees has expired and is currently being negotiated. The other remaining collective bargaining agreements, covering 155 unionized employees, will expire in 2017 and 2020.

- TVA Group is party to 13 collective bargaining agreements, representing 1,135 unionized employees. Negotiations related to two collective bargaining agreements that expired in 2014 representing 6 unionized employees are in progress or will be undertaken in 2016. Two collective bargaining agreements representing 32 unionized employees have expired in 2015. One of them, representing 4 unionized employees, was renewed and will expire in December 2018. Negotiations regarding the other one, representing

28 unionized employees, will be undertaken in 2016. The two remaining collective agreements, representing 48 unionized employees, will expire on various dates through December 2018.

- Of the other seven collective bargaining agreements, representing 365 unionized employees, two collective bargaining agreements representing 151 unionized employees expired in 2015. One of them, representing 30 unionized employees, is currently being negotiated. The other collective bargaining agreements will expire between February 2016 and December 2018.

As at March 15, 2016, the Corporation is involved in an arbitration regarding the renewal of the collective bargaining agreement covering the 121 unionized employees of the printing facility of Mirabel. The adverse effect of this labour situation on the printing of its newspapers is currently limited and does not currently impact the Corporation's ability to continue its distribution in the ordinary course.

The Corporation currently has no labour disputes nor does it currently anticipate any such labour dispute in the near future.

The Corporation can neither predict the outcome of current or future negotiations relating to labour disputes, if any, union representation or renewal of collective bargaining agreements, nor guarantee that it will not experience further work stoppages, strikes or other forms of labour protests pending the outcome of any current or future negotiations.

If its unionized workers engage in a strike or any other form of work stoppage, the Corporation could experience a significant disruption to its operations, damage to its property and/or interruption to its services, which could adversely affect its business, assets, financial position, results of operations and reputation. Even if the Corporation does not experience strikes or other forms of labour protests, the outcome of labour negotiations could adversely affect its business and results of operations. Such could be the case if current or future labour negotiations or contracts were to further restrict its ability to maximize the efficiency of its operations. In addition, its ability to make short-term adjustments to control compensation and benefits costs is limited by the terms of its collective bargaining agreements.

2.7 ENVIRONMENT

Some of the Corporation's operations are subject to Canadian, provincial and municipal laws and regulations concerning, among other things, emissions to the air, water and sewer discharge, handling and disposal of hazardous materials, the recycling of waste, the soil remediation of contaminated sites, or otherwise relating to the protection of the environment. Laws and regulations relating to workplace safety and worker health, which among other things, regulate employee exposure to hazardous substances in the workplace, also govern its operations.

Compliance with these laws has not had, and management does not expect it to have, a material effect upon its capital expenditures, net income or competitive position. Environmental laws and regulations and the interpretation of such laws and regulations, however, have changed rapidly in recent years and may continue to do so in the future. The Corporation has monitored the changes closely and has modified its practices where necessary or appropriate.

The Corporation's past and current properties, as well as areas surrounding those properties, particularly those in areas of long-term industrial use, may have had historic uses, or may have current uses, in the case of surrounding properties, which may affect its properties and require further study or remedial measures. As part of its Film Production and Audiovisual Services Business, Quebecor owns certain studios and vacant lots, some of which are located on a former landfill, which produces landfill gas. Where applicable, the landfill gas is managed in accordance with provincial regulations.

The Corporation is not currently conducting or planning any material study or remedial measure. Furthermore, the Corporation cannot provide assurance that all environmental liabilities have been determined, that any prior owner of its properties did not create a material environmental condition not known to it, that a material environmental condition does not otherwise exist as to any such property, or that expenditure will not be required to deal with known or unknown contamination.

ITEM 3 — HIGHLIGHTS

The three-year highlight information for the Corporation's Broadcasting, Film Production and Audiovisual Services and Magazine Publishing activities carried on by TVA Group is contained in its annual information form dated February 29, 2016, the relevant excerpts of which are reproduced at Schedule A to this annual information form.

3.1 RECENT DEVELOPMENTS

On January 7, 2016, Videotron announced the acquisition of Fibrenoire, which provides fibre-optic connectivity services to businesses, for a cash consideration of $125.0 million, subject to certain adjustments.

3.2 HIGHLIGHTS FOR 2015

3.2.1 Quebecor

On September 9, 2015, the Corporation's interest in Quebecor Media increased from 75.36% to 81.07% following the repurchase by Quebecor Media of 7,268,324 Common Shares of its capital stock held by CDP Capital d'Amérique Investissements inc. ("**CDP Capital**"), a subsidiary of the Caisse de dépôt et placement du Québec ("**CDPQ**") for an aggregate purchase price of $500.0 million, payable in cash. All of the purchased shares were cancelled. As a result, CDP Capital's interest in Quebecor Media was reduced from 24.64% to 18.93%.

3.2.2 Quebecor Media

On October 2, 2015, Quebecor Content, a division of Quebecor Media, announced a strategic partnership with NBCUniversal International Studios to develop new entertainment and studio-based formats suitable for global audiences. On July 15, 2015, Quebecor Content announced a long-term, multiplatform agreement with Sony Pictures Television Canada ("**Sony Canada**"), one of the world's largest producers and distributors of entertainment content. The partnership will allow Videotron to offer a vast selection of movies and television series on its over-the-top video service, and will give TVA Group's television channels exclusive French-language broadcast rights to productions in Sony Canada's catalogue.

On September 27, 2015, Quebecor Media closed the sale of the retail business of Archambault Group, including the 14 Archambault stores, the *archambault.ca* portal and the English-language Paragraphe Bookstore, to a corporation part of the Renaud-Bray group for a cash consideration of $14.5 million, less disposed-of cash in the amount of $1.1 million, and a $3.0 million balance due.

On March 20, 2015, TVA Group completed a rights offering (the "**TVA Rights Offering**") whereby it received net proceeds of approximately $110.0 million from the issuance of 19,434,629 Class B shares, non-voting, participating, without par value, of TVA Group ("**Class B Non-Voting Shares of TVA Group**"). In connection with the TVA Rights Offering, Quebecor Media subscribed for

17,300,259 additional Class B Non-Voting Shares of TVA Group at a total cost of $97.9 million. As a result, its total interest in TVA Group's equity increased from 51.5% to 68.4%.

3.2.3 Telecommunications

On October 27, 2015, Videotron announced a multi-year $35.0 million expansion of the 4Degrees Colocation data hosting centre in Québec City, which was acquired on March 10, 2015 for a $35.5 million consideration. The project will add two new server rooms to the facility. On September 16, 2015, Videotron announced construction of a 33,000 square-foot data centre in Montréal to provide business customers with the colocation solutions they need for hosting and processing the increasing quantities of data. The $40.0 million investment will be spread over several years.

On October 15, 2015, the Supreme Court of Canada refused a motion from Bell ExpressVu Limited Partnership, a subsidiary of Bell Canada, to appeal a Québec Court of Appeal judgment ordering it to pay Videotron $135.3 million and TVA Group $0.6 million, including interest, as compensation for having failed to implement an appropriate security system in a timely manner to prevent piracy of its satellite television service's signals between 1999 and 2005, harming its competitors and broadcasters. The $139.1 million gain related to this settlement was recognized in the third quarter of 2015.

On September 15, 2015, Videotron issued $375.0 million aggregate principal amount of 5 ¾% Senior Notes, maturing on January 15, 2026, for net proceeds of $370.1 million (net of financing expenses). The proceeds of this offering were used to (i) partially repay the amounts outstanding under Videotron's senior credit facilities, and (ii) pay transaction fees and expenses.

On July 16, 2015, Videotron redeemed and retired (i) the entire remaining principal amount outstanding of its 9 ⅛% Senior Notes issued on April 15, 2008, and due April 15, 2018, representing an aggregate principal amount of US$75.0 million, and unwound the hedges in an asset position, and (ii) the entire remaining principal amount outstanding of its 7 ⅛% Senior Notes issued on January 13, 2010, and due January 15, 2020, representing an aggregate principal amount of $300.0 million.

On June 16, 2015, Videotron amended its senior credit facilities to (i) increase the amount available under its secured revolving credit facility from $575.0 million to $615.0 million, (ii) extend the maturity of its secured revolving credit facility from July 19, 2018 to July 20, 2020, and (iii) create a new $350.0 million unsecured revolving credit facility maturing on July 20, 2020.

On May 12, 2015, the predecessor to Innovation, Science and Economic Development Canada announced that Videotron was the successful bidder for eighteen 20 MHz licenses in its 2500 MHz spectrum auction. The operating licenses, acquired for $187.0 million, cover all of the Province of Québec and the largest urban centres in the other provinces of Canada, namely Toronto, Ottawa, Calgary, Edmonton and Vancouver, making it possible to reach more than 21 million people, or approximately 65% of Canada's population.

On April 10, 2015, Videotron redeemed and retired the entire remaining principal amount outstanding of its 6 ⅜% Senior Notes due December 15, 2015, representing an aggregate principal amount of US$175.0 million, and unwound the hedges in an asset position.

On March 6, 2015, the predecessor to Innovation, Science and Economic Development Canada announced that Videotron was the successful bidder on four 30 MHz licenses in the auction for AWS-3 commercial mobile spectrum held. Videotron obtained the 30 MHz licenses for Eastern Québec, Southern Québec, Northern Québec and Eastern Ontario / Outaouais, covering 100% of the population of the Province of Québec and the Ottawa region, for a total price of $31.8 million.

3.2.4 Media

On April 13, 2015, Quebecor Media closed the sale, announced on October 6, 2014, of its English-language newspaper businesses in Canada – more than 170 newspapers and publications, the Canoe portal in English Canada, and 8 printing plants, including the Islington, Ontario plant – for a total cash consideration of $305.5 million.

On February 13, 2015, Quebecor Media announced the discontinuation of the operations of the English-language news and opinion specialty channel SUN News.

On February 12, 2015, Quebecor Media announced the entering into of a 10-year agreement with *Société de transport de Lévis* pursuant to which it will install, maintain, manage and advertise on *Société de transport de Lévis*' transit and bus shelters.

3.2.5 Sports and Entertainment

On September 29, 2015, Quebecor senior management presented the Corporation's bid for a professional hockey franchise in Québec City to the NHL Executive Committee meeting in New York City. Quebecor had officially filed an application under the NHL expansion process on July 20, 2015.

The Videotron Centre officially opened on September 8, 2015. The opening ceremonies, held September 12, 2015 before the season opener of the *Remparts de Québec* of the QMJHL, were broadcast on TVA Sports. On September 16, 2015, the rock band Metallica performed at the Videotron Centre in the first major international event at the multifunctional venue. On September 28, 2015, the Montréal Canadiens and the Pittsburgh Penguins, two NHL teams, played a preseason game at the Videotron Centre before a sell-out crowd of 18,250.

On April 2, 2015, Quebecor's Sports and Entertainment segment announced an eight-year strategic partnership with AEG Facilities, the world leader in sports and entertainment venue management. The AEG Live division will support the Sports and Entertainment segment in booking events, shows and tours for the Videotron Centre.

On February 3, 2015, Quebecor's Sports and Entertainment segment announced a strategic partnership with Live Nation Entertainment, including an alliance with Live Nation Concerts, the global market leader in concert production, and the Ticketmaster ticketing service, which operates in Québec under the name Réseau Admission. On the same date, Quebecor's Sports and Entertainment segment formed a strategic partnership with Levy Restaurants for the operation of food concessions at the Videotron Centre.

3.3 HIGHLIGHTS FOR 2014

3.3.1 Quebecor

On June 19, 2014, the Right Honourable Brian Mulroney was named Chairman of the Board of Quebecor and Quebecor Media, succeeding Pierre Karl Péladeau, who resigned all his positions on the Boards of Directors of Quebecor and its subsidiaries on March 9, 2014, following his decision to enter politics. On March 10, 2014, Sylvie Lalande was appointed Chair of the Board of TVA Group.

On April 28, 2014, Pierre Dion was appointed President and Chief Executive Officer of Quebecor and Quebecor Media. On May 7, 2014, Manon Brouillette was named President and Chief Executive Officer of Videotron.

3.3.2 Quebecor Media

On September 2, 2014, Quebecor Media closed the sale of Nurun Inc., its subsidiary at the time, to Publicis Groupe for cash consideration of $125.0 million.

On August 18, 2014, Benoît Robert was appointed President and Chief Executive Officer of Sports and Entertainment Group.

On July 31, 2014, Quebecor Media announced the creation of its Media Group, a new segment dedicated to entertainment and news media which includes the operations of TVA Group, MediaQMI, QMI Agency, Quebecor Media Out-of-Home, Quebecor Media Sales, Quebecor Media Network, Quebecor Media Printing, Sogides and CEC Publishing. The Media Group has activities in broadcasting, magazine publishing, book distribution and publishing, newspaper publishing and other media related operations.

On July 30, 2014, Julie Tremblay was appointed President and Chief Executive Officer of the new segment, Media Group. She was also appointed President and Chief Executive Officer of TVA Group.

In March and April 2014, Quebecor Media repurchased and retired US$380.0 million aggregate principal amount of its 7 ¾% Senior Notes issued on October 5, 2007 and due March 15, 2016 and settled the related hedging contracts.

3.3.3 Telecommunications

On September 10, 2014, Videotron launched its LTE mobile network.

On April 9, 2014, Videotron issued US$600.0 million aggregate principal amount of 5 ⅜% Senior Notes maturing on June 15, 2024, for net proceeds of $654.5 million (net of financing expenses). The proceeds of this offering were used on April 24, 2014 to (i) finance the early redemption and withdrawal of US$260.0 million aggregate principal amount of Videotron's outstanding 9 ⅛% Senior Notes, issued on March 5, 2009 and maturing on April 15, 2018, (ii) repay borrowings under its revolving credit facility, (iii) pay related fees and expenses, and (iv) the remainder for general corporate purposes.

On April 3, 2014, after final payment was made on the spectrum awarded in the auction ended February 19, 2014, the predecessor to Innovation, Science and Economic Development Canada issued seven 700 MHz licenses to Videotron. The operating licenses, acquired for $233.3 million, cover the entire provinces of Québec, Ontario (except Northern Ontario), Alberta and British Columbia, for a total covered population of more than 28 million, representing approximately 80% of Canada's population.

3.3.4 Media

Since August 1, 2014, Quebecor Media has been responsible for installing, maintaining, managing and advertising on *Société de transport de Laval* bus shelters under a 20-year agreement. Quebecor Media made a similar agreement with the *Société de transport de Montréal* in 2012.

On June 1, 2014, Quebecor Media closed a transaction whereby it sold to Transcontinental Interactive Inc., a subsidiary of Transcontinental Inc., its 74 Québec weeklies for cash consideration of $75.0 million.

3.3.5 Sports and Entertainment

On November 27, 2014, Quebecor acquired a QMJHL franchise, the *Remparts de Québec*.

3.4 HIGHLIGHTS FOR 2013

3.4.1 Quebecor

On August 14, 2013, the Corporation carried out a two-for-one split of its outstanding Class A Multiple Voting Shares ("**Class A Shares**") and Class B Subordinate Voting Shares ("**Class B Shares**"). Accordingly, shareholders received one additional share for each share owned on the record date. Trading on the shares on a split basis commenced at the opening of business on August 16, 2013.

3.4.2 Quebecor Media

On August 30, 2013, Quebecor Media has redeemed US$265.0 million in aggregate principal amount of its outstanding 7 ¾% Senior Notes issued on January 17, 2006 and due in March 2016, and settled the related hedging contracts.

On August 29, 2013, Quebecor Media issued a US$350.0 million senior secured term loan "B" at a price of 99.50% for net proceeds of $358.4 million (net of financing expenses). This term loan bears interest at the U.S. London Interbank Offered Rate ("**LIBOR**"), subject to a LIBOR floor of 0.75%, plus a premium of 2.50%. It provides for quarterly amortization payments totalling 1.00% per annum of the original principal amount, with the balance payable on August 17, 2020.

In 2013, QMI Digital (now Quebecor Digital), a new business unit of Quebecor Media was created with a mission to serve as a centre of digital expertise, with a focus on research and development. QMI Digital's mission is triple: develop the digital strategy of the Corporation in order to ensure consistency within the group, support the development of the subsidiaries and the delivery of quality products or digital services, and maximize profitability of its products and services.

In June 2013, Quebecor Media amended its bank credit facilities to extend the maturity of its $300.0 million revolving credit facility to January 2017 and to amend some of the terms and conditions of the facility.

On May 31, 2013, Quebecor Media sold its specialized websites *Jobboom* and *Réseau Contact* to Mediagrif Interactive Technologies inc. for a total consideration of $65.0 million. The dispositions of *Jobboom* and *Réseau Contact* were completed on June 1 and November 29, 2013, respectively.

In February 2013, QMI Content (now Quebecor Content), a new business unit of Quebecor Media, was created. This new business unit is dedicated to the creation, acquisition and distribution of audio-visual content intended for Quebecor Media's platforms in the Province of Québec and for the international markets.

3.4.3 Telecommunications

On June 17, 2013, Videotron announced the closing of the offering and sale of 5 ⅝% Senior Notes, maturing on June 15, 2025, in the aggregate principal amount of $400.0 million for net proceeds of $394.8 million (net of financing expenses). The proceeds of this offering were used on July 2, 2013 to finance the early redemption and withdrawal of US$380.0 million aggregate principal amount of Videotron's outstanding 9 ⅛% Senior Notes, issued on April 15, 2008 and maturing in April 2018 and to settle the related hedging contracts.

On May 29, 2013, Videotron announced the Rogers LTE Agreement. Both Videotron and Rogers maintain their business independence, including product and service portfolios, billing systems and customer data. As part of the Rogers LTE Agreement, Rogers and Videotron provide each other with services for which Videotron will receive $93.0 million and Rogers will receive $200.0 million, payable over a period of 10 years. In addition to the LTE network build-out and sharing agreement, Videotron and Rogers have also come to an agreement regarding Videotron's unused AWS spectrum in the Greater Toronto Area. Videotron has the option to transfer its Toronto spectrum license to Rogers since January 1, 2014, for an aggregate consideration of $180.0 million.

3.4.4 Media

On December 19, 2013, Quebecor announced that it was abandoning door-to-door distribution of community newspapers and flyers in Québec and was discontinuing distribution of the Le Sac Plus doorknob bag as of January 2014.

3.4.5 Sports and Entertainment

On May 24, 2013, Quebecor announced the acquisition of Gestev, a sporting and cultural event management company active in the Québec City area. Established in 1992, Gestev develops and organizes distinctive high-level sporting events, including the *Red Bull Crashed Ice* extreme race, the *Vélirium* (International Mountain Bike Festival and World Cup), the *Transat Québec Saint-Malo Sailing Race*, *Sprint Québec* (FIS Cross-Country World Cup) and the *Snowboard Jamboree.* (including the *FIS Snowboard World Championships*)

ITEM 4 — DIRECTORS AND OFFICERS

4.1 DIRECTORS

The board of directors of Quebecor is responsible for supervising the management of the business and affairs of the Corporation, with the objective of increasing shareholder value. The board of directors is responsible for the sound governance of the Corporation and, as such, must supervise effectively and independently the activities and business of the Corporation, which are conducted on a daily basis by management. The board of directors may delegate certain tasks to its committees. Such delegation does not relieve the board of directors from its overall responsibilities with regard to the management of the Corporation.

The mandate of the Corporation's board of directors, as amended on March 8, 2016, is attached as Schedule B to this annual information form.

The Articles of the Corporation provide that the board of directors shall consist of a minimum of three and a maximum of fifteen directors and further provide that the members of the board of directors shall be divided into two classes of directors. The holders of Class B Shares, voting separately as a class, are entitled to elect 25% of the entire board of directors or, if 25% of the entire board of directors is not a whole number, the next higher whole number of members of the board of directors which shall constitute at least 25% of the entire board of directors (the "**Class B Directors**"). The holders of Class A Shares, voting separately as a class, are entitled to elect the remaining members of the board of directors (the "**Class A Directors**").

The board of directors of Quebecor consists of nine directors. The term of office of each director expires upon the election of his or her successor unless he or she resigns from office or his or her office becomes vacant by death, removal or other cause. The following table sets forth, as at March 30, 2016, the names, place of residence and principal occupation of the directors and the year in which they were first appointed or elected director, as well as the board committees on which each director sits.

All information in this section has been provided to the Corporation by its directors.

CLASS A DIRECTORS

Name and place of residence	Principal Occupation	Director Since
Jean La Couture, FCPA, FCA(3) Montréal, Québec, Canada	President Huis Clos Ltée (Management and mediation firm)	2003
Sylvie Lalande(1), (2) Lachute, Québec, Canada	Corporate Director Chair of the Board TVA Group Inc.	2011
Pierre Laurin(1), (2) Nuns' Island, Québec, Canada	Corporate Director Vice Chairman of the Board and Lead Director Quebecor Inc. and Quebecor Media Inc.	1991
Geneviève Marcon(1) Lac-Beauport, Québec, Canada	President GM Developpement inc. (Real Estate Development and Management)	2012
The Right Honourable Brian Mulroney, P.C., C.C., LL.D. Montréal, Québec, Canada	Senior Partner Norton Rose Fulbright Canada LLP (Law firm) Chairman of the Board Quebecor Inc. and Quebecor Media Inc.	1999
Robert Paré, LL.D Westmount, Québec, Canada	Senior Partner Fasken Martineau DuMoulin LLP (Law firm)	2014
Érik Péladeau Lorraine, Québec, Canada	President Groupe Lelys inc. (Labels Printer)	2015

CLASS B DIRECTORS

Name and place of residence	Principal Occupation	Director Since
A. Michel Lavigne, FCPA, FCA(2), (3) Laval, Québec, Canada	Corporate Director	2013
Normand Provost(3) Brossard, Québec, Canada	Corporate Director	2013

(1) Member of the Corporate Governance and Nominating Committee.
(2) Member of the Human Resources and Compensation Committee.
(3) Member of the Audit Committee.

Each of the aforementioned directors has, during the past five years, carried on his or her current principal occupation or held other management positions with the same or other associated companies or firms, including affiliates and predecessors, indicated opposite his or her name, with the exception of Pierre Laurin, which was Chairman of the Board of Atrium Innovation Inc. from 2000 to 2014, and Normand Provost, which has held various positions within CDPQ from 1980 until December 2015.

4.2 EXECUTIVE OFFICERS

The following table provides the names of each of the Corporation's executive officers, its place of residence and his or her position in the Corporation as at March 30, 2016.

Name and place of residence	Position in the Corporation
The Right Honourable Brian Mulroney Montréal, Québec, Canada	Chairman of the Board*
Pierre Laurin Nuns' Island, Québec, Canada	Vice Chairman of the Board and Lead Director*
Pierre Dion Saint-Bruno, Québec, Canada	President and Chief Executive Officer
Jean-François Pruneau Montréal, Québec, Canada	Senior Vice President and Chief Financial Officer
Marc M. Tremblay Westmount, Québec, Canada	Senior Vice President, Chief Legal Officer and Public Affairs and Secretary
Chloé Poirier Nuns' Island, Québec, Canada	Vice President and Treasurer
Denis Sabourin Nuns' Island, Québec, Canada	Vice President and Corporate Controller

* Mr. Brian Mulroney serves as Chairman of the Board of Quebecor. This position is being held on a part-time basis. He is not considered to be a member of the management team. Mr. Pierre Laurin serves as Vice Chairman of the Board and Lead Director of Quebecor also on a part-time basis and is not considered to be a member of the management team.

All of Quebecor's senior officers have held the positions and principal occupations indicated above or other positions within the Quebecor Group for the past five years.

As of February 29, 2016, to the knowledge of the Corporation and according to the information received, its directors and officers, as a group, beneficially owned or exercised control or direction over 2,100 of its Class A Shares (as defined after) (or 0.005% of the Class A Shares) and 35,720 of its Class B Shares (as defined after) (or 0,043% of the Class B Shares).

4.3 CEASE TRADE ORDERS, BANKRUPTCIES, PENALITIES OR SANCTIONS

To the Corporation's knowledge and based upon information provided to it by the directors and executive officers, in the last ten years, no director or executive officer of the Corporation, with the exception of the persons listed hereunder, or shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation, (i) is or has been a director or executive officer of any other corporation that, while that person was acting in that capacity or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any bankruptcy or insolvency laws, 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 asset, or (ii) became bankrupt, made a proposal under any bankruptcy or insolvency laws, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his/her assets.

Each of Messrs. Jean La Couture, the Right Honourable Brian Mulroney, Érik Péladeau and Pierre Karl Péladeau was a director of Quebecor World Inc., when it has placed itself under the protection of the *Companies' Creditors Arrangement Act* (Canada) on January 21, 2008.

To the Corporation's knowledge and based upon information provided to it by the directors and executive officers, in the last ten years, no director or executive officer of the Corporation, with the exception of the persons listed hereunder, is or has been a director, chief executive officer or chief financial officer of any corporation that was the subject of a cease trade order or similar order, or an order that denied the corporation access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while that director or executive officer was acting in such capacity, or that was issued after the director or executive officer ceased to be acting in such capacity and which resulted from an event which occurred while the director or executive officer was acting in such capacity.

Each of Messrs. Jean La Couture, Pierre Laurin, the Right Honourable Brian Mulroney and Érik Péladeau were directors of Quebecor between April 2, 2008 and May 20, 2008, while Quebecor's directors, senior officers and certain of its current and former employees were prohibited from trading in its securities pursuant to a cease trade order issued by the *Autorité des marchés financiers* in connection with the delay in filing its 2007 annual financial statements and related management's discussion and analysis. On May 20, 2008, the cease trade order was lifted.

ITEM 5 — AUDIT COMMITTEE

5.1 MANDATE OF THE AUDIT COMMITTEE

The audit committee of Quebecor (the "**Audit Committee**") assists the board of directors in overseeing the financial controls and reporting. The Audit Committee also oversees the compliance with the Corporation's financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

The mandate of the Audit Committee was reviewed by the board of directors of the Corporation on March 8, 2016. The mandate of the Audit Committee is attached as Schedule C to this annual information form.

5.2 COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is composed of Jean La Couture (Chair), A. Michel Lavigne and Normand Provost.

Quebecor's board of directors has determined that each of the members of the Audit Committee is independent and financially literate within the meaning of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**").

5.3 RELEVANT EDUCATION AND EXPERIENCE

Member	Relevant Education and Experience
Jean La Couture (Chair)	Mr. La Couture is a Fellow Chartered Professional Accountant of the *Ordre des comptables professionnels agréés du Québec*. He headed Le Groupe Mallette (an accounting firm) from 1981 to 1989 before becoming President and Chief Executive Officer of The Guarantee Company of North America from 1990 to 1994. In 1995, he created Huis Clos ltée, which specializes in management and mediation as well as in civil and commercial negotiations. He is Chairman of the Board and member of the Audit Committee of Innergex Renewable Energy Inc. He is also Chairman of the Investments and Risk Management Committee of CDPQ.
A. Michel Lavigne	Mr. Lavigne is a Fellow Chartered Professional Accountant of the *Ordre des comptables professionnels agréés du Québec* and a member of the Canadian Institute of Chartered Accountants since 1973. Until May 2005, Mr. Lavigne was President and Chief Executive Officer of Raymond Chabot Grant Thornton in Montreal (an accounting firm). He was also a member of the Governor Counsel of Grant Thornton International. He is currently director and Chair of the Pension Committee and a member of the Audit Committee of Canada Post, as well as director and member of the Risk Management Committee of Laurentian Bank of Canada. He was, until recently, director and Chair of the Audit Committee of CDPQ.
Normand Provost	Mr. Provost is a Corporate Director. Since March 2015, he sits on the Board of Directors and on the Investment Committee of Desjardins Financial Security. From May 2014 until December 2015, he was Assistant to the President of CDPQ, one of the largest institutional fund managers in Canada and North America. From October 2003 to May 2014, he has served as Executive Vice-President, Equity of CDPQ. Mr. Provost joined CDPQ in 1980 and has held several positions within the institution, ranging from Advisor and Investment Manager, specializing in midsize businesses, to President of the subsidiary CDP Capital – Americas, from 1995 to 2003. In addition to his responsibilities in the investment sector, Mr. Provost served as Chief Operating Officer of CDPQ from April 2009 to March 2012.

5.4 RELIANCE ON CERTAIN EXEMPTIONS

Quebecor has not used or relied upon any exemption pursuant to NI 52-110 at any time during the most recently completed financial year.

5.5 PRE-APPROVAL POLICY

The Audit Committee adopted an Audit and Non-Audit Services Pre-Approval Policy. This policy sets forth the procedures and the conditions pursuant to which services proposed to be performed by the external auditor must be pre-approved.

Once the list of audit and non-audit services has been pre-approved by the Audit Committee, the Chief Financial Officer of the Corporation may hire the auditor for specific tasks or engagements that comply with the conditions previously approved by the Audit Committee. The Audit

Committee has delegated pre-approval authority to the Chairman of the Audit Committee for services to be provided by the external auditor that do not exceed $250,000. For services in excess of $250,000, and that have not been pre-approved, they must be approved by the Audit Committee. As required by this policy, a report must be presented to the Audit Committee each quarter.

For fiscal year 2015, the total amount of all non-audit services that have not been pre-approved does not represent more than 5% of the total amount of the fees paid to the external auditor.

5.6 EXTERNAL AUDITOR SERVICE FEES

The following table sets forth the fees paid to Ernst & Young LLP ("**Ernst & Young**"), the Corporation's external auditor, for the services rendered during the fiscal year 2015 and 2014.

	2015	**2014**
Audit fees (1)	**$ 2,781,463**	$ 2,926,907
Audit-related fees (2)	**226,996**	722,819
Tax fees (3)	**25,336**	43,994
All other fees (4)	**952**	4,492
Total fees	**$ 3,034,747**	**$ 3,698,212**

(1) *Audit fees* consist of fees billed for the annual audit and quarterly reviews of the Corporation's annual and quarterly consolidated financial statements or for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements. They also include fees billed for other audit services, which are those services that only the external auditor reasonably can provide, and include the provision of comfort letters and consents, the consultation concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.

(2) *Audit-related fees* consist of fees billed for assurance and related services that are traditionally performed by the external auditor, and include consultations concerning financial accounting and reporting standards on proposed transactions, due diligence or accounting work related to acquisitions, and employee pension plan audits.

(3) *Tax fees* include fees billed for tax compliance services, including the preparation of tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.

(4) *All other fees* include fees billed for forensic accounting and occasional training services. These fees also include consultations and assistance in preparing documentation regarding disclosure controls and procedures and internal financial reporting control measures for the Corporation and its subsidiaries.

ITEM 6 — LEGAL PROCEEDINGS

The Corporation is involved from time to time in various claims and lawsuits incidental to the conduct of its business in the ordinary course. In the opinion of the management of the Corporation, the outcome of these proceedings is not expected to have a material adverse effect on the Corporation's business, results of operations, liquidity or financial position.

ITEM 7 — RISK FACTORS

The Corporation urges all of its current and potential investors to carefully consider the risks described in the sections referred to below as well as the other information contained in this annual information form and other information and documents filed by it with the appropriate securities regulatory authorities before making any investment decision with respect to any of its securities. The risks and uncertainties described in such sections are not the only ones the Corporation may face. Additional risks and uncertainties that the Corporation is unaware of, or that it currently deems to be immaterial, may also become important factors that affect it. If any of the risks referred to in the following paragraph actually occurs, its business, cash flow, financial condition or results of operations could be materially adversely affected. Such risk factors should be considered in connection with any forward-looking statements in this document and with the cautionary statements contained in Item 13 — Forward-Looking Statements.

The Corporation describes the principal risk factors relating to its operations and businesses in its *Management's Discussion and Analysis for the year ended December 31, 2015* under the heading "Risks and Uncertainties", which was filed with the Canadian Securities Administrators on March 9, 2016, which section is incorporated by reference into this annual information form, and which may be viewed under its profile on SEDAR at www.sedar.com.

ITEM 8 — DESCRIPTION OF CAPITAL STRUCTURE

8.1 CAPITAL STRUCTURE

Quebecor's authorized share capital was modified by a certificate of amendment dated September 4, 1986 re-designating the Common Shares as Class A Multiple Voting Shares (the "Class A Shares") carrying ten votes per share and creating Class B Subordinate Voting Shares (the "Class B Shares") carrying one vote per share. Its Class B Shares are "restricted securities" (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights to those attached to the Class A Shares. In the aggregate, all of the voting rights attached to the Class B Shares represented, as at February 29, 2016, 17.68% of the total voting rights attached to all of its issued and outstanding voting securities.

Quebecor's Articles provide that if, at any time, the "Péladeau Group or an Acceptable Successor" (as defined in the Articles of Quebecor) does not own, directly or indirectly, a number of Class A Shares equal to at least 40% of all the Class A Shares outstanding or does not own, directly or indirectly, at least 16,000,000 Class A Shares (such number having been adjusted upwards to reflect stock splits), then the Class A Shares will carry one vote per share at all times thereafter and all of its directors will be elected by the holders of the Class A Shares and the Class B Shares voting together as a single class.

Quebecor's Articles further provide that if a takeover bid to purchase Class A Shares is made to the holders of Class A Shares and is not made at the same time and on the same terms and conditions to the holders of Class B Shares, each Class B Share will become convertible, at the holder's option, as of the date the takeover bid is made, into one Class A Share, for the sole purpose of allowing the holder to accept the takeover bid. However, such right of conversion will be deemed not to come into force if the "Péladeau Group or an Acceptable Successor" owns at that time a sufficient number of shares of any class to be able to exercise more than 50% of the votes attached to all of its shares then carrying voting rights and does not accept the takeover bid before it expires. Moreover, the right of conversion will be deemed not to come into force if the takeover bid is withdrawn by the offeror.

Quebecor's Articles contain a definition of an offer giving rise to the right of conversion, provide for procedures to be followed in order to exercise such right and stipulate that, at the time such an offer is made, Quebecor or the transfer agent of the Class B Shares will communicate in writing with the holders of Class B Shares in order to provide them with full particulars of the manner in which their right of conversion may be exercised.

Quebecor's Articles provide that, on liquidation or dissolution of the Corporation or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, all the assets of the Corporation available for payment or distribution to the holders of Class A Shares and of Class B Shares, will be paid or distributed equally, on a one-for-one basis, to the holders of Class A Shares and of Class B Shares.

8.2 AUTHORIZED SHARE CAPITAL

Quebecor's authorized share capital consists of the following classes of shares:

- an unlimited number of Class A Shares (Multiple Voting) with voting rights of 10 votes per share, convertible at any time into Class B Shares (Subordinate Voting), on a one-for-one basis; and

- an unlimited number of Class B Shares (Subordinate Voting) with voting rights of one vote per share convertible into Class A Shares on a one-for-one basis only if a takeover bid for the Class A Shares is made without an offer being made concurrently and on the same terms and conditions for the Class B Shares and subject to other conditions provided for in Quebecor's Articles.

Holders of Class B Shares are entitled to elect 25% of the members of the Corporation's board of directors, and holders of Class A Shares are entitled to elect the other members.

8.3 ISSUED AND OUTSTANDING SHARE CAPITAL

As at February 29, 2016, 38,906,172 Class A Shares and 83,556,992 Class B Shares were issued and outstanding.

8.4 DIVIDENDS

Each Class A Share and each Class B Share is entitled to receive dividends as determined by Quebecor's board of directors, in an identical amount, on the same date and in the same form as if the Class A Shares and Class B Shares formed a single class of shares.

Declaration and payment of dividend are the responsibility of the Board of Directors of the Corporation, which takes into consideration the Corporation's financial situation and its cash-flow strategy. In addition, in accordance with the credit agreements and indentures governing the debt instruments of some of the Corporation's subsidiaries, these subsidiaries are subject to certain restrictions including the maintenance of certain financial ratios that may limit the amount of distribution that they can declare and pay to the Corporation, hence potentially limiting the amount of cash available to the Corporation and the amount of dividend that the Corporation can declare and pay.

For the year ended December 31, 2015, Quebecor declared and paid quarterly dividends in the annual aggregate amount of $0.13 per share on its Class A Shares and Class B Shares. For the years ended December 31, 2013 and 2014, Quebecor declared and paid quarterly dividends in the annual aggregate amount of $0.10 per share on its Class A Shares and Class B Shares.

8.5 MARKET FOR SECURITIES

Quebecor's Class A Shares and Class B Shares are listed on the TSX under the stock symbols "QBR.A" and "QBR.B", respectively.

The following tables set forth the reported high, low and closing sale prices and the aggregate monthly trading volume of the Class A Shares and the Class B Shares on the TSX for the periods indicated:

CLASS A SHARES				
2015	***Closing Price ($)***	***High ($)***	***Low ($)***	***Trading volume (#)***
January	31.910	34.290	30.870	8,984
February	32.500	33.050	31.950	21,735
March	33.940	34.520	32.480	23.175
April	33.150	34.190	33.060	4,345
May	32.030	33.400	31.000	10,819
June	30.980	32.110	30.400	6,526
July	30.710	31.250	29.860	3,865
August	27.905	31.560	25.240	6,248
September	29.340	29.570	27.870	3,536
October	30.870	31.300	28.550	11,205
November	33.160	33.900	31.200	7,930
December	33.810	34.490	32.610	5,340

CLASS B SHARES				
2015	***Closing Price ($)***	***High ($)***	***Low ($)***	***Trading volume (#)***
January	31.850	33.910	30.800	3,562,107
February	32.160	33.190	31.680	5,209,767
March	33.880	34.700	32.070	4,543,492
April	33.180	34.370	32.950	4,174,129
May	31.860	33.660	30.600	4,995,576
June	31.220	32.310	30.250	3,199,561
July	30.930	31.580	29.250	3,775,668
August	28.200	31.720	24.570	3,315,898
September	29.210	30.350	26.700	4,270,929
October	30.790	31.440	28.130	3,983,014
November	33.070	33.880	30.570	3,059,623
December	33.880	34.560	32.490	5,380,574

ITEM 9 — INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this Item, reference is made to the section entitled "Related Party Transactions" in Quebecor's Management's Discussion and Analysis for the year ended December 31, 2015, which is incorporated by reference into this annual information form.

Quebecor's Management's Discussion and Analysis for the year ended December 31, 2015 may be found on its website at www.quebecor.com and under its profile on SEDAR at www.sedar.com.

To its knowledge, no member of the management or of the Corporation’s Board of Directors or any other insiders had any interest in a material transaction entered into since the beginning of its last full fiscal year or in a proposed transaction that materially affected or reasonably might have materially affected the Corporation.

ITEM 10 — MATERIAL CONTRACTS

10.1 SHAREHOLDERS’ AGREEMENT

Quebecor, CDP Capital (formerly Capital Communications CDPQ inc.) and Quebecor Media, *inter alia*, entered into a shareholders’ agreement dated October 23, 2000, as consolidated and amended by a shareholders’ agreement dated December 11, 2000, which sets forth the rights and obligations of Quebecor and CDP Capital as shareholders of Quebecor Media (the “**Shareholders’ Agreement**”). Except as specifically provided in the Shareholders Agreement, the rights thereunder apply only to shareholders holding at least 10% of the equity shares of Quebecor Media (which are referred to as “**QMI Shares**”) on a fully-diluted basis.

The Shareholders’ Agreement provides, among other things, for:

(i) standard rights of first refusal with respect to certain transfers of QMI Shares;

(ii) standard preemptive rights which permit shareholders to maintain their respective holdings of QMI Shares on a fully diluted basis in the event of issuances of additional QMI Shares or convertible securities of Quebecor Media;

(iii) rights of representation on the board of directors of Quebecor Media and its principal subsidiaries in proportion to shareholdings;

(iv) consent rights in certain circumstances with respect to matters relating to Quebecor Media and its non-reporting issuer (public) subsidiaries, including (a) a substantial change in the nature of the business of Quebecor Media and its subsidiaries taken as a whole, (b) an amendment to the Articles of Quebecor Media or certain of its subsidiaries, (c) the merger or amalgamation of Quebecor Media or certain of its subsidiaries with a person other than an affiliate, (d) the issuance by Quebecor Media or certain of its subsidiaries of shares or of securities convertible into shares except in the event of an initial public offering of QMI Shares, (e) any transaction having a value of more than $75,000,000, other than the sale of goods and services in the normal course of business, and (f) a business acquisition in a business sector unrelated to sectors in which Quebecor Media and certain of its subsidiaries are involved;

(v) standard rights of first refusal in favor of CDP Capital with respect to the sale of all or substantially all of the shares or assets of TVA Group or Videotron; and

(vi) a non-competition covenant by Quebecor in respect of it and its affiliates pursuant to which Quebecor and its affiliates shall not compete with Quebecor Media and its subsidiaries in their areas of activity so long as Quebecor has *de jure* or *de facto* control of Quebecor Media, subject to certain limited exceptions.

The Shareholders’ Agreement provides that once Quebecor Media becomes a reporting issuer and has a 20% public “float” of QMI Shares, certain provisions of the Shareholders’ Agreement will cease to apply, including the consent rights described under subsections (iv)(d) and (f) in the description of the Shareholders’ Agreement above.

In a separate letter agreement dated December 11, 2000, Quebecor and CDP Capital agreed, subject to applicable laws, fiduciary obligations and existing agreements, to attempt to apply the same board representation and consent rights as set forth in the Shareholders' Agreement to Quebecor Media's reporting issuer (public) subsidiaries so long as CDP Capital holds at least 20% of the QMI Shares on a fully diluted basis or, in the case of TVA Group only, 10%.

In connection with the CDP Capital Transaction defined thereafter and the transactions contemplated thereunder, the shareholders agreed to amend the Shareholders' Agreement and to enter into an amending agreement (the "**Amending Agreement**") among Quebecor and certain of its wholly owned subsidiaries, and CDP Capital providing for, among other things:

(a) the addition of demand registration rights and piggyback registration rights in favor of CDP Capital, effective from and after January 1, 2019;

(b) the addition of exit rights, effective on or after January 1, 2019, including the right of CDP Capital to require Quebecor Media to carry out an initial public offering and the right of CDP Capital to sell its remaining interest in Quebecor Media to a financial third party, without providing any right of first refusal or first offer to Quebecor or Quebecor Media; and

(c) the addition of consent rights in respect of the declaration or payment of cumulative dividends by Quebecor Media in any financial year exceeding the greater of (i) 25% of its consolidated net earnings in the immediately preceding financial year and (ii) $225 million.

On July 29, 2015, the shareholders of Quebecor Media, acting by written resolution, fixed the size of the Board of Directors to nine directors and established that Quebecor would be entitled to nominate seven directors and CDP Capital would be entitled to nominate two directors.

The Shareholders' Agreement and the Amending Agreement may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

10.2 OTHER MATERIAL CONTRACTS

TVA Group is subject to the same continuous disclosure obligations as Quebecor and these obligations include the requirements to file annual and interim financial statements and management's discussion and analysis, material change reports and copies of material contracts. The investors who wish to do so may view such documents under TVA Group's profile at www.sedar.com.

Quebecor was exempted from the Canadian Securities Administrators to file on its SEDAR profile the material contracts of TVA Group that would otherwise be material contracts for it. The material contracts of TVA Group may be viewed under its profile at www.sedar.com.

10.2.1 Material Contracts of Quebecor

The following contracts entered into by Quebecor are: (i) material contracts other than contracts entered into in the ordinary course of business, and (ii) material contracts entered into in the ordinary course of business that are required to be disclosed under *National Instrument 51-102 – Continuous Disclosure Obligations*, and that are still in effect:

Share Purchase Agreement dated as of October 2, 2012 between CDPQ, CDP Capital, Quebecor Media and Quebecor

On October 2, 2012, CDPQ, CDP Capital, Quebecor Media and Quebecor entered into a Share Purchase Agreement (the "**Share Purchase Agreement**"), whereby Quebecor purchased 10,175,653 common shares of Quebecor Media held by CDP Capital. To evidence the obligation of the Corporation to pay the purchase price of such shares, the Corporation issued to CDP Capital $500,000,000 aggregate principal amount of subordinated debentures, bearing interest at 4.125% and maturing in 2018, which are convertible into Class B Shares of Quebecor and Quebecor Media repurchased 20,351,307 of its common shares held by CDP Capital for an aggregate purchase price of $1.0 billion, paid in cash. (the "**CDP Capital Transaction**")

The Share Purchase Agreement may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Trust Indenture between Quebecor and Computershare Trust Company of Canada, providing for the issue of debentures, dated as of October 11, 2012

On October 11, 2012, Quebecor issued $500,000,000 aggregate principal amount of Subordinated Convertible Debentures (the "**Convertible Debentures**"), bearing interest at an annual rate of 4.125% and maturing in October 2018, pursuant to an indenture, dated as of October 11, 2012, by and between Quebecor and Computershare Trust Company of Canada, as trustee (the "**Indenture**"). The main terms and conditions of the debentures are as follows:

- Interest is payable semi-annually in cash, in Quebecor Class B Shares or with the proceeds from the sale of Quebecor Class B shares;
- At maturity, the Convertible Debentures will be payable in cash by Quebecor at the outstanding principal amount, plus accrued and unpaid interest, subject to redemption, conversion, purchase or prior repayment;
- One day prior to maturity, Quebecor may redeem the outstanding Convertible Debentures by issuing that number of Quebecor Class B shares obtained by dividing the outstanding principal amount by the then current market price of a Quebecor Class B share, subject to a floor price of $19.25 per share (that is, a maximum number of 25,974,026 Quebecor Class B shares corresponding to a ratio of $500,000,000 to the floor price), and a ceiling price of $24.062 per share (that is, a minimum number of 20,779,220 Quebecor Class B shares corresponding to a ratio of $500,000,000 to the ceiling price);
- At any time one day prior to maturity, Quebecor may redeem or convert, in whole or in part, the outstanding Convertible Debentures, subject to the terms of the Indenture;
- The Convertible Debentures will be convertible, at all times prior to the maturity date, into Quebecor Class B shares by the holder in accordance with the terms of the Indenture; and
- In all cases, Quebecor has the option to pay an amount in cash equal to the market value of the shares that would otherwise have been issued, being the product of (i) the number of Quebecor Class B shares, and (ii) the then current market price of a Quebecor Class B share.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Registration Rights Agreement dated October 11, 2012 between Quebecor, CDPQ and CDP Capital

On October 11, 2012, Quebecor, CDPQ and CDP Capital entered into a Registration Rights Agreement (the "**Registration Rights Agreement Quebecor**") whereby Quebecor granted to CDPQ, directly or through a subsidiary, demand registration rights and piggyback registration rights for the Convertible Debentures and underlying Quebecor Class B Shares.

The Registration Rights Agreement Quebecor may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

10.2.2 Material Contracts of Quebecor Media

The following contracts entered into by Quebecor Media are: (i) material contracts other than contracts entered into in the ordinary course of business, and (ii) material contracts entered into in the ordinary course of business that are required to be disclosed under *National Instrument 51-102 – Continuous Disclosure Obligations*, and that are still in effect:

Indenture relating to $500,000,000 of Quebecor Media's 6 ⅝% Senior Notes due January 15, 2023, dated as of October 11, 2012, by and between Quebecor Media and Computershare Trust Company of Canada, as trustee.

On October 11, 2012, Quebecor Media issued $500,000,000 aggregate principal amount of its 6 ⅝% Senior Notes due January 15, 2023 pursuant to an Indenture, dated as of October 11, 2012, by and between Quebecor Media and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on January 15, 2023. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are not guaranteed by its subsidiaries. These senior notes are redeemable, at its option, under certain circumstances and at the "make-whole" redemption price set forth in the indenture. This indenture contains customary restrictive covenants with respect to Quebecor Media and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than the bankruptcy or insolvency of Quebecor Media, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture were not and will not be registered under the Securities Act or under the laws of any other jurisdiction.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Indenture relating to US$850,000,000 of Quebecor Media's 5 ¾% Senior Notes due January 15, 2023 dated as of October 11, 2012, by and between Quebecor Media and U.S. Bank National Association, as trustee.

On October 11, 2012, Quebecor Media issued US$850,000,000 aggregate principal amount of its 5 ¾% Senior Notes due January 15, 2023 pursuant to an Indenture dated as of October 11, 2012, by and between Quebecor Media and U.S. Bank National Association, as trustee. These senior notes are unsecured and mature on January 15, 2023. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are not guaranteed by its subsidiaries. These senior notes are redeemable, at its option, under certain circumstances and at the "make-whole" redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Quebecor Media and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than the bankruptcy or insolvency of Quebecor Media, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Registration Rights Agreement dated October 11, 2012 between Quebecor Media, CDPQ and CDP Capital

On October 11, 2012, Quebecor Media, CDPQ and CDP Capital entered into a Registration Rights Agreement (the "**Registration Rights Agreement Quebecor Media**") whereby Quebecor Media granted to CDPQ, directly or through a subsidiary, demand registration rights and piggyback registration rights for the common shares of Quebecor Media held by CDP Capital, following the completion of an initial public offering.

The Registered Rights Agreement Quebecor Media may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Indenture relating to $325,000,000 of Quebecor Media's 7 ⅜% Senior Notes due January 15, 2021, dated as of January 5, 2011, by and between Quebecor Media and Computershare Trust Company of Canada, as trustee.

On January 5, 2011, Quebecor Media issued $325,000,000 aggregate principal amount of its 7 ⅜% Senior Notes due January 15, 2021 pursuant to an Indenture, dated as of January 5, 2011, by and between Quebecor Media and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on January 15, 2021. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are not guaranteed by its subsidiaries. These senior notes are redeemable, at Quebecor Media's option, under certain circumstances and at the redemption prices set forth in this indenture. This indenture contains customary restrictive covenants with respect to Quebecor Media and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than the bankruptcy or insolvency of Quebecor Media, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture were not and will not be registered under the Securities Act or under the laws of any other jurisdiction.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Amended and Restated Credit Agreement, dated as of June 14, 2013, as amended, by and among Quebecor Media, as borrower, the financial institutions party thereto from time to time, as lenders, and Bank of America, N.A., as administrative agent.

Quebecor Media's senior secured credit facilities are comprised of a $300,000,000 revolving credit facility ("Revolving Facility") that matures on January 15, 2017 and a US$350,000,000 term credit facility ("Facility B") that matures on August 17, 2020. Quebecor Media's senior secured credit facilities also provide it with the ability to borrow up to an additional amount of $800,000,000 (minus the equivalent amount in Canadian dollars of Facility B as of August 1, 2013) under an uncommitted incremental facility (or increase to the Revolving Facility or Facility B), subject to absence of default and lenders being willing to fund the incremental amount. Quebecor Media may draw letters of credit under its Revolving Facility. The proceeds of its senior secured credit facilities may be used for its general corporate purposes.

Borrowings under the Revolving Facility bear interest at the Canadian prime rate, the U.S. prime rate, the bankers' acceptance rate or U.S. LIBOR, plus, in each case, an applicable margin. With regard to Canadian prime rate advances and U.S. prime rate advances under the Revolving Facility, the applicable margin is determined by Quebecor Media's Leverage Ratio (as defined in the senior secured credit facilities) and ranges from 1.125% when this ratio is less than or equal to 2.75x to 2.00% when this ratio is greater than 4.5x. With regard to bankers' acceptances and letters of credit under the Revolving Facility, the applicable margin ranges from 2.125% when Quebecor Media's Leverage Ratio is less than or equal to 2.75x to 3.00% when this ratio is greater than 4.5x. With regard to U.S. LIBOR advances under the Revolving Facility, the applicable margin ranges from 2.125% when its Leverage Ratio is less than or equal to 2.75x to 3.00% when this ratio is greater than 4.5x. Specified commitment fees or drawing fees may also be payable. Borrowings under Facility B bear interest at the U.S. prime rate or U.S. LIBOR, plus, in each case, an applicable margin. With regard to U.S. prime rate advances under Facility B, the applicable margin is 1.5% and with regard to U.S. LIBOR advances under Facility B, the applicable margin is 2.5%. Borrowings under the Revolving Facility are repayable in full on January 15, 2017 and those under Facility B are repayable in full on August 17, 2020.

Borrowings under the senior secured credit facilities and under eligible derivative instruments are secured by a first-ranking hypothec and security agreement (subject to certain permitted encumbrances) on all of Quebecor Media's movable property and first-ranking pledges of all of the shares (subject to certain permitted encumbrances) of Videotron.

The senior secured credit facilities contain customary covenants that restrict and limit Quebecor Media's ability to, among other things, enter into merger or amalgamation transactions, grant encumbrances, sell assets, pay dividends or make other distributions, incur indebtedness and enter into related party transactions. In addition, the senior secured credit facilities contain customary financial covenants solely for the benefit of lenders under the Revolving Facility. The senior secured credit facilities contain customary events of default, including the non-payment of principal or interest, the breach of any financial covenant, the failure to perform or observe any other covenant, certain bankruptcy events relating to Quebecor Media and its material subsidiaries (including Videotron), and the occurrence of a change of control.

The Credit Agreement, the First and Second Amendment Agreements may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Purchase Agreement dated as of October 6, 2014, by and among Quebecor Media, as seller, and Postmedia Network Canada Corporation, as purchaser.

Quebecor Media's purchase agreement with Postmedia Network Canada Corporation relates to the sale of more than 170 English-language newspapers and publications by Quebecor Media to Postmedia Network Canada Corporation for cash consideration of $305,000,000.

This Purchase Agreement may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

10.2.3 Material Contracts of Videotron

The following contracts entered into by Videotron are: (i) material contracts other than contracts entered into in the ordinary course of business, and (ii) material contracts entered into in the ordinary course of business that are required to be disclosed under *National Instrument 51-102 – Continuous Disclosure Obligations*, and that are still in effect:

Indenture relating to $300,000,000 of Videotron's 6 ⅞% Senior Notes due July 15, 2021, dated as of July 5, 2011, as supplemented, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee.

On July 5, 2011, Videotron issued $300,000,000 aggregate principal amount of its 6 ⅞% Senior Notes due July 15, 2021, pursuant to an Indenture, dated as of July 5, 2011, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on July 15, 2021. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the redemption prices set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture were not and will not be registered under the Securities Act or under the laws of any other jurisdiction.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Indenture relating to US$800,000,000 of Videotron's 5% Senior Notes due July 15, 2022, dated as of March 14, 2012, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee.

On March 14, 2012, Videotron issued US$800,000,000 aggregate principal amount of its 5% Senior Notes due July 15, 2022, pursuant to an Indenture, dated as of March 14, 2012, by and among Videotron, the guarantors' party thereto, and Wells Fargo Bank, National Association, as trustee. These senior notes are unsecured and mature on July 15, 2022. Interest on these senior notes is payable in cash semi-annually in arrears on January 15 and July 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the make-whole redemption price set forth in the indenture. This indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Indenture relating to $400,000,000 of Videotron's 5 ⅝% Senior Notes due June 15, 2025, dated as of June 17, 2013, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee.

On June 17, 2013, Videotron issued $400,000,000 aggregate principal amount of its 5 ⅝% Senior Notes due June 15 2025, pursuant to an Indenture, dated as of June 17, 2013 by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on June 15, 2025. Interest on these senior notes is payable in cash semi-annually in arrears on April 15 and October 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the make-whole redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Indenture relating to US$600,000,000 of Videotron's 5 ⅜% Senior Notes due June 15, 2024, dated as of April 9, 2014, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee.

On April 9, 2014, Videotron issued US$600,000,000 aggregate principal amount of its 5 ⅜% Senior Notes due June 15, 2024, pursuant to an Indenture, dated as of April 9, 2014, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee. These senior notes are unsecured and mature on June 15, 2024. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the make-whole redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Indenture relating to $375,000,000 of Videotron's 5 ¾% Senior Notes due January 15, 2026, dated as of September 15, 2015, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee.

On September 15, 2015, Videotron issued $375,000,000 aggregate principal amount of its 5 ¾% Senior Notes due January 15, 2026, pursuant to an Indenture, dated as of September 15, 2015, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on January 15, 2026. Interest on these senior notes is payable in cash semi-annually in arrears on March 15 and September 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the redemption prices set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

This Indenture may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

Credit Agreement originally dated as of November 28, 2000 by and among Videotron, as borrower, the guarantors party thereto, the financial institutions party thereto from time to time, as lenders, and Royal Bank of Canada, as administrative agent, as amended.

Videotron's senior credit facilities, as amended and restated as of June 16, 2015, provide for a $615,000,000 secured revolving credit facility and a $350,000,000 unsecured revolving credit facility that both mature on July 20, 2020, as well as a secured export financing facility (in a principal amount of $32,142,857 as of the amendment and restatement date of June 16, 2015) providing for a term loan that matures on June 15, 2018. The proceeds of the revolving credit facilities can be used for general corporate purposes including, without limitation, to issue letters of credit and to pay dividends to Quebecor Media subject to certain conditions. The proceeds of the term loan were used for payments and reimbursement of payments of export equipment and local services in relation to Videotron's contracts for mobile infrastructure equipment with an affiliate of Nokia Corporation and also for the financing of the Finnvera guarantee fee (Finnvera plc being a specialized financing company owned by the State of Finland which is providing an export buyer credit guarantee in favor of the lenders under the export financing facility covering political and commercial risks).

Advances under Videotron's secured revolving credit facility bear interest at the Canadian prime rate, the US prime rate (solely under the swingline commitment) or the bankers' acceptance rate plus, in each instance, an applicable margin determined by the Leverage Ratio (as defined in Videotron's credit agreement) of the Relevant Group (as defined in such credit agreement). The applicable margin for Canadian prime rate advances and U.S. prime rate advances ranges from 0.325% when this ratio is less than 1.5x, to 1.625% when this ratio is greater than or equal to 4.5x. The applicable margin for bankers' acceptance advances or letters of credit fees ranges from 1.325% when this ratio is less than 1.5x, to 2.625% when this ratio is greater than or equal to 4.5x.

Advances under Videotron's unsecured revolving credit facility bear interest at the Canadian prime rate or the bankers' acceptance rate plus, in each instance, an applicable margin determined by the Leverage Ratio (as referred to above). The applicable margin for Canadian prime rate advances ranges from 0.65% when this ratio is less than 1.5x, to 2.00% when this ratio is greater than or equal to 4.5x. The applicable margin for bankers' acceptance advances or letters of credit fees ranges from 1.65% when this ratio is less than 1.5x, to 3.00% when this ratio is greater than or equal to 4.5x.

Videotron has also agreed to pay specified commitment fees in respect of its revolving credit facilities. Advances under Videotron's export financing facility bear interest at the bankers' acceptance rate plus a margin at a rate of 0.875%.

The revolving credit facilities are both repayable in full on July 20, 2020. Drawdowns under the export financing facility are repayable by way of seventeen equal and consecutive semi-annual payments that commenced on June 15, 2010.

Borrowings under Videotron's senior credit facilities (excluding the unsecured revolving credit facility) and under eligible derivative instruments are secured by a first-ranking hypothec or security interest (subject to certain permitted encumbrances) on all current and future assets of Videotron and of the guarantors under the senior credit facilities (which include most, but not all of Videotron's subsidiaries), guarantees by such guarantors, pledges of shares by Videotron and such guarantors and other security.

In respect of the unsecured revolving credit facility, Videotron's credit agreement contemplates that within approximately fifteen (15) days following the date on which Videotron's 6⅞% Senior Notes due 2021 have all been repaid in full, then the entire amount of the unsecured revolving credit facility shall be added to the amount of the secured revolving credit facility (with the relevant commitments being transferred and converted), such that all unsecured obligations under the unsecured revolving credit facility shall become secured obligations under the secured revolving credit facility.

Videotron's senior credit facilities contain customary covenants that restrict and limit the ability of Videotron and the members of the VL Group (as defined in the credit agreement to mean Videotron and all of its wholly-owned subsidiaries) to, among other things, enter into merger or amalgamation transactions or liquidate or dissolve, grant encumbrances, sell assets, pay dividends or make other distributions, issue shares of capital stock, incur indebtedness and enter into related party transactions. In addition, Videotron's senior credit facilities contain customary financial covenants and customary events of default including the non-payment of principal or interest, the breach of any financial covenant, the failure to perform or observe any other covenant, certain bankruptcy events relating to Videotron or any member of the VL Group (other than an Immaterial Subsidiary, as defined in the credit agreement), and the occurrence of a change of control.

This Credit Agreement and its amendments may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

ITEM 11 — INTERESTS OF EXPERTS

Ernst & Young is the public accounting firm that prepared the auditors' report with respect to Quebecor's consolidated annual financial statements for the year ended December 31, 2015. Ernst & Young has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the *Ordre des comptables professionnels agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable in the other provinces of Canada.

ITEM 12 — TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for Quebecor's Class A Shares and Class B Shares is CST Trust Company. Share transfer service is available at its Montreal and Toronto offices.

ITEM 13 — FORWARD-LOOKING STATEMENTS

This annual information form contains "forward-looking statements" with respect to the financial condition, results of operations, business and certain of the plans and objectives of the Corporation. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which the Corporation operates as well as beliefs and assumptions made by its management. Such statements include, in particular, statements about its plans, prospects, financial position and business strategies. All statements other than statements of historical facts included in this annual information form, including statements regarding the prospects of the Corporation's industry and its prospects, plans, financial position and business strategy may constitute forward-looking statements within the meaning of Canadian securities legislation and regulations. Words such as "may," "will," "expect," "continue," "intend," "estimate," "anticipate," "plan," "foresee," "believe" or "seek" or the negatives of these terms or variations of them or similar terminology are intended to identify such forward-looking statements. Although the Corporation believes that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions concerning, among other things: the Corporation's anticipated business strategies; anticipated trends in its business; anticipated reorganizations of any of its segments or businesses, and any related restructuring provisions or impairment charges; and its ability to continue to control costs. The Corporation can give no assurance that these estimates and expectations will prove to have been correct. Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. Some important factors that could cause actual results to differ materially from those expressed in these forward-looking statements include, but are not limited to:

- Quebecor's ability to successfully continue developing its network and the facilities that support its mobile services;
- general economic, financial or market conditions and variations in the businesses of local, regional or national advertisers in Quebecor Media's newspapers, broadcasting and other media properties;
- the intensity of competitive activity in the industries in which Quebecor operates;
- fragmentation of the media landscape;
- new technologies that might change consumer behaviour with respect to Quebecor's product suites;
- unanticipated higher capital spending required to deploy its network or to address continued development of competitive alternative technologies, or the inability to obtain additional capital to continue the development of Quebecor's business;
- Quebecor's ability to implement successfully its business and operating strategies and manage its growth and expansion;
- disruptions to the network through which Quebecor provides its digital cable television, Internet access, telephony and OTT video services, and its ability to protect such services against piracy, unauthorized access and other security breaches;
- labour disputes or strikes;
- changes in Quebecor's ability to obtain services and equipment critical to its operations;

- changes in laws and regulations, or in their interpretations, which could result, among other things, in the loss (or reduction in value) of Quebecor's licences or markets or in an increase in competition, compliance costs or capital expenditures;
- Quebecor's ability to successfully develop its Sports and Entertainment segment and other expanding lines of business in its other segments;
- Quebecor's substantial indebtedness, the tightening of credit markets, and the restrictions on its business imposed by the terms of its debt; and
- interest rate fluctuations that could affect a portion of Quebecor's interest payment requirements on long-term debt.

The forward-looking statements in this document are made to provide investors and the public with a better understanding of the Corporation's circumstances and are based on assumptions it believes to be reasonable as of the day on which they are made. Investors and others are cautioned that the foregoing list of factors that may affect future results is not exhaustive and that undue reliance should not be placed on any forward-looking statements. For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations please refer to the "Risks and Uncertainties" section of the Management Discussion and Analysis, which was filed with the Canadian securities regulatory authorities on March 9, 2016, which section is incorporated by reference into this annual information form.

The forward-looking statements in this annual information form reflect the Corporation's expectations as of the date hereof, and are subject to change after that date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

ITEM 14 — ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on the SEDAR Website at www.sedar.com.

Other information, including information on the remuneration and indebtedness of directors and officers, the principal holders of Quebecor's securities, securities authorized for issuance under equity compensation plans, where applicable, is contained in its management proxy circular prepared in connection with its annual meeting of shareholders held on May 7, 2015. Updated information in that respect will be contained in the next management proxy circular prepared in connections with the annual meeting of shareholders to be held in 2016 and that will be filed in accordance with applicable regulations. Other financial information is included in the comparative consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2015.

The above mentioned documents and press releases may be found on Quebecor's website at www.quebecor.com.

SCHEDULE A

EXCERPTS FROM TVA GROUP INC.'S ANNUAL INFORMATION FORM FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015, DATED FEBRUARY 29, 2016

INTRODUCTORY NOTE

In this Schedule A, unless the context otherwise requires, the terms "**Corporation**" and "**TVA**" refer to TVA Group Inc. and its subsidiaries and divisions. Unless otherwise indicated, the information presented in this Annual Information Form is given as at December 31, 2015. All dollar amounts appearing in this Annual Information Form are in Canadian dollars, except if another currency is specifically mentioned. In addition, the table below lists a number of defined terms that are used throughout this Annual Information Form to refer to various corporations within the TVA group or affiliates.

Entity	Defined term
Les Publications Charron & Cie inc.	"Publications Charron"
Mels Studios and Postproduction G.P.	"MELS"
Quebecor Inc.	"Quebecor"
Quebecor Media Inc.	"Quebecor Media"
TVA Publications Inc.	"TVA Publications"

ITEM 1 THE CORPORATION

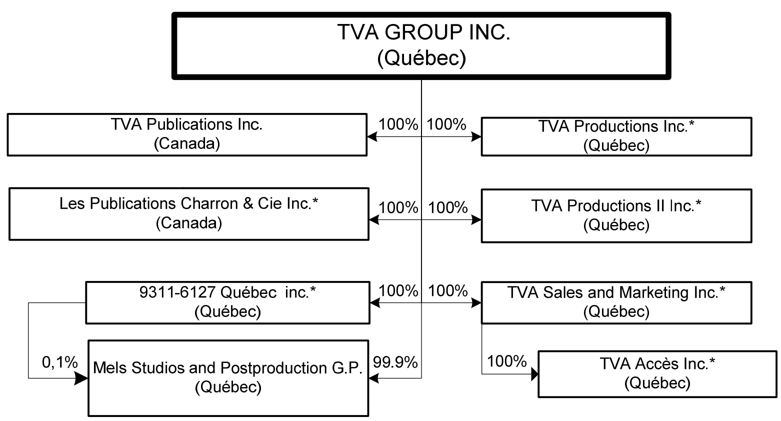
The Corporation was incorporated in accordance with the laws of Québec by letters patent dated March 29, 1960 under the name Télé-Métropole Corporation. On July 5, 1973, the corporate name Télé-Métropole Corporation was changed to Télé-Métropole inc. On February 17, 1998, the corporate name Télé-Métropole Inc. was changed to TVA Group Inc. The Corporation is governed by the *Business Corporations Act* (Québec).

Its head office is located at 1600 de Maisonneuve Boulevard East, Montréal, Québec H2L 4P2. Its Website address is http://groupetva.ca. The telephone number is (514) 526-9251 and the fax number is (514) 598-6085. The information found on its Website is neither an integral part of this Annual Information Form nor is it deemed to be incorporated by reference.

1.1. SUBSIDIARIES

The organizational chart below lists the Corporation's main subsidiaries at December 31, 2015 as well as their jurisdiction of incorporation and the percentage of voting rights held, directly or indirectly, by the Corporation. Some of the subsidiaries, whose total assets represented no more than 10% of the consolidated assets of the Corporation at December 31, 2015, and whose sales and operating revenues represented no more than 10% of its consolidated sales and consolidated operating revenues at that date, have been omitted. The omitted subsidiaries, taken as a whole, accounted for less than 20% of the consolidated assets and less than 20% of the consolidated sales and consolidated operating revenues of the Corporation at December 31, 2015.

Each subsidiary identified with an asterisk (*) represents 10% or less of the total consolidated assets and 10% or less of the consolidated sales and consolidated operating revenues of the Corporation at December 31, 2015. They have been included to better illustrate the overall structure of the Corporation.



ITEM 2 BUSINESS

At the beginning of 2015, the Corporation revised its business segments to better reflect changes in its operations and management structure following the acquisition on December 30, 2014 of substantially all of the assets of A.R. Global Vision Ltd. (now operated by MELS) (the “**Acquisition of the assets of MELS**”). Accordingly, the new Film Production & Audiovisual Services segment was created.

In addition, since April 12, 2015, following the transaction with Transcontinental Inc. (“**Transcontinental**”), the operations of the acquired magazines have been included in the Magazines segment’s results, while custom publishing operations have been included in the Broadcasting & Production segment’s results.

On February 13, 2015, Sun Media Corporation announced the discontinuation of the operations of the SUN News Network channel. This specialty channel was operated by SUN News General Partnership (now ROC Television G.P.) in which TVA holds a 49% interest.

The Corporation’s operations now consist of the following segments:

Broadcasting & Production

In the Broadcasting & Production segment, the Corporation creates, produces and broadcasts entertainment, information and public affairs programming and distributes audiovisual products and films, in addition to its commercial production. The Corporation operates North America’s largest private French-language television network, as well as eight specialty services. It also holds a minority interest in the Évasion specialty channel. TVA operates several websites, the most important, in terms of visitors, being tvanouvelles.ca and tvasports.ca.

The Broadcasting & Production segment includes the operations of TVA Network (including the subsidiary and divisions TVA Productions Inc., TVA Nouvelles and TVA Interactif), specialty services, the marketing of digital products associated with the various television brands, the commercial production, dubbing, custom publishing and premedia services of TVA Accès Inc., and distribution of audiovisual products by its TVA Films division.

Magazines

The Magazines segment, which through its subsidiaries, notably TVA Publications and Publications Charron, publishes French- and English-language magazines in various fields such as the arts, entertainment, television, fashion, sports and decoration and markets digital products associated with the various magazine mastheads.TVA publishes more than 50 titles, making it the largest magazine publisher in Canada.

Film Production & Audiovisual Services

The Film Production & Audiovisual Services segment includes the soundstage and equipment leasing, post-production and visual effects services provided by MELS.

The following table provides information on revenues for each of the Corporation's business sectors.

REVENUES BY BUSINESS SECTOR (in thousands of dollars)

	Year ended December 31, 2015	Year ended December 31, 2014
Broadcasting & Production	$428,526	$380,178
Magazines	$106,457	$62,614
Film Production & Audiovisual Services	$60,120	$ -
Intersegment items	($5,213)	($3,452)
TOTAL	**$589,890**	**$439,340**

2.1. BROADCASTING & PRODUCTION

TVA owns and operates six of the ten stations that make up TVA Network: CFTM-TV (Montréal), which is the network's flagship station, and five regional television stations: CFCM-TV (Québec City), CHLT-TV (Sherbrooke), CHEM-TV (Trois-Rivières), CFER-TV (Rimouski-Matane-Sept-Îles) and CJPM-TV (Saguenay/Lac St-Jean) (the "**regional stations**"). In addition to these regional stations are four affiliated stations: CHOT-TV (Gatineau) and CFEM-TV (Rouyn), owned by RNC Media Inc., as well as CIMT-TV (Rivière-du-Loup) and CHAU-TV (Carleton), owned by Télé Inter-Rives Ltée, a private television station, (the "**affiliated stations**"). TVA holds a 45% interest in Télé Inter-Rives Ltée. The TVA Network signal reaches nearly the entire French-speaking audience in Québec, as well as the French-speaking communities in Ontario and New Brunswick, and a significant portion of francophone viewers in the rest of Canada. TVA also owns the specialty services LCN, addik^{tv}, Argent, prise 2, CASA, YOOPA, TVA Sports and MOI&cie in addition to holding stakes in the specialty channel Évasion.

2.1.1. TELEVISION BROADCASTING

CFTM-TV (MONTRÉAL)

CFTM-TV (Montréal), which has been broadcasting since February 1961, operates from its television studios located at 1600 de Maisonneuve Boulevard East in Montréal. CFTM-TV (Montréal) transmits its signal from an antenna located on the summit of Mount Royal.

CFTM-TV (Montréal)'s programming includes dramas, serials, variety and service shows, real-life series, magazine-style and quiz shows, films and news and public affairs programs. A major portion of CFTM-TV (Montréal)'s programming schedule is produced by the Corporation and is complemented by shows and films acquired from independent producers and third parties. This programming constitutes a considerable portion of the programming schedules of the TVA Network's member stations. A portion of CFTM's programming is also broadcast simultaneously on the Web and is also available on video-on-demand.

REGIONAL STATIONS

The programming of its five regional stations comes primarily from CFTM-TV (Montréal) and is complemented by local programming produced by each regional station that reflects their respective cultural, economic, political and social realities. CFCM-TV (Québec City) produces at least 18 hours of local programming per broadcast week, including 5 hours and 30 minutes of local newscasts including two newscasts on weekends, and 3 hours and 30 minutes of other programs broadcast which specifically reflect the cultural, economic, political and social reality of the local Québec market and that may be broadcast on the TVA Network. Each of the other regional stations broadcasts at least five hours of local programming per broadcast week. TVA Network's stations carry numerous reports originating from local newscasts and form an integral part of the news content of the LCN channel.

AFFILIATED STATIONS

The affiliation agreements between the Corporation and Télé Inter-Rives Ltée (owner of the stations CHAU-TV (Carleton) and CIMT-TV (Rivière-du-Loup)), as well as between the Corporation and RNC Media Inc. (owner of the stations CHOT-TV (Gatineau) and CFEM-TV (Rouyn)), are in place until August 31, 2019.

2.1.2. SPECIALTY SERVICES

ADDIK^{TV}

The Corporation owns a national license for addik^{tv}, a French-language digital specialty channel that was launched on October 21, 2004. Since August 2010, addik^{tv}'s programming has been modified so as to become a channel dedicated to the presentation of popular Canadian and American movies and television series. Its Website is accessible at www.addik.tv.

ARGENT

The Corporation owns a national license for a French-language digital specialty channel which offers programming that focuses on economic and business news, as well as personal finance, Argent. The official launch took place on February 21, 2005. Its Website is accessible at tvanouvelles.ca.

CASA

The Corporation owns a national license for CASA, a French-language digital specialty channel devoted to real estate, renovation, decoration as well as cooking. This channel was launched on February 19, 2008. Its Website is accessible at www.casatv.ca.

ÉVASION

Canal Évasion Inc. owns a national license for a French-language digital specialty channel, Évasion, devoted to travel, tourism and adventure. This channel was launched on January 31, 2000. The Corporation holds a 8.3% interest in Évasion. Its Website is accessible at www.evasion.tv.

LE CANAL NOUVELLES (LCN)

Launched in September 1997, LCN owns a national license for a French-language specialty channel. LCN broadcasts national news and general interest information. This channel has to offer newscasts updated at least every 120 minutes. *Denis Lévesque, Québec Matin* and *Mario Dumont* are some examples of shows that are presented. Its Website is accessible at tvanouvelles.ca.

MOI&CIE

The Corporation owns a national license for a French-language digital specialty channel devoted to style, beauty and the well-being of Québec women, MOI&cie. This channel was launched on May 2, 2011 under the name Mlle and has been repositioned on February 1st, 2013 under the name, MOI&cie. Its Website is accessible at www.moietcie.ca.

PRISE 2

The Corporation owns a national license for the French-language digital specialty channel dedicated to great television and film classics, prise 2. This channel was launched on February 9, 2006. Its Website is accessible at www.prise2.tv.

TVA SPORTS

The Corporation owns a national license for a French-language digital specialty channel devoted to every aspect of sports by focusing on professional sports of general interest, TVA Sports. This channel was launched on September 12, 2011. Its Website is accessible at tvasports.ca.

TVA Sports also offers under a multiplex signal TVA Sports 2 and TVA Sports 3, which operate under the same license as TVA Sports and complete the sports programming available to TVA Sports subscribers. TVA Sports produced close to 3,870 hours of original programming during the fiscal year ended December 31, 2015.

YOOPA

The Corporation owns a national French-language digital specialty channel aimed exclusively at preschoolers, YOOPA. This channel was launched on April 1st, 2010. Its Website is accessible at www.yoopa.ca. TVA also publishes a magazine of the same name for parents.

2.1.3. TVA PRODUCTIONS INC. AND TVA PRODUCTIONS II INC.

TVA Productions Inc. and TVA Productions II Inc. produced close to 1,120 hours of original programming during the fiscal year ended December 31, 2015 including variety and magazine-style shows, galas, game shows and real-life series. Those productions are produced for airing on the TVA Network, the specialty channels of the Corporation, its Websites as well as on video-on-demand, the Web and mobile network.

2.1.4. TVA FILMS

During the fiscal year ended December 31, 2015, TVA Films continued to carry out its distribution business in the home entertainment (DVD/Blu-ray), television and other digital platform sectors. As announced in 2012, the Corporation stopped distributing new Québec films to theaters, but continues to distribute audiovisual material for all other digital platforms, including the use of its catalog of titles and formats at the local, national and international levels.

2.1.5. SOURCES OF REVENUE

Private conventional television stations derive most of their revenues from the sale of air time for advertising. The rates set by stations depend largely on their audience share, on the demographic and socio-economic make-up of their audience and on the availability of other media or promotional vehicles.

Air time on the TVA Network, i.e. its CFTM-TV (Montréal) station, as well as the regional and affiliated stations and specialty services, is sold by representatives of the sales agency division located in Montreal and Toronto administered by Quebecor Media Sales for national advertisers and also by TVA local sales representatives to local advertisers.

For the year ended December 31, 2015, 66% of specialty channel revenues were derived from subscription charges paid by broadcasting distribution undertakings ("**BDU**"), while 34% were derived from advertising revenues.

As for TVA Films, it is involved in the acquisition and administration, in Canada and abroad, of rights for the distribution of films and audiovisual productions as well as television broadcast formats. Revenues are derived from four main sources: the operation of audiovisual works in rental and the sale of DVDs and Blu-rays, the sale of movies, television series and recordings of audiovisual shows on various digital platforms and the sale of products contained in its catalogue on various audiovisual platforms (video-on-demand, pay-TV and pay-per-view, general interest and specialty TV channels and new medias).

The Corporation's business sectors experience significant seasonality due to, among other factors, seasonal advertising patterns and influences on people's viewing, reading and listening habits. Because the Corporation depends on the sale of advertising for a significant portion of its revenue, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions which can affect advertising spending.

2.1.6. LICENSES AND REGULATION

Television stations and specialty channels are all operated under licenses issued by the Canadian Radio-television and Telecommunications Commission ("**CRTC**"). These activities are subject to the requirements and regulations of the *Broadcasting Act* (Canada), in particular the *Television Broadcasting Regulations, 1987* and the *Specialty Services Regulations, 1990*, as well as to CRTC policies and decisions published from time to time, and to the terms, conditions and expectations set out in the license pertaining to each station or specialty channel. These licenses are issued for a fixed term and, before their expiry, the Corporation must apply to the CRTC for their renewal. Renewals are generally granted to corporations that have complied with the terms and conditions of their licenses. The acquisition or disposition of television broadcasting activities also requires regulatory approval. The Corporation is in compliance, in all material respects, with all the terms and conditions of its various licenses, and has no reason to believe that its licenses would not be renewed upon their expiry.

Ownership and Control of Canadian Broadcast Undertakings

The Canadian government has directed the CRTC not to issue, amend or renew a broadcasting license to an applicant that is a non-Canadian. "Canadian", a defined term in the Direction to the CRTC (*Ineligibility of Non-Canadians*) (the "**Direction to the CRTC**") means, among other things, a citizen or a permanent resident of Canada or a qualified corporation. A qualified corporation is one incorporated or continued in Canada, of which the chief executive officer and not less than 80% of the directors are Canadians, and not less than 80% of the issued and outstanding voting shares and not less than 80% of the votes are beneficially owned and controlled, directly or indirectly, by Canadians

In addition to the above requirements, Canadians must beneficially own and control, directly or indirectly, not less than 66.6% of the issued and outstanding voting shares and not less than 66.6% of the votes of the parent corporation that controls the subsidiary, and neither the parent corporation nor its directors may exercise control or influence over any programming decisions of the subsidiary if Canadians beneficially own and control less than 80% of the issued and outstanding shares and votes of the parent corporation, if the chief executive officer of the parent corporation is a non-Canadian or if less than 80% of the parent corporation's directors are Canadians. There are no specific restrictions on the number of non-voting shares which may be owned by non-Canadians. Finally, an applicant seeking to acquire, amend or renew a broadcasting license must not otherwise be controlled in fact by non-Canadians, a question of fact which may be determined by the CRTC in its discretion. “Control” is defined broadly to mean control in any manner that results in control in fact, whether directly through the ownership of securities or indirectly through a trust, agreement or arrangement, of the ownership of a corporation or otherwise. TVA is a qualified Canadian corporation.

Regulations made under the *Broadcasting Act* (Canada) require the prior approval of the CRTC for any transaction that directly or indirectly results in a change in effective control of the licensee of a television programming undertaking (such as a conventional television station, network or pay or specialty undertaking service), or the acquisition of a voting interest above certain specified thresholds.

Diversity of Voices

The CRTC’s Broadcasting Public Notice CRTC 2008-4, entitled “Diversity of Voices,” sets forth the CRTC’s policies with respect to cross-media ownership; the common ownership of television services, including pay and specialty services; the common ownership of BDUs; and the common ownership of over-the-air television and radio undertakings. Pursuant to these policies, the CRTC will generally permit ownership by one person of no more than one conventional television station in one language in a given market. The CRTC, as a general rule, will not approve applications for a change in the effective control of broadcasting undertakings that would result in the ownership or control, by one person, of a local radio station, a local television station and a local newspaper serving the same market. The CRTC, as a general rule, will not approve applications for a change in effective control that would result in the control, by one person, of a dominant position in the delivery of television services to Canadians that would impact on the diversity of programming available to television audiences.

Jurisdiction Over Canadian Broadcast Undertakings

TVA’s broadcasting activities are subject to the *Broadcasting Act* (Canada) and regulations made under the *Broadcasting Act* (Canada) that empower the CRTC, subject to directions from the Governor in Council, to regulate and supervise all aspects of the Canadian broadcasting system in order to implement the policy set out in the *Broadcasting Act* (Canada). Certain of TVA’s undertakings are also subject to the *Radiocommunication Act* (Canada), which empowers Innovation, Science and Economic Development Canada to establish and administer the technical standards that networks and transmitters must comply with, namely, maintaining the technical quality of signals.

The CRTC has, among other things, the power under the *Broadcasting Act* (Canada) and regulations promulgated thereunder to issue, subject to appropriate conditions, amend, renew, suspend and revoke broadcasting licenses, approve certain changes in corporate ownership and control, and establish and oversee compliance with regulations and policies concerning broadcasting, including various programming and distribution requirements, subject to certain directions from the Federal Cabinet.

Broadcasting License Fees

Broadcasting licensees are subject to annual license fees payable to the CRTC. The license fees consist of two separate fees. One fee allocates the CRTC’s regulatory costs for the year to licensees based on a licensee’s proportion of the gross revenue derived during the year from the licensed activities of all licensees whose gross revenues exceed specific exemption levels (Part I fee). The other fee, also called the Part II license fee, for broadcasting undertakings that licensed activity exceeds $1,500,000. The total annual amount to be assessed by the CRTC is the lower of: a) $100,000,000; and b) 1.365% multiplied by the aggregate fee revenues for the return year terminating during the previous calendar year of all licensees whose fee revenues exceed the applicable exemption levels, less the aggregate exemption level for all those licensees for that return year.

Copyrights Royalties Payment Obligations

TVA has the obligations to pay copyright royalties set by Tariffs of the Copyright Board of Canada (the "**Copyright Board**"). The Copyright Board establishes the royalties to be paid for the use of certain copyright tariff royalties that Canadian broadcasting undertakings, including cable, television and specialty services, pay to copyright societies i.e. organization that administers the rights of several copyright owner. Tariffs certified by the Copyright Board are generally applicable until a public process is held and a decision of the Copyright Board is rendered for a renewed tariff. Renewed tariffs are often applicable retroactively.

The Government of Canada may from time to time make amendments to the Copyright Act to implement Canada's international treaty obligations and for other purposes. Any such amendments could result in TVA being required to pay additional tariffs royalties.

Canadian Broadcast Programming (Off the Air Stations and Specialty Services)

Programming of Canadian Content

CRTC regulations require licensees of television stations to maintain a specified percentage of Canadian content in their programming. A private television stations licensee is required to devote not less than 55% of the broadcast year, and not less than 50% of the evening broadcast period (6:00 p.m. to midnight) to the broadcast of Canadian programs. Specialty services also have to maintain a specified percentage of Canadian content in their programming which is generally set forth in the conditions of their respective licenses.

In Broadcasting Regulatory Policy CRTC 2015-86 issued on March 12, 2015, the CRTC decided to abolish, as of September 2017, the requirement of 55% of Canadian content during a given broadcast year, but decided to maintain the requirement of 50% during the evening broadcast period. Moreover, all pay and specialty services will have to devote only 35% of their content to Canadian content during a given broadcast year. However, as an exception to this policy, the CRTC will maintain all exhibition requirements for those services that benefit from mandatory distribution under the Broadcasting Act.

In the same Policy, the CRTC eliminated immediately the genre exclusivity policy and related protections for all English- and French-language discretionary services including Canadian video on demand services. As an exception to the general rule of elimination of genre protections, the CRTC will retain the conditions of license relating to nature of service for those services that benefit from a mandatory distribution, for national news services and for sports services.

Renewal of TVA's license

TVA's license (TVA Network and associated conventional television stations, as well as several TVA specialty services), is subject to the following conditions:

- TVA shall, in each broadcast year, devote to the acquisition of or investment in Canadian programming at least 80% of the current broadcast year's programming expenditures of the network and all conventional television stations of TVA.

- The CRTC chose to continue to require for the local TVA station in Québec City, that, of the 18 hours of local programming per broadcast week, 9 hours must focus specifically on the Québec region, including the 5 hours and 30 minutes of local newscasts (including two newscasts on weekends) and the remaining 3 hours and 30 minutes of other programs broadcast which specifically reflect the cultural, economic, political and social reality of the local Québec market and that may be broadcast on the TVA Network.

The conditions of license came into force on September 1, 2012. Licences expiring on August 31, 2016 were subject to an administrative renewal which remains applicable until August 31, 2017.

Review of the television regulatory framework

Many decisions were published in 2015 pursuant to the initiative launched by the CRTC, « Let's Talk TV: A Conversation with Canadians », to discuss the future of the television system in Canada. The CRTC has decided, amongst others, to lower exhibition requirements for private television stations and specialty services as of September 2017, to abolish immediately genre exclusivity for specialty services, to create hybrid video on demand licences, to mandate BDUs to offer a reduced basic service at $25 as of March 1st, 2016 and to offer all specialty services « à la carte », as of December 1st, 2016. Moreover, the CRTC has launched a local and community television proceeding in order to review the applicable policy and to rebalance the available funding in order to help local television stations.

The following table shows the broadcasting licenses approvals for each television station of the Corporation, as well as the licenses for its wholly-owned specialty channels:

Stations and specialty services	Location	Expiry date	Decision number
TVA Network	Canada	August 31, 2017	CRTC 2016-7
CFTM-TV	Montréal	August 31, 2017	CRTC 2016-7
CHLT-TV	Sherbrooke	August 31, 2017	CRTC 2016-7
CHEM-TV	Trois-Rivières	August 31, 2017	CRTC 2016-7
CFCM-TV	Québec City	August 31, 2017	CRTC 2016-7
CJPM-TV	Saguenay/Lac St-Jean	August 31, 2017	CRTC 2016-7
CFER-TV	Rimouski	August 31, 2017	CRTC 2016-7
addik^{TV}	Canada	August 31, 2017	CRTC 2016-7
Argent	Canada	August 31, 2017	CRTC 2016-7
CASA	Canada	August 31, 2017	CRTC 2016-7
Le Canal Nouvelles (LCN)	Canada	August 31, 2017	CRTC 2016-7
MOI&cie	Canada	August 31, 2017	CRTC 2010-752
prise 2	Canada	August 31, 2017	CRTC 2016-7
TVA Sports	Canada	August 31, 2017	CRTC 2016-7
YOOPA	Canada	August 31, 2017	CRTC 2016-7

2.1.7. COMPETITION, VIEWING AUDIENCES AND TELEVISION MARKET SHARE

The Broadcasting & Production segment competes directly with all other advertising media. The distribution of advertising dollars among these various media is determined by several factors, among them the economic climate, advertiser's preferences and the interest in the product offered.

The Broadcasting & Production segment in Québec has to deal with a very competitive environment due to the multiplication of specialty services and the increase in sales of air time by them. Moreover, publicly owned stations benefit from strong financial support from governments, while also maintaining access to the advertising market and funding available for Canadian programming. In addition to the larger number of television channels, viewers are increasingly solicited by the Internet and its peripheral services that may attract their interest. The negative impact that the new media has on the Broadcasting & Production segment is increasingly affecting traditional advertising revenues.

The quality of its programming, the great popularity of its shows, the reputation for its news and information services and the use of new broadcasting platforms are all factors that help the Corporation maintain its audience ratings and its significant share of the advertising market. For the year 2015, TVA Network remained in the lead with its 22.8 market shares, being more than the aggregate market shares of its two main conventional competitors. In addition, it broadcast 18 of the 30 best-watched shows in Québec in 2015.

2.2. MAGAZINES

2.2.1. TVA PUBLICATIONS AND PUBLICATIONS CHARRON

On April 12, 2015, TVA Publications closed a transaction under which it acquired 14 magazines, four of which are owned and operated in partnership (Elle Canada, Elle Québec, Le Bel Âge and Good Times), three websites and custom publishing contracts held by Transcontinental.

The Magazines segment, through TVA Publications and Publications Charron, publishes more than 50 magazines including regular, special and seasonal issues. Its principal trademarks focus on four market niches:

Entertainment
- 7 Jours
- La Semaine
- Échos Vedettes
- Star Système
- DH
- Cool!

Women, Fashion, Beauty
- Canadian Living
- Elle Canada
- Coup de pouce
- Elle Québec
- Clin d'oeil

Decoration and cooking
- Style at Home
- Chez soi
- Les Idées de ma maison

Services
- TV Hebdo
- The Hockey News

The Magazines segment also operates websites in order to broadcast its trademarks and contents on different digital platforms. Thus, the following websites are broadcasting daily content related to the editorial line of its corresponding trademarks:

- www.7jours.ca
- www.clindoeil.ca
- www.chezsoimagazine.ca
- www.ideesdemamaison.ca
- www.tvhebdo.com
- www.magazinecool.ca
- www.lasemaine.ca
- http://fr.canoe.ca/artdevivre/animal/
- www.renovationbricolage.ca
- www.recettes.qc.ca
- www.coupdepouce.com
- www.ellequebec.com
- www.ellecanada.com
- www.styleathome.com
- www.canadianliving.com
- www.canadiangardening.com
- www.thehockeynews.com

In the short term, TVA is looking to strengthen and expand its trademarks' visibility on digital platforms to diversify its offer to readers and advertisers. As such, TVA offers e-Replica versions of 18 of its magazines available on computer, mobile platforms and tablets, IOS and Androïd.

All publications are also available on Kobo, PressReader and Zinio platforms. Finally,TVA also publishes interactive editions of Clin d'oeil, Chez soi, Coup de pouce, Elle Québec, Elle Canada, Style at Home, Canadian Living and The Hockey News.

Each magazine's content is either produced internally by the employees of the Corporation or by freelancers, or purchased on the market. Art direction, computer graphics as well as coordination and review of the content are done by the staff of TVA Publications and of Publications Charron. Printing, distribution and touch up as well as subscription management are done by service providers.

2.2.2. SOURCES OF REVENUE

The main sources of revenue for the Magazines segment are advertising sales, newsstand sales and subscriptions. On April 1, 2010, the Government of Canada launched the Canada Periodical Fund ("**CPF**"). The CPF provides financial assistance to the Canadian magazine and non-daily newspaper industries so they can continue to produce and distribute Canadian content. TVA Publications and Publications Charron benefit from this program. The downward trend in the publishing market and the increase in media diversity remain significant issues affecting the sector's performance. Nevertheless, the strength of trademarks of the Corporation brings new business opportunities.

2.2.3. COMPETITION

TVA is Canada's largest magazine publisher. Its French-language titles attract 3.2 million multiplatform readers per issue and its English-language titles more than 8.1 million multiplatform readers per issue.

- The showbiz and celebrity news magazine 7 Jours is the No. 1 weekly in Québec with nearly 600,000 multiplatform readers per week.

- Among monthlies, Coup de pouce is the print magazine with the largest readership in Québec with over 1.1 million readers. It reaches a total of 1.4 million readers across all platforms.

- Canadian Living is Canada's most widely read English-language women's magazine with close to 3.2 million multiplatform readers, while The Hockey News is the top destination for Canadian sports fans with nearly 2.1 million multiplatform readers.

2.3. FILM PRODUCTION & AUDIOVISUAL SERVICES

MELS provides top-quality services for the film and television industries, including complete soundstage and equipment leasing services, post-production services and visual effects. It also offers asset management for distribution on movie, television, internet and mobile telephony networks, allowing one-stop shopping in the film and television industries.

This sector's main sources of revenue are soundstage rental and post-production services. Shooting stage rental services account for 62% of the sector's total revenues, 61% of which come from international clients. Post-production services account for 23% of the sector's total revenues and mainly serve local clients.

For this sector, the second and third quarters are periods when the volume of activities is usually high, particularly for soundstage and cinema equipment rental. Although cyclical, the level of activity remains dependent on the production services needs of international and local producers.

2.4. INTELLECTUAL PROPERTY

The Corporation holds or uses under licence a number of trademarks which form part of its most important intangible assets. The main trademarks for its products and services are filed or registered in Canada. In addition, the Corporation has rights arising from its use of unregistered trademarks. It takes all required legal measures to protect its trademarks and believes that these trademarks are appropriately covered for its needs.

The audiovisual contents that the Corporation produces, distributes or broadcasts usually benefit from a legal protection regime under the copyright laws applicable in the territories where they arise from or where they are used. These protection regimes generally allow for civil and criminal penalties in the event of any unauthorized use, broadcast or reproduction of audiovisual content.

The literary and photographical contents included in TVA's publications and on its Websites are also protected under the copyright regime. Under the laws or contracts, TVA is the owner of the intellectual property rights on most of the literary contents reproduced in its publications, subject to limited exceptions, including the contents taken from national or international agencies. The Corporation therefore ensures that it enters into licence agreements with these agencies, freelancers and any other providers of similar contents under conditions that enable it to meet its operating needs. The Corporation believes that it has taken the appropriate and reasonable measures to cover, use, protect and guarantee the protection of the contents that it has created and distributed.

2.5. HUMAN RESOURCES AND LABOUR RELATIONS

At December 31, 2015, TVA had approximately 1,793 permanent employees.

The following table shows the number of permanent employees in each business segment:

Broadcasting & Production:	1,155
Magazines:	335
Film Production & Audiovisual Services	303
TOTAL:	1,793

TVA's labour relations with its unionized employees are governed by 13 collective agreements. At December 31, 2015, three collective agreements had expired or expired at that date. The collective agreements that were expired on December 31, 2015 cover approximately 4% of TVA's unionized regular employees. Negotiations for the renewal of those agreements have started or are in the process of being started.

2.6. ENVIRONMENT

The operations of TVA are subject to federal, provincial and municipal laws and regulations concerning environmental matters. Besides the impact of the coming into force of the fees with respect to business contributions for costs related to waste recovery services provided by Québec municipalities (Bill 88) which adversely affect actual and future operating expenses of the Magazines segment, the management of the Corporation believes that compliance with the environmental regulation applicable to its activities has not a material adverse effect on its business, financial condition or results of operations.

As provided in its environmental strategy, the Corporation is determined to reduce the environmental impact of its activities and to raise public awareness to adopt environmentally responsible practices. This strategy is supported by various initiatives based on the environmental performance assessment, the responsible energy consumption, the responsible management of residual materials, the responsible procurement and the general public and employee awareness-raising campaign. For example, TVA Publications and Publications Charron adopted a responsible purchasing policy and most of their magazines are printed on FSC® certified paper.

ITEM 3 HIGHLIGHTS

In the past three fiscal years, the following events have had an impact on the development and growth of TVA:

ACQUISITIONS COMPLETED IN 2015

<u>Acquisition of 14 magazines from Transcontinental</u>

On April 12, 2015, TVA Publications closed a transaction whereby it acquired 14 magazines, including four magazines owned and operated in partnership, as well as three websites, custom publishing contracts and book publishing operations owned by Transcontinental. This $56.3 million transaction was announced on November 17, 2014 and approved by the Competition Bureau on March 2, 2015. The acquisition was in keeping with the Corporation's strategy of investing in the production and dissemination of diverse, rich, high-quality entertainment content.

The 14 acquired titles include Coup de pouce, Canadian Living, Décormag, Style at Home, Canadian Gardening and The Hockey News. TVA Publications also acquired an effective 51% interest in TVA Group-Hearst Publications Inc., giving it control of the titles Elle Canada and Elle Québec, as well as a 50% interest in Publications Senior Inc., which operates the Le Bel Âge and Good Times brands.

As part of this acquisition, the Corporation simultaneously transferred the acquired book publishing operations to Sogides Group Inc., a corporation under common control for an agreed price of $720,000.

<u>Acquisition of the assets of MELS</u>

On December 30, 2014, the Corporation acquired substantially all of the assets of A.R. Global Vision Ltd. (now operated by MELS) after obtaining the approval of the Competition Bureau for the transaction. The assets acquired include Mel's movies and television soundstage in Montréal and Melrose in Saint-Hubert. Those facilities are used for both local and foreign film and television production, including American blockbusters. The aggregate consideration paid for this acquisition amounted to $116.1 million. On January 16, 2015, the Corporation filed a Business Acquisition Report on SEDAR in relation with this acquisition. This report is available on the SEDAR Website under the Corporation's profile at www.sedar.com.

On August 26, 2015, TVA announced that its film production and audiovisual services would be carried out under the brand MELS. Henceforth, all the strengths and creative talents of MELS' teams are brought together behind this brand.

2015 HIGHLIGHTS

On February 13, 2015, Sun Media Corporation announced the discontinuation of the operations of the specialty channel SUN News that was operated by SUN News General Partnership.

On March 20, 2015, the Corporation completed a subscription rights offering to its shareholders, whereby the Corporation received net gross proceeds totaling $110 million from the issuance of 19,434,629 Class B non-voting shares. The Corporation used the proceeds from the rights offering to pay down in full the amounts due under the terms of a $100 million credit facility extended by Quebecor Media.

On October 15, 2015, the Supreme Court of Canada rejected an appeal from Bell ExpressVu Limited Partnership ("**Bell ExpressVu**"), a subsidiary of Bell Canada, against a Quebec Court of Appeal judgement in favour of the Corporation rendered on March 6, 2015. The judgement ordered Bell ExpressVu to pay the Corporation $665,000, including interest, for having failed to implement an appropriate security system in a timely manner to prevent piracy of its satellite television signals between 1999 and 2005, harming its competitors and broadcasters.

2014 HIGHLIGHTS

On March 10, 2014, Sylvie Lalande was appointed Chair of the Board of the Corporation, replacing Pierre Karl Péladeau, who resigned on March 9, 2014.

On April 14, 2014, the Corporation announced an agreement with Telus to give Télé OPTIK subscribers on demand access to TVA content starting April 15. The Corporation and Telus also reached a new agreement for live distribution of the TVA Sports and TVA Sports 2 specialty services.

On April 28, 2014, Quebecor announced major management changes at the Corporation. Pierre Dion, President and Chief Executive Officer of the Corporation, was appointed President and Chief Executive Officer of Quebecor in replacement of Robert Dépatie. Pierre Dion continued serving as President and Chief Executive Officer of the Corporation until his successor, Julie Tremblay, was named on July 30, 2014.

On June 25, 2014, the Corporation announced the conclusion of an agreement with Cogeco Cable Canada whereby Cogeco's Québec customers obtained access to various TVA content on demand as of September 1, 2014. The Corporation and Cogeco Cable Canada also announced renewal of their agreement for live carriage of the TVA Sports specialty service, including TVA Sports 2 as of September 2014.

On July 1, 2014, TVA Sports became the official French-language broadcaster of the National Hockey League ("**NHL**") for the next 12 years. TVA Sports will broadcast approximately more than 275 NHL games per year, including Montreal Canadiens' Saturday night games, the playoffs, the Stanley Cup finals and major NHL events.

On October 8, 2014, TVA Sports broadcast its first NHL game, between the Montréal Canadiens and the Toronto Maple Leafs. The broadcast drew an audience of more than a million viewers, peaking at over 1.2 million and averaging 925,000, for a 25.5% market share.

On November 3, 2014, the Corporation changed the terms and conditions of its bank credit facilities to increase the size of its revolving credit facilities from $100 million to $150 million, to extend their term by

2 years until February 24, 2019 and to replace the existing $75 million term loan maturing on December 11, 2014, by a new term loan of an equivalent amount maturing on November 3, 2019.

On December 30, 2014, the Corporation acquired substantially all of the assets of A.R. Global Vision Ltd. (now operated by MELS) after obtaining the Competition Bureau approval. The acquired assets include Mel's movies and television soundstage in Montréal and Saint-Hubert, which facilities are used for both local and foreign film and television production, including American blockbusters. The aggregate consideration paid for this acquisition amounted to approximately $116.1 million. On January 16, 2015, the Corporation filed a Business Acquisition Report on SEDAR in relation with this acquisition. This report is available on the SEDAR Website under the Corporation's profile at www.sedar.com.

2013 HIGHLIGHTS

On March 14, 2013, the Corporation announced that Serge Gouin, the Chairman of the Board of the Corporation, would step down after the Corporation's Annual Shareholders' Meeting on May 7, 2013. He was replaced by Pierre Karl Péladeau.

During the first quarter of 2013, the Corporation discontinued theatrical distribution of new Québec films by its TVA Films division. The decision does not affect the distribution of audiovisual products for other platforms.

On June 5, 2013, the Corporation announced a restructuring plan designed to maintain its leadership position in Québec, safeguard the quality of its content and support future investment in view of the challenging business environment for media advertising revenues. This plan, which affects all segments of the Corporation, included the elimination of approximately 90 positions, or 4.5% of the Corporation's total workforce.

On July 18, 2013, the Corporation acquired Publications Charron, publisher of *La Semaine* magazine, and Charron Éditeur Inc. for the amount of $7,500,000. The operations of Publications Charron were folded into the Corporation's Publishing segment (now the Magazines segment), while the operations of Charron Éditeur Inc. were transferred to Sogides Group Inc., a corporation under common control, for an amount of $300,000.

On August 31, 2013, the Corporation discontinued the operations of TVA Boutiques Inc., which was engaged in home shopping and online shopping.

On November 26, 2013, Quebecor Media reached a twelve (12)-year agreement with Rogers Communications Partnership for Canadian French-language broadcast rights to NHL games as of the 2014-2015 season. Under the agreement, TVA Sports became the official French-language broadcaster of the NHL. The agreement includes broadcast rights to national games of all other Canadian teams including the Montréal Canadiens, up to 160 games between U.S. teams and all playoff games, including the Stanley Cup final. The agreement also includes all NHL special events. TVA Sports has thus consolidated its position of broadcaster of sports events in Québec.

On December 19, 2013, the CRTC announced that cable and satellite distributors of television signals were required to offer all Category C national Canadian news services, such as « LCN », either in bundles or "à la carte", by no later than May 20, 2014.

SCHEDULE B

QUEBECOR

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "**Board**") of Quebecor Inc. (the "**Corporation**") has the oversight responsibility of the management of the Corporation's business and affairs, with the objective of increasing value for its shareholders. The Board is responsible for the proper stewardship of the Corporation and, as such, it must efficiently and independently supervise the business and affairs of the Corporation which are managed on a day-to-day basis by management. The Board may delegate certain tasks to committees of the Board. However, such delegation does not relieve the Board of its overall responsibilities with regards to the management of the Corporation.

All decisions of the Board must be made in the best interest of the Corporation.

COMPOSITION AND QUORUM

The majority of the members of the Board must be considered independent by the Board, as defined in the laws and regulations[1]. The Board determines annually, upon recommendation of the Corporate Governance and Nominating Committee, the independent status of each of its members. In accordance with the articles of the Corporation, 25% of all the members of the Board are elected by holders of Class B Subordinate Voting Shares (the "**Class B directors**") and the other members of the Board are elected by holders of Class A Multiple Voting Shares (the "**Class A directors**"). Throughout the term of the mandate, a quorum of the members of the Board may fill any vacancy on the Board by appointing a new director who will serve until the next annual meeting of shareholders.

The Board may appoint one or more additional directors who shall hold office for a term expiring not later than the close of the annual meeting of shareholders following their appointment, but the total number of directors so appointed may not exceed one third of the number of directors elected at the annual meeting of shareholders preceding their appointment.

All members of the Board must have the skills and qualifications required for their appointment as a director. The Board, as a whole, must reflect a diversity of particular experiences and qualifications to meet the Corporation's specific needs including the representation of women.

At every meeting of the Board, the quorum is a majority of directors holding office.

RESPONSIBILITIES

The Board has the following responsibilities:

---

[1] A director is independent if he has no direct or indirect material relationship with the Corporation, i.e. that he has no relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of his independent judgment.

A. <u>With respect to strategic planning</u>

1. Assess and approve annually the strategic planning of the Corporation including its financial strategy and business priorities.

2. Review and, at the option of the Board, approve all strategic decisions for the Corporation, including acquisitions or sales of shares, assets or businesses which exceed the delegated approval powers.

B. <u>With respect to human resources and performance assessment</u>

1. Appoint the President and Chief Executive Officer. Select a Chair of the Board amongst the directors and, if appropriate, a Vice Chair of the Board. If the Chair of the Board is not an independent director, select a Lead Director amongst the independent directors.The Vice Chair of the Board may hold both offices.

2. Approve the appointment of the other members of senior management.

3. Ensure that the Human Resources and Compensation Committee assesses annually the performance of the Chief Executive Officer and of the Chief Financial Officer, taking into consideration the Board's expectations and the objectives that have been set.

4. Approve, upon the recommendation of the Human Resources and Compensation Committee, the compensation of the Chief Executive Officer and of the Chief Financial Officer as well as the overall objectives the Chief Executive Officer must achieve.

5. Approve the Chair of the Board's and the directors' compensation.

6. Ensure that a management succession planning process is in place.

7. Ensure that the Human Resources and Compensation Committee considers the implications of the risks associated with the Corporation's compensation policies and practices.

C. <u>With respect to financial matters and internal controls</u>

1. Ensure the integrity and quality of the Corporation's financial statements and the adequacy of the disclosure made.

2. Review and approve the annual and interim financial statements and management's discussion and analysis. Review the press release relating thereto.

3. With regard to the clawback policy, approve any restatement of the financial statements deemed necessary by the Audit Committee and, if appropriate, require repayment of any bonus or incentive compensation received by a named executive officer.

4. Approve operating and capital expenditures budgets, the issuance of securities and, subject to the Limit of Authority Policy of Quebecor Media Inc., all transactions outside the ordinary course of business, including proposed amalgamations, acquisitions or other material transactions such as investments or divestitures.

5. Determine dividend policies and declare dividends when deemed appropriate.

6. Ensure that appropriate systems are in place to identify business risks and opportunities and oversee the implementation of an appropriate process to evaluate those risks and to manage the principal risks generally relating to the Corporation.

7. Monitor the quality and integrity of the Corporation's accounting and financial reporting systems, disclosure controls and internal procedures for information validation.

8. Monitor the Corporation's compliance with legal and regulatory requirements applicable to its operations.

9. Review, when needed and upon recommendation of the Audit Committee, the Corporation's Disclosure Policy, monitor the Corporation's dealings with analysts, investors and the public and ensure that measures are in place in order to facilitate shareholders feedback.

10. Recommend to the shareholders the appointment of the external auditor.

11. Approve the audit fees of the external auditor.

D. <u>With respect to pension matters and the Stock Option Plan</u>

1. Ensure that appropriate systems are in place to monitor the management of the pension plans.

2. Approve grants of stock options in virtue of the Stock Option Plan.

E. <u>With respect to corporate governance matters</u>

1. Ensure that management manages the Corporation competently and in compliance with applicable legislation, including by making timely disclosure of relevant information regarding the Corporation and making statutory filings.

2. Review, on a regular basis, corporate governance structures and procedures, including the decisions requiring the approval of the Board.

3. Ensure that a Code of ethics is in place and that it is communicated to the Corporation's employees and enforced.

4. Establish a policy which enables committees of the Board and, subject to the approval of the Corporate Governance and Nominating Committee, a director, to hire external advisors at the expense of the Corporation when circumstances so require, subject to notification to the Chair of the Board.

5. Review the size and composition of the Board and its committees based on qualifications, skills and personal qualities sought in Board members. Review annually the composition of Board committees and appoint chair of committees. Approve annually the mandates of Board

committees upon recommendation of the Corporate Governance and Nominating Committee, as well as the position descriptions that should be approved by the Board.

6. Approve the list of Board nominees for election by shareholders.

7. Determine the independence of directors annually pursuant to the rules on the independence of directors.

8. Review and approve the Corporation's management proxy circular as well as its annual information form and all documents or agreements requiring its approval.

9. Receive annual confirmation from the Board's various committees that all matters required under their mandate have been covered.

10. Receive the Chair of the Board's report (or the Vice Chair of the Board's) on the annual assessment of the overall effectiveness of the Board.

11. Ensure that the directors have all the support they require in order to fully perform their duties.

METHOD OF OPERATION

1. Meetings of the Board are held quarterly, or more frequently, as required. Special meetings of the Board are held annually in order to review and approve the Corporation's strategic plan as well as operating and capital budgets.

2. The Chair of the Board, in consultation with the Chief Executive Officer and the Secretary, determines the agenda for each meeting of the Board. The agenda and the relevant documents are provided to directors sufficiently in advance.

3. The independent directors meet after each meeting of the Board, or more frequently, as required.

* * * * *

Approved by the Board of Directors on March 8, 2016.

QUEBECOR

MANDATE OF
THE AUDIT COMMITTEE

The Audit Committee (the "**Committee**") assists the Board of Directors (the "**Board**") in overseeing the financial controls and reporting of Quebecor Inc. (the "**Corporation**"). The Committee also oversees the Corporation's compliance with financial covenants as well as legal and regulatory requirements governing financial disclosure matters and financial risk management.

COMPOSITION AND QUORUM

The Committee is composed of a minimum of three (3) directors and a maximum of five (5) directors, all of whom are considered independent[1] by the Board, in accordance with the statutory and regulatory requirements applicable to the Corporation. Each member of the Committee must be financially literate.[2] The members and Chair of the Committee are appointed by the Board.

The quorum at any meeting of the Committee is a majority of its members.

RESPONSIBILITIES

The Committee has the following responsibilities:

A. With respect to financial reporting

1. Review with management and the external auditor the annual financial statements, the external auditor's report thereon as well as the management's discussion and analysis, and obtain explanations from management on all significant variances with comparative periods, before recommending their approval to the Board and their release. Review and approve the related press release.

2. Review with management and the external auditor the interim financial statements, the external auditor's review thereof as well as the management's discussion and analysis, and obtain explanations from management on all significant variances with comparative periods before recommending their approval to the Board and their release. Review and approve the related press release.

3. Ensure 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, other than the financial statements, management's discussion and analysis and annual and quarterly earnings press releases.

---

1 The term « independent » has the meaning given to it under securities legislation applicable to the Committee including, but not limited to, regulation regarding material relationship.

2 i.e. the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

4. Review the financial information contained in prospectuses, annual information form and other reports or documents containing similar financial information before recommending their approval to the Board and their release or filing with the appropriate regulatory authorities.

5. Review with management and the external auditor the quality and not only the acceptability of the Corporation's accounting policies and any changes proposed thereto, including (i) all major accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the impact of their use and the treatment recommended by the external auditor, and (iii) any other important communications with management with respect thereto, and review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

6. Review with the external auditor any audit problems or difficulties and management's response thereto and resolve any disagreement between management and the external auditor regarding financial reporting.

7. Review periodically the Corporation's Disclosure Policy to ensure that it is in compliance with applicable legal and regulatory requirements and make recommendations to the Board, if required.

B. <u>With respect to disclosure controls and procedures, internal control and risk management</u>

1. Oversee the quality and integrity of the Corporation's financial and accounting systems and information management systems as well as the existence and proper operation of disclosure controls and procedures and internal control over financial reporting through discussions with management and the external auditor, as well as with the internal auditors of the Corporation and of Quebecor Media Inc. ("**QMI**").

2. Review periodically management's report assessing the effectiveness of the disclosure controls and procedures.

3. Review on a regular basis the management of the significant operational risks of the Corporation and its main subsidiaries.

4. Establish and, if needed, review procedures for the receipt, retention and processing of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

5. Establish and, if needed , review procedures for "whistleblower protection" to ensure that no employee of the Corporation, its subsidiaries or business units are discharged or otherwise penalized for reporting in good faith to his or her supervisor or to any competent authorities, potential violations of any laws or regulations applicable to the Corporation.

6. Assist the Board fulfil its responsibility to ensure that the Corporation complies with applicable statutory and regulatory requirements.

C. <u>With respect to internal auditing</u>

1. Oversee the qualifications and performance of the internal auditors.

2. Review the internal audit program, its scope and capacity to ensure the effectiveness of the systems of internal control and financial reporting accuracy.

3. Oversee the execution of the internal audit program and, together with the internal auditors, ensure a follow-up on the recommendations of the external auditor regarding deficiencies identified by the latter and regarding the steps management has agreed to take to correct such deficiencies.

4. Ensure that the internal auditors are always ultimately accountable to the Committee and the Board.

D. <u>With respect to the external auditor</u>

1. Oversee the work of the external auditor and review the annual written statement of the external auditor regarding all his relationships with the Corporation and discuss any relationships or services that may impact on his objectivity or independence.

2. Recommend to the Board (i) the name of the accounting firm that will be submitted to the vote of shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or certification services, and (ii) the compensation of the external auditor for audit services.

3. Authorize all audit services, determine which non-audit services the external auditor is allowed to provide and pre-approve all non-audit services that may be provided to the Corporation or its subsidiaries by the external auditor, the whole in accordance with the *Pre-Approval Policy* for the services to be provided by the external auditor, and regulations in force.

4. Review the basis and amount of the external auditor's fees for both audit services and authorized non-audit services.

5. Review the audit plan with the external auditor and management and approve the scope, content and time-frame of such audit plan.

6. Review, if required, the policy on hiring of partners and employees and former partners and employees of the Corporation's current or previous external auditor.

7. Ensure the compliance with the legal requirements regarding (i) the rotation of appropriate partners of the external auditor and, (ii) the participation of the external auditor in the Canadian Public Accountability Board's program.

8. Ensure that the external auditor is always accountable to the Committee and the Board.

9. Carry out an annual assessment and a complete and thorough assessment of the external auditor at least every five years.

E. With respect to QMI

1. While recognizing the Corporation's control framework, establish a procedure to foster good collaboration and communication with the audit committee of QMI.

2. Confirm annually that QMI's audit committee has covered all the elements included in its mandate.

3. Obtain, on a timely basis, minutes of meetings of QMI's audit committee for information purposes.

4. Oversee the pension plans of the Corporation and its subsidiaries, to the extent permitted by the internal governance of public subsidiaries and of subsidiaries not wholly owned by the Corporation.

5. Review all related party transactions and, annually, the inter-company sharing of management fees.

F. With respect to the clawback policy

1. Determine, together with the external auditor, if the financial results of the Corporation must be restated and identify the reason or reasons of this restatement and make the appropriate recommendations to the Board.

METHOD OF OPERATION

1. The Chair of the Committee is appointed each year by the Board.

2. The Committee holds four regular meetings per year and may meet more often if needed.

3. The Secretary or Assistant Secretary acts as the Committee's Secretary.

4. The Chair of the Committee, in collaboration with the Chief Financial Officer and the Secretary, proposes the agenda for each meeting of the Committee. The agenda and the relevant documents are provided to members of the Committee sufficiently in advance.

5. The Chair of the Committee reports quarterly to the Board about the Committee's proceedings, findings and recommendations.

6. The Committee has, at all times, a direct line of communication with the external auditor and with the internal auditors.

7. At each meeting reviewing the interim and annual financial statements, the Committee meets with the external auditor or the internal auditors, the whole without management being present.

8. The Committee meets on a regular basis without management, the external auditor and the internal auditors.

9. The Committee meets with management only at least once a year and more often if needed.

10. The Committee may, when circumstances dictate, retain the services of external advisors and fix their remuneration, provided the Committee advises the Chair of the Board.

11. The Committee reviews annually its mandate and the position description of its Chair and reports to the Corporate Governance and Nominating Committee on any modifications required thereto.

12. The minutes of the Committee meetings are approved by the Committee and are submitted to the Board for information purposes.

13. A resolution in writing, signed by all the members of the Committee, is as valid as if it had been passed at a meeting of the Committee.

14. The Committee annually provides the Board with a certification confirming that all required elements included in its mandate were covered.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Committee. Even though the Committee has a specific mandate and its members may have financial experience, they do not have the obligation to act as auditors or to perform an audit, or to determine that the Corporation's financial statements are complete and accurate.

Members of the Committee are entitled to rely, in the absence of information to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to non-audit services provided to the Corporation by the external auditor. The Committee's oversight responsibility was established to provide an independent basis to determine that (i) management maintained appropriate accounting and financing reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements were prepared and, if applicable, audited in accordance with generally accepted accounting principles or generally accepted auditing standards.

* * * * *

Approved by the Board of Directors on March 8, 2016