

QUEBECOR



NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS
AND
MANAGEMENT PROXY CIRCULAR
2009

QUEBECOR INC.
Wednesday, May 13, 2009 at 11:00 a.m.
1425, Alexandre-DeSève – Montréal, Québec

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS
2009

QUEBECOR

Date: Wednesday, May 13, 2009
Time: 11:00 a.m.
Place: Studio A of TVA Group Inc.
1425, Alexandre-DeSève Street
Montréal, Québec, Canada

Please note that at the Annual Meeting of the holders of Class A Multiple Voting Shares and Class B Subordinate Voting Shares of Quebecor Inc. (the "**Company**"), the shareholders will be asked to:

- receive the consolidated financial statements of the Company for the year ended December 31, 2008 and the Auditor's report thereon;
- elect Class A Directors and Class B Directors;
- renew the mandate of the Auditor and authorize the Board of Directors to determine its remuneration;
- review and, if deemed appropriate, approve a resolution confirming By-Law 2009-1 which modifies the General By-Laws of the Company; and
- transact such other business as may properly be brought before the Meeting.

Enclosed are the Company's Management Proxy Circular and a form of proxy or a voting instruction form, including an electronic document delivery consent.

Shareholders registered at the close of business on March 25, 2009 are entitled to receive notice of the meeting. If you are unable to attend the meeting, you may vote by proxy, telephone or over the Internet. Instructions on how to proceed to vote are described on the proxy form or on the voting instruction form. To be valid, proxies must be received by the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, Canada, M5J 2Y1, no later than May 11, 2009 at 5:00 p.m.

BY ORDER OF THE BOARD OF DIRECTORS,



Claudine Tremblay
Vice-President and Secretary

Montréal, Québec
April 1, 2009

MANAGEMENT PROXY
CIRCULAR
2009



612 Saint-Jacques Street
Montréal, Québec
Canada
H3C 4M8

SOLICITATION OF PROXIES

This Management Proxy Circular (the “Circular”) is provided in connection with the solicitation of proxies by Management of Quebecor Inc. (the “Company”) for use at the Annual Meeting of shareholders of the Company to be held on Wednesday, May 13, 2009 (the “Meeting”) at the time and place and for the purposes mentioned in the Notice of Meeting and at any and all adjournments thereof.

Except as otherwise indicated, the information contained herein is given as at **March 9, 2009**. All dollar amounts appearing in this Circular are in Canadian dollars, except if another currency is specifically mentioned.

Proxies are solicited primarily by mail. However, proxies may also be solicited by officers and employees of the Company, but without additional compensation. In addition, the Company shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Company. The cost of soliciting proxies shall be borne by the Company. This cost is expected to be nominal.

APPOINTMENT OF PROXYHOLDERS

The persons named as proxyholders in the accompanying form of proxy or voting instruction form are directors and officers of the Company. **A shareholder has the right to appoint as proxyholder a person (who is not required to be a shareholder) other than the persons whose names are printed as proxyholders in the accompanying form of proxy or voting instruction form, by striking out said printed names and inserting the name of his chosen proxyholder in the blank space provided for that purpose.**

To be valid, proxies must be received by the Company’s transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, Canada, M5J 2Y1, no later than May 11, 2009 at 5:00 p.m.

REVOCAION OF PROXIES

A shareholder giving a proxy may revoke the proxy by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the Corporate Secretariat of the Company, 612 Saint-Jacques Street, 18th floor, Montréal, Québec, Canada, H3C 4M8, at any time up to and including the last business day preceding the Meeting, or any adjournment thereof, or with the Chairman of such Meeting, on the day of the Meeting or any adjournment thereof.

VOTING OF SHARES

The persons named in the enclosed proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. **Unless otherwise indicated, the voting rights pertaining to the shares represented by a form of proxy or voting instructions form will be voted "FOR" in respect of all matters described herein.**

The enclosed proxy confers discretionary authority upon the persons named therein with respect to all amendments to matters identified in the Notice of Meeting and to any other matter which may properly come before the Meeting. At the time of printing this Circular, Management of the Company knows of no such amendments, variations or other matters to be brought before the Meeting.

The resolutions submitted to a vote at the Meeting must be passed by a majority of the votes cast at the Meeting, in person or by proxy, by the holders of Class A Multiple Voting Shares (the "**Class A Shares**") and Class B Subordinate Voting Shares (the "**Class B Shares**"), voting as a single class.

VOTING BY NON-REGISTERED SHAREHOLDERS

Non-registered shareholders may vote shares that are held by their nominees in two manners. Applicable securities laws and regulations, including *Regulation 54-101 Respecting Communication with Beneficial Owners of Securities of a Reporting Issuer*, require nominees of non-registered shareholders to seek their voting instructions in advance of the Meeting. Non-registered shareholders will receive (or will have received) from their nominees or from Computershare Investor Services Inc. either a request for voting instructions or a form of proxy for the number of shares held by their nominee. The voting instructions form or form of proxy will contain instructions relating to signature and return of the document and these instructions should be carefully read and followed by non-registered shareholders to ensure that their shares are voted accordingly at the Meeting.

Moreover, non-registered shareholders who wish to vote their shares in person at the Meeting must insert their own name in the space provided on the request for voting instructions or proxy form, as the case may be, in order to appoint themselves as proxyholders and follow the signature and return instructions provided by their nominees. Non-registered shareholders who appoint themselves as proxyholders should present themselves at the Meeting to a representative of Computershare Investor Services Inc. Non-registered shareholders should not otherwise complete the form sent to them as their votes will be taken and counted at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The shares of the Company conferring the right to vote at the Meeting are the Class A Shares and the Class B Shares. Each Class A Share carries the right to ten votes and each Class B Share carries the right to one vote. The 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 associated with the Class B Shares represented, as of March 9, 2009, 16.43% of the voting rights attached to all of the issued and outstanding voting securities. As of March 9, 2009, there were 21,680,171 Class A Shares and 42,636,851 Class B Shares outstanding. The Articles of the Company provide that in the event a take-over bid regarding Class A Shares is made to holders of Class A Shares without being made concurrently and under the same terms to holders of Class B Shares, the Class B Shares will be converted into Class A Shares on a one-for-one basis for the sole purpose of allowing the holders of Class B Shares to accept the offer. This right is subject to certain conditions including the acceptance of the offer by the controlling shareholder.

The holders of Class A Shares and the holders of Class B Shares whose names appear on the list of shareholders prepared at the close of business on March 25, 2009 (the "**Record Date**") will be entitled to vote at the Meeting and any adjournment thereof if present or represented by proxy thereat. If a shareholder transfers all or part of his Class A Shares or Class B Shares after the Record Date, the transferee of those shares is entitled to vote those shares at the Meeting and at any adjournment thereof if he produces properly endorsed share certificates for such shares or if he otherwise establishes that he owns the shares and if he

requires, not later than ten days before the Meeting, that his name be included on the list of shareholders entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, and according to public information available, the only persons who, on March 9, 2009, beneficially owned or exercised control over more than 10% of the shares of any class of voting shares of the Company were Fiducie Spéciale Pierre Péladeau (“**Fiducie Péladeau**”), a trust constituted for the benefit of Erik Péladeau and Pierre Karl Péladeau, Jarislowsky, Fraser Limited (“**JFL**”), and Letko, Brosseau & Associates Inc. (“**Letko**”).

Name	Number of Class A Shares held	% of Class A Shares held	Number of Class B Shares held	% of Class B Shares held	% of voting rights attached to outstanding Class A and B Shares
Fiducie Péladeau	17,508,964	80.76	19,800	0.05	67.5
JFL	55,800	0.26	7,111,596	16.68	2.96
Letko	-	-	4,642,563	10.89	1.8

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The consolidated financial statements and the Auditor's report thereon, for the fiscal year ended December 31, 2008, have been sent to all shareholders requesting them, and are available on the Company's website at www.quebecor.com and under the Company's SEDAR profile at www.sedar.com. A presentation will also be made to the shareholders at the Meeting, but no vote is required thereon.

BOARD NOMINEES

The Articles of the Company provide that the Board of Directors shall consist of a minimum of three and a maximum of fifteen directors and they 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**”). Both classes of directors shall serve the same term of office and shall be equal in all respects. The term of office of each director elected will expire 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. Mr. Alain Bouchard, director since 1997 and member of the Compensation Committee, has decided not to seek re-election. The Board of Directors has decided not to fulfill this position and to reduce to ten the number of directors serving on the Board of Directors.

The election of the following ten nominees as directors is proposed. It is not contemplated that any of the nominees will be unable, or for any reason will become unwilling, to serve as a director but, if that should occur prior to the election, the persons named in the accompanying form of proxy or voting instructions form reserve the right to vote for another nominee in their discretion, unless the shareholder has specified that his shares are to be withheld from voting on the election of directors. All the nominees for the position of director submitted herein are currently directors of the Company.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying form of proxy or voting instructions form will vote “**FOR**” the election of the ten nominees whose names are hereinafter set forth.

The following table sets forth certain information in respect of the nominees for election to the Board of Directors. Except as otherwise indicated, or as disclosed in previous management proxy circulars of the Company, each of the nominees named hereinbelow has held the principal occupation indicated opposite his or her name for more than five years.

CLASS A DIRECTORS

Robert Dutton
President and Chief Executive Officer
RONA Inc.
 (hardware retailer)

Age : 54	Deferred Stock Units :	11,006
Québec, Canada	Value of Deferred Stock Units :	\$216,048
Director since 2002		
Independent		
Member of the Corporate Governance and Nominating Committee		

Robert Dutton has occupied various executive positions at RONA Inc. He has been leading the company since 1992 which has become the most important Canadian distributor and retailer of hardware products as well as renovating and gardening supplies. He is also a member of a number of social and community organizations.

Pierre Laurin
Chairman of the Board
Atrium Innovations Inc.
 (manufacturer and marketer of products for the health care nutrition industry)

Age : 69	Deferred Stock Units :	6,840
Québec, Canada	Value of Deferred Stock Units :	\$134,269
Director since 1991		
Independent		
Chairman of the Corporate Governance and Nominating Committee		
Member of the Audit Committee		

For a major part of his career, Pierre Laurin headed HEC Montréal (previously known as l'École des Hautes Études Commerciales) after which he moved over to the position of Vice-President, Planning and Administration, at Aluminium Company of Canada. He was then founding President of SOCCRENT, a venture capital company, and thereafter, President of Merrill Lynch, Quebec. Currently, he serves, on a voluntary basis, as an invited Executive in-Residence of the HEC Montréal. He also serves on a number of Boards of Directors. He is an Officer of the Order of Canada, and he is also Chevalier of l'Ordre du Mérite de la République Française.

The Right Honourable Brian Mulroney, P.C., C.C., LL.D.
Senior Partner
Ogilvy Renault LLP
 (law firm)

Age : 70	Class A Shares :	1,000
Québec, Canada	Stock Options :	100,000
Director since 1999	Deferred Stock Units :	17,594
Non-independent	Value of Deferred Stock Units :	\$345,370

The Right Honourable Brian Mulroney practiced law before assuming the presidency of Iron Ore Company of Canada. He subsequently entered politics as Leader of the Progressive Conservative Party which he led to victory in September 1984. He was Prime Minister of Canada until 1993. He then returned to the practice of law, and joined the well established Canadian law firm of Ogilvy Renault based in Montréal. The Right Honourable Brian Mulroney serves on a number of Boards of Directors and committees in Canada as well as abroad. He is also Compagnon de l'Ordre du Canada as well as grand officier de l'Ordre national du Québec.

Jean Neveu
Chairman of the Board of the Company
Chairman of the Board
TVA Group Inc.
 (broadcasting corporation)

Age : 68	Class B Shares :	65,614
Québec, Canada	Stock Options:	52,349
Director since 1988	Class B shares of TVA Group Inc. :	1,000
Independent		

Jean Neveu joined Quebecor in 1969 as Controller, and he occupied several management positions before leaving the Company in 1979 to become part of a major publishing house and magazine distributor.

In 1988, he returned to Quebecor to initially serve as Vice-President, Dailies, and later moved on to Senior Vice-President.

When Quebecor Printing Inc. was created in January 1989, Jean Neveu became Chairman and Chief Executive Officer of this corporation. In December 1997, he was appointed to the position of President and Chief Executive Officer of the Company, a position he has held until April 1999, when he became the Chairman of Quebecor. Moreover, Mr. Neveu served as Chairman of the Board and Chief Executive Officer of Quebecor World Inc. from 1987 to 1997 and was Chairman of the Board from 1997 to 2002. From March 2003 until March 2004, Mr. Neveu served as interim President and Chief Executive Officer of Quebecor World Inc. Mr. Neveu also sits on the Board of Directors of Quebecor Media Inc. and is Chairman of the Board of TVA Group Inc. He is an active member of a number of social organizations.

Pierre Parent
President and Chief Executive Officer
Resort One and R.O. Canada Inc.
 (real estate and hotel management)
President, Saint-Sulpice Hotel, Montréal
President, Hôtel Crystal de la Montagne

Age : 63	Class B Shares :	4,200
Québec, Canada	Deferred Stock Units :	19,051
Director since 2003	Value of Deferred Stock Units:	\$373,971
Independent		
Member of the Compensation Committee		
Member of the Audit Committee		

Pierre Parent is the founder of Promexpo Inc., a leader in the field of design and organization of large scale events in Québec. Mr. Parent remained at the helm of the enterprise for a number of years. He now specializes in property and hotel management and, as such, he is at the helm of Resort One and R.O. Canada Inc. He is a member of a number of social as well as cultural organizations.

Érik Péladeau
Vice-Chairman of the Board of the Company
Vice-Chairman of the Board, Quebecor Media Inc.

Age : 54	Class B Shares * :	5,340
Québec, Canada	Class B shares of TVA Group Inc. :	5,416
Director since 1988	Deferred Stock Units :	3,763
Non-independent	Value of Deferred Stock Units :	\$73,868

Érik Péladeau has been associated for more than 25 years with different companies throughout the Quebecor group. He was a key figure when the Company decided to diversify and expand into the media sector which he shaped and headed for a number of years. Mr. Péladeau has served within the ranks of senior management at Quebecor Media Inc. and its subsidiaries, at Quebecor World Inc. and its subsidiaries, and at the Company. He is also the owner of Groupe Lelys, a company which specializes in the printing of self-adhesive labels. He participates in many activities of a philanthropic nature.

Pierre Karl Péladeau
President and Chief Executive Officer of the Company
President and Chief Executive Officer, Quebecor Media Inc.
President and Chief Executive Officer, Sun Media Corporation

Age : 47	Class A Shares * :	3,200
Québec, Canada	Class B Shares :	50,000
Director since 1992	Stock Options :	2,095,781
Non-independent	Deferred Stock Units :	6,303
	Value of Deferred Stock Units :	\$123,728

Pierre Karl Péladeau joined the Company as Assistant to the President in 1985. Since then, he has occupied various positions in the Quebecor group of companies. In 1998, he spearheaded the acquisition of Sun Media Corporation and in 2000, he was responsible for the acquisition of Groupe Vidéotron. He was also President and Chief Executive Officer of Videotron Ltd. from July 2001 until June 2003, and President and Chief Executive Officer of Quebecor Media Inc. from August 2000 to March 2004. From March 2004 to May 2006, he held the position of President and Chief Executive Officer of Quebecor World Inc., in addition to his other functions and returned to Quebecor Media Inc. in May 2006 as Vice-Chairman of the Board and Chief Executive Officer, and as President and Chief Executive Officer since August 1, 2008. He is also President and Chief Executive Officer of Sun Media Corporation since November 7, 2008. Pierre Karl Péladeau also sits on the board of numerous Quebecor group companies and is active in many charitable and cultural organizations.

CLASS B DIRECTORS

Françoise Bertrand
President and Chief Executive Officer
Fédération des chambres de commerce du Québec

Age : 60	Class B Shares :	350
Québec, Canada	Deferred Stock Units :	4,700
Director since 2003	Value of Deferred Stock Units :	\$92,261

Independent
Chairman of the Compensation Committee
Member of the Corporate Governance
and Nominating Committee

Before taking on the role of President and Chief Executive Officer of the Fédération des chambres de commerce du Québec, Françoise Bertrand gained prominence as President of the Canadian Radio-Television and Telecommunications Commission (CRTC) and as President and Chief Executive Officer of the Société de radio-télévision du Québec (Radio-Québec). She also served as Dean, Resource Management, at the Université du Québec (UQAM) in Montréal. She is also a member of numerous charitable organizations and is an active participant in a number of associations.

Jean-Marc Eustache
Chairman of the Board, President and Chief Executive Officer
Transat A.T. Inc.
(integrated holiday travel group)

Age : 61	Deferred Stock Units :	8,297
Québec, Canada	Value of Deferred Stock Units:	\$162,870

Director since 2005
Independent

Jean-Marc Eustache re-launched Tourbec in 1979 before creating Trafic Voyages in 1982. The latter company served as the foundation for Transat A.T. Inc., the leader in the holiday travel industry in Canada. He has been at the helm of Transat A.T. Inc. since its inception in 1987, and he is also Director of several of the corporation's subsidiaries. He is active in the community, and sits on several external Boards of Directors and committees.

Jean La Couture, FCA
President
Huis Clos Itée
(management and mediation firm)

Age : 62	Class B Shares :	3,000
Québec, Canada	Deferred Stock Units :	6,168
Director since 2003	Value of Deferred Stock Units :	\$121,078

Independent
Chairman of the Audit Committee

Jean La Couture is a Fellow of the *Ordre des comptables agréés du Québec*. He headed Le Groupe Mallette (an accounting firm) before becoming President and Chief Executive Officer of The Guarantee Company of North America. In 1995, he created Huis Clos Itée, which specializes in management and mediation as well as in civil and commercial negotiations.

Notes:

- The information on securities held was provided to the Company by each of the nominees.
- The number of shares, stock options, deferred stock units and the value of said units are given as of December 31, 2008. In 2000, the Company implemented a Directors' Deferred Stock Unit Plan. See "Compensation of Directors – Annual compensation and attendance fees 2008", of this Circular.
- * Fiducie Péladeau, a trust established for the benefit of Érik Péladeau and Pierre Karl Péladeau, controls 17,508,964 Class A Shares and 19,800 Class B Shares of the Company.
In addition, the Company, through its subsidiary Quebecor Media Inc. ("**QMI**"), holds 4,317,048 class A shares and 7,910,583 class B shares of TVA Group Inc.

Other reporting issuers' directorships

The name of all the reporting issuers on which some of the directors of the Company act as directors as well as committees of the Board of which they are members, if any, are listed below :

Robert Dutton

- RONA Inc.

Jean-Marc Eustache

- Transat A.T. inc. (Chairman of the Board)

Jean La Couture

- Innergex Power Trust
 - Chairman of the fiduciary council
 - Member of the Acquisitions Committee
 - Member of the Audit Committee
 - Member of the Corporate Governance and Compensation Committee
- Immunotec Inc.
 - Chairman of the Audit Committee
 - Member of the Corporate Governance Committee

Pierre Laurin

- Atrium Innovations Inc. (Chairman of the Board)
- Aeterna Zentaris inc.
 - Member of the Corporate Governance Committee

The Right Honourable Brian Mulroney

- Quebecor World Inc. (Chairman of the Board)
- Archer-Daniels-Midland Company
- Barrick Gold Corporation

Jean Neveu

- TVA Group Inc. (Chairman of the Board)

Pierre Karl Péladeau

- TVA Group Inc.

As of March 9, 2009, Françoise Bertrand, Pierre Parent and Érik Péladeau were not members of any reporting issuers other than the Company.

Attendance at Board of Directors and committee meetings

The following tables set forth the number of meetings of the Board of Directors and of its committees held during the fiscal year ended December 31, 2008 and the attendance of directors at these meetings.

Number of Board of Directors and Committee Meetings Held	
Board of Directors	9
Audit Committee	8
Compensation Committee	4
Corporate Governance and Nominating Committee	2

Directors	Board of Directors and Committees	Attendance at Meetings
Françoise Bertrand	Board of Directors Compensation Committee Corporate Governance and Nominating Committee	9/9 4/4 2/2
Alain Bouchard	Board of Directors Compensation Committee	7/9 4/4
Robert Dutton	Board of Directors Corporate Governance and Nominating Committee	7/9 2/2
Jean-Marc Eustache	Board of Directors	8/9
Jean La Couture	Board of Directors Audit Committee	9/9 8/8
Pierre Laurin	Board of Directors Audit Committee Corporate Governance and Nominating Committee	9/9 8/8 2/2
The Right Honourable Brian Mulroney	Board of Directors	7/9
Jean Neveu	Board of Directors	9/9
Pierre Parent	Board of Directors Audit Committee Compensation Committee	9/9 8/8 3/4
Érik Péladeau	Board of Directors	6/9
Pierre Karl Péladeau	Board of Directors	9/9
Overall Rate of Attendance	Board of Directors Meetings Committee Meetings	89,9% 97,6%

Cease trade orders, bankruptcies, penalties or sanctions

To the knowledge of the Company and based on information provided to it by the nominees, none of these nominees :

- (a) is, as of April 1, 2009, or was, within 10 years before that date, a director, chief executive officer or chief financial officer of a company (including the Company) which, while the nominee held that position, satisfied one of the following conditions :
- (i) it was the subject of a cease trade or similar order, or an order that denied it access to any exemptions under securities legislation, for a period of more than 30 consecutive days, with the exception of a cease trade order on the securities of the Company from April 2, 2008 to May 20, 2008 imposed by the *Autorité des marchés financiers* on all directors (including all nominees) of the Company in the context of the late filing of the Company's 2007 annual financial statements and related management's discussion and analysis;

- (ii) it was, after the nominee ceased holding that position, the subject of a cease trade or similar order, or an order that denied it access to any exemptions under securities legislation, for a period of more than 30 consecutive days which resulted from of an event that occurred while the nominee held that position;
- (b) is, as of April 1, 2009, or was, within 10 years before that date, a director or executive officer of a company (including the Company) which, while the nominee held that position or in the year following the date on which the nominee ceased to hold that position, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to proceedings instituted by its creditors or instituted proceedings against its creditors, made an arrangement or compromise with its creditors or took steps to make an arrangement or compromise with its creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, with the exception of Pierre Laurin who was a director of Microcell Telecommunications Inc. when it filed for protection under the *Compagnies' Creditors Arrangement Act* in January 2003; and of Jean La Couture, The Right Honourable Brian Mulroney, Jean Neveu, Érik Péladeau and Pierre Karl Péladeau who were directors and/or officers of Quebecor World Inc., a corporation that filed for protection under the *Companies' Creditors Arrangement Act* on January 21, 2008. The Right Honourable Brian Mulroney is still director and Chairman of the Board of Quebecor World Inc.;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to proceedings instituted by his creditors or instituted proceedings against his creditors, made an arrangement or compromise with his creditors or took steps to make an arrangement or compromise with his creditors, or had a receiver, receiver manager or trustee appointed to hold his assets, the whole within the period of 10 years preceding April 1, 2009;
- (d) was subject to court-imposed penalties or sanctions relating to securities legislation or by a securities regulatory authority, or entered into a settlement agreement with such authority; and
- (e) was subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making a decision to vote for a candidate to a director position.

COMPENSATION OF DIRECTORS

Annual compensation and attendance fees 2008

All the directors who are not employees of the Company received, during the fiscal year ended December 31, 2008, the following compensation :

➤ Annual base compensation for the Chairman of the Board of Directors*	\$ 310,000
➤ Annual base compensation for the Vice Chairman of the Board of Directors*	\$ 100,000
➤ Annual base compensation for the directors	\$ 55,000
➤ Additional base compensation for the Chairman of the Audit Committee	\$ 10,000
➤ Additional base compensation for the Chairman of other committees	\$ 8,000
➤ Additional base compensation for committee members (except the Chairman)	\$ 3,000
➤ Attendance fee for Audit Committee meetings	\$ 3,000
➤ Attendance fee for Board of Directors and committee meetings (except for Audit Committee)	\$ 2,000

* This remuneration is not subject to the Directors' Deferred Stock Unit Plan.

In order to further align the interests of its directors with those of its shareholders, the Company has implemented a Directors' Deferred Stock Unit Plan (the "DSUP"). Under the DSUP, each director receives a portion of his or her compensation in the form of units, such portion representing at least 50% of the annual retainer mentioned above. Subject to certain conditions, each director may elect to receive in the form of units any percentage, up to 100%, of the total fees payable for his or her services as a director, including the balance of the annual retainer, meeting attendance fees and any other fees payable to the director.

Under the DSUP, directors are credited, on the last day of each fiscal quarter of the Company, a number of units determined on the basis of the amounts payable to such director in respect of such fiscal quarter, divided by the value of a unit. The value of a unit corresponds to the weighted average trading price of the Class B Shares on the Toronto Stock Exchange over the five trading days immediately preceding such date. The units take the form of a credit to the account of the director who may not convert such units into cash as long as he or she remains a director. Units are not transferable other than through a will or other testamentary instrument or in accordance with succession laws.

Units entitle holders thereof to dividends which are paid in the form of additional units at the same rate applicable to dividends paid from time to time on Class B Shares.

Under the DSUP, all of the units credited to the director are redeemed by the Company at the director's request and the value thereof paid upon the director ceasing to serve as a director of the Company. The redemption of such units must occur no later than December 15 of the first calendar year commencing after the year in which the participant ceased to qualify as a DSUP participant. During the past fiscal year, the Company did not redeem any units. For purposes of the redemption of units, the value of a unit corresponds to the market value of a Class B Share on the redemption date, being the closing price of Class B Shares on the Toronto Stock Exchange on the last trading day preceding such date.

Furthermore, while Quebecor World Inc. ("**Quebecor World**") is still legally a subsidiary of the Company, due to insolvency procedures undertaken by the company, this sector's financial and strategic value has been reduced substantially and the Company does not anticipate that this investment will generate returns in the future. According to generally accepted accounting principles, the Company has therefore ceased to consolidate Quebecor World's results and assets with those of the Company as of January 21, 2008. This is the reason why no information on the compensation received by some of the Company's directors acting in their capacity as directors of Quebecor World was not included for the year ended December 31, 2008 in the following table.

The following table set forth the details of the annual compensation and attendance fees paid to the directors for the year 2008.

Director	Annual Compensation \$	Attendance Fees \$	Compensation Chairman of Committee \$	Compensation Committee Members \$	Dividends Paid in the Form of Units \$	All other compensation	Total Compensation Paid \$
Françoise Bertrand	55,000	30,000	8,000	3,000	778	-	96,778
Alain Bouchard	55,000	22,000	-	3,000	4,152	-	84,152
Robert Dutton	55,000	20,000 ⁽¹⁾	-	3,000	1,898	-	79,898
Jean-Marc Eustache	55,000	16,000	-	-	1,273	-	72,273
Jean La Couture	55,000	42,000	10,000	-	1,027	132,500 ⁽²⁾	240,527
Pierre Laurin	55,000	50,000 ⁽³⁾	8,000	3,000	1,203	-	117,203
Brian Mulroney	55,000	14,000	-	-	3,145	54,500 ⁽⁴⁾	126,645
Jean Neveu	310,000	-	-	-	-	193,500 ⁽⁵⁾	503,500
Pierre Parent	55,000	52,000 ⁽⁶⁾	-	6,000	3,144	-	116,144
Érik Péladeau	100,000	-	-	-	748	-	100,748
Pierre Karl Péladeau	-	-	-	-	1,253	-	1,253
TOTAL	850,000	246,000	26,000	18,000	18,621	380,500	1,539,121

(1) The attendance fees paid to Robert Dutton include an amount of \$2,000 for his participation to one meeting of the Board of Directors of QMI.

(2) Compensation received as director of QMI, Videotron Ltd. and Sun Media Corporation.

(3) The attendance fees paid to Pierre Laurin include an amount of \$4,000 for his participation to two meetings of the Board of Directors of QMI.

(4) Compensation received as director of QMI.

(5) Compensation received as director and Chairman of the Board of TVA Group Inc.

(6) The attendance fees paid to Pierre Parent include an amount of \$4,000 for his participation to two meetings of the Board of Directors of QMI.

COMPENSATION OF EXECUTIVE OFFICERS

A – Compensation Analysis

Compensation Principles

The Company and its subsidiaries wish to attract and retain key talent to carry out the Company's business mission. The Company believes that performance and competencies are key factors for the salary progression of its employees and determination of their global compensation package.

For that purpose, the Company has instituted a compensation policy which provides for a global compensation structure that ensures :

Internal equity	Determines the relative value of positions and their classification in the salary structure, which meets pay equity requirements.
External equity	Offers compensation that is competitive with that offered for equivalent positions in the reference market.
Individual equity	Considers the employees' individual performance and contribution in the determination of individual salaries.

In line with the aggregate compensation package, the compensation policy and practices were set up to fulfill the objectives described below.

Objectives of Compensation Plans

An employee's overall remuneration goes beyond the salary base paid. It includes a series of components forming a compensation package, all aspects of which must be taken into account, for both the employee and the Company. Compensation for the President and Chief Executive Officer, the Vice-President and Chief Financial Officer and the other three most highly compensated executives in the Company who held their positions as at December 31, 2008 (collectively the "**Named Executive Officers**") may consist of one or more of the following :

- Base salary
- Short-term incentive (bonus)
- Mid-term incentive (retention plan for executive employees of Videotron Ltd.)
- Long-term incentive (stock option plan)
- Benefits (including retirement)
- Perquisites.

Direct compensation (base salary, short-term incentive and long-term incentive) is established taking into account the reference market, the positioning desired by the Company and its capacity to pay. The reference market was completely reviewed in 2008, due to changes in the responsibilities of certain executives following the discontinuance of Quebecor World's activities. We have excluded the American market from our new reference market. Towers Perrin, a consulting firm specialized in compensation, collaborated on the determination of the selection criteria in order to establish a comparison group, thus creating a sound and personalized reference market, which was approved by the Company's Compensation Committee.

The companies in the comparison group were selected based on the following four criteria :

1. major companies operating in one of the Company's and its subsidiaries' five sectors of activity (cable distribution, television, newspapers, retail and/or distribution, and the Internet);
2. major companies based in Québec;
3. Canadian companies with earnings between \$3 and 6 billion; and
4. major companies with multiple voting shares.

The reference group is composed of the following companies :

Alimentation Couche-Tard Inc.	Manitoba Telecom Services Inc.
Astral Media Inc.	Metro Inc.
BCE Inc.	Nortel Networks Corporation
Bell Canada	Pratt & Whitney Canada
Bombardier Inc.	Research In Motion Limited
Canadian National Railway Company	Rogers Communications Inc.
Canadian Tire Corporation, Limited	RONA Inc.
CanWest Global Communications Corp.	Saputo Inc.
CGI Group Inc.	Shaw Communications Inc.

Cisco Systems Canada
Cogeco Inc.
Corus Entertainment Inc.
CTVglobemedia Inc.
Finning International Inc.
Hewlett-Packard Company

SNC-Lavalin Group Inc.
TELUS Corporation
The Jean Coutu Group (PJC) Inc.
Thomson Reuters Corporation
Torstar Corporation
Transat A.T. Inc.
Transcontinental Inc.

Objectives of the Compensation Elements

To support the Company and its subsidiaries to implement and carry out their business strategies, the various compensation elements are designed to reward performance in particular, but also attitude, aptitudes and abilities. The base salary offers a degree of financial security to remain competitive in the market. The incentive plans are aimed to recognize the achievement of specific objectives, primarily financial, but also strategic in the short, mid and long term.

In response to the major changes the media industry is going through, the Company has adapted its 2008 bonus objectives to take into account strategic factors that will make it possible for it to build a solid base, properly aligned with its business plan. Less emphasis has been put on financial results, the common denominator generally used when setting the objectives for short-term incentive plans, in order to introduce strategic factors for 2008. Although the financial objective based on operating income ¹ (to which certain adjustments have been made) is still a major factor in the calculation of our various incentive plans, some targeted organizational objectives have been integrated in order to reward the implementation of specific strategies. Whether in terms of protecting our market share while creating new content, establishing multiplatform structures (i.e., for the broadcasting of content in several media), or strict cost control, these components are all criteria making it possible for the Company to create solid foundations for the mid-term strategic plan and that were put in place in the 2008 bonus objectives.

As for long-term compensation, in the form of a stock option grants, it allows the Company to reach several objectives over a longer period of time. The first objective of this compensation component is to provide an incentive for the participants to take the right kind of action, sometimes difficult in the short term, so the Company can carry out its business plan and build for the long term. The second objective of this compensation component is to align the interests of the senior executives with those of the shareholders. The long-term incentive plan was reviewed in 2008 to include performance criteria for some subsidiaries, thus tying compensation even closer to business performance.

In order to demonstrate certain senior executives the importance the Company sets on their performance and contribution and to provide an incentive for them to stay with the Company for the long term, grants may cover a horizon of more than one year.

Compensation Components

The aggregate compensation package offered to senior executives for the year 2008 is established on the basis of :

- Maximize shareholders' equity;
- Encourage the attainment of organizational objectives;
- Facilitate the achievement or surpassing of financial objectives; and
- Offer competitive compensation.

The various compensation components are described below :

¹ Operating income is a financial measure that is not consistent with Canadian generally accepted accounting principles ("GAAP"). For the definition of this measure and its reconciliation with the financial measure established in accordance with GAAP in the Company's financial statements, please refer to management's discussion and analysis for the year ended December 31, 2008, which is available on our website and on the SEDAR website at www.sedar.com.

Compensation Components	Description	Eligibility	Reasons
Base salary	Annual base cash compensation.	All employees.	Attract, retain and motivate. Provide financial security.
Short-term incentive ("STI")	<p>Bonus plan with targets between 7.5% and 100% of the base salary.</p> <p>Bonus objectives based on the following components: Operating income (75% to 100%). Strategic objectives (0% to 25%).</p> <p>If the objectives are surpassed, bonus may be increased up to a maximum varying from 1.5x to 2x of target.</p>	Professionals and senior positions.	<p>Motivate to achieve strategic objectives and business priorities.</p> <p>Make senior executives accountable for the achievement of financial objectives.</p>
Mid-term incentive ("MTI")	Objectives: Achievement of operating income, reduction of operating costs and increase of free cash flows.	Senior executives of Videotron Ltd.	Retain the senior executives of Videotron Ltd. in order to proceed with the implementation of a special mid-term project.
Long-term incentive ("LTI")	<p>Stock option plans.</p> <p>Attributed on a % of base salary, calculated based on Black-Scholes value. The compensation value ranges from 80% to 350%, aligned on market.</p> <p>For details concerning these plans, including horizons and vesting periods, please refer to the section of this Circular entitled "Equity Compensation Plans".</p> <p>Performance criteria for senior executives established for the Company and the following entities :</p> <p>TVA Group Inc. and its subsidiaries, Quebecor MediaPages Inc., Archambault Group Inc. and Sun Media Corporation. These performance criteria are described, where applicable, in the table on option-based attributions.</p>	Management and executives of the group.	<p>Motivate to achieve strategic objectives and business priorities.</p> <p>Make the executives accountable for the achievement of financial objectives.</p> <p>Target the interest of executives in the Company's long-term strategic objectives.</p> <p>Align interests of executives with those of the shareholders.</p>

Compensation Components	Description	Eligibility	Reasons
Benefits and pension	Standard benefits.	All employees.	Attract and retain.
	Executive benefits. Supplemental pension plans.	Senior executives and certain senior officers.	Offer competitive benefits.
Perquisites	Company car.	Senior executives.	Attract and retain.
			Offer competitive benefits.

The relationship between each of the compensation components is taken into account in the parameters of the compensation policy. The relative weight of each component varies based on the employee's rank and type of position in the organization. In general, the more senior the position, the greater the portion of compensation that is variable, thereby creating a direct link between the degree of influence exercised by the senior executive and organizational objectives. If it deems appropriate, the Compensation Committee may enhance any of the components to reward a promotion, retain an employee, in recognition of service, or to balance out the other compensation components.

In the interest of realizing the objectives of the compensation policy, compensation for the senior executives has been established so as to create a balance between the various forms of compensation.

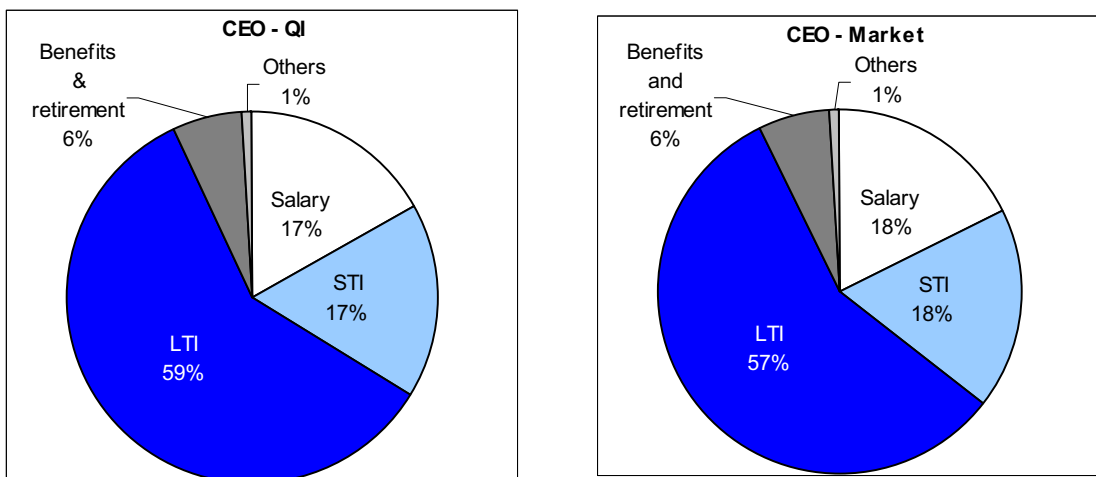
Compensation of the President and Chief Executive Officer

In 2008, the compensation for the position of President and Chief Executive Officer (the "President") was evaluated by Towers Perrin. The reference market was selected from a Canadian market perspective. Therefore, the American market was excluded, as approved by the Compensation Committees of the Company and QMI.

When the President's compensation for 2008 was reviewed, the President in concert with the Compensation Committee of the Company and of QMI decided to reduce his salary (from \$1,450,000 to \$1,200,000), to reduce the bonus target (from 200% to 100%), to reduce the long-term incentive value (from 400% to 350%), as well as to terminate his participation in the supplemental retirement plan which means that as of January 1, 2008, he is no longer accruing years of service in the plan.

The direct target compensation (base salary, bonus and long-term) was therefore reduced by over 33% for 2008 compared to 2007.

Direct target compensation for the President and Chief Executive Officer



Even though Pierre Karl Péladeau was eligible to receive a bonus under the 2008 bonus plan, it was decided, in light of the current economic situation, that he would not receive the bonus he was entitled to.

Method for Determining Compensation for the year 2008

The compensation for Pierre Karl Péladeau and Louis Morin is established by the Company's Compensation Committee and QMI's Compensation Committee, acting jointly. The compensation for Pierre Dion is established by TVA's Compensation Committee. The compensation for the other Named Executive Officers is established by QMI's Compensation Committee.

Name	Base Salary	Short-term incentive	Mid-term incentive	Long-term incentive
Pierre Karl Péladeau	75th percentile of the Canadian market. Base salary was adjusted for 2008 by -17%.	75th percentile of the Canadian market. The target bonus was adjusted from 200% to 100% of base salary for 2008. The objectives were set at 100% on reaching budgeted operating income ⁽¹⁾ . For 2008, even though the objectives were surpassed, no bonus will be paid.	N/A	75th percentile of the Canadian market. Compensation adjusted downward for 2008 after the exclusion of the American market.
Louis Morin	50th percentile of the Canadian market.	50th percentile of the Canadian market. The target bonus is set at 50% of base salary. The objectives were set at 75% on reaching budgeted operating income and 25% on reaching strategic objectives ⁽¹⁾ under the strategic plan. For 2008, no bonus will be paid.	N/A	Adjusted so direct compensation represents 75th percentile of the Canadian market. Options granted over a 3-year horizon for purposes of retention and competitiveness.
Robert Dépatie	75th percentile of the North American market due to strong competition in this sector. Telecom is the reference market.	75th percentile of the Canadian market. The target bonus is set at 100% of base salary. The objectives were set at 100% on reaching budgeted operating income of Videotron Ltd. For 2008, objectives were reached at 108.2%.	The plan is established pursuant to the following criteria : <ul style="list-style-type: none"> • 40% on objectives in relation with operating income of Videotron Ltd. • 40% on reduction in operating costs. • 20% on increase in free cash flow. Achievement of cumulative strategic plan objectives over 3 years. Payment for first year of the cycle after the 3-year cycle ⁽²⁾ .	75th percentile of the Canadian market. Options granted over a 5-year horizon for purposes of retention and competitiveness.

Name	Base Salary	Short-term incentive	Mid-term incentive	Long-term incentive
Pierre Dion	50th percentile of the Canadian market.	50th percentile of the Canadian market. The target bonus is set at 50% of base salary. The objectives were set at 100% on reaching budgeted operating income of TVA Group Inc. For 2008, the bonus earned represented 160% of target.	N/A	Adjusted so direct compensation represents the 75th percentile of the Canadian market. QMI options granted over a 3-year horizon for purposes of retention and competitiveness.
Michael G. Sifton	50th percentile of the Canadian market.	50th percentile of the Canadian market.	N/A	Adjusted so direct compensation represents the 75th percentile of the Canadian market.

(1) The objectives cannot be specified since communicating that information would be seriously prejudicial to the Company's interests. The disclosure of these criteria would reveal details that would jeopardize the reasons the criteria were established. Consequently, the percentages of the aggregate compensation linked to undisclosed information for each Named Executive Officer are: 0% for Pierre Karl Péladeau, 0% for Louis Morin, 51% for Robert Dépatie, 22% for Pierre Dion and 0% for Michael G. Sifton. The Company confirms that these objectives have been found to be sufficiently difficult to reach, while being reachable, to require that the Named Executive Officers must surpass themselves to succeed in reaching them.

(2) The objectives were achieved for 2008 and correspond to 2 out of 3 years cumulative achievements, payable over a 3-year period at the end of the 3-year cycle if cumulative objectives of the entire cycle are achieved. The first payment of which will be in January 2010.

Potential Payment in the Event of Termination

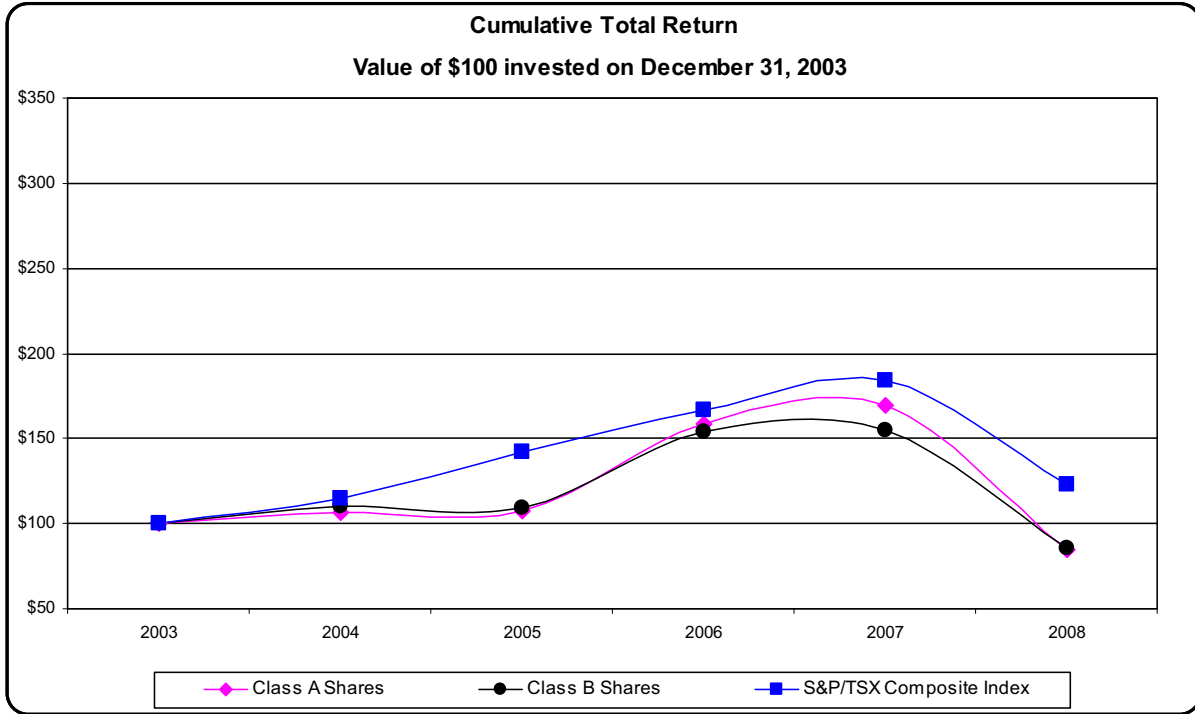
The Company has signed employment agreements with the senior executives. Each agreement is individually formulated and no single policy applies to everyone. However, due to the Company's usual practices, the clauses are fair and balanced in the event of termination.

Name	Agreement	Potential # of Months	Severance Value
Pierre Karl Péladeau	None.	n/a	n/a
Louis Morin	Termination by the Company, except for cause.	18 months of base salary.	\$618,000
Robert Dépatie	Termination by the Company, except for cause.	24 months of base salary.	\$1,600,000
Pierre Dion	Termination by the Company, except for cause or substantial reduction in responsibilities.	18 months of base salary.	\$770,000
Michael G. Sifton		End of employment as of January 1, 2009, following the reorganization of Sun Media Corporation (announced in November 2008). Severance payment of \$1,090,000 representing the termination conditions in effect at the time of the purchase of Osprey Media.	

Performance graph

The graph set out below illustrates the cumulative total return, over a period of five years, of a \$100 investment in the Class A Shares and Class B Shares of the Company as compared to the S&P/TSX Composite Index.

The year-end values of each investment are based on share appreciation plus dividends paid in cash, the dividends having been reinvested on the date they were paid. The calculations exclude brokerage fees and taxes. Total shareholder returns from each investment may be calculated from the year-end investment values shown below the graph.



	2003	2004	2005	2006	2007	2008
Class A Shares	\$100	\$107	\$107	\$159	\$169	\$85
Class B Shares	\$100	\$110	\$109	\$154	\$154	\$86
S&P/TSX Composite Index	\$100	\$114	\$142	\$167	\$184	\$123

Although it may take it into account in its evaluation, the Company's Compensation Committee does not base its compensation decisions on the trading price for the shares on the Toronto Stock Exchange. The Committee believes that the trading price is affected by external factors beyond the Company's control which do not necessarily reflect the Company's performance.

Furthermore, since the Company is a holding company which operates through its various subsidiaries, the executive officers' compensation is based on the results of the respective business units lead by each of them. In return, the market price of the Company's share on the Toronto Stock Exchange reflects the results of the Company on a consolidated basis. Therefore, the share price performance cannot be taken into account to draw appropriate conclusions with respect to the executive officers' compensation.

Finally, 30% to 83% of the Named Executive Officers' aggregate compensation, as shown on the Summary Compensation Table, consisted of stock options. Accordingly, long-term compensation for the Named Executive Officers is largely dependent on the trading prices for the Company's and TVA's shares and the value of QMI's shares. Therefore, the actual level of those individuals' compensation is closely linked to the performance of the Company's shares for the shareholders.

B- Equity Compensation Plans

Stock Option Plan of the Company

The Company has a stock option plan for the officers, senior employees and key employees of the Company and of its subsidiaries (the "**Plan**") which entitles them to benefit from the appreciation in value of the Company's Class B Shares. The Plan provides for the grant of options for the purchase of a maximum of 6,500,000 Class B Shares, being 10.1% of the issued and outstanding Class A and Class B Shares as at December 31, 2008. As of this date, 6,177,612 Class B Shares, being 9.6% of the outstanding Class A and Class B Shares are still reserved under the Plan with the Toronto Stock Exchange.

The Board of Directors, on the recommendation of the Compensation Committee, administers the Plan, designates the recipients of options and determines the date of vesting of each option, the exercise price of each option, the expiry date and any other question relating thereto, in each case in accordance with applicable securities legislation. The number of options so granted is based on individual merit and on the optionee's level of responsibility.

The exercise price of each Class B Share covered by an option granted under the Plan is equal to the weighted average trading price of the Class B Shares on the Toronto Stock Exchange during the period of five trading days preceding the date of grant.

At the time of exercise of his option, an optionee may, at his sole discretion, either (i) elect to subscribe for the number of shares in respect of which the option is exercised or (ii) elect to receive from the Company a cash payment equal to the number of shares in respect of which the option is exercised multiplied by the amount by which the market value exceeds the purchase price for the shares covered by such option. The market value is defined by the weighted average trading price of the Class B Shares on the Toronto Stock Exchange on the five trading days immediately preceding the day of exercise of such option. If an optionee decides to receive a cash payment from the Company upon the exercise of his option, then the number of underlying Class B Shares covered by the option will once again become available under the Plan.

Options usually vest as follows: 1/3 after one year, 2/3 after two years, and 100% three years after the initial grant. The Board of Directors of the Company, may, at its discretion, affix different vesting periods at the time of each grant. Each option may be exercised during a period not exceeding 10 years from the date granted.

No optionee may hold options covering more than 5% of the outstanding shares of the Company. All options granted are non-transferable.

The right to exercise options that have been granted expires on the earlier of the following events :

- Immediately in the case of termination for a serious cause;
- 30 days from the termination of the optionee's employment for reasons other than death or retirement;
- 60 days following retirement;
- 180 days following the death of the optionee; and
- 10 years from the date of grant.

The Board or Directors of the Company may, at any time, with the prior approval of the Toronto Stock Exchange, amend, suspend or terminate the Plan in whole or in part. In the event of a material amendment, the approval of the holders of a majority of the shares of the Company present and voting in person or by proxy at a meeting of shareholders of the Company must be obtained.

Even though the Plan authorizes an optionee, at the time of exercise of his option, to request a loan from the Company for an amount not exceeding 50% of the aggregate purchase price of the shares in respect of which the option is being exercised, the Company has never provided financial assistance to optionees for the exercise of their options.

During the fiscal year ended December 31, 2008, options granting the right to acquire 483,065 shares were granted, being 0.75% of the issued Class A and Class B Shares, and no shares have been issued upon the exercise of stock options. As of the date hereof, 2,605,781 options were outstanding, being 4.05% of the issued and outstanding Class A and Class B Shares.

The following table gives information with regard to the Company's equity compensation plans as of December 31, 2008.

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity Compensation Plans Approved by Securityholders:			
Stock Option Plan of the Company	2,318,130 (or 5.46% of the number of Class B Shares issued and outstanding)	\$30.24	3,859,482 (or 9.09% of the number of Class B Shares issued and outstanding)
Equity Compensation Plans Not Approved by Securityholders:	-	-	-

QMI Stock Option Plan

On January 29, 2002, the Board of Directors of QMI, upon the recommendation of the Compensation Committee thereof, approved the establishment of a stock option plan for officers, senior executives, directors and other key employees of QMI and its subsidiaries (the "QMI Plan") as a long term performance incentive.

In line with the general goal of encouraging the development and growth of QMI, the QMI Plan was initiated to link executive compensation with the long term increase in the value of QMI. In addition, the QMI Plan was also conceived with a view to developing each eligible officer and executive's sense of belonging while strengthening the retention ability of the business. Thus, the QMI Plan enables QMI to attract new executives and retain existing ones.

Under the QMI Plan, certain eligible officers and executives may be granted options to purchase common shares at a predetermined price and over a specific period of time. The Compensation Committee of QMI, composed of independent directors, is responsible for the administration of the QMI Plan and for designating eligible officers and executives. The QMI Plan is open to employees of QMI and its subsidiaries who occupy executive positions and who have the ability to influence the long-term performance of QMI. As such, eligible officers and executives have been assigned a level according to their position and areas of responsibility, the whole in line with market conditions for similar positions. The number of options which may be granted to eligible officers and executives is determined by the Compensation Committee of QMI in accordance with the level assigned to each executive and officer.

Over one hundred eligible officers and executives participate in this plan which is part of the senior executive, officer and senior management compensation program thereby ensuring a competitive compensation in line with that offered by comparable businesses.

The maximum number of common shares of QMI that may be issued under the QMI Plan is 6,180,140, being 5% of the issued and outstanding common shares as at December 31, 2008. Each option may be exercised within a maximum period of ten years following the date of grant at an exercise price not lower than, as the case may be, the fair market value, on the date of grant, of the common shares of QMI, as determined by the Board of Directors of QMI (if the common shares of QMI are not listed on a stock exchange at the time of the grant), or the five-day weighted average price ending on the day preceding the date of grant of the common shares of QMI on the stock exchanges where such shares are listed. As long as the shares of QMI are not listed on a recognized stock exchange, optionees may exercise their vested options during one of the following period : from March 1st to March 30, from June 1st to June 29, from September 1st to September 29 and from December 1st to December 30 in each year. In addition, at the time of exercise of an option, optionees have the option, at their discretion, (i) to request to receive the profit from the shares, or (ii) subject to certain stated conditions, subscribe to common shares of QMI.

Except under specific circumstances and unless the Compensation Committee of QMI decides otherwise, options vest over a five-year period in accordance with one of the following vesting schedules as determined by the Compensation Committee of QMI at the time of grant :

- (i) equally over five years with the first 20% vesting on the first anniversary of the date of the grant;
- (ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant;
- (iii) equally over three years with the first 33^{1/3}% vesting on the third anniversary of the date of the grant.

The acquisition of options may also be subject to performance criteria. No optionee may hold options entitling him to purchase more than 5% of the number of common shares of QMI issued and outstanding.

TVA Group Inc. Stock Option Plan

TVA Group Inc. (“**TVA**”) has a stock option plan (the “**TVA Plan**”) which entitles officers of TVA and of its subsidiaries, and its directors, to benefit from the appreciation in value of the TVA’s Class B non-voting shares (**Class B shares**). The maximum number of Class B shares that may be issued under the TVA Plan is 2,200,000.

The Compensation Committee of TVA administers the TVA Plan, designates the optionees and determines the expiry date and any other question relating thereto, in each case in accordance with applicable securities legislation. The number of options granted is based on individual merit and depends on the level of responsibility of the optionee.

The subscription price of each share under option may not be less than the closing price of a board lot of Class B shares on the Toronto Stock Exchange on the last trading day before the date of grant. In the absence of a closing price for a board lot of Class B shares on the Toronto Stock Exchange on that day, the subscription price may not be less than the average ask and bid prices of the Class B shares on the Toronto Stock Exchange on the same day. At the time of exercising their options, optionees may decide (i) to subscribe for the Class B shares in respect of which the option is being exercised; or (ii) to receive from TVA cash payment equal to the number of shares corresponding to the number of options exercised, multiplied by the difference between the market value and the subscription price of the shares underlying the option. The market value is defined by the average closing market price of the shares for the five trading days preceding the date on which the option was exercised. If an optionee decides to receive a cash payment from TVA upon the exercise of his option, then the number of underlying Class B shares covered by the option will once again become available under the TVA Plan.

Options granted prior to January 2006 usually vest annually equally over a four-year period with the first 25% vesting on the second anniversary of the date of grant.

Since January 2006, except under specific circumstances and unless the Compensation Committee of TVA decides otherwise at the time of grant, options vest over a five-year period in accordance with one of the following vesting schedules:

- (i) equally over five years with the first 20% vesting on the first anniversary of the date of the grant;
- (ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant; or
- (iii) equally over three years with the first 33 $\frac{1}{3}$ % vesting on the third anniversary of the date of the grant.

No insider may be granted, within any one year period, options entitling him to purchase more than 5% of the total number of TVA's Class B shares and Class A common shares issued and outstanding from time to time, less shares issued under equity compensation plans during the preceding year.

C- Summary Compensation Table

The following table shows certain selected compensation information for the President and Chief Executive Officer of the Company, the Vice-President and Chief Financial Officer, and the three other most highly compensated executive officers of the Company for their services rendered during the financial year ended December 31, 2008.

For additional details with regard to compensation paid to the Named Executive Officers for the years ended December 31, 2007 and 2006, please refer to the Company's 2008 Management Proxy Circular available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.quebecor.com.

As stated in the section entitled "Directors' Compensation – 2008 Annual Compensation and Directors' Fee", information on Quebecor World's options held by certain senior executives and on the value of Quebecor World's pension plans to which they may be entitled was not included. Moreover, Quebecor World's officers have been excluded from the list of named executive officers. As a reporting issuer, Quebecor World is subject to the same continuous disclosure requirements as the Company. Investors who wish to consult the most recent continuous disclosure documents of Quebecor World may do so under Quebecor World's profile on SEDAR website at www.sedar.com.

Name and principal position	Year	Salary (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽²⁾ (\$)	All other compensation ⁽³⁾ (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Pierre Karl Péladeau President and Chief Executive Officer	2008	1,200,000	5,769,562 ⁽⁴⁾	-	-	15,900	-	6,985,462
Louis Morin Vice-President and Chief Financial Officer	2008	412,000	297,500 ⁽⁵⁾	-	-	114,300	-	823,800
Robert Dépatie President and Chief Executive Officer Videotron Ltd.	2008	828,462	1,665,260 ⁽⁵⁾	1,200,000	1,600,000	229,000	-	5,522,722
Pierre Dion President and Chief Executive Officer TVA Group Inc.	2008	456,292	436,577 ⁽⁵⁾	352,000	-	80,800	-	1,505,689
			180,020 ⁽⁶⁾					
Michael G. Sifton ⁽⁷⁾ President and Chief Executive Officer Sun Media Corporation	2008	602,304	474,540 ⁽⁵⁾	-	-	65,900	55 000 ⁽⁸⁾	1,197,744

⁽¹⁾ The compensation value included herein represents the estimated value of the stock options granted as determined by using the Black & Scholes model which is based on various assumptions. It does not represent cash received by the Named Executive Officer. The amount is at risk and may even be equal to zero. Refer to the "Equity Compensations Plans" section of this Circular for a description of significant terms and conditions of stock option awards.

⁽²⁾ Refer to the "Pension Benefits" section of this Circular for additional details.

⁽³⁾ Perquisites and other personal benefits which do not exceed the lesser of \$50,000 or 10% of the annual salary are not disclosed.

⁽⁴⁾ Underlying securities: Class B Shares of the Company. The amount indicated represents the Black & Scholes value of the options at the time of grant. Refer to the "Black & Scholes Values" table for details concerning calculation of values appearing under the "Option-based awards" column of the above table.

⁽⁵⁾ Underlying securities: common shares of QMI. QMI's options are granted with horizons of 1, 3 or 5 years. The value indicated represents the total Black & Scholes value of the options divided by the number of years corresponding to the horizon. Refer to the "Black & Scholes Values" table for details concerning calculation of values appearing under the "Option-based awards" column of the above table.

⁽⁶⁾ Underlying securities: Class B shares of TVA. TVA's options are granted with horizons of 1, 3 or 5 years. The value indicated represents the total Black & Scholes value of the options divided by the number of years corresponding to the horizon. Refer to the "Black & Scholes Values" table for details concerning calculation of values appearing under the "Option-based awards" column of the above table.

⁽⁷⁾ Departure on January 1, 2009 further to the reorganization of Sun Media Corporation.

⁽⁸⁾ Represents the residual value of the Company's car.

To provide a good illustration of the Black & Scholes valuation calculation for the stock options granted to the Named Executive Officers in 2008, the key assumptions and estimates used for each calculation are set out below. In addition, the Company's policy is to grant options to its beneficiaries based on various horizons, namely 1, 3 or 5 years. In order to present accurate and adequate information to its shareholders and market investors and to ensure a degree of consistency over the years, the number of options has been provided based on the relevant number of years in the horizon.

The compensation value as determined by using the Black & Scholes model is based on the assumptions set out below. It represents the estimated value of the stock options granted but does not represent cash received by the Named Executive Officer. The amount is at risk and may even be equal to zero.

Black & Scholes Values

Name	Date of grant	Horizon	Exercise price of options (\$)	Number of shares under option included in 2008	Risk-free rate (%)	Dividend yield (%)	Volatility (%)	Expected life (years)	Black & Scholes Value (\$)
Pierre Karl Péladeau	March-25-08	1 year	25.9788	137,460 ⁽¹⁾	3.67	0.77	31.94	10	11.45
	Sept-09-08	1 year	27.11	345,605 ⁽¹⁾	3.60	0.74	32.67	10	12.14
Louis Morin	Jan-15-07	3 years	37.816	25,000 ⁽²⁾	4.07	2.35	32.74	6.75	11.90
Robert Dépatie	Aug-03-06	3 years	31.92	46,992 ⁽²⁾	4.27	2.66	33.78	6.75	10.02
	Aug-03-07	5 years	44.446	80,000 ⁽²⁾	4.49	2.00	31.88	7	14.93
Pierre Dion	Sept-08-04	5 years	22.976	7,617 ⁽²⁾	4.57	0.70	39.78	7	10.56
	March-30-05	5 years	27.864	2,692 ⁽²⁾	4.33	1.31	37.72	7	11.40
	Nov-01-07	3 years	47.287	21,147 ⁽²⁾	4.18	1.88	31.27	6.75	15.39
	Nov-05-07	3 years	14.75	31,638 ⁽³⁾	4.21	1.36	36.07	6.75	5.69
Michael G. Sifton	Sept -28-07	3 years	44.446	33,000 ⁽²⁾	4.24	2.00	31.52	6.75	14.38

⁽¹⁾ Underlying securities : Class B Shares of the Company

⁽²⁾ Underlying securities : common shares of QMI

⁽³⁾ Underlying securities : Class B shares of TVA

D- Outstanding option-based awards

The following table sets forth, for each Named Executive Officer, all awards outstanding as at December 31, 2008.

Name	Number of securities underlying unexercised options (#)	Option exercise price ⁽¹⁾ (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)
Pierre Karl Péladeau	300,000 ⁽³⁾	33.0829	April 29, 2009	-
	200,000 ⁽³⁾	36.8224	August 10, 2009	-
	350,000 ⁽³⁾	31.7933	October 31, 2010	-
	96,000 ⁽³⁾	25.8679	March 5, 2011	-
	100,000 ⁽³⁾	20.5089	February 15, 2012	-
	205,000 ⁽³⁾	32.2514	April 19, 2015	-
	247,568 ⁽³⁾	24.2358	July 12, 2016	-
	114,148 ⁽³⁾	40.6649	November 16, 2017	-
	137,460 ⁽³⁾	25.9788	March 25, 2018	-
	345,605 ⁽³⁾	27.11	September 9, 2018	-
	225,133 ⁽⁴⁾	31.981	April 6, 2016	1,334,588
171,000 ⁽⁴⁾	44.446	August 3, 2017	-	
Louis Morin	75,000 ⁽⁵⁾	37.816	January 15, 2017	6,975
Robert Dépatie	105,733 ⁽⁵⁾	31.92	August 3, 2016	633,235
	400,000 ⁽⁶⁾	44.446	August 3, 2017	-
Pierre Dion	12,695 ⁽⁶⁾	22.976	September 8, 2014	189,574
	8,972 ⁽⁶⁾	27.864	March 30, 2015	90,124
	63,442 ^{(5) (9)}	47.287	November 1, 2017	-
	126,500 ⁽⁷⁾	20.75	September 8, 2014	-
	52,619 ⁽⁷⁾	21.38	March 30, 2015	-
	94,915 ⁽⁸⁾	14.75	November 5, 2017	-
Michael G. Sifton	99,000 ^{(5) (10)}	44.446	September 28, 2017	-

⁽¹⁾ The exercise price of an option of the Company is equal to the weighted average trading price of the Class B Shares on the Toronto Stock Exchange during the period of five trading days preceding the date of grant. The exercise price of the QMI options is the market value of the common shares at the time of grant, as determined by the external expert retained by the QMI Board of Directors. The exercise price of the TVA options may not be less than the closing price of a board lot of Class B shares on the Toronto Stock Exchange on the last trading day before the date of grant.

⁽²⁾ The value of unexercised in-the-money options of the Company and TVA is the difference between the option exercise price and the closing price of the underlying security on the Toronto Stock Exchange on December 31, 2008, or the difference between the option exercise price and the value of the common shares in the case of the QMI options on December 31, 2008, as determined by the external expert retained by the QMI Board of Directors. **This gain has not been, and may never be, realized. The options have not been, and may never be, exercised; and actual gains, if any, on exercise will depend on the value of the aforesaid shares on the date of exercise.** On December 31, 2008, the closing price of the Class B Shares of the Company on the Toronto Stock Exchange was \$19.63 per share and the closing price of the Class B shares of TVA on the Toronto Stock Exchange was \$5.23. For purposes of stock option grants, the external expert retained by the QMI Board of Directors has established the value of the shares of QMI, as of December 31, 2008, at \$37.909 per share.

- (3) Options of the Company. Options vest as follows: 1/3 after one year, 2/3 after two years, and 100% after three years after the original grant.
- (4) QMI options. 1-year horizon. Options vest equally over five years with the first 20% vesting on the first anniversary of the date of the grant.
- (5) QMI options. 3-year horizon. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of the grant.
- (6) QMI options. 5-year horizon. Options vest equally over three years with the first 33 1/3% vesting on the third anniversary of the date of the grant.
- (7) TVA options granted prior to January 2006. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of the grant.
- (8) TVA options. 3-year horizon. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of the grant.
- (9) The acquisition of those options is also subject to achieving performance objectives.
- (10) The options of Michael G. Sifton were cancelled further to his departure.

E- Incentive plan awards – value vested or earned during the year

The following table sets forth, for each Named Executive Officer, the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date that occurred in 2008, and the bonus earned during the 2008 financial year.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)
Pierre Karl Péladeau	247,090 ⁽²⁾ 906,785 ⁽³⁾	- ⁽⁴⁾
Louis Morin	-	-
Robert Dépatie	489,892 ⁽³⁾	2,800,000
Pierre Dion	391,576 ⁽³⁾	352,000
Michael G. Sifton	-	-

- (1) The value vested is the difference between the market value of the underlying securities at the acquisition date and the exercise price of the options. The market value is defined, (i) in the case of options of the Company, the weighted average trading price of the Class B Shares on the Toronto Stock Exchange during the period of five trading days preceding the date on which the option became vested; and (ii) in the case of TVA Group options, the average closing market price of the Class B shares for the five trading days preceding the date on which the option became vested; and (iii) in the case of the QMI options, the market value of the common shares on the vesting date, as determined by the external expert retained by the QMI Board of Directors.
- (2) Underlying securities : Class B Shares of the Company.
- (3) Underlying securities : common shares of QMI.
- (4) Even though, Pierre Karl Péladeau was eligible to receive a bonus under the 2008 bonus plan, it was decided, in light of the current economic situation, that he would not receive the bonus he was entitled to.

F - Pension benefits

Basic Pension Plans

The Company's subsidiary, QMI, maintains pension plans for its executive officers. Such plans provide pension benefits being equal to 2% of average salary over the best five consecutive years of salary (including bonuses, except for executive officers of Videotron Ltd and TVA Group, even though it has no consequences for those plans), multiplied by the number of years of membership in the plan. The pension so calculated is payable at the normal retirement age, being 65 years of age, or sooner at the election of the executive officer. The pension is also payable without reduction from the age of 61 years in the case of the QMI Plan and may be deferred, but not beyond the age limit under the provisions of the *Income Tax Act*, in which case the pension is adjusted to take into account the delay in payment thereof in relation to the normal retirement age.

The maximum pension payable under such pension plans is as prescribed by the *Income Tax Act*. An executive officer contributes to the plan an amount equal to 5% of his salary not exceeding \$122,222 in 2009 (the salary generating the maximum qualified pension in accordance with the *Income Tax Act*), being a

maximum of \$6,111 per year (\$4,700 for executive officers of Videotron Ltd. and no contribution for Michael G. Sifton and the officers of TVA Group).

The table below indicates the annual pension benefits that will be payable under the basic plan at the normal retirement age of 65 years:

Compensation	Years of Membership				
	10	15	20	25	30
\$122,222 or more	\$24,444	\$36,667	\$48,889	\$61,111	\$73,333

All the Named Executive Officers are members of one of such pension plans and their respective years of membership in the plan, as of December 31, 2008, were as follows :

- Pierre Karl Péladeau : 9 years and 8 months
- Louis Morin : 1 year and 11 months
- Robert Dépatie : 7 years and 1 month
- Pierre Dion : 4 years and 4 months
- Michael G. Sifton : 7 years and 5 months

Supplementary Retirement Plans

In addition to the basic pension plan in place, the Company and its subsidiaries provide supplementary retirement plans for its Named Executive Officers. Those plans are no longer available for new executives (except for TVA).

In the event that a participant's salary exceeds \$122,222, additional retirement benefits will be paid from the unfunded supplementary retirement plans of QMI and the Company to top up any shortfalls (salary in excess of \$122,222, including bonuses), based on the same formula as that found in the basic plan described hereinabove.

The table below sets forth the annual retirement benefits that will be payable at the age of 65 on the basis of the last average compensation and the years of membership of the participant under the basic plan and the supplementary retirement plans:

Retirement Plan Table (Basic and Supplementary)

Compensation *	Years of Membership**				
	10	15	20	25	30
\$400,000	\$80,000	\$120,000	\$160,000	\$200,000	\$240,000
\$500,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
\$600,000	\$120,000	\$180,000	\$240,000	\$300,000	\$360,000
\$900,000	\$180,000	\$270,000	\$360,000	\$450,000	\$540,000
\$1,200,000	\$240,000	\$360,000	\$480,000	\$600,000	\$720,000
\$1,500,000	\$300,000	\$450,000	\$600,000	\$750,000	\$900,000

* Average base salary for the best five years, plus bonuses (except for participants in Videotron Ltd.'s and TVA Group's supplementary retirement plan).

** The same definition as for the basic plan except for participants in the Company's supplemental retirement plan which limits the years of membership to those completed under the supplemental retirement plan. Retirement benefits must be increased by 15% under Michael G. Sifton's plan.

The pension of the participant is payable for life. In case of death after retirement, the participant's surviving spouse will continue to receive, for life, 60% of the retiree's pension (50% of the retiree's pension for a maximum of ten years under the Company's and QMI's plans and 66.67% under Michael G. Sifton's plan).

As at December 31, 2008, credited years of membership in these supplemental retirement plans for the named executive officers were as follows:

- Pierre Karl Péladeau : 6 years and 3 months*
- Louis Morin : 1 year and 11 months
- Robert Dépatie : 5 years and 11 months
- Pierre Dion : 4 years and 4 months
- Michael G. Sifton : 6 years**

* Since January 1, 2009, Pierre Karl Péladeau has ceased to cumulate future service credits for this plan. Capitalized amounts as of December 31, 2008 will bear interest until his retirement, and such amount will be used to purchase a retirement benefit.

** No additional year is accrued since the date of acquisition of Osprey Media (on July 31, 2007) for Michael G. Sifton.

Defined Benefit Plan Table

The following table sets forth information on QMI's retirement plans, namely registered plans and supplementary plans. In addition to annual benefits payable, the table shows the value's change of such benefits (obligation) year-to-date and year-end. Variations from one individual to another are due to the individual's age, salary and credited years of service in the base plan and the supplementary plan. As for Pierre Karl Péladeau, since his supplementary executive retirement plan ("SERP") has been frozen as at December 31, 2007, the SERP contains no annuity credits and no estimate was prepared with regards to the annuity payable under this reserved account. Therefore, annual benefits payable at year-end and at age 65 only represent payable annuities under the base plan. Other persons shown in the table who have substantially higher age 65 annuities cumulate both a base plan annuity and a SERP annuity until age 65.

These plans provide an annuity based on the salaries at the time of retirement (for the purpose of this table, payable benefits are based on salaries as at December 31, 2008). For Pierre Karl Péladeau, the supplementary plan represents however a lump sum with accrued interest each year and is not based on computed years of service. When he retires from office, he will therefore receive a base plan annuity and a lump sum under the supplementary plan.

Name	Number of years credited services (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change ⁽¹⁾ (\$)	Accrued obligation at year end ⁽¹⁾ (\$)
		At year end	At age 65				
Pierre Karl Péladeau ⁽²⁾	9.7	22,500	64,100	4,745,500	15,900	187,500	4,948,900
Louis Morin	2.0	22,000	170,300	117,900	114,300	-51,000	181,200
Robert Dépatie ⁽³⁾	7.1	68,000	237,400	575,200	229,000	-228,300	575,900
Pierre Dion	4.3	33,500	190,900	242,500	80,800	-101,700	221,600
Michael G. Sifton ⁽⁴⁾	7.4	56,900	56,900	724,800	65,900	-261,400	529,300

⁽¹⁾ Calculations are made based on an interest rate assumption of 7.5% as at December 31, 2008.

⁽²⁾ For the purpose of annual benefits payable calculations, only payable benefits have been included. The payable benefits under the supplementary plan reflects an amount which bears interest until retirement and that will be used to purchase an annuity with an insurer at that time and does not vary according to the number of years of service.

⁽³⁾ The number of credited years of service under the supplementary plan for Robert Dépatie is 5.9.

⁽⁴⁾ The number of credited years of service under the supplementary plan for Michael G. Sifton is 6.

CORPORATE GOVERNANCE DISCLOSURE

The Board of Directors considers good corporate governance practices a key factor in the overall success of the Company. In accordance with *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices. Schedule "A" sets out a description of the Company's corporate governance practices.

LIABILITY INSURANCE

The Company has purchased liability insurance for the benefit of the directors and officers of the Company, its subsidiaries and certain associated companies, against certain liabilities incurred by them in such capacity. This insurance provides coverage of \$100,000,000 per event and policy year.

For the financial year ended December 31, 2008, the total premium paid by the Company and its subsidiaries was \$441,112. A deductible of \$500,000 applies when the Company is authorized or obliged to indemnify the persons insured.

TRANSACTIONS WITH RELATED PARTIES

To the knowledge of the Company, except as set forth in note 29 to the audited consolidated financial statements of the Company for the financial year ended December 31, 2008, no insider had an interest in a material transaction completed since the beginning of the most recently completed financial year of the Company or in a proposed transaction which had or was likely to have a material effect on the Company or any of its subsidiaries.

During the financial year ended December 31, 2008, the Company and its subsidiaries did business, at competitive market rates, with various organizations within their group. The Company and its principal subsidiaries intend to continue to engage in similar transactions on terms which are generally no less favourable to the Company than would be available to it from unaffiliated third parties.

The Company considers the amounts paid with respect to the various transactions mentioned hereinabove to be reasonable and competitive.

APPOINTMENT AND REMUNERATION OF THE AUDITOR

At the Meeting, the shareholders will be called upon to renew the appointment of the Auditor to hold office until the next annual meeting of shareholders, and to authorize the directors to establish its remuneration.

Except where authority to vote on the appointment of the Auditor is withheld, the persons named in the accompanying form of proxy will vote “**FOR**” the appointment of the firm Ernst & Young LLP (“**Ernst & Young**”) as the Auditor of the Company, the compensation for the Auditor’s services to be determined by the Board of Directors. Ernst & Young has been acting as the Auditor of the Company since June 26, 2008.

In addition to auditing the consolidated financial statements, Ernst & Young and KPMG s.r.l./S.E.N.C.R.L. (“**KPMG**”) (the previous auditor of the Company) provided other services to the Company and invoiced the following fees to the Company with respect to the two most recently completed financial years of the Company.

The following table indicates the fees paid to (i) Ernst & Young for services rendered during the fiscal year 2008 further to its appointment on June 26, 2008, and (ii) KPMG, for services rendered with respect the financial year 2007, and for the financial year 2008 until the expiry of its mandate on June 26, 2008 :

Fees	2008 ⁽¹⁾	2008 ⁽²⁾	2007
Audit Fees ⁽³⁾	\$2,336,143	\$958,479	\$ 11,057,722
Audit-Related Fees ⁽⁴⁾	\$206,078	\$205,499	\$ 3,259,047
Tax Fees ⁽⁵⁾	\$31,228	\$32,500	\$ 2,379,101
Other Fees ⁽⁶⁾	\$-	\$52,500	\$ 1,022,788
Total Fees	\$2,573,449	\$1,248,978	\$ 17,718,658

(1) Fees paid to Ernst & Young.

(2) Fees paid to KPMG.

(3) Audit Fees consist of fees billed for the annual audit and quarterly reviews of the Company’s annual and quarterly consolidated financial statements and 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.

(4) 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.

(5) 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.

(6) 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 Company and its subsidiaries.

AMENDMENT TO GENERAL BY-LAWS

On March 31, 2009, the Board of Directors of the Company passed a resolution approving By-Law 2009-1 which modifies the quorum required to hold any Shareholders' Meetings, which can be found in Section 4 of Special By-Law "J" (General By-Laws) of the Company. During the auction process which resulted in QMI acquiring 17 operating licenses (which have since been transferred to its subsidiary Vidéotron Ltd.) for an Advanced Wireless Services (AWS) network, Industry Canada recommended that the Company amends the clause relating to the quorum required to hold a Shareholders' Meeting in order to ensure, on a permanent basis, that the Company is a Canadian-controlled corporation. Therefore, the content of the proposed By-Law in Schedule C attached hereto is intended to satisfy this requirement.

The Board of Directors recommends to the Shareholders to vote in favor of the resolution to this By-Law. Except if otherwise instructed to vote against the proposed amendment to Section 4 of Special By-Law "J" (General By-Laws), the persons named in the form of proxy attached hereto shall vote "FOR" the approval of the resolution attached as Schedule "C".

INDEBTEDNESS OF THE DIRECTORS AND OFFICERS

As of the date hereof, no amount is owed to the Company by any of the directors or officers of the Company or any of their associates. To that effect, the Company's practices do not permit to grant personal loans to directors and officers. The Board of Directors of QMI approved a policy that prohibits the Company from granting any personal loans to its directors or officers.

OTHER BUSINESS

Management of the Company knows of no other matters which should be put before the Meeting. If, however, any other matters come before the Meeting and are in order, the persons designated in the accompanying form of proxy shall vote on such matters in accordance with their best judgement pursuant to the discretionary authority conferred on them by the proxy with respect to such matters.

ADDITIONAL INFORMATION

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed fiscal year ended December 31, 2008. Copies of the Company's latest annual information form, audited financial statements and management's discussion and analysis, may be obtained on request from the Corporate Secretariat of the Company, 612 Saint-Jacques Street, 18th floor, Montréal, Québec, Canada, H3C 4M8. All of these documents as well as additional information relating to the Company are available under the Company's SEDAR profile at www.sedar.com and on the Company's Web site at www.quebecor.com.

DIRECTORS' APPROVAL

The Board of Directors has approved the content and the sending of this Circular to the shareholders.



Claudine Tremblay
Vice-President and Secretary

SCHEDULE A

CORPORATE GOVERNANCE PRACTICES

1. BOARD OF DIRECTORS

Within the meaning of section 1.4 of Regulation 52-110, an independent director is a director who has no direct or indirect material relationship with the Company, namely a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director's independent judgment. After having examined the relationships of each director, the Board of Directors has determined that that seven of the ten persons nominated by Management for election to the Board of Directors are independent of the Company.

Directors	Independent	Non independent
Françoise Bertrand	Françoise Bertrand is considered independent because she has no direct or indirect material relationship with the Company.	
Robert Dutton	Robert Dutton is considered independent because he has no direct or indirect material relationship with the Company.	
Jean La Couture	Jean La Couture is considered independent because he has no direct or indirect material relationship with the Company.	
Jean-Marc Eustache	Jean-Marc Eustache is considered independent because he has no direct or indirect material relationship with the Company.	
Pierre Laurin	Pierre Laurin is considered independent because he has no direct or indirect material relationship with the Company.	
The Right Honourable Brian Mulroney		The Right Honourable Brian Mulroney is not independent because he is a senior partner of the firm Ogilvy Renault, principal legal counsel to the Company and its subsidiaries.
Jean Neveu	Jean Neveu is considered independent because he has no direct or indirect material relationship with the Company.	
Pierre Parent	Pierre Parent is considered independent because he has no direct or indirect material relationship with the Company.	

Directors	Independent	Non independent
Érik Péladeau		Érik Péladeau is not independent because he holds an interest in the controlling shareholder of the Company, Les Placements Péladeau Inc.
Pierre Karl Péladeau		Pierre Karl Péladeau is not independent because he is an executive officer of Quebecor and Quebecor Media. Furthermore, he holds an interest in the controlling shareholder of the Company, Les Placements Péladeau Inc.

The Board of directors has determined that its Chairman, Mr. Jean Neveu, was independent because he acts in those capacities on a part-time basis only. The Chairman of the Board is appointed each year from among the members of the Board of Directors. During the most recently completed year, five meetings of the independent directors, at which members of Management were not in attendance, were held.

A number of directors of the Company are also members of the Board of Directors of another reporting issuer. This information is set out under “Other reporting issuers’ directorships” of this Circular.

During the year 2008, the Board of Directors, upon recommendation of the Corporate Governance and Nominating Committee, has established strict guidelines to avoid real or potential conflicts of interest pertaining to the fact that five directors of the Company were also Board members of Quebecor World Inc., a corporation that filed for protection under the *Companies’s Creditors Arrangement Act*. Four out of those five directors resigned from the Board of Directors of Quebecor World at the beginning of December 2008.

The Board of Directors held nine meetings during the 2008 financial year. The attendance record of each director at meetings of the Board of Directors held during the financial year ended December 31, 2008 is set out under “Attendance at Board and Committee Meetings” of this Circular.

2. BOARD OF DIRECTORS MANDATE

The mandate of the Board of Directors of the Company is to assume stewardship of the Corporation’s overall administration and to oversee the management of the Company’s operations. The Company’s Board of Directors has approved and adopted an official mandate that describes the composition, responsibilities and operation of the Board of Directors (the “**Board Mandate**”).

The Board Mandate provides that the Board is responsible for supervising the management of the Company’s business and affairs, with the objective of increasing value for the shareholders. Although Management manages the Company’s day-to-day operations, the Board is responsible for stewardship of the Company and, as such, it must efficiently and independently supervise the business of the Company.

A copy of the Board Mandate is annexed hereto as Schedule “B”. A copy of the Board Mandate is also available on the Company’s Web site at www.quebecor.com.

3. POSITION DESCRIPTIONS

a) **Chairman of the Board and Committee Chairman**

The Board of Directors has adopted position descriptions for the Chairman of the Board and the chairman of each Board committee.

The Chairman of the Board of Directors is responsible for the efficient operation of the Board of Directors. He ensures that the Board of Directors fully executes its mandate and that the directors clearly understand and respect the boundaries between the responsibilities of the Board of Directors and the responsibilities of Management.

According to the position description for each Board committee chairman, the principal role of the committee chairman is to ensure that his committee fully executes its mandate. A committee chairman must report on a regular basis to the Board of Directors regarding the activities of his committee.

Position descriptions (chairman mandates) are available on the Company's Web site at www.quebecor.com.

b) President and Chief Executive Officer

The Board of Directors has adopted a position description for the President and Chief Executive Officer of the Company which is available on the Company's Web site at www.quebecor.com.

Among other things, the President and Chief Executive Officer is responsible for implementing the Company's strategic and operational objectives and for the execution of the Board's decisions. Moreover, he must establish the required procedures for fostering a corporate culture that promotes integrity, discipline and tight financial policies.

4. ORIENTATION AND CONTINUING EDUCATION

The mandate of the Corporate Governance and Nominating Committee provides that the Committee is responsible for establishing and reviewing a training and orientation program for directors. Each director receives a Guide for Directors which is updated annually. The Guide contains, among other things, the mandates and working plans of the Board of Directors and the committees, as well as useful information about the Company. Senior management of the Company also provides new directors with historical and forward-looking information regarding the Company's market position, operations and financial situation, as to ensure that the directors understand the nature, functioning and positioning of the Company.

Senior management members regularly make presentations to the Board of Directors regarding the Company's principal business lines. Moreover, the Corporate Governance and Nominating Committee evaluated the various means that would allow the directors to always remain well informed about the Company's regulatory obligations as well as the latest trends with regards to corporate governance and offered all interested directors the possibility of attending training sessions organized by specialized firms on topics of interest so as to help the directors fully perform their duties.

5. ETHICAL BUSINESS CONDUCT

The Company and its subsidiaries adopted a Code of Business Conduct to encourage and promote a culture of ethical business conduct within the Company. The Code of Business Conduct may be consulted under the Company's SEDAR profile at www.sedar.com. The Code is also available on the Company's Web site at www.quebecor.com.

The Code of Business Conduct is given to all of the Company's employees and such employees undertake in writing to abide by the Code. Furthermore, the Vice-President, Internal Audit reports to the Audit Committee on all departures from the Code of Business Conduct reported to him through the line of ethic and the steps taken by the Company to correct them. The Chairman of the Audit Committee informs the Board of Directors thereof at each regular meeting of the Board.

Neither the Board of Directors nor the Corporate Governance and Nominating Committee has allowed departures from the Code of Business Conduct by a director or executive officer over the past twelve months or during any part of the year 2008. Accordingly, no material change report was needed or filed.

The Audit Committee reviews related party transactions. If a director is in a situation of conflict of interests during any discussions occurring at a meeting of the Board of Directors or one of its committees, he must declare his interest and withdraw from the meeting so as not to participate in the discussions or in any decisions which may be made.

In addition to monitoring compliance with the *Code of Business Conduct*, the Board of Directors has adopted various internal policies to encourage and promote a culture of ethical business conduct.

In particular, the Board of Directors has approved a *Policy relating to the use of privileged information* which reminds directors, senior executives and employees of the Company who have access to confidential information likely to affect the market price or value of the Company's securities or of any third party to significant negotiations, that they may not trade in shares of the Company or of the other firms involved as long as the information has not been fully made public and as long as a reasonable period of time has not elapsed since the public disclosure. Furthermore, the directors and senior executives of the Company and all other persons who are insiders of the Company may not trade in securities of the Company during certain periods set forth in the said policy.

The Board of Directors has also approved a *Communications Policy* whose objective is to ensure that disclosure to the investing public regarding the Company is made in a timely manner, in keeping with the facts, accurately and widely, in accordance with the applicable statutory and regulatory requirements.

6. NOMINATION OF DIRECTORS

The Corporate Governance and Nominating Committee is responsible for:

- developing and reviewing criteria for selecting directors, by regularly assessing, firstly, the qualifications, personal qualities, business background and diversified experience of the Board members and, secondly, the Company's needs;
- identifying, in cooperation with the Chairman and Vice-Chairman of the Board, nominees for membership on the Board in accordance with the criterias set by the committee;
- recommending to the Chairman and Vice-Chairman of the Board potential nominees to fill vacancies on the Board.

The Chairman and the Vice-Chairman of the Board discuss with the Chief Executive Officer the committee's recommendations and meets with the nominees. The Chairman and Vice-Chairman of the Board make their recommendations to the Board. The Corporate Governance and Nominating Committee assists the Board of Directors and its Chairman in selecting committee members.

The Corporate Governance and Nominating Committee is composed of three independent members, namely:

Chairperson: Pierre Laurin
Members: Françoise Bertrand
Robert Dutton

In addition to the responsibilities and powers described hereinabove, the Committee is also responsible for assisting the Board in developing and monitoring the Company's corporate governance practices. The Committee presents to the Board of Directors, on a regular basis, its recommendations for improving the Company's corporate governance practices.

During the fiscal year ended December 31, 2008, the Corporate Governance and Nominating Committee held two meetings.

A copy of the Committee's mandate is available on the Company's Web site at www.quebecor.com.

7. COMPENSATION

The Compensation Committee is responsible for reviewing annually the compensation of the Company's directors, as well as the compensation of members and chairpersons of the Board committees and to make recommendations to the Board of Directors.

The Compensation Committee is also responsible for reviewing and approving the amount and method of compensation of the President and Chief Executive Officer and of the Vice-President and Chief Financial Officer. The Committee reviews this compensation once a year. The Chair of the Committee reports thereon the decisions and recommendations to the Board. Quebecor Media has its own Compensation Committee.

The Committee reviews the succession planning process for executive officers. It also makes recommendations to the Board on the appointment of executive officers and the compensation of directors. It reviews and approves the objectives of the Chief Executive Officer, assesses his performance in relation to those objectives and establishes his compensation. It makes the appropriate recommendations to the Board of Directors for the granting of stock options.

The Compensation Committee is composed of three independent directors, namely:

Chairperson: Françoise Bertrand
Members: Alain Bouchard
Pierre Parent

All the minutes of the Compensation Committee are submitted to the Board of Directors of the Company for information, and the Committee Chair also reports to the Board of Directors on its activities. A copy of the mandate is available on the Company's website at www.quebecor.com.

During the financial year ended December 31, 2008, the Company retained the services of an external compensation consultant Towers, Perrin, to assist in determining the compensation of senior officers. In addition, Towers, Perrin provides the Company with the results of surveys made with various clients. For the fiscal year 2008, an amount of \$5,900 was paid to Towers, Perrin for their services.

8. AUDIT COMMITTEE

The Audit Committee is composed exclusively of independent directors, namely:

Chairperson: Jean La Couture
Members: Pierre Laurin
Pierre Parent

The Audit Committee assists the Board of Directors in overseeing the financial controls and reporting of the Company. The Committee also oversees the Company's compliance with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

The Company hereby incorporates by reference the additional information on its Audit Committee set out in its Annual Information Form for the fiscal year ended December 31, 2008. The Annual Information Form is available under the Company's SEDAR profile at www.sedar.com.

9. OTHER BOARD OF DIRECTORS COMMITTEES

There are no standing committees of the Board of Directors other than the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee whose mandates are summarized hereinabove.

10. ASSESSMENT

The mandate of the Board of Directors provides that it has the responsibility for assessing the committees. Thus, each year, each committee chairperson reports to the Board of Directors on the work carried out during the most recently completed financial year and provides the Board of Directors with a certification indicating whether or not the committee has covered the required elements of the working plan resulting from its mandate.

It is the responsibility of the Chairman of the Board to assess the contribution of each director through individual meetings. At those meetings, the Chairman of the Board reviews, in particular, with each director, that director's assessment of the effectiveness of the Board and the contribution of its members. A report thereon is presented to the Board of Directors each year.

SCHEDULE B

MANDATE OF THE BOARD OF DIRECTORS

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

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

COMPOSITION AND QUORUM

The Board is composed of a minimum of three (3) and a maximum of fifteen (15) directors.

The majority of the members of the Board must be independent, as defined in the laws and regulations. The Board considers annually the independence of each of its members. In accordance with the articles of the Company, 25% of all the members of the Board are elected by holders of Class B Subordinate Voting Shares and the other members of the Board are elected by holders of Class A Multiple Voting Shares.

All members of the Board have the skills and qualifications required for appointment as a director. The Board as a whole reflects a diversity of particular experiences and qualifications to meet the Company’s specific needs.

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

RESPONSIBILITIES

The Board has the following responsibilities:

- A. With respect to strategic planning
 - 1. Reviewing and approving annually the Company’s global budget and strategic plan.
 - 2. Reviewing and, at the option of the Board, approving all strategic decisions for the Company, including acquisitions or sales of shares, assets or businesses which exceed the delegated approval powers.
- B. With respect to human resources and performance assessment
 - 1. Selecting, appointing and, if necessary, removing the Chief Executive Officer.
 - 2. Approving the appointment and, if necessary, the removal of the other senior management executives.
 - 3. Approving or developing the objectives that the Chief Executive Officer and the senior management executives must attain.
 - 4. Ensuring that the Compensation Committee assesses annually the performance of the Chief Executive Officer and of senior management, taking into consideration the Board’s expectations and the objectives that have been set.

5. Monitoring the management succession planning process.

C. With respect to financial matters and internal controls

1. Ensuring the integrity and quality of the Company's financial statements and the adequacy of the disclosure made.
2. Reviewing and approving the annual and quarterly financial statements and management's discussion and analysis. Reviewing the press release relating thereto.
3. Approving operating and capital budgets, the issuance of securities and, subject to authority limit policies, all transactions outside the ordinary course of business, including proposed amalgamations, acquisitions or other material transactions such as investments or divestitures.
4. Determining dividend policies and declaring dividends when deemed appropriate.
5. Ensuring that appropriate systems are in place to identify business risks and opportunities and overseeing the implementation of processes to manage these risks and opportunities.
6. Monitoring the Company's internal control and management information systems.
7. Monitoring the Company's compliance with legal and regulatory requirements applicable to its operations.
8. Reviewing periodically the Company's communications policy, monitoring the Company's dealings with analysts, investors and the public and ensuring that measures are in place in order to facilitate shareholder feedback.

D. With respect to pension matters and the Stock Option Plan

1. Monitoring investment policies for the Company's pension plans.
2. Monitoring the investment management of the pension funds.
3. Approving grants of stock options in virtue of the Stock Option Plan.

E. With respect to corporate governance matters

1. Ensuring that management manages the Company competently and in compliance with applicable legislation, including making timely disclosure of relevant information regarding the Company and making statutory filings.
2. Reviewing, on a regular basis, corporate governance structures and procedures, including the decisions requiring the approval of the Board.
3. Adopting a Code of Business Conduct applicable to the Company's directors, officers and employees, and reviewing same as required. Ensuring compliance with the Code.
4. Establishing a policy which enables committees of the Board and, subject to approval of the Corporate Governance and Nominating Committee, to hire external advisors at the expense of the Company when the circumstances so require. The Chairman of the Board must be kept informed of such undertaking.

5. Reviewing the size and composition of the Board and its committees based on qualification, skills and personal abilities sought in Board members. Reviewing annually the composition of Board committees and appointing committee chairpersons. Reviewing annually the mandates of Board committees.
6. Approving the list of Board nominees for election by shareholders.
7. Establishing annually which directors will be designated as independent pursuant to the rules on the independence of directors.
8. Reviewing, and at the option of the Board, approving the Company's management proxy circular as well as the annual information form and all documents or agreements requiring its approval.
9. Receiving annually an attestation from the Board's committees confirming that all required elements included in their mandate and working plan have been covered.
10. Receiving annually the Chairman's report on the Board's assessment in regards to its overall effectiveness.
11. Ensuring 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. In addition, a special meeting of the Board is held annually in order to review the Company's strategic plan.
2. The Chairman of the Board, in collaboration 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 of the Company on a timely basis.
3. Independent directors meet after each regular meeting of the Board, or more frequently, as required.

SCHEDULE C

Ratification of By-Law 2009-1 amending Special By-Law "J" (General By-Laws) of the Company

UPON MOTION DULY MADE AND SECONDED, IT IS RESOLVED:

TO RATIFY By-Law 2009-1 amending Special Regulation "J" (General By-Laws) of the Company in order for Section 4 of Special By-Law "J" (General By-Laws) to read as follows:

BY-LAW 2009-1

"4. QUORUM, VOTE AND ADJOURNED MEETINGS

Two persons representing at least twenty-five per cent (25%) of votes cast by holders of outstanding voting shares of the Company, present in person or represented by proxy at the meeting, constitute the quorum for any annual meeting and any special general meeting of Shareholders of the Company.

The actions taken by holders of the majority of shares so represented, which entitle their holders to vote, are considered as actions taken by all shareholders, unless the vote or consent of holders of a greater number of shares is required or prescribed by the applicable legislation, the certificate of incorporation or the By-Laws of the Company.

In the absence of the quorum at a shareholders' meeting, shareholders present in person who can be accounted for to constitute the quorum have the power to adjourn the Meeting at any time and in any place, with no further notice other than mentioning it at the Meeting, until the quorum is obtained. Any matter that could have been brought before the adjourned meeting may then be brought before any adjournment thereof provided the quorum is duly constituted."

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