



QUEBECOR INC.

**NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual Meeting of the holders of Class A Multiple Voting Shares and Class B Subordinate Voting Shares of Quebecor Inc. (the "**Company**") will be held in Studio A of TVA Group Inc., 1425 Alexandre-DeSève, Montreal, Quebec, Canada, on Wednesday, May 11, 2005, at 10:30 a.m. (the "**Meeting**") for the purposes of:

1. receiving the consolidated financial statements of the Company for the year ended December 31, 2004, and the Auditor's Report thereon;
2. electing Class A Directors and Class B Directors;
3. appointing the Auditor and authorizing the Board of Directors to determine its remuneration; and
4. transacting such other business as may properly be brought before the Meeting.

Enclosed is a copy of the 2004 Annual Report of the Company including the consolidated financial statements and the Auditor's Report thereon, together with the Management Proxy Circular and a Form of Proxy, including an electronic document delivery consent.

BY ORDER OF THE BOARD OF DIRECTORS,

Louis Saint-Arnaud
Senior Vice President, Legal Affairs and Secretary

Montreal, Canada
April 13, 2005

IMPORTANT

Shareholders registered at the close of business on March 25, 2005 are entitled to receive notice of the Meeting. **Shareholders who are unable to attend the Meeting in person are urged to complete and sign the enclosed form of proxy and return it in the prepaid envelope provided for that purpose.** In order to be valid, proxies must be received at the Head Office of the Company, 612 St. Jacques Street, Montreal, Quebec, Canada H3C 4M8, or by Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, no later than May 9, 2005 at 5:00 P.M.

MANAGEMENT PROXY CIRCULAR



QUEBECOR INC.

612 St. Jacques Street
Montreal, Quebec
H3C 4M8

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Circular") is furnished 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 11, 2005 (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 21, 2005**. All dollar amounts appearing in this Circular are in Canadian dollars, except if another currency is specifically mentioned. On December 31, 2004, the Bank of Canada quoted the closing exchange rate between the Canadian dollar and the U.S. dollar at CDN \$1.2037 per US \$1.00.

Proxies are solicited primarily by mail. However, officers and employees of the Company may also solicit proxies directly, 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 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, by striking out said printed names and inserting the name of his chosen proxyholder in the blank space provided for that purpose in the form of proxy.**

To be valid, proxies must be received at the Head Office of the Company, 612 St. Jacques Street, Montreal, Quebec, Canada H3C 4M8, or by Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, no later than May 9, 2005 at 5:00 P.M.

REVOCAION OF PROXIES

A shareholder giving a proxy may revoke the proxy by an 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 Head Office of the Company, 612 St. Jacques Street, Montreal, Quebec, 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, or in any other manner permitted by law.

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 attaching to the shares represented by a form of proxy 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.

Unless otherwise indicated, the resolutions submitted to a vote at the Meeting must be passed by a majority of the votes cast 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, present or represented by proxy at the Meeting.

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 - 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 either a request for voting instructions or a form of proxy for the number of shares held by them. The nominees' voting instructions or forms 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 accordingly voted at the Meeting. Non-registered shareholders who would like their shares to be voted for them must therefore follow the voting instructions provided by their nominees.

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 form of proxy, 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 Trust Company of Canada. 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 giving 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. As of March 21, 2005, there were 22,260,164 Class A Shares and 42,390,958 Class B Shares outstanding.

The Articles of the Company provides that in case a takeover 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.

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, 2005 (the "**Record Date**") will be entitled to vote at the Meeting and any adjournment thereof if present or represented by proxy thereat. A transferee of Class A Shares or Class B Shares, as the case may be, acquired after the Record Date, 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 officers of the Company, as at March 21, 2005, the only person or corporation who beneficially owns or exercises control or direction over more than 10% of the

shares of any class of voting shares of the Company is Les Placements Péladeau Inc. ("**Les Placements Péladeau**") a corporation controlled by Fiducie Spéciale Pierre-Péladeau, a trust constituted for the benefit of Erik Péladeau and Pierre Karl Péladeau. As at March 21, 2005, Les Placements Péladeau held directly 17,349,264 Class A Shares, representing 77.94% of the Class A Shares outstanding and 19,800 Class B Shares, representing in total 65.48% of all the voting rights attached to all the shares of the Company.

MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS

Management's Report, the consolidated financial statements and the Auditor's Report thereon for the year ended December 31, 2004, included in the Company's 2004 Annual Report, will be submitted to the shareholders at the Meeting, but no vote with respect thereto is required or will be taken.

ELECTION OF DIRECTORS

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 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, shall 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 Company's Board of Directors will be composed of eleven directors for the current year. The term of office of each director elected will expire upon the election of his successor unless he resigns from office or his office becomes vacant by death, removal or other cause. Mr. Raymond Lemay, a director since 1989, will not be seeking re-election.

Management of the Company does not contemplate 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 reserve the right to vote for another nominee at their discretion, unless the shareholder has specified that his shares are to be withheld from voting on the election of directors. All nominees, whose nomination as director is hereby submitted, are currently directors of the Company, with the exception of Mr. Jean-Marc Eustache.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying form of proxy will vote for the election of the eleven 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. Moreover, **a short biography of each nominee is included at Appendix "A"**. Except if otherwise indicated or as disclosed in previous Management proxy circulars of the Company, all nominees have been engaged in the principal occupations next to their names for more than five years.

Name	Principal Position	Director since	Shares Owned or Controlled Directly or Indirectly ⁽¹⁾	Units held under the DSUP ⁽²⁾
CLASS A DIRECTORS				
Alain Bouchard ⁽³⁾ Québec, Canada	Chairman, President and Chief Executive Officer, Alimentation Couche-Tard Inc. (Convenience stores chain)	1997	2,000 Class B Shares	12,141
Robert Dutton Québec, Canada	President and Chief Executive Officer, RONA Inc. (Hardware retailer)	2002	—	4,548
Pierre Laurin ⁽⁴⁾ Québec, Canada	Executive-in-Residence, HEC Montreal (University teaching)	1991	—	3,359
Le Right Honourable Brian Mulroney, P.C., C.C., LL.D. Québec, Canada	Senior Partner, Ogilvy Renault (Barristers and Solicitors) and Chairman of the Board of Quebecor World Inc. (Commercial printer)	1999	1,000 Class A Shares ⁽⁵⁾	8,757
Jean Neveu Québec, Canada	Chairman of the Board, Quebecor Inc. and Chairman of the Board, TVA Group Inc. (Broadcasting Corporation)	1988	65,614 Class B Shares ⁽⁶⁾	—
Pierre Parent ^{(3) (7)} Québec, Canada	President, R.O. Canada Inc. (Property and Hotel Management)	2003	4,200 Class B Shares ⁽⁸⁾	4,539
Érik Péladeau Québec, Canada	Vice Chairman of the Board, Quebecor Inc., Chairman of the Board, Quebecor Media Inc. (Communications Company), Vice Chairman of the Board, Quebecor World Inc.	1988	5,340 Class B Shares ⁽⁹⁾⁽¹⁰⁾	3,661
Pierre Karl Péladeau Québec, Canada	President and Chief Executive Officer, Quebecor Inc. and President and Chief Executive Officer, Quebecor World Inc.	1992	3,200 Class A Shares 25 500 Class B Shares ⁽¹⁰⁾⁽¹¹⁾	6,131

CLASS B DIRECTORS				
Françoise Bertrand ⁽³⁾⁽⁴⁾ Québec, Canada	President, <i>Fédération des chambres de commerce du Québec</i>	2003	350 Class A Shares ⁽¹²⁾	1,277
Jean-Marc Eustache Québec, Canada	Chairman, President and Chief Executive Officer, Transat A.T. Inc. (Integrated holiday travel group)	—	—	—
Jean La Couture, FCA ⁽⁷⁾	President, Private Hearing Ltd. (Commercial Mediation and Negotiation)	2003	3,000 Class B Shares ⁽¹³⁾	1,638

⁽¹⁾ This information has been provided to the Company by the respective nominees and excludes shares of subsidiaries of the Company that may be owned by a nominee director in order to qualify as a director of such subsidiaries under applicable law.

⁽²⁾ The numbers figured in this column are as of December 31, 2004. In 2000, the Company implemented a Directors' Deferred Stock Unit Plan ("DSUP"). See "**Compensation of Directors and Executive Officers — Compensation of Directors**".

⁽³⁾ Member of the Human Resources Committee

⁽⁴⁾ Member of the Corporate Governance and Nominating Committee

⁽⁵⁾ The Right Honourable Brian Mulroney holds 4,900 Subordinate Voting Shares of Quebecor World Inc.

⁽⁶⁾ In addition, Jean Neveu exercises control over 4,033 Subordinate Voting Shares of Quebecor World Inc. and 1,000 Class B Shares of TVA Group Inc.

⁽⁷⁾ Member of the Audit Committee

⁽⁸⁾ In addition, Pierre Parent holds 4,000 Series 3 Cumulative Redeemable First Preferred Shares of Quebecor World Inc.

⁽⁹⁾ In addition, Érik Péladeau holds 504 Subordinate Voting Shares of Quebecor World Inc. and exercises control over 22,700 Common Shares of Nurun Inc. and 8,038 Class B Shares of TVA Group Inc.

⁽¹⁰⁾ Les Placements Péladeau, a company controlled by Fiducie Spéciale Pierre-Péladeau, a trust constituted for the benefit of Érik Péladeau and Pierre Karl Péladeau, through its voting rights, exercises control of the Company with 17,349,264 Class A Shares and 19,800 Class B Shares of the Company. This same trust also exercises control over Holding Péladeau Inc., which holds 116,000 Class A Shares of the Company and over Gestion Péladeau Inc., which holds 43,700 Class A Shares of the Company.

The Company, together with its wholly-owned subsidiary, 4032667 Canada inc., holds 46,911,277 Multiple Voting Shares of Quebecor World Inc. In addition, the Company holds indirectly 19,076,605 Common Shares of Nurun Inc. and 4,316,688 Class A Shares and 7,910,583 Class B Shares of TVA Group Inc.

⁽¹¹⁾ In addition, Pierre Karl Péladeau holds 25,976 Subordinate Voting Shares of Quebecor World Inc.

⁽¹²⁾ In addition, Françoise Bertrand exercises control over 220 Subordinate Shares of Quebecor World Inc.

⁽¹³⁾ In addition, Jean La Couture exercises control over 1,000 Subordinate Voting Shares of Quebecor World Inc.

Additional Disclosure relating to Directors

The following table indicates the name of the publicly traded corporation's board on which each nominee for election to the Board sits.

Name of Nominee	Name of Corporation
Françoise Bertrand	-
Alain Bouchard	• Alimentation Couche-Tard Inc.
Robert Dutton	• RONA Inc.
Jean-Marc Eustache	• Transat A.T. Inc.
Jean La Couture	• Innergex Power Income Fund • Capital Desbog Inc.
Pierre Laurin	• Aeterna Laboratories Inc.
Le très Honorable Brian Mulroney	• Quebecor World Inc. • America Online Latin America, Inc. • Archer Daniels Midland Company • Barrick Gold Corporation • Cendant Corporation • Trizec Properties Inc.
Jean Neveu	• Quebecor World Inc. • Groupe TVA inc.
Pierre Parent	-
Erik Péladeau	• Quebecor World Inc. • Le Groupe Jean Coutu (PJC) inc.
Pierre Karl Péladeau	• Quebecor World Inc.

The following tables set forth the record of attendance of the Directors at meetings of the Board of Directors and its Committees and the number of meetings of the Board of Directors and its Committees held during the fiscal year ended December 31, 2004.

Directors	Number of Meetings Attended / Number of Meetings Held	
	Board	Committees
Françoise Bertrand	6 / 6	6 / 6
Alain Bouchard	6 / 6	2 / 2
Robert Dutton	5 / 6	0 / 1
Jean La Couture	6 / 6	5 / 5
Pierre Laurin	5 / 6	5 / 5
Raymond Lemay	6 / 6	10 / 10
Brian Mulroney	5 / 6	-
Jean Neveu	6 / 6	-
Pierre Parent	6 / 6	7 / 7
Érik Péladeau	4 / 6	-
Pierre Karl Péladeau	6 / 6	-

- Since becoming or ceasing to be a director or a member of the relevant committee.

Summary of Board of Directors and Committee Meetings Held	
Board of Directors	6
Audit Committee	5
Nominating and Corporate Governance Committee	5
Human Resources Committee	2

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

All the outside directors of the Company received for the fiscal year 2004 an annual retainer of \$37,500 and an attendance fee of \$2,000 for each meeting in which they participated. In addition, the Chairman of each committee of the Board of Directors received an annual base fee of \$7,000, except for the Chairman of the Audit Committee, who received an annual base fee of \$9,000.

The Chairman of the Board, Jean Neveu and the Vice Chairman of the Board, Érik Péladeau, received respectively an annual compensation of \$225,000 and \$150,000 for services rendered in such capacity. This remuneration is not subject to the DSUP.

In order to align the interests of its directors with those of its shareholders, the Company has implemented a Directors' Deferred Stock Unit Plan ("**DSUP**"). Under this plan, 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, the directors' accounts 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 means the weighted average trading price of the Class B Shares of the Company 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, and such units may not be converted into cash as long as the director remains a director of the Company.

Subject to certain limitations, all of the units credited to the director are redeemed by the Company 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. For purposes of redemption of units, the value of a unit corresponds to the market value of a Class B Share at the redemption date, being the closing price of the Class B Shares on The Toronto Stock Exchange on the last trading day preceding such date.

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

During the past fiscal year, the Company has redeemed 5,984 units of a director who has ceased to serve as such.

For the fiscal year ended December 31, 2004, nine directors received an aggregate amount of \$494,418 (including the value of units allotted) for services rendered in such capacity. Of this amount, \$198,400 was paid in cash and \$296,018 was paid in the form of units under the DSUP.

Compensation of Executive Officers

The following table shows certain selected compensation information for Pierre Karl Péladeau, President and Chief Executive Officer of the Company, Jacques Mallette, Executive Vice President and Chief Financial Officer and the three most highly compensated executive officers of the Company during the fiscal year ended December 31, 2004 (collectively, the "**Named Executive Officers**") for services rendered in all capacities during the fiscal years ended December 31, 2004, 2003 and 2002.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long-term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus ⁽¹⁾ (\$)	Other Annual Compensation ⁽²⁾ (\$)	Grants		Payouts	
					Securities Under Options/SARs* (#)	Shares or Units Subject to Resale Restrictions (\$)	LTIP* Payouts (\$)	
Pierre Karl Péladeau, ⁽³⁾ President and Chief Executive Officer	2004	1,354,583 ⁽⁴⁾	1,824,463 ⁽⁵⁾	-	1,000,000 ⁽⁶⁾	-	-	69,648 ⁽⁷⁾
	2003	1,354,305	1,100,000	-	-	-	-	176,002 ⁽⁷⁾
	2002	1,354,305	-	-	100,000 ⁽⁸⁾ 556,585 ⁽⁹⁾	-	-	87,500 ⁽⁷⁾
Jacques Mallette ⁽¹⁰⁾ Executive Vice President and Chief Financial Officer	2004	354,583	250,000	-	-	-	-	-
	2003	239,767	170,000	-	186,741 ⁽⁹⁾	-	-	-
	2002	-	-	-	-	-	-	-
David Boles, ⁽¹¹⁾ Special Advisor to the Chief Executive Officer, Quebecor World Inc.	2004	US675,000	US1,247,758	-	-	-	-	-
	2003	US628,846	-	-	27,989 ⁽⁶⁾	-	-	-
	2002	US413,943	US368,104	-	174,167 ⁽⁶⁾	-	-	-
Serge Gouin, ⁽¹²⁾ President and Chief Executive Officer, Quebecor Media Inc.	2004	815,385	1,000,000	-	321,809 ⁽⁹⁾	-	-	65,118 ⁽¹³⁾
	2003	-	-	-	100,000 ⁽⁹⁾	-	-	298,661 ⁽¹³⁾
	2002	-	-	-	-	-	-	293,999 ⁽¹³⁾
Robert Dépatie, ⁽¹⁴⁾ President and Chief Executive Officer, Vidéotron Ltée	2004	391,400	418,600	-	-	-	-	-
	2003	380,000	300,000	-	187,564 ⁽⁹⁾	-	-	-
	2002	207,365	70,000	-	62,011 ⁽⁹⁾	-	-	-

* The acronym "SAR" means Stock Appreciation Rights and the acronym "LTIP" means Long Term Incentive Plan.

(1) Bonus amounts are paid in cash in the year following the fiscal year for which they are awarded.

(2) Perquisites or other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of salary and bonuses.

(3) Pierre Karl Péladeau serves also as President and Chief Executive Officer of Quebecor World Inc. The compensation presented in this circular comprises the remuneration he received from all sources.

(4) This amount includes a sum of \$1,084,426 paid to Pierre Karl Péladeau by Quebecor World Inc. in his capacity of President and Chief Executive Officer of this subsidiary from March 12, 2004 to December 31, 2004.

(5) This amount includes a bonus of \$1,534,463 paid by Quebecor World Inc.

(6) Underlying Securities: Subordinate Voting Shares of Quebecor World Inc.

(7) Total amount earned (including the values of units granted) in consideration for services rendered as director of the Company and/or certain of its subsidiaries.

(8) Underlying Securities: Class B Shares of the Company.

(9) Underlying Securities: Common Shares of Quebecor Media Inc.

(10) Jacques Mallette joined the Company on March 18, 2003. The amount reported as salary for 2003 represents salary actually earned from March 18, 2003 until December 31, 2003.

(11) David Boles was named Special Advisor to the Chief Executive Officer of Quebecor World Inc. on November 29, 2004. Prior to that, he had served as Chief Operating Officer, Quebecor World North America. The reported bonus for 2004 includes an amount of US\$300,000 (plus accrued interest) paid to David Boles in January 2005 as the final retention payment payable pursuant to an escrow agreement entered into with Quebecor World Inc. in March 2003.

(12) Serge Gouin has been appointed President and Chief Executive Officer of Quebecor Media Inc. on March 11, 2004. Prior to that, he acted as Chairman of the Board of Quebecor Media Inc. Since June 2004, he serves also as President and Chief Executive Officer of TVA Group Inc.

(13) This amount includes consulting fees (which is the main component) and meeting fees.

(14) Robert Dépatie was appointed President and Chief Executive Officer of Vidéotron Ltée on June 27, 2003. Prior to that, he acted as Senior Vice President, Marketing, Sales and Customer Services.

EQUITY COMPENSATION PLANS

The Company's Stock Option Plan

The Stock Option Plan of Quebecor Inc. (the "QI Plan") is designed to offer to the officers, senior employees and key employees of the Company or its subsidiaries the opportunity to benefit from the appreciation in value of the Class B Shares of the Company. Under the said plan, stock options are granted towards the purchase of a maximum of 6,500,000 Class B Shares.

Upon the recommendation of the Compensation Committee, the Board of Directors designates from time to time the executives to whom options will be granted and the number of shares covered by each option. The options may not be exercised after the tenth anniversary date of granting. The number of options so granted is based on individual merit and on the optionee's level of responsibility. No optionee may hold options covering more than 5% of the outstanding shares of the Company. The options granted are non assignable.

The exercise price of each Class B Share covered by an option granted pursuant to this plan is equal to the weighted average trading price of such shares on The Toronto Stock Exchange over the last five trading days immediately preceding the date of grant of such option. Options usually vest over a three-year period on the basis of 33 ¹/₃% each year, starting on the day following the first anniversary of the grant.

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

- 30 days from the termination of the optionholder's employment for reasons other than death or retirement;
- 60 days from the retirement;
- 180 days following the death of the optionholder;
- 10 years from the date of the grant;

Subject to prior authorization of the regulatory authorities, as the case may be, the Board of Directors may at any time, amend or terminate the QI Plan.

The following table sets forth, as at December 31, 2004 the information with respect to the Company's compensation plans pursuant to which equity securities of the Company are authorized for issuance.

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 Compensations plans approved by securityholders :			
QI Plan	1,743,349	\$31.01	4,434,263
Equity Compensation plans not approved by securityholders :	-	-	-

Quebecor Media Inc. Stock Option Plan

On January 29, 2002, Quebecor Media Inc. (“QMI”) established a stock option plan for officers, senior employees and other key employees of Quebecor Media Inc. and its subsidiaries (“QMI Plan”). Participants in the plan are granted options which may be exercised to purchase Common Shares of Quebecor Media Inc.

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, at 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 trading price of the said Common Shares on the stock exchanges where such shares are listed at the time of the grant. As long as QMI is not a public company, an optionholder may not exercise any of his options to buy shares of QMI or may not exercise his right to receive the gain realized on his shares, except between January 1 and January 31 of each year, starting January 1, 2008, unless authorized by QMI’s Compensation and Human Resources Committee in the event of a change of control resulting from a significant transaction.

Except under specific circumstances and unless the Compensation and Human Resources Committee decides otherwise, options vest over a five-year period in accordance with one of the following vesting schedules, as determined by the Compensation and Human Resources Committee 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, and (iii) equally over three years with the first 33 ¹/₃% vesting on the third anniversary of the date of the grant.

The total number of common shares reserved for issue under such plan is 6,185,714, and no optionee shall hold options entitling him to purchase more than 5% of the number of common shares issued and outstanding.

Executive Stock Option Plan of Quebecor World Inc.

Quebecor World Inc. (“QWI”) has in place an Executive Stock Option Plan (“QWI Plan”) as a performance incentive for certain key employees of this Corporation. The maximum number of Subordinate Voting Shares of QWI that may be issued under this Plan is currently 9,000,000. The terms of the QWI Plan do not permit any individual optionholder to hold options to purchase more than 5% of QWI’s issued and outstanding Multiple Voting Shares and Subordinate Voting Shares.

Under the terms of QWI Plan, certain eligible executives may be granted options to purchase Subordinate Voting Shares of QWI at a predetermined price and over a specific period of time. The Human Resources and Compensation Committee of QWI is responsible for the administration of the QWI Plan and for designating eligible executives. This Plan is open to employees of QWI and its subsidiaries who occupy executive positions and who have the ability to influence the long-term performance of QWI. As such, eligible executives have been assigned a level according to their position and areas of responsibility. The number of options which may be granted to eligible executives is determined in accordance with their assigned level.

The exercise price applicable to options granted under the QWI Plan is determined by the Human Resources and Compensation Committee of QWI according to the “market value” of the Subordinate Voting Shares of QWI. “Market value” is defined in the QWI Plan as the arithmetic average of the closing prices of the Subordinate Voting Shares of QWI on the Toronto Stock Exchange for options priced in Canadian dollars and on the New York Stock Exchange for options priced in U.S. dollars, for the five trading days immediately preceding the grant of the option.

Various features of the QWI Plan were incorporated as recent amendments adopted by the Board of Directors, such amendments having effect as of January 1, 2005, including the vesting of options based 50% on the attainment of certain adjustable performance targets approved by the Human Resources and Compensation Committee. The remaining 50% of an optionholder option become

exercisable and vest based on the passage of time with 12.5% of the options vesting on each of the first four anniversaries of the option grant date. The Human Resources and Compensation Committee may, at its discretion, accelerate the vesting of unvested options and extend the exercise periods.

Where an optionholder's employment is terminated for reasons other than death or retirement, all options not vested at the date of termination will expire. In addition, a hold period is required on shares purchased through the exercise of options within one year of an employee's retirement. Any options not exercised prior to their expiration date become non-exercisable and are forfeited. All QWI Subordinate Voting Shares subject to forfeited or cancelled options automatically become available for future grants under the QWI Plan.

Options Granted in 2004

The following table sets forth grants of stock options to the Named Executive Officers under the stock option plans of the Company and its subsidiaries during the fiscal year ended December 31, 2004.

Option/SAR Grants During the Most Recently Completed Financial Year

Name	Securities Under Options/SARs Granted	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$)	Expiration Date
Pierre Karl Péladeau	1,000,000 ⁽¹⁾	84.7	29.188	29.78 ⁽²⁾	June 23, 2014
Jacques Mallette	—	—	—	—	—
David Boles	—	—	—	—	—
Serge Gouin	321,809 ⁽³⁾	48.5	21.752	— ⁽⁴⁾	March 15, 2014
Robert Dépatie	—	—	—	—	—

- ⁽¹⁾ Underlying Securities: Subordinate Voting Shares of QWI. These options were granted as a special one-time grant.
- ⁽²⁾ Based on the closing sale price of the Subordinate Voting Shares of QWI on The Toronto Stock Exchange at the grant date.
- ⁽³⁾ Underlying Securities: Common Shares of QMI.
- ⁽⁴⁾ The Common Shares of QMI are not listed on an organized market. The exercise price has been established as provided in the QMI Plan.

Options Exercised in 2004

The following table indicates for each of the Named Executive Officers the number of options, if any, exercised during the fiscal year ended December 31, 2004, the gains realized upon exercise, the total number of unexercised options, if any, held at December 31, 2004 and the value of such unexercised options at that date.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ⁽¹⁾ (\$)	Unexercised Options/SARs at FY-End		Value of Unexercised "In-the-Money" Options/SARs At FY-End ⁽²⁾	
			Exercisable (#)	Unexercisable (#)	Exercisable (\$)	Unexercisable (\$)
Pierre Karl Péladeau	25,000 ⁽³⁾	241,325	1,012,667 ⁽³⁾	33,333 ⁽³⁾	360,864	179,368
	—	—	—	556,585 ⁽⁴⁾	—	6,508,705
	—	—	389,271 ⁽⁵⁾	1,004,953 ⁽⁵⁾	—	—
Jacques Mallette	—	—	—	186,741 ⁽⁴⁾	—	1,203,359
David Boles	—	—	244,732 ⁽⁵⁾	190,641 ⁽⁵⁾	—	—
Serge Gouin	—	—	—	421,809 ⁽⁴⁾	—	3,234,297
Robert Dépatie	—	—	15,503 ⁽⁴⁾	234,072 ⁽⁴⁾	94,475	1,859,708

(1) The Aggregate Value Realized upon exercise is the difference between the closing price of the underlying security on The Toronto Stock Exchange on the exercise date and the exercise price of the Named Executive Officers' option.

(2) The Value of Unexercised "In-The-Money" Options at fiscal year-end is the difference between the option exercise price and the closing price of the underlying security on The Toronto Stock Exchange on December 31, 2004 (or on the New York Stock Exchange for U.S. participant). This gain, unlike that set forth in the column "Aggregate Value Realized", has not been, and may never be, realized. The underlying options have not been, and may not be, exercised; and actual gains, if any, on exercise will depend on the value of the underlying security on the date of exercise. On December 31, 2004, the closing price of the Class B Shares of the Company on the Toronto Stock Exchange was \$25.89 per share, the closing price of the Subordinate Voting Shares of QWI on the Toronto Stock Exchange and on the New York Stock Exchange were \$25.80 per share and US\$21.54, per share, respectively. The Board of Directors of Quebecor Media Inc. determined that, as of December 31, 2004, the value of the shares of QMI for the purpose of stock options' grants was \$27.864 per share.

(3) Underlying Securities: Class B Shares of the Company.

(4) Underlying Securities: Common Shares of QMI.

(5) Underlying Securities: Subordinate Voting Shares of QWI.

PENSION BENEFITS

Canadian Basis Pension Plans

The Company's subsidiaries, QWI and QMI, maintain, among other plans, pension plans for their 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 Vidéotron Ltée), 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, and without reduction from the age of 61 years in the case of the plan of QMI and the age of 62 years in the case of the plan of QWI, if such executive officer has at least ten years of membership.

In addition, the pension 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 \$100,000 (the salary generating the maximum qualified pension in accordance with the *Income Tax Act*), being a maximum of \$5,000 per year (\$3,500 for executive officers of Vidéotron Ltée).

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
\$100,000 or more	\$20,000	\$30,000	\$40,000\$	\$50,000	\$60,000

All the Named Canadian Executive Officers are members of one of such pension plans. The respective years of membership in the plan as of December 31, 2004 for the Named Executive Officers are as follows: Pierre Karl Péladeau, 5 years and 8 months, Jacques Mallette, 1 year and 9 months, Serge Gouin, 10 months, and Robert Dépatie, 1 year and 11 months.

Canadian Supplementary Retirement Plan

In addition to the pension plan in force, the Company and its subsidiaries provide supplementary retirement plans for its Named Executive Officers. In the event that a participant's salary exceeds \$100,000, additional retirement benefits will be paid from the unfunded supplementary retirement plans of QWI, QMI and the Company, which use excess pay top up any shortfalls (salary, excluding bonuses, in excess of \$100,000 except for the Company's plan which includes the bonuses) and the same formula as that found in the basic plan hereinabove described.

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 (Canadian – Basic and Supplementary)

Compensation *	Years of Membership**				
	10	15	20	25	30
\$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

* Average base salary for the best five years (including bonuses for Company's Supplementary Retirement Plan Participant)

** The same definition applies for the basic plan except for Company's Supplemental Retirement Plan Participant which limits the years of membership to those accomplished under the Supplemental Retirement 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 Plan).

As at December 31, 2004, credited years of membership to these Supplemental Retirement Plans for the executive officers are as follows: Pierre Karl Péladeau, 4 years, Jacques Mallette, 1 year and 1 month, Serge Gouin, 10 months and Robert Dépatie 1 year and 11 months.

U.S. Pension Plans (QWI)

David Boles participates in the QWI U.S. Basic Plan and the U.S. Restoration Plan. The table below sets forth the retirement benefits that are payable at age 65 by virtue of said plans based on the benefit service and final average compensation as shown for a participant with no service prior to January 1, 2001.

Pension Plan table (U.S. – Basic and Restoration)

Compensation*	Years of Membership (after January 1, 2001)				
	10	15	20	25	30
US\$400,000	US\$11,400	US\$18,900	US\$27,900	US\$39,900	US\$51,900
US\$500,000	US\$12,300	US\$19,800	US\$28,800	US\$40,800	US\$52,800
US\$600,000	US\$13,200	US\$20,700	US\$29,700	US\$41,700	US\$53,700
US\$700,000	US\$14,100	US\$21,600	US\$30,600	US\$42,600	US\$54,600
US\$800,000	US\$15,000	US\$22,500	US\$31,500	US\$43,500	US\$55,500

* Remuneration refers to annual base salary only.

At December 31, 2004, David Boles had 12 years and 4 months of benefit service, of which 4 years of service were after January 1, 2001.

In addition to the U.S. Basic Plan and the U.S. Restoration Plan as described above, David Boles is also entitled to benefit under the Supplemental Executive Retirement Arrangement. This plan provides benefits based on compensation, including bonuses and years of service. The pension benefit is payable without reduction at age 62.

The table below sets forth the annual retirement benefits under the U.S. Basic Plan, the U.S. Restoration Plan and the Supplemental Executive Retirement Arrangement, payable at age 65, based on benefit service and final average compensation as shown.

Pension Plan table (U.S. – Supplemental Executive Retirement Arrangement including Basic and Restoration)

Compensation*	Years of Membership				
	10	15	20	25	30
US\$600,000	US\$88,630	US\$132,940	US\$177,250	US\$221,570	US\$265,880
US\$900,000	US\$135,130	US\$202,690	US\$270,250	US\$337,820	US\$405,380
US\$1,200,000	US\$181,630	US\$272,440	US\$363,250	US\$454,070	US\$544,880

* Remuneration refers to annual base salary and a bonus assumed to equal to 50% of annual base salary.

David Boles is also entitled to additional retirement benefits in accordance with the terms of his individual employment arrangement. He was granted additional years of credited service for the purpose of calculating the benefits to which he is entitled under the U.S. Basic Plan and the U.S. Restoration Plans. The number of additional years granted is equal to his credited service with QWI from his date of hire to January 1, 2005 (i.e., 12 years and 4 months of credited service).

Employment Arrangements and Agreements

The Company and its subsidiaries have entered into employment agreements and agreements with the following Named Executive Officers who remain in the employment of the Company or its subsidiaries.

Jacques Mallette. On March 18, 2003, Jacques Mallette, Executive Vice President and Chief Financial Officer of the Company, entered into an employment agreement with the Company. Pursuant to the terms and conditions of his employment agreement, he is entitled to participate in the short-term incentive plan and the QMI Stock Option Plan as well as other benefits commensurate with his position.

David Boles. On September 23, 2002, David Boles, who was then the Co-Chief Operating Officer of Quebecor World North America, entered into an employment agreement with QWI. Pursuant to the terms and conditions of his employment agreement, he received, as a retention bonus, a special one-time grant of 150,000 options to subscribe for Subordinate Voting Shares of QWI, of which 50% vested on January 1, 2005 and 50% will vest on January 1, 2007.

Pursuant to his employment agreement, David Boles was also entitled to a retention bonus of US\$475,000 of which US\$175,000 was paid in 2002 and the balance was paid to him in January 2005 in accordance with the terms and conditions of an escrow agreement. In addition, since he remained in the employment of QWI on January 1, 2005, the benefits payable to him upon his retirement will be doubled. On November 29, 2004, David Boles accepted a special advisory position to the Chief Executive Officer following the abolition of the position of Chief Operating Officer, North America. Mr. Boles is also entitled to participate in the Corporation's short-term incentive plan and the Executive Stock Option Plan.

Serge Gouin. On March 11, 2004, Serge Gouin, President and Chief Executive Officer of Quebecor Media Inc. entered into an employment agreement with QMI. Pursuant to the terms of his employment agreement, he is entitled to participate in the QMI's short-term incentive plan and the QMI Stock Option Plan as well as other benefits commensurate with his position. In the event his employment is terminated without cause, before March 11, 2006, and without being offered another position within QMI, he will be entitled to receive a lump sum payment equivalent to twelve months of his base salary.

Robert Dépatie. On August 8, 2003, Robert Dépatie, President and Chief Executive Officer of Vidéotron Ltée, entered into an employment agreement with Vidéotron Ltée. Pursuant to the terms and conditions of his employment agreement, he is entitled to participate in the short-term incentive plan and the Stock Option Plan of QMI, as well as other benefits commensurate with his position.

REPORT ON EXECUTIVE COMPENSATION

Establishment of Compensation of Executive Officers of Subsidiaries

The Company is a holding doing business through two major operational subsidiaries to wit: QWI that operates in the commercial printing business and QMI that operates mainly in the cable television, newspapers, broadcasting, business telecommunications and Interactive technologies and communications segment.

Almost all of the Company's employees work for either one of the two subsidiaries mentioned hereinabove.

Each subsidiary has its own Compensation and Human Resources Committee. In the case of QWI, it is comprised of Alain Rhéaume (Chairman), Derek H. Burney and Robert Normand. In the case of QMI, it is comprised of Jean Neveu, François Laurin and Samuel Minzberg.

The Compensation and Human Resources Committee of QWI established the compensation of Pierre Karl Péladeau and David Boles. This committee's responsibilities include succession planning for the Chief Executive Officer and members of senior management and the hiring and assessment of the senior management. This committee's responsibilities also include approving the compensation of senior management, or in the case of QMI's for most senior ranking executive officers, recommending their compensation to the Board of Directors. The details pertaining to the remuneration of QWI's senior management are described in the section 3 entitled "**Compensation of Directors and Executive Officers**" and in section 4 entitled "**Security Based Compensation Arrangements**" in the information circular of QWI, which is available on its Web site at www.quebecorworldinc.com and on SEDAR at www.sedar.com.

The Compensation and Human Resources Committee of QMI has established the compensation of Serge Gouin, Jacques Mallette and Robert Dépatie. This committee is responsible for determining the

global compensation policies and perquisites of QMI and its subsidiaries that do not have a compensation committee. The executive compensation package is composed of three major components: base salary, short-term incentive compensation and options to purchase shares of QMI.

Determination of Company's Executive Officers' Compensation

The Company's Compensation and Human Resources Committee is comprised of Alain Bouchard (Chairman of the committee), Françoise Bertrand and Pierre Parent. This committee reviews the compensation of the Chairman of the Board, the Vice Chairman of the Board, the President and Chief Executive Officer (jointly with the Human Resources and Compensation Committee of QWI), the Executive Vice President, Corporate Affairs, the Senior Vice President, Legal Affairs, the Vice President, Internal Audit and that of the directors. The Chairman of the committee has regular meetings and consultations with its counterparts at QWI and QMI, and ensures that the options are granted to the officers by the legal entity which employs them.

The aim of the Company's senior management compensation policy is to attract and retain the necessary key executive officers for the Company's long-term success and to provide them with some incentives to meet the Company's objectives and further its development.

The Compensation of the aforesaid officers includes the following three elements: (i) a base salary and benefits, determined by using various compensation surveys based on Canadian large organizations; (ii) a short-term incentive plan, tied with the achievement of personnel and financial performance indicator (EBITDA) and (iii) the long-term incentive compensation which provides for the issuance of stock options to purchase Company's Class B Shares or shares of one of its subsidiaries. The Company strives to offer global compensation which is competitive, taking into account current market compensation standards, and which includes incentives tied to performance.

Compensation of the President and Chief Executive Officer

In addition to serve as President and Chief Executive Officer of the Company, Pierre Karl Péladeau acts also as President and Chief Executive Officer of QWI and has been until March 12, 2004, President and Chief Executive Officer of QMI.

The level of aggregate compensation of Pierre Karl Péladeau was determined in relation to the Company's results, Pierre Karl Péladeau's overall achievements and comparable positions with other Canadian industry leaders having international operations. For the year ended December 31, 2004, the aggregate annual base salary for Pierre Karl Péladeau, for the performance of all of the functions described above, was \$1,350,000. In 2004, QWI made a special one-time grant of 1,000,000 options to purchase Subordinate Voting Shares of QWI to Pierre Karl Péladeau, of which 500,000 options will vest over four years in accordance with the normal vesting timetable (i.e. 25% each year, starting on the first anniversary of the grant date). The remaining 500,000 options will vest based on the attainment of predetermined objective performance targets, namely 200,000 of such options will vest based upon the Subordinate Voting Shares of QWI attaining or surpassing defined share prices for the Subordinate Voting Shares of QWI and 300,000 of such options will vest based on earnings per share attaining or surpassing defined earnings per share ratios.

The annual bonus of the President and Chief Executive Officer is determined based on objectives preset by the Board of Directors and geared towards the achievement by the Company of its set financial objectives. If the Company meets or exceeds its financial objectives, the President and Chief Executive Officer receives a bonus that ranges from 100% to 160% of his base salary. For 2004, 30% of the Chief Executive Officer's bonus will be based on the implementation of a succession planning process for the Company's senior management and that of its major subsidiaries.

CORPORATE GOVERNANCE DISCLOSURE

The Board of Directors considers good corporate governance practices an important factor in the overall success of the Company. According to the rules of The Toronto Stock Exchange, the Company has an obligation to disclose its corporate governance practices with reference to the

guidelines of The Toronto Stock Exchange (the “**Guidelines**”). Schedule B contains a description of the Company’s practices in light of each of these guidelines.

During the year, the Company has undertaken a comprehensive review of its corporate governance practices in order to ensure that they comply with the existing guidelines as well as those globally proposed by the Canadian Securities Administrators. Also, the Corporate Governance and Nominating Committee has examined the recommendations of the Canadian Coalition for Good Governance and has endorsed some of them. At a special meeting, held on March 19, 2004, the Corporate Governance and Nominating Committee presented to the Board its recommendations for improving the Company’s governance practices.

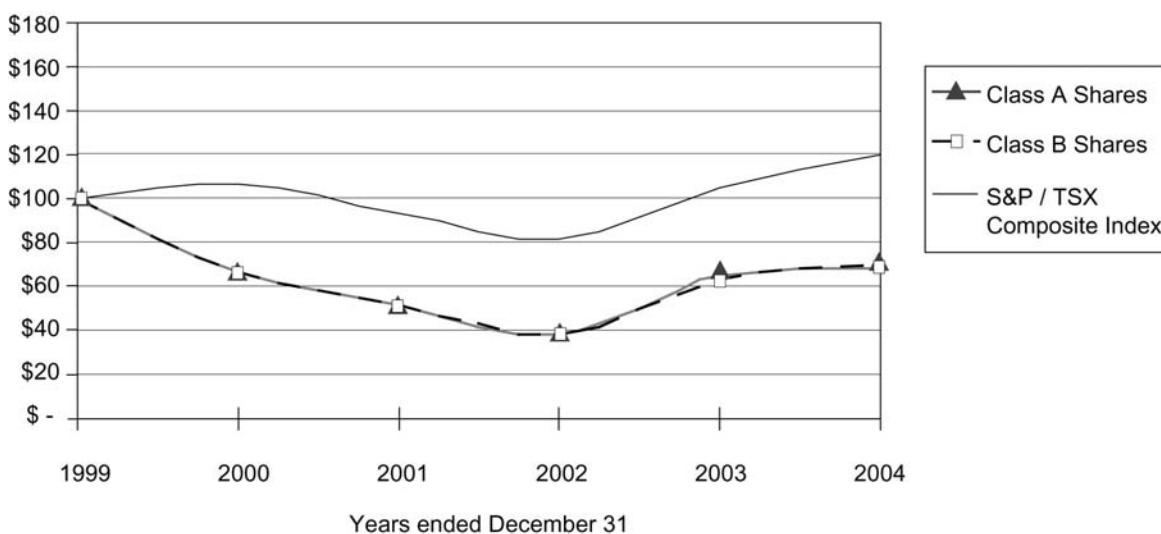
LIABILITY INSURANCE

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 US\$150,000,000 per event and policy year. For the fiscal year ended December 31, 2004, the amount of the premium paid by the Company and its subsidiaries was US\$2,333,000. A deductible of US\$500,000 applies when the Company is authorized or obliged to indemnify the persons insured. The deductible amounts to US\$1,000,000 for QWI.

PERFORMANCE GRAPH

The performance graph presented hereafter illustrates the five year cumulative total returns of a \$100 investment in the Company’s Class A Shares and Class B Shares compared with the cumulative total return of 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 trading commissions and taxes. Total shareholder returns from each investment can be calculated from the year-end investment values shown below the graph.



	1999	2000	2001	2002	2003	2004
Class A Shares	\$100	\$67	\$52	\$38	\$65	\$69
Class B Shares	\$100	\$66	\$52	\$38	\$63	\$69
S&P/TSX Composite Index	\$100	\$107	\$94	\$82	\$104	\$119

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in note 25 to the Company's audited consolidated financial statements for the year ended December 31, 2004 and included in the accompanying 2004 Annual Report, the Company is not aware of any insiders of the Company or any person associated with them who has an interest in any material transaction carried out since the beginning of the Company's last completed financial year or in any proposed transaction which has materially affected or is likely to materially affect the Company or any of its subsidiaries.

During the fiscal year ended December 31, 2004, 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 both reasonable and competitive.

APPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, the shareholders will be called upon to appoint an Auditor to hold office until the next Annual Meeting of Shareholders and to authorize the Directors to establish the remuneration of the Auditor so appointed.

Except where authority to vote on the election of the Auditor is withheld, the persons named in the accompanying form of proxy will vote FOR the appointment of the firm KPMG LLP, as the Auditor of the Company, compensation for its services to be determined by the Board of Directors. KPMG LLP, have been acting as Auditor of the Company for many years.

In addition to performing the audit of the Company's consolidated financial statements, KPMG LLP provided other services to the Company and billed the Company the following fees for the Company's two most recently completed financial years:

Fees	Financial years ended December 31	
	2004	2003
Audit Fees ⁽¹⁾	\$7,807,632	\$8,019,447
Audit Related Fees ⁽²⁾	734,055	1,424,053
Tax Fees ⁽³⁾	1,993,115	2,437,834
All other fees ⁽⁴⁾	365,979	99,971
Total Fees	\$10,900,781	\$11,981,305

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

(2) Audit-related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the external auditor, and include consultations concerning financial accounting and reporting standards; review of security controls and operational effectiveness of systems; due diligence related to acquisitions; and employee benefit plan audits.

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

(4) All Other Fees include fees billed for forensic accounting and occasional training services. These fees also include advice and documentation assistance with respect to internal controls over financial reporting and disclosure controls and procedures of the Company and its subsidiaries.

INDEBTEDNESS OF THE DIRECTORS AND OFFICERS

As of March 21, 2005, none of the directors or officers of the Company or any persons related thereto was indebted to the Company. The Board of Directors of QWI and the Board of Directors of QMI approved a policy that prohibits any personal loans to their directors or officers.

OTHER BUSINESS

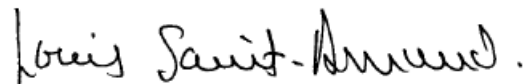
Management of the Company knows of no other matters which should be put before the Meeting. If, however, any other matters properly come before the Meeting and if they are well founded, the persons designated in the accompanying proxy shall vote thereon in accordance with their best judgment pursuant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

AVAILABILITY OF DISCLOSURE DOCUMENTS

The Company is a reporting issuer under the securities legislation of all of the provinces of Canada and it is therefore required to file continuous disclosure documents such as interim and annual financial statements, a proxy circular, an annual information form, material change reports and press releases with such securities regulatory authorities. Copies of these documents may be obtained free of charge on request from the Corporate Secretariat of the Company or through the Internet at www.sedar.com. Financial information related to the Company is provided in its comparative financial statements and management's discussion and analysis thereon for the financial year ended December 31, 2004.

DIRECTORS' APPROVAL

The Board of Directors of the Company has approved the contents and sending of this Management Proxy Circular to the shareholders.



Louis Saint-Arnaud
Senior Vice President, Legal Affairs and Secretary

APPENDIX A
BIOGRAPHICAL NOTES ON THE CANDIDATES
TO THE POSITION OF DIRECTOR

- Françoise Bertrand Before taking on the role of President 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 Montreal. Mrs. Bertrand is a member of numerous charitable organizations and is an active participant in a number of associations.
- Alain Bouchard Alain Bouchard is the founder of the business enterprise within which Alimentation Couche-Tard Inc. has emerged. The company employs close to 34,000 people throughout Canada and the United States. Mr. Bouchard is Chairman of the company's Board, as well as its President and Chief Executive Officer. In addition, he is a member of a number of charitable organizations.
- Robert Dutton Throughout his career, Robert Dutton has occupied various executive positions at RONA Inc., a company which has become the most important Canadian distributor and retailer of hardware products as well as renovating and gardening supplies. He has been at the helm of the company since 1992. Mr. Dutton is also a member of a number of social and community organizations.
- Jean-Marc Eustache Jean-Marc Eustache began his career in the tourism industry at Tourbec in 1977, specializing in youth and student tourism, before going on to Trafic Voyages; this company, founded in 1982, 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 incorporation in 1987. Active in the community, he is a member of the Board of Directors and the Executive Committee of the Canadian Tourism Commission as well as a member of the Board of Directors of the Cercle des presidents du Québec, of the Board of Directors of the Université du Québec à Montréal Foundation and of the Board of Directors of Espace Go.
- Jean La Couture 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 Services Top Management Inc. as well as Private Hearing Inc., two companies specializing respectively in management and mediation as well as in civil and commercial negotiations. He serves as a member of various Boards of Directors and Committees.
- Pierre Laurin For the 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, then to that of founding President of SOCCRENT, a venture capital company, and thereafter to President of Merrill Lynch, Quebec. Currently, he serves, on a voluntary basis, as an invited Director of the HEC Montréal, and he is a member of Boards of Directors. Mr. Laurin 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 The Right Honourable Brian Mulroney practiced law before assuming the presidency of Iron Ore 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 Renaud based in Montreal. The Right Honourable Brian Mulroney serves on a number of Boards of Directors and committees in Canada as well as abroad.

- Jean Neveu joined the Company 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, Jean Neveu returned to the Company to initially serve as Vice President, Dailies, and later moved on to Senior Vice President.
- When Quebecor Printing Inc. was created in January 1989, Mr. Neveu became Chairman and Chief Executive Officer of the Company.
- In December 1997, he was appointed to the position of President and Chief Executive Officer of the Company, and in April 1999, he became its Chairman.
- From March 2003 until March 2004, Mr. Neveu served as interim President and Chief Executive Officer of QWI. He is also Chairman of the Board of TVA Group Inc. He is an active member of a number of social organizations.
- Pierre Parent is the founder of Promexpo Inc., a leader in the field of design and organization of large scale events in Quebec. 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 Canada Inc., and of R.O. International Inc. He is a Director of Windigo, s.e.c., of the International Corporate Club Inc., and of the Velero Beach Resort (Dominican Republic). He is a member of a number of social as well as cultural organizations.
- For more than 25 years, Érik Péladeau has been associated to the different companies throughout the Quebecor enterprise. He was a key figure in the negotiations that took place 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 QMI, and at its subsidiary corporations, at QWI, and at its subsidiaries, and at the Company. As well, he is the owner of the Groupe Lelys, a company which specializes in the printing of self-adhesive labels. He sits on a number of Boards of Directors, and he participates in many activities of a philanthropic nature.
- Pierre Karl Péladeau's career was shaped while working in the family enterprise, and in 1985, he participated in the acquisition of Donohue Inc., a paper producer.
- In 1991, he was appointed President of the Media division (publishing, distributing, retailing and newsprint). Thereafter, he played a key role in the acquisition of Maxwell Graphics, a step which propelled the Company to the ranks of the most important printing houses in North America.
- Mr. Péladeau thereafter shifted to the important European markets where he succeeded in expanding activities for the printing sector.
- In 1998, he spearheaded the acquisition of Sun Media Corporation, thus making the Company the second largest newspaper chain in Canada.
- In 1999, he was responsible for the acquisition of World Color Press which elevated QWI to number one worldwide in the commercial printing sector.
- In 2000, he was responsible for the acquisition of Le Groupe Vidéotron Itée, a company which controls cable networks, business telephony, as well as television broadcasting. He successfully integrated all of the company's components, thus creating one of the most dynamic.
- Since March 2004, he holds the position of President and Chief Executive Officer of the Company and of President and Chief Executive Officer of QWI.

APPENDIX B
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate Governance Guidelines

Comments

1. Board should explicitly assume responsibility for stewardship of the Company, and specifically for:

The Board of Directors of the Company assumes stewardship of the Company's overall administration and oversees the management of the Company's operations. The Board of Directors of the Company has approved and adopted a formal mandate, which sets out the composition, responsibilities and method of operation of the Board of Directors (the "**Mandate of the Board**").

The Mandate of the Board states that the Board of Directors is responsible for the supervision of the management of the Company's business and affairs, with the objective of increasing shareholder value. Although management conducts the day-to-day operations of the Company, the Board of Directors has a duty of stewardship and regularly assesses and monitors management's performance.

In conformity with the law, the Board may delegate certain tasks to its committees. A copy of the mandate of the Board may be found on the Company's Web Site at: www.quebecor.com. In addition, on May 6, 2004, the Board of Directors adopted a Code of Business Conduct, as proposed by the Canadian Securities Regulators in their Governance Guidelines and Disclosure Requirements. The Code of Business conduct is also available on the Company's Website. The Board of Directors held six meetings during 2004.

- a) Adoption of a strategic planning process

The Board is actively involved in the Company's strategic planning process. An additional Board meeting has been scheduled annually to review the strategic plan with the senior management. Therefore, the Company's senior management presents to the Board not only the results of the strategic-planning sessions held by the two operating subsidiaries, QWI and QMI but also its strategic approach on the global orientation of the Quebecor Group. The Board of Directors reviews in detail the strategic plan and sets out the long term goals of the Company. The Mandate of the Board provides that the Board of Directors is responsible for: (i) reviewing and approving annually the overall budget of the Company as well as the overall strategic plan, and: (ii) reviewing and approving every strategic decision for the Company, including acquisitions or dispositions of shares, assets and companies.

- b) Identification of principal risks, and implementing risk management systems

The Board, together with the senior management of the Company, is responsible for identifying the principal risks associated with the Company's business operations and ensuring that such risks are properly managed.

Reports are made at all Board of Directors' meetings with regards to the two main sectors of the Company, i.e., printing and media. Such presentations enhance the directors' awareness of the distinctive aspects of the activities of these sectors, such as the principal inherent risks involved in these activities and their proper management. For instance, as regards to environmental issues, the Company's principal subsidiary has established a department to oversee environment-related issues which is responsible for identifying environmental risks; said department implements environmental risk management systems, follows up such implementation and reports to the Board of Directors on a regular basis.

The mandate of the Audit Committee provides that the committee is responsible for reviewing and overseeing risk assessment and management policies on a regular basis.

Moreover, to the environmental risk management and the Company's industry risk management, the Company has implemented a financial risk management policy. The Audit Committee meets regularly to review reports and discuss significant risk areas with the internal and external auditors. The Board of Directors, through the Audit Committee, ensures that the Company adopts risk management policies.

c) Succession planning including appointing and monitoring senior management

The Mandate of the Board sets out that the Board of Directors is responsible for overseeing management and the succession-planning process. It also indicates that the Board is entrusted with choosing the President and Chief Executive Officer and approving the appointment of other members of senior management, as well as overseeing and assessing the performance of the President and Chief Executive Officer and the executive officers and approving their compensation in light of the Board's expectations and objectives.

Pursuant to its mandate, the Human Resources Committee ensures that appropriate processes are in place regarding succession planning for the position of President and Chief Executive Officer and other members of senior management as well as those of the Company's subsidiaries. In 2004, 30% of the President and Chief Executive Officer's bonus has been based on the implementation of succession planning for the Company's senior management and of its significant subsidiaries.

d) Communications policy

The Mandate of the Board provides that the Board of Directors is responsible for adopting and reviewing the Company's communications policy and for monitoring the Company's communications with analysts, investors and the public. On February 12, 2004, the Board of Directors adopted, upon recommendation of the Audit Committee, a communications policy that covers the accurate and timely communication of all important information and the prohibition of selective disclosure. It is reviewed periodically.

Management is responsible for ensuring that all material financial information made available to the public is simultaneously made available to the investment community as a whole. Management holds quarterly conference calls to discuss earnings announcements. The Company files information that is publicly disseminated simultaneously with SEDAR and also posts such information on its Web Site.

e) Integrity of internal control and management information systems

The Mandate of the Board provides that the Board of Directors is responsible for monitoring internal control and management information systems as well as the Company's compliance with applicable legal and regulatory requirements. In addition, the Mandate of the Audit Committee sets out that the committee is responsible for monitoring the adequacy and integrity of internal controls and of the management information systems. In that respect, the Audit Committee reviews annual and quarterly financial statements before they are released as well as observation reports from the internal and external auditors as well as the internal controls and related systems of the Company. The Audit Committee also assists the Board of Directors in the oversight of the Company's compliance with applicable legal and regulatory requirements.

2. Majority of directors should be "unrelated" (independent of management and free from conflicting interests) to the Company and the Company's significant shareholder. The Board should include a number of directors who do not have interests in or relationships with either the Company or the significant shareholder and which fairly reflects the investment in the Company by shareholders other than the significant shareholder.

As of March 21, 2005, the Board of Directors consisted of eleven directors, seven of whom were unrelated directors. In determining which of its directors are unrelated, the management of the Company has nominated persons who are not officers of the Company or of any of its affiliates and who are free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act with a view to the best interests of the Company.

Of the eleven seats filled last year on the Board, eight directors were elected by the holders of Class A Shares, and three (all unrelated) were elected by the holders of Class B Shares, in accordance with the Articles of the Company. In the opinion of the Company, the composition of its Board of Directors fairly reflects the voting rights of the holders of each class of shares. The Company has a significant shareholder, which is entitled to exercise the majority of the voting rights in respect of election to the Board of Directors, the whole as indicated in the section "Voting Shares and Principal Holders Thereof". Érik Péladeau and Pierre Karl Péladeau control such shareholder through a special trust. The significant shareholder's investment in the Company corresponds to 26.84% of the subscribed share capital. The requirement to equitably represent the investment of the minority shareholders is therefore satisfied.

3. The Board should be comprised of a majority of unrelated directors

The Board of Directors is responsible for determining whether or not each director is an unrelated director. In so doing, the Board of Directors analyses all the relationships of the directors with the Company and its subsidiaries. At the date of this management proxy circular and based on the foregoing and on the information provided by directors as to their personal circumstances, almost two-thirds (2/3) of the directors are considered by the Board of Directors to be unrelated directors.

Françoise Bertrand	Unrelated	Mrs. Bertrand does not work in the day-to-day operations of the Company, she is not party to any material contracts with the Company, and she does not receive any fees from the Company other than as Director and member of the Corporate Governance and Nominating Committee and of the Human Resources Committee.
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Alain Bouchard	Unrelated	Mr. Bouchard does not work in the day-to-day operations of the Company, he is not party to any material contracts with the Company, and he does not receive any fees from the Company other than as Director and Chairman of the Human Resources Committee.
Robert Dutton	Unrelated	Mr. Dutton does not work in the day-to-day operations of the Company, he is not party to any material contracts with the Company, and he does not receive any fees from the Company other than as Director.
Jean La Couture	Unrelated	Mr. La Couture does not work in the day-to-day operations of the Company, he is not party to any material contracts with the Company, and he does not receive any fees from the Company other than as Director and Chairman of the Audit Committee of the Company and of some subsidiaries.
Pierre Laurin	Unrelated	Mr. Laurin does not work in the day-to-day operations of the Company, he is not party to any material contracts with the Company, and he does not receive any fees from the Company other than as Director and Chairman of the Corporate Governance and Nominating Committee.
Raymond Lemay	Unrelated	Mr. Lemay does not work in the day-to-day operations of the Company, he is not party to any material contracts with the Company, and he does not receive any fees from the Company other than as Director and member of the Audit Committee and of the Corporate Governance and Nominating Committee. Mr. Lemay has been a member of the senior management of the Company from June 1989 to January 1999. Considering the time elapsed since he ceased to be part of management, the Board is of the opinion that he should be considered as unrelated.

The Right Honourable Brian Mulroney	Related	The Right Honourable Brian Mulroney is Senior Partner of Ogilvy Renault, principal legal counsel to the Company and its subsidiaries. He is also Chairman of QWI.
Jean Neveu	Related	Mr. Jean Neveu is Chairman of the Board of the Company and Chairman of the Board of TVA Group Inc. He acted as President and Chief Executive Officer of QWI from March 18, 2003 to March 12, 2004.
Pierre Parent	Unrelated	Mr. Parent does not work in the day-to-day operations of the Company, he is not party to any material contracts with the Company, and he does not receive any fees from the Company other than as Director and member of the Audit Committee and of the Human Resources Committee.
Érik Péladeau	Related	Mr. Péladeau is Vice Chairman of the Board of the Company, Vice Chairman of the Board of QWI and Chairman of the Board of QMI. Until March 12, 2004, he acted as Senior Executive Vice President of QWI. He has an interest in Les Placements Péladeau, the significant shareholder.
Pierre Karl Péladeau	Related	Mr. Péladeau is President and Chief Executive Officer of the Company and acted until March 12, 2004, as President and Chief Executive Officer of QMI. Mr. Péladeau has been appointed President and Chief Executive Officer of QWI on March 12, 2004. He has an interest in Les Placements Péladeau, the significant shareholder.

Mr. Raymond Lemay is not standing for re-election at the Board this year at the annual meeting of shareholders on May 11, 2005. However, Jean-Marc Eustache, a new nominee for election at the Board, has been considered as unrelated by either the Corporate Governance and Nominating Committee and the Board of Directors.

Information on attendance of directors to meetings of the Board of Directors and committees are set out at section “**Additional Disclosure relating to Directors**” of the Circular.

4. Appoint a committee of directors responsible for proposing to the full Board new nominees to the Board and for assessing directors on an ongoing basis
- In 2003, the Board of Directors created a Corporate Governance and Nominating Committee having mainly the responsibility for: (i) developing and reviewing criteria for selecting directors by regularly assessing the qualifications, personal qualities, business background, and diversified experience of the Board of Directors, as well as the Company's needs, (ii) identifying candidates qualified to become Board members, and (iii) recommending nominees for election at the next annual meeting of shareholders and assisting the Board of Directors and its Chairman in determining Board Committee membership.
- The Mandate of the Corporate Governance and Nominating Committee provides that such committee shall be comprised of three directors, a majority of whom qualifies as unrelated. The Committee is solely comprised of outside and unrelated directors.
5. Implement a process for assessing the effectiveness of the Board, its committees and individual directors
- The Mandate of the Corporate Governance and Nominating Committee provides that the committee is responsible for the periodic assessment of the committees. On an annual basis, the president of each committee reports to the Board on the activities of the committee during the last fiscal year.
- It is the role of the Chairman of the Board to assess, on an annual basis, the contribution of each individual director by way of private meetings. During these meetings, the Chairman of the Board reviews with each director their assessment of the effectiveness of the Board and their personal contribution. Thereafter, a report is presented on an annual basis to the Board. The mandate of the Chairman of the Board is available on the Company's Web Site.
6. Provide an orientation and education program for new recruits to the Board
- The Mandate of the Board of Directors provides that it is responsible for developing and reviewing the orientation and continuing-education program for directors. The Company provides annually to its directors a Company Directors Manual containing mainly the Board of Directors' and committee's mandates and working plans and many other relevant corporate information. The senior management also provides new directors with historical and prospective information relating to the market position, operations and financial condition of the Company. Moreover, senior management makes regular presentations to the Board on the main areas of the Company's business. The meetings of the Board are held at various premises of the Company in order to allow the directors to better familiarize themselves with the operations of the Company. The Corporate Governance and Nominating Committee will continue to evaluate the different avenues that would enable the directors to remain continuously well informed with regards to the regulatory environment.
7. Board should examine its size and undertake where appropriate a program to establish a Board size in order to improve efficiency.
- The Mandate of the Corporate Governance and Nominating Committee provides that the committee is responsible for monitoring the size and composition of the Board to ensure effective decision-making of directors. The Board of Directors believes that a board of directors with eleven members will adequately ensure that its method of operation and decision-making is effective.

8. Board should review compensation of directors in light of risks and responsibilities

The Mandate of the Human Resources Committee provides that the committee is responsible for making recommendations to the Board of Directors pertaining to the amount of remuneration and the method of remunerating directors. Once a year, the committee reviews this compensation. During its meeting held in February 2004, the Human Resources Committee further to an analysis of the one hundred most important Canadian companies, recommended to the Board of Directors to slightly increase the amount of remuneration granted to the directors as well as to the members of the committees.

The Company set up a Directors' Deferred Stock Unit Plan pursuant to which at least 50% of the base compensation of each director is paid in the form of deferred stock units. Such stock units are redeemable by the Company upon the director ceasing to serve as a director. The value of each unit, both on the date of grant and the redemption date, is tied to the value of the Class B Shares of the Company on The Toronto Stock Exchange. The Company is of the opinion that the introduction of this plan means that the compensation of directors is adequately tied to the Company's overall performance. See section "**Compensation of Directors**" of this Circular for additional information regarding compensation received by directors in 2004.

9. Committees of the Board should generally be composed of outside (non-management) directors, a majority of whom are unrelated directors

The By-laws of the Company provide that the Board of Directors may delegate to any of its committees, any power that the Board may exercise, save those powers, a committee is prohibited from exercising by law. There are currently three committees of the Board of Directors, the Audit Committee, the Human Resources Committee and the Corporate Governance and Nominating Committee.

• **Audit Committee**

This Committee has three members:

Chairman: Jean La Couture has an accounting experience as defined by the Board of Directors.

Members: Raymond Lemay and Pierre Parent. They are financially literate as determined by the Board of Directors

The Audit Committee is composed exclusively of outside and unrelated directors. The mandate of the Committee provides that it must be composed of a minimum of three and a maximum of five members, all of whom must be unrelated. Each member must be financially literate, and at least one must have accounting or financial experience, as determined by the Board.

The two major subsidiaries of the Company, QWI and QMI, each have their own audit committee. Jean La Couture acts equally as Chairman of the audit committee of the Company and Chairman of the audit committee of QMI. Also, Mr. La Couture was present as an observer at the meeting of the audit committee of QWI during which the annual financial statements were reviewed.

The mandate of the Audit Committee provides that it is the role of the committee to monitor the integrity of the financial reporting process, to review the Company's annual and quarterly financial statements before they are submitted to the Board of Directors, to discuss with the auditor its independence and the scope of its audit and to review the auditor's recommendations and the follow-up made by the Company's management.

The Committee is also responsible for ensuring that the Company has in place adequate and efficient internal control systems to monitor the Company's financial information. The Committee is also responsible for the supervision of the financial risk management and of the pension plans. The Committee examines the audit fees to be paid to the external auditor and submits the appropriate recommendations to the Board of Directors. It reviews, pursuant to a well established procedure, all non-audit work performed by the external auditor. It also reviews the scope of the audit and the results of the examinations conducted by the Company's internal audit department. The Committee meets with the Company's internal and external auditors at every regular meeting it holds.

Its members also meet on a regular basis without management, or the presence of the Company's external auditor. All of the minutes of the Audit Committee are submitted to the Board of Directors of the Company for information, and the Committee Chairman also reports to the Board on its activities. The Audit Committee held five meetings during the past fiscal year and since their appointment, all members attended the meetings. The Mandate of the Audit Committee can be found on the Company's Web Site.

- **Human Resources Committee.**

This committee has three members.

Chairman: Alain Bouchard

Members: Françoise Bertrand and Pierre Parent

This committee is composed of outside directors, all are unrelated.

During the past fiscal year, the committee held two meetings. The Mandate of the Human Resources Committee provides that it shall be comprised of three outside and unrelated directors. This committee's responsibilities include succession planning for the members of senior management, the hiring of members of senior management and recommending to the Board of senior management's and directors' compensation. It reviews and approves the objectives for the President and Chief Executive Officer, assesses his performance against them and sets out his compensation. The committee is responsible for approving the participation of senior executives to the various supplemental retirement plans. Furthermore, it supervises the pension plans and formulates appropriate recommendations to the Board of Directors concerning the granting of stock options. The Chairman of the Human Resources Committee reports on the activities of the Committee to the Company's Board of Directors and all the minutes of the Human Resources Committee are submitted to the Board of Directors. The Mandate of the Human Resources Committee can be found on the Company's Web Site.

- **Corporate Governance and Nominating Committee.**

This Committee has three members.

Chairman: Pierre Laurin

Members: Françoise Bertrand and Raymond Lemay

This committee is composed of outside directors, all are unrelated.

The committee held five meetings and all members attended the meetings. This committee's responsibilities include: i) assisting the Board of Directors in developing and overseeing the Company's corporate governance practices; ii) developing appropriate processes for the performance assessment of the Board and its committees; iii) identifying candidates to become Board members.

The Mandate of the Committee can be found on the Company's Web Site.

10. Board should expressly assume responsibility for, or assign to a committee general responsibility for, developing the approach to corporate governance issues
- The Mandate of the Board provides that the Board of Directors is responsible for overseeing management in the competent and ethical operation of the Company and for reviewing, on a regular basis, appropriate corporate governance structures and procedures, including the identification of measures for receiving shareholder feedback.
- The Corporate Governance and Nominating Committee is responsible for overseeing the corporate governance principles and guidelines of the Company, for recommending all or any changes thereto, and for supervising their divulgation. The committee is responsible for the divulgation of corporate governance practices of the Company, mainly in the Circular. This committee remains informed of the best corporate governance practices held among the most important Canadian companies in order to assure that the Company follows and continues to follow high standards established in corporate governance matters.
11. a) Define limits to management's responsibilities by developing mandates for (i) the Board, ii) the Chief Executive Officer.
- Mandates for the Board of Directors, for the Chief Executive Officer and the Chairman of the Board together serve to delineate and define the limits of management's responsibilities. They can be found on the Company's Web Site.
- b) The Board should approve or set Chief Executive Officer's corporate objectives.
- The Human Resources Committee reviews and approves the corporate objectives that the Chief Executive Officer is responsible for meeting. The Committee assesses the Chief Executive Officer's performance against these objectives and reports the results of this assessment to the Board.
12. Establish procedures to enable the Board to function independently of management
- The functions of Chairman and of Chief Executive Officer are separate of each other. Moreover, two outside directors' meetings are scheduled annually. For 2005, non-management directors should meet at each regular meeting. This procedure is equally available for each of the existing committees. Furthermore, this procedure is reflected within the mandates of the Board and those of the committees.
13. a) Establish an Audit Committee with a specifically defined mandate.
- See item 9 hereinabove. As required by *Regulation 52-110 - Respecting Audit Committees*, the Company's Annual Information Form includes detailed information regarding the Audit Committee. This document is available on the Company's Web Site and on SEDAR at www.sedar.com.
- b) All members should be non-management directors
- See item 9 hereinabove.

14. Implement a system to enable individual directors to engage outside advisers, at the Company's expense

The Board of Directors has adopted a policy which, subject to the approval of the Corporate Governance and Nominating Committee, permits a Board member to retain the services of outside advisers at the Company's expense. In addition, the Audit Committee, the Human Resources Committee and the Corporate Governance and Nominating Committee may hire outside advisors to help them carry out their respective mandates, subject to the requirement to inform the Chairman of the Board thereof.